

# Business-Minded Lawyers

An Interview with Jonathan Mechanic,  
Partner, Fried, Frank, Harris, Shriver & Jacobson LLP

**EDITORS' NOTE** Jonathan Mechanic is also Chairman of Fried Frank's real estate department. He first joined the firm in 1978. He became a partner in 1987, when he rejoined the firm after having served for five years as General Counsel and a managing director of Howard Ronson's HRO International Ltd. Mechanic has taught the real estate transactions course at Harvard Law School for the past six years. He also lectures regularly for NYU Law School, the Real Estate Board of New York, and the Practising Law Institute, and is a co-author of The Commercial Office Lease Handbook published by the American Bar Association. In 2013, Mechanic was honored by Big Brothers Big Sisters and for his work on behalf of the Eldridge Street Synagogue. Over the years, he has also been honored for his philanthropic activities by Israel Bonds, the Modell Foundation, ORT, Albert Einstein Medical College, and the Police Athletic League.



Jonathan Mechanic

**FIRM BRIEF** From offices strategically located in the world's principal financial centers in the U.S., Europe, and Asia, Fried Frank represents many of the markets' most influential players. Their client base includes multinational Fortune 500 companies, leading financial institutions and investment firms, and entrepreneurial companies across all sectors. Consistently highly ranked by legal directories including Chambers and Partners, The Legal 500, and Benchmark: Litigation, the firm is well-recognized for providing effective business solutions to sophisticated challenges, frequently setting the precedents that others follow. Fried Frank's ([www.friedfrank.com](http://www.friedfrank.com)) origins date to the turn of the 20th century. The New York office is the firm's oldest and largest; their Washington, D.C. office was opened in 1949. All of their international offices have strong expertise in capital markets and finance, dispute resolution, and mergers and acquisitions.

## What is the status of commercial real estate today in New York?

There is a lot of activity in New York. We represented Coach making its commitment to Hudson Yards by acquiring a 750,000-square-foot office condominium unit in a two-plus-million-square-foot office tower that Related is developing. As part of that office development, we also worked with Related on entering into

deals with L'Oreal and SAP for that same office tower. The entire area is thriving and people are making major commitments there.

You can also look to Brookfield and Brookfield West, and the five million square feet of development for which the platform underlying that complex is now under construction and for which the financing has been closed.

You can look to the World Trade Center: Four World Trade Center is opening this year. The Calatrava Center is taking shape and will be open in the

first quarter of 2015. There is 500,000 square feet of retail being developed by Westfield, under the various towers comprising the World Trade Center. Condé Nast will be moving into 1.25 million square feet in 1 World Trade Center and the Legends will be opening a world-class observatory on the top three floors of that same building.

You are also seeing major growth in the tech space. One of my partners, Rob Sorin, represented Google in buying 111 Eighth Avenue and values are soaring in that area as Google continues to absorb more space.

## Are you surprised by how areas like the Meatpacking District have developed?

We worked with the Whitney and they are well on their way to completing the new Renzo Piano-designed museum in the Meatpacking District, which will be amazing. It required a great deal of vision, which the board at the Whitney had. New residential developments are being constructed, leased, and/or sold to residential buyers and renters all along the High Line up from The Standard Hotel to the new Hudson Yards. The area is booming.

Young people continue to migrate to areas like SoHo, Tribeca, the Meatpacking District, the Financial District, and Brooklyn – all of these regions are expanding in terms of the skilled residential population and that makes places like the World Trade Center and World Financial Center more attractive areas for people to locate their offices. There is an attraction to New York City that inexorably pulls new graduating students into its orbit.

## How have you been so successful in this space?

We have the most extraordinary team of business-minded lawyers of any firm in the real estate space. When it comes to deals, we

have worked on the most exciting transactions: Yankee Stadium, the Nets arena, trying to move Madison Square Garden to the Farley Post Office Building, the new soccer stadium, the first tenant of 1 World Trade Center (Condé Nast), the first tenant of 7 World Trade Center (Moody's), the first tenant for Hudson Yards (Coach), the purchase and sale of the GM Building, and the purchase of the Met Life Building.

We have great credibility and relationships in the real estate community and that helps get these deals closed.

## Have the deals become more complex?

Deals today are more complex. People are tax sensitive today – taxes are up – so you have to structure something that makes sense to each of these parties tax-wise. They are also subject to differing accounting treatments that need to be addressed. Of course, varying economic interests and personalities also come into the mix.

## Is there an awareness of how critical real estate is to New York City?

Real estate accommodates every industry doing business in New York City. The financial sector has driven the market for a long time, but now there is an influx of technology companies. The new technology center on Roosevelt Island is a great Bloomberg initiative. It will draw intellectual talent into the city, which will become even more diversified in terms of the companies and the industries that are here. Real estate, which is suited to accommodate those industries, plays an important part in that evolution.

The real estate players in New York City are committed to the vibrancy and grandeur of the city. Real estate has been an extraordinary producer of revenues for the city and the desirability of being here is in part due to the creativity of the real estate development community in meeting the needs of the industries and the people it serves.

## Do you need strong business acumen to be successful today?

You can't only focus on the law and not on the underlying business transaction because, at day's end, it's about trying to find a way to get people's deals closed. It is not about showing them that you are smart enough to find the hundred reasons as to why they can't close their transaction.

## What has kept you at Fried, Frank?

The extraordinary group of talented people who work so well together. I feel like they are my family. I would not dream of being anywhere else. ●