

Creating Long-Term Value

An Interview with MaryAnne Gilmartin, Chief Executive Officer, L&L MAG

EDITORS' NOTE Prior to founding L&L MAG, MaryAnne Gilmartin served as President & CEO of Forest City Ratner Companies, where she oversaw a period of game-changing ground-up development and managed its multimillion square foot residential, commercial and retail portfolio. In her tenure at Forest City Ratner, she led the efforts to build Barclays Center, the state-of-the-art sports and entertainment venue and the centerpiece of the \$4.9 billion, 22-acre mixed-use Pacific Park



MaryAnne Gilmartin

Brooklyn development. Gilmartin oversaw the development of The New York Times Building, designed by world-renowned architect Renzo Piano; New York by Gebry, designed by award-winning architect Frank Gehry; and the Tata Innovation Center at Cornell Tech, a brand new office building that is a first-of-its-kind space for tech innovation on Roosevelt Island, designed by Weiss/Manfredi. She was appointed a member of the board of directors of the global investment banking firm Jefferies Group LLC in 2014. Gilmartin started her career as a New York City Urban Fellow and worked at the Public Development Corporation. She is also a civic leader in New York, serving as a member of the Executive Committee of the Brooklyn Academy of Music, Vice Chair of New York Public Radio, member of the Executive Committee of The Real Estate Board of New York, and part of the Industry Advisory Board of the MS Real Estate Development Program at Columbia University. Gilmartin graduated summa cum laude, Phi Beta Kappa from Fordham University, where she also completed her Master's Degree.

COMPANY BRIEF L&L MAG (llmag.com) is a real estate development company founded by David Levinson, Robert Lapidus and MaryAnne Gilmartin. The company brings together purposeful, committed builders to develop beautiful projects that enhance the skyline and streetscapes of its communities while delivering value to partners and investors. It is a woman co-founded and managed company dedicated to inclusivity in the real estate industry.

Will you discuss your vision for creating L&L MAG and what made you feel the timing was right to pursue this opportunity?

During my 23 years at Forest City, I touched a lot of great opportunities and built tremendous buildings and places with Bruce Ratner (Former Chairman) and the team there, and it was a tall order for me to think about life after Forest City because it had been such a rewarding and enriching experience.

I became aware of the realities of a public company, particularly a REIT, in the modern day, post-economic downturn, and felt that there were not going to be the same value creation

opportunities, projects, place making or positions that would appeal to me going forward. It was with the recognition that I had a great run inside a public company, but that public markets were less patient than ever in regard to developmental returns and creating value, and that there was a disconnect in my view of the future because I didn't think that I could create long-term value through ground up development at Forest City going forward.

Forest City was a great operating company. I could run that operating business in New York and do it successfully, but I wanted to be a ground up developer first and foremost because at the core that's who I am. The goal I had at the time that I decided to exit was to pursue something that allowed me to do what I loved best with the very best talent in the industry and create great financial results. I had been successful in assembling with Bruce some of the smartest people in the business at Forest City. What I'm most proud of is that when I exited Forest City, it was in a very dignified way where the company was super supportive of my quest and my desire to take a team with me. I agreed to continue to work on some of the key issues that they needed to contend with in Brooklyn. In effect, Forest City seeded my new company by contracting with me while I went out to create my next opportunity.

I wanted to build a company that can build scale and deliver great returns for investors. In creating a new company, I didn't want to dial back my ambition or my lens; I wanted to dial it up, but I wanted to do it in the private markets. I began talking very discreetly to a small few who could provide that partnership support. David Levinson and I go back a very long time and I proposed this idea of doing something new, creating a new platform and leveraging the great platform that he and Rob Lapidus already had at L&L.

This began a year of discussions around what that would look like, and the reason I was attracted to them is that they think very big. They are super creative and are not interested in building commodity product. They're interested in long-term value and if you look at what they've done in their collection of buildings around New York City, they've repositioned assets and they've been market makers in places like Flatiron, Lower Manhattan, and on the Far West Side with Terminal Warehouse. They go to places where there is an upside

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and they create that upside for themselves and the neighboring properties and they do it like very few can.

They are more asset repositioning folks than they are ground up developers, so we decided that I would drive the ground up platform and I would own a substantial piece of the L&L MAG business and that's what we've been after for the last two years.

Has the business progressed the way that you had envisioned?

Our relationships and our contacts are like two giant circles that overlap, but it turns out that I know people, places and things that are different from the people, places and things that the two of them bring to the partnership so that's super rewarding.

We have had in some ways a giant coming out party together since we formed the organization, and that has been tremendous because a lot of the people that they do business with want to meet and know the likes of me and my team, and vice versa. Together, the impact of L&L MAG has been exponential.

We have put together in under two years a great opportunity on 28th Street across from FIT in West Chelsea a project where we're building close to 500 units of multifamily housing, and that project is emblematic of the kinds of things that we can do and the way that we are super creative about the ground up business.

When you build multifamily in a place like Manhattan, it's the gift that keeps on giving. The real problem is how do you find a site where you can buy the land or obtain the land rights at a number that allows you to build multifamily with a level of affordability that gets you the

tax benefits necessary to make the number work. Most land there is priced for condo development.

The way that we did that originally was that I had a relationship with the owner of the land, knew that the owner of the land would never, ever sell – it was a parking lot – and I was able to convince the owner that the transaction we had envisioned would allow them to retain long-term ownership. They would end up with a beautiful building and we would do it in a ground lease without parting with the fee. Together, we would prosper together over 99 years.

That is not an easy thing to pull off, so I'm proud because this first project represents a departure from the norm and business as usual. The part of the business I love is when it's complex and other people say, "Oh, this is just too complicated." This is where I see opportunity.

We are also working together on Terminal Warehouse on the Far West Side, which is a tremendous repositioning of an old beautiful wood building into a modern landmark. The third project since forming the company is on the Long Island City waterfront right next to where Amazon was slated to locate. I am development partners with a land owner there and we are going through a process of planning a large-scale, district-wide development there.

Will the primary focus for L&L MAG be in the New York City market or are there opportunities in other markets?

That's a great question. We always prefer to make our money at home because exporting our energy, talent, and resources elsewhere is not as efficient, so I think we will always favor New York. However, there are places like Florida that are appealing because there is room to grow, there is a pro-development environment and there's a very favorable tax environment.

Places like Florida and other cities are super-intriguing – such as Philadelphia, Boston and D.C. – where people want to live and the cost of living is still reasonable



MaryAnne Gilmartin in the Tata Innovation Center at Cornell Tech

and where a pro-development environment exists. The great thing about being a private company is that we can be opportunistic. We want to be rational and strategic, and we are not confined to New York City.

Will you discuss your success in building the team at L&L MAG and your focus on people and talent?

Part of my role as CEO is also being chief talent officer cultivating the great people that will build the great buildings. In creating L&L MAG, I didn't want to just build great buildings. I wanted to build a great company around great people.

I worked with the talent at Forest City for decades and knew what the team was capable of and I tapped people around whom I could build out an entire organization. It is so exciting and appealing for me to spend time around people whom had finished each other's sentences for years, the people that had skillsets, drive and intention that would collectively allow us to do great things. Leadership is important to people and the L&L MAG team signed on to my mission and my campaign and together we are really excited.

I am striving to build a company that looks a little more like the places we operate. This of course is a very simple statement but it's actually quite amazing that the people who are building in this town still look a lot alike. I've been a little bit of an anomaly in the business in a way that I wish I wasn't, but I also believe that I have an opportunity to attract people to L&L MAG that look like and represent the city in which we build. This is the ultimate value creator. ●



MaryAnne Gilmartin in front of Barclays Center at the construction of 461 Dean Street, a residential building constructed with modular construction