

Real Estate MVP: Morrison & Foerster's Mark Edelstein

By Nathan Hale

Law360, New York (December 05, 2014, 5:20 PM ET) --

The economy's continued recovery has shifted the focus of the real estate industry over the past year, but Mark Edelstein and his team at Morrison & Foerster LLP have not missed a beat, as evidenced by his status as the only attorney making a repeat appearance on Law360's list of Real Estate MVPs.



Chair of the firm's real estate finance and distressed real estate practices, Edelstein currently has a hand in a skyline's worth of high-profile projects that promise to become new landmarks in his native New York. He continues to provide his clients expert advice in financing, helping them tap in to the latest methods.

While he established his career in the 1990s handling restructurings and bankruptcies for the likes of Donald Trump and Leona and Harry Helmsley and was involved in some of the highest-profile workouts of the last downturn, Edelstein said he and his colleagues prefer being on the happier side of real estate, helping to create cutting-edge projects.

"We do the downside, we make a lot of money selling portfolios, but we'd rather be on the creation side, and that's what the market is right now," he said in a recent interview.

Among those new projects are the Museum of Modern Art Tower, a striking midtown Manhattan residential high-rise designed by award-winning architect Jean Nouvel. Edelstein is representing owners Goldman Sachs Group Inc., Hines Interests, and Pontiac Land Group on the \$860 million construction financing for the building, which will feature 145 luxury condos atop new gallery space for the famed museum on West 53rd Street.

On Manhattan's West Side, Edelstein is handling a credit enhancement facility worth about \$411.5 million for The Bank of New York Mellon Corp. to facilitate construction of the Durst Organization's "pyramid" apartment complex at 57th Street.



Mark Edelstein

"I love new buildings and the fact they are getting bigger and taller and better," he said, the excitement building in his voice as he also mentions the New York Wheel on Staten Island, set to be the world's largest observation wheel, and looking out his office window at the 90-story One57 residential tower. "The fact we are involved with so many of them is a privilege."

A year ago much of Edelstein's time was devoted to wind-downs of foreign banks selling off their U.S. assets. For instance, he handled Swig Equities LLC and Dubai Investment Group's **\$261.1 million sale** of an office building at 110 William St. in lower Manhattan. But he said we are at the tail end of that period now.

In its place, Edelstein estimates he has been spending about half of his time on projects employing EB-5 financing, a program offering visa incentives to attract foreign investment. New York City Mayor Bill de Blasio's push for affordable housing also has resulted in a lot of work on projects taking advantage of the state's 80/20 housing program, which provides tax-exempt financing to multifamily rental developments that set aside at least 20 percent of their units for low-income residents.

He has represented Forest City Ratner in connection with \$250 million in EB-5 financing — one of the largest in history — to build its Pacific Park project in Brooklyn, formerly named Atlantic Yards.

On behalf of Wells Fargo, Edelstein helped put together a \$530 million 80/20 letter of credit bond enhancing construction loan for Gotham Organization Inc. to build the Gotham West residential complex on Manhattan's West Side.

Edelstein also demonstrated his expertise in real estate financing by combining the use of these increasingly popular programs in several projects.

A \$262 million structure set up on behalf of Wells Fargo Bank NA to finance the Durst Organization and Fetner Enterprises' 855 Avenue of the Americas project was the first Housing Finance Agency 80/20 financing closed in New York with EB-5 capital in the capital stock, according to Morrison & Foerster.

And the firm said it believes a \$328.6 million credit enhancement facility set up under representation for Landesbank Hessen-Thüringen Girozentrale for the construction of Extell Development Co.'s 555 Tenth Ave. luxury apartment complex is the first 10-year senior financing of a HFA 80/20 bond transaction with 10-year EB-5 funds in the capital stock.

"We combined one kind of esoteric finance with another kind of esoteric finance," Edelstein said.

As a result of these new methods, which can end up putting financing in the hands of developers earlier in the process, Morrison & Foerster has shifted away from its past reputation as a "lending shop," at least in the New York market, and toward representation of more of an even balance of lenders and developers.

Edelstein said his role and level of involvement varies from project to project. He has to be careful apportioning his time to keep the "symphony in harmony," as he put it, but the talent and adaptability of Morrison & Foerster's partners, associates and legal assistants make that much easier, he said.

"Everyone is so good here, we've never been in a situation where we've had to tell clients we cannot take on more work," he said.

With 20 to 30 real estate professionals based in New York, out of about 80 total nationally and 110 to 120 globally, Morrison & Foerster's teams in individual market are relatively small, Edelstein said, but its practice of collaborating between offices and interchanging professionals allows its work to outsize its apparent capabilities.

"The only way we can do what we do is to work the way we do," Edelstein said. "It's a good team, we're having a good run, we hope it continues a few years more."

--Editing by Kat Laskowski.

All Content © 2003-2014, Portfolio Media, Inc.