

Real Estate Group Of The Year: Morrison & Foerster

By **Morgan Conley**

Law360 (February 4, 2020, 3:23 PM EST) -- Morrison & Foerster arranged financing for some of the largest real estate moves of the year, not only guiding SoftBank's \$9.5 billion rescue package for WeWork, but also leaving a multibillion-dollar footprint on the Hudson Yards skyline, earning the firm a spot among Law360's 2019 Real Estate Practice Groups of the Year.

Leaders at Morrison & Foerster attribute the firm's success to an interconnected, collegial culture that unites the over 100 lawyers who work on real estate deals in the firm's 17 offices worldwide.

"The biggest differentiator, I think, for us is that we work as a global team. A lot of firms talk about that, but we really, really do function across borders, across the country," Mark Edelstein, chair of Morrison & Foerster's global real estate group, said. "In each location, we may be smaller than some of our biggest competitors, but because we work as a national team, we get to work on a lot of big deals."



The firm's name was attached to some of the biggest news of 2019: SoftBank Group's taking a stake in WeWork through a \$9.5 billion rescue package. Real estate partner Thomas Fileti worked on the rescue package following the failure of WeWork's IPO.

"The activity that we were assisting on was to try to help SoftBank get a handle on the real estate exposure that WeWork had," Fileti said. "It signed many leases, and so there was a lot for us to review and to give advice about."

"We expect there will continue to be a lot of activity associated with that investment going forward. And that we will continue to be involved as counsel for SoftBank in connection with its participation in the decisions that have to be made about the WeWork real estate exposure."

The firm's 2019 work with SoftBank did not end there. The firm also guided the SoftBank Vision Fund through a large investment in TSX Broadway, a \$2.5 billion building being developed by L&L Holding, Fortress Investment Group, and Maefield Development, according to the firm. The project also involves the complicated task of raising the historic Palace Theater above street level.

“It's a project right in the heart of Times Square,” Edelman said. “Every time you see the ball drop in Times Square on TV, you will see this building. They're going to build a stage right in the middle on the side with the band. They're raising a famous theater 30 feet straight up in the air. It's an architectural wonder.”

“It's typical of what SoftBank likes to invest in. It's a disruptive, new concept in retail, experiential building, and hotel,” Edelman said. “It's pretty remarkable and it's got a lot of financing so it's going to move forward. Great location, crazy, crazy project. That was a fun one.”

Morrison & Foerster also touched several projects throughout Hudson Yards last year. In a transaction led by Edelman, the firm advised Wells Fargo Bank NA on a \$1.5 billion construction loan for 50 Hudson Yards. The firm also helped Tishman Speyer with a \$250 million EB-5 capital raise for the company's project known as The Spiral, a 2.85 million-square-foot, 1,005-foot tower.

Slightly uptown, the firm again assisted Wells Fargo, this time on a \$1.1 billion loan for One Columbus Circle.

The firm led big deals outside New York throughout last year as well: its Asia offices rounded out 2018 by helping Japanese logistics firm GLP establish the largest-ever Japan-focused logistics private real estate fund in December. The fund, GLP Japan Development Partners III, is expected to reach 625 billion yen (\$5.6 billion) when fully invested.

In Colorado, Jeffrey J. Temple, co-chair of the firm's U.S. real estate group, took the lead on advising RIDA Development Corporation on its recapitalization and refinancing of the Gaylord Rockies Hotel, the largest new hotel built in the U.S. since the great recession, according to the firm.

Temple also guided the Marriott Marquis Houston and the Hilton Orlando Hotel through their recapitalization and refinancing. The three transactions together are valued at over \$2.5 billion.

Edelman said that as other years had, 2019 surpassed his expectations. Each January, he says, he makes a prediction to a global group of partners about what the year ahead will hold. Since 2017, he has forecast “a flat year” in terms of business growth but has been proven wrong by each year since being better than the last.

Edelman said that at the beginning of last year, he was sure the market had hit its peak and his prediction for a flat year would finally become a reality.

“And then last year we knocked it out of the park. We grew the business by 20% worldwide,” Edelman said. “So I'm almost fearful to make a prediction for 2020, but I have to this month. And so once again, I'm going to tell everybody that flat would be great. It will be hard to match last year.”

--Editing by Peter Rozovsky.