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How integrating all available legal services can culminate in a perfect deal for your client

The dictionary defines the word “integration” to mean the act of unification. In the evolving nature of representing commercial real estate clients, the buzzword is



“integration.” The combination of various legal pursuits, which culminated in the lease of 123 Smith St., Farmingdale, to Icon Laboratories, Inc., is a perfect example of the modern approach to representation of the client and the integration of various legal services offered by our law firm.

ACQUISITION

The first step involved engaging transactional attorneys to represent the client in the acquisition of the subject real property, which formally housed a BJ’s Wholesale Club. The work conducted during this phase included contract negotiations and coordination of due diligence review, including title, environmental and land use investigations. Attorneys seasoned in each of the respective areas handled

those functions. In addition, since the purchasing entity was comprised of a joint venture comprised of three distinct groups of partners, there was the necessity to create the underlying organizational documents and then tie all three groups together under a joint venture agreement.

LEASE

Contemporaneously with the legal work in connection with the acquisition of the property, many of the same attorneys were called upon to participate in the drafting and negotiation of an agreement of lease to be entered into with the tenant, Icon Labs. Since the project involved reconstruction of a building and conversion thereof from a wholesale/retail facility to a high-tech office and research and development facility for a single tenant, as well as a property that straddled the town line between the Town of Huntington and the Town of Babylon, particular attention had to be paid to ensure that the ultimate use of the property and the way the property was going to be redeveloped was permissible under local zoning ordinances.

CONSTRUCTION FINANCING

While the negotiations for acquisition and for lease of the property were ongoing, work was commenced in connection with the financing of the acquisition and construction of the project. In that regard, transactional attorneys with experience in commercial financing were called upon to negotiate and consummate loan commitments and documents for acquisition and construction of the project. In addition, so that the project would qualify for industrial development benefits, which could be passed through from the owner to the tenant, the project also involved the application and obtaining of real estate tax abatements, sales and mortgage tax exemptions from the Town of Babylon Industrial Development Agency. Further, the owner’s interests had to be coordinated with that of the tenant’s in light of the tenant’s application for its own IDA benefits and grants from the New York State Empire Development Corp.

CONSTRUCTION

Ultimately, the property was acquired, financing put

in place and the lease consummated. However, the project did not stop there. The project of course had to be constructed and various issues came up during the construction phases of the project, including construction management issues and labor negotiations. Additional legal services were provided in connection with the completion of the project.

PERMANENT FINANCING

Contemporaneously with the completion of construction, the owner then commenced negotiations to install permanent financing with a different lender. That financing had to be negotiated and documented.

SUMMARY

From inception to occupancy, our law firm was asked to manage and coordinate provision of legal services for multiple purposes to achieve the overall objective of the client. A team of seasoned attorneys concentrating in a multitude of disciplines was called upon at various times to work each individual segment for the benefit of the whole project.

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