

BUILDING LONG ISLAND

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Inside:
Forchelli,
Curto, Deegan



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Forchelli, Curto, Deegan

On Top of Long Island

By Bernadette Starzee

When Forchelli, Curto, Deegan, Schwartz, Mineo, Cohn & Terrana was looking to relocate its headquarters, the expanding law firm applied its expertise in landing what was called the top office lease in 2009. The property is about as high up as you can get—the top floor of the Omni Building in Uniondale.

The 35,000-square foot space, on the 10th and top floors provides million-dollar views that extend to the Manhattan skyline and across the sprawling expanse of Long Island. The space features state-of-the-art design and conference technology, and this fall the company achieved the Leadership in Energy and Environmental Design's silver rating for commercial interiors. Last year, the law firm was honored with the Top Lease of the Year award from *Long Island Business News*.

"We are in a premier space, which represents in a lot of respects where we believe we are as a firm and the image we want to project to the community and the industry," says Barbara Shaheen Alesi, a partner who concentrates her practice on corporate and commercial matters, including real estate transactions. The company relocated from Mineola to the new space in July 2009 and then hosted a grand opening party last fall.

Forchelli, Curto, Deegan chose to renovate the space with environmental stewardship in mind. "We are sensitive to the importance of practicing what you preach, and we wanted to do the right thing," says Daniel P. Deegan, a partner who concentrates his efforts on real estate development projects and heads up the firm's indus-

trial development agency practice, and who notes there are also efficiencies involved in going green.

Green Awareness

"Working with Forchelli, Curto, Deegan on this transaction was both unique and rewarding," says Kenneth Bauer, executive vice president of leasing for RXR Realty, owner of the property. "The firm was determined to transform its headquarters at The Omni into a statement about sustainability and best green practices. We worked closely as partners in order to achieve the certification, and, as a landlord, we gained the know-how and the experience to further our commitment to green awareness."

Laura Coletti, a LEED-accredited professional with Notaro Grupp Architects in Glen Head, was the LEED architect on the project. "When they brought me in, the attorneys knew many of the things they wanted, including high-efficiency lighting, recycled content in the materials, and a recycling program within the space, and they already had them in the lease agreement," Coletti said. "They were already on the right track when I reviewed the project, and we were able to pursue LEED certification without any problems."



Forchelli, Curto, Deegan's multi-disciplinary team.

Alesi served as lead negotiator on the lease. "It was a lot of fun to work on our own property," she says, noting there were steps along the way in which she needed to consult with attorneys who were experts in tax, financial, and environmental matters. "Instead of having to call in outside professionals, I just spoke to my partners," Alesi says.

The ability to provide its clients with one-stop-shopping for all legal issues related to real estate is the claim to fame of Forchelli, Curto, Deegan, which Jeffrey D. Forchelli founded 34 years ago. The firm has since grown to include about 50 attorneys.

"In the past, when you wanted to build a building, you got a permit and built it," says Forchelli, who serves as managing partner. "Now, there are so many areas of law related to land use and development, and we have specialists in all of them."

With regard to land use, municipalities have different ideas of what they want for their community, Forchelli says. "Because we do this all the time, our firm understands the goals and knows the idiosyncrasies of the various municipalities, and we have access to municipal officials," he says. Deegan says, "Our firm is respected and trusted by elected officials on both sides of the political aisle. When we appear before them, we're going to get a fair hearing."

Zoning, taxes, and economic feasibility are interrelated. "A company that wants to convert a space from, say, industrial to office will want to know early in the process what the zoning requirements are and whether the space can, in fact, be converted," Deegan says. "For instance, office space requires a greater number of parking spots than warehouse space." But there are also tax implications for

such a conversion, since office space is taxed at a higher rate than industrial space, he adds.

In a project's early stages, John V. Terrana, the partner in charge of the tax certiorari department, analyzes the tax implications. "Before a building is built or renovated, we estimate the rents it will generate and what the taxes will be, to determine if it's a viable project," he says. "And after it's built, if, in our opinion, the taxes should be lower than what the municipality says, we challenge the assessment." Challenges are often successful, he says, noting that Nassau County annually refunds in excess of \$100 million in taxes for properties that are over-assessed and Suffolk County \$50 million.

Additionally, Deegan represents clients before industrial development agencies, which often times will grant tax abatements for projects that will

generate jobs and otherwise benefit the community. "A project may be eligible for IDA or other government-approved benefits," Deegan says.

The firm also has attorneys who specialize in environmental issues.

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Making it work: State-of-the-art conference technology and environmental responsibility go hand-in-hand at Forchelli, Curto, Deegan.

mental conditions. “If you’re storing heavy equipment in a building, sub-surface contamination is less of an issue than if people will be working there every day,” Deegan says. And, as Forchelli notes, new buildings and renovation projects will have to comply with environmental standards that are much more rigid today than they were decades ago.

Forchelli, Curto, Deegan also has a well-respected litigation department, with a great track record, whose attorneys are prepared to step in if, say, title issues or other disputes arise out of the transaction.

According to Forchelli, the firm’s attorneys put all the pieces together to help clients decide if an investment makes good business sense.

“If there are problems with a project, we deal with them upfront, before the client goes through the process of getting approvals,” Forchelli says. “The regulatory process is difficult and expensive. It could cost hundreds of thousands of dollars or more.”

In performing due diligence, the firm may help a client discover that

the project has merit, but that perhaps the property is not worth as much as the client previously thought. For instance, there may be environmental contamination requiring costly cleanup and periodic environmental monitoring. “The client may have thought a property was worth \$10 million, but after we analyze all the details, we may realize it’s only worth

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\$5 million,” Forchelli says.

More important than helping clients decide which projects to get involved in is helping them decide what to stay away from. “For every good project, there are a number of not-so-good projects,” Forchelli says. “We give our clients advice that will help them either walk away or negotiate a better deal.”

About half of the firm’s real estate business comes from companies that are in the real estate industry and rely on Forchelli, Curto, Deegan’s depth of knowledge and versatility for myriad types of transactions. The other half are companies—insurance firms, software manufacturers, and others—that are not in the real estate business but who are looking to purchase, sell, or lease a property for their own operations. “They need a higher level of hand-holding, because they don’t do this all the time,” Deegan says.

In addition to real estate, the firm’s areas of specialty include bankruptcy, banking and finance, employment and labor, corporate law, and trusts and estates. ♦