

# STROOCK

## Parking Facilities

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As one of the nation's pre-eminent firms in real estate and infrastructure, Stroock has counseled developers, owners, operators, concessionaires, institutional investors and lenders in an expansive range of transactions in the Parking sector.

Stroock's experience includes parking operations related to municipalities, urban office parking, retail mall parking, commercial parking garages, hospitality parking, suburban field parking and professional stadium and event parking. Stroock attorneys frequently provide tax-structuring advice to REITs, private real estate funds, infrastructure funds and tax-exempt investors relative to parking income and services rules. The broad scope of Stroock's real estate and infrastructure groups permit Stroock to add value in the performance of due diligence on parking operations in diverse legal areas including zoning and land use, environmental law, tax, ERISA and government relations. From a transactional perspective, Stroock attorneys bring their vast experience to the table in negotiating acquisitions, concessions, joint ventures, commercial leases, management agreements, financings and sales.

Stroock's parking facility representations include:

**CONCESSIONS AND MUNICIPAL PARKING.**

Represented the **New York Mets** in a long term lease from the City of New York for parking lots in Flushing Meadows, Queens, adjacent to Citi Field, with over 8,500 spaces; including infrastructure financing and funding from the NYC Economic Development Corporation and Empire State Development Corporation, and negotiation for improvements to adjacent roadways.

Represented financial investors announced as winning bidders for proposed **Pittsburgh Parking Authority concession**.

Represented financial investors bidding for **Chicago Parking Concession**, **Chicago Metered Parking System concession**, and proposed **Harrisburg Parking Authority concession**.

Represented sellers in negotiations with Lower Manhattan Development Corporation to acquire an underground vehicle ramp, loading dock and parking garage to be built under the redeveloped **World Trade Center** site.

Represented a **publicly listed REIT** in the development of two parking garages pursuant to a municipal lease from New York City.

Represented **United States Tennis Association** with respect to ancillary parking adjacent to the Billie Jean King National Tennis Center (home of the US Open) in Flushing Meadows, Queens.

**COMMERCIAL PARKING, ACQUISITIONS AND DEVELOPERS.**

Represented a major financial institution as advisor to a consortium of three investment funds in acquiring, financing and operating the underground parking garage at the **Century Plaza Towers/2000 Avenue of the Stars** office complex in Century City, Los Angeles. This is one of the world's largest underground parking garages.

Represented an institutionally-sponsored investment fund in the acquisition of the office portion and related parking for 7,300 vehicles of a planned 138-acre, mixed-use redevelopment project known as **Atlantic Station** in Atlanta, Georgia.

Stroock represented **St. Barnabas Hospital** and its affiliate, **Arthur Management Corporation**, in connection with the acquisition, construction, and financing of a five-story, 605-space parking garage facility for St. Barnabas Hospital in the Bronx, New York, to increase parking capacity. The \$25.7 million facility replaced the inefficient surface parking lots at the site. Stroock also represented the company in negotiating a guaranteed maximum price construction contract with the construction firm to design and construct the parking facility. The parking facility was partially financed through the issuance of triple-tax-exempt municipal bonds under the federal stimulus program.

Other recent projects with substantial parking structures include **Southeast Financial Center** and **Miami Center** in Miami; **Aqua at Lakeshore East** in Chicago; and **US Bancorp Tower** in Oregon. In each case, sophisticated parking facilities agreements were negotiated with national parking operators providing the full range of services. In certain circumstances, complex tax structuring minimized exposure to "unrelated business taxable income" for Stroock's tax-exempt clients.

We have strengths in helping acquirers unlock the value in their parking assets, through pullouts, repositioning, joint ventures and refinancing.

We represent numerous secured lenders collateralized by parking assets. Our experience includes analysis of granting and perfection of security interests in parking structures, parking rights, reciprocal easements and zoning rights related to parking assets.

One of our partners is a former **four-term Attorney General of New York**, and another was a senior executive at the **NYC Economic Development Corporation**, where he was responsible for many public-private transactions involving sales, long-term leases and concessions of city-owned assets.

## PARKING FACILITIES

**OWNERS, OPERATORS.** As New York’s leading firm in the representation of cooperatives and condominiums, Stroock represents over 150 cooperative and condominium building boards in New York City with respect to their parking garages, including garages in many well-known buildings. Stroock represented **Lincoln Center for the Performing Arts** with respect to a garage management agreement for a parking facility in the Lincoln Center North Building. In addition, Stroock has represented numerous clients as sponsors of condominium and cooperative offering plans involving properties with parking garages; we also represent both the buyers and sellers of individual “parking” units in such cooperatives and condominiums, as well as transfers of garage units within mixed-use condominiums. We represented **GGMC**, a leading New York City-based parking owner and operator, in the purchase of such garages in the form of condominium units.

Stroock provides legal services to the hospitality industry and has been involved in negotiating parking facility agreements, including those involving services such as valet parking, for **The Blackstone Hotel**, a Renaissance hotel in Chicago; the **Renaissance Providence Hotel** in Rhode Island; **JW Marriott Hotel** in Buckhead, Atlanta; **The JW Marriott** at Cherry Creek in Denver; and **The Hotel Carlyle** in New York City.

In addition, Stroock has represented almost all of the major parking garage companies at one time or another in commercial and insurance disputes. We also handled the breakup of a major parking company which distributed its assets to its respective partners in settlement, permitting the formation of two new entities to own and operate garages and parking lots.

**LITIGATION.** We successfully challenged property tax assessments on parking facilities in numerous Tax Certiorari cases, receiving substantial tax reductions on behalf of parking facility owners.

We successfully obtained Permits, Variances and Zoning Approvals for our parking clients, and have a strong record in zoning litigation, and in appeals.

One of our partners served as Deputy Commissioner and later Acting Commissioner of the New York City Department of Licenses and subsequently the Department of Consumer Affairs. Those agencies regulated all parking lots and garages in the city.

Our litigators have represented the parking industry on sophisticated issues. For example, in an enforcement proceeding involving the Clean Air Act, we negotiated on behalf of the industry an agreement to rezone parts of Manhattan to permit parking as a means of land banking

while the area awaited redevelopment. Most recently, we indirectly represented the industry in advising on the legal issues arising out of the plan to impose congestion pricing.

**OTHER.** We structured and represent an Infrastructure Fund designed to invest in assets such as Parking Facilities, and have represented the fund in potential bids for municipal parking concessions.

We have formed and represent an alternative property fund designed to invest in assets such as Parking Facilities.

We have represented numerous clients in the formation and ongoing representation of joint ventures which own and operate parking facilities.

Stroock turned a parking garage into a REIT in an innovative transaction in which beneficial ownership of a Manhattan cooperative apartment building’s parking garage was sold to a newly formed REIT of which the co-op owned a majority equity interest. The newly-formed REIT sold common and preferred stock to various investors and used the proceeds to buy the garage.

We have experience with “green” real estate development, with respect to parking garages and lots, and opportunities for tax credits or low-interest loans.

For further information about Stroock’s Parking Facilities representations, please contact Richard Madris ([rmadris@stroock.com](mailto:rmadris@stroock.com)), Partner, Infrastructure, or Brian Diamond ([bdiamond@stroock.com](mailto:bdiamond@stroock.com)), Partner, Real Estate.

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