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## **NEGOTIATING THE MEGA-REBUILDING DEAL AT THE WORLD TRADE CENTER: AN INTRODUCTION**

**GREGORY M. STEIN\***

The rebuilding of the World Trade Center site is one of the largest, most difficult, and most emotionally fraught real estate transactions in American history. In addition to the usual stakeholders found in any complex public-private transaction, the World Trade Center redevelopment introduces additional parties unique to this tragedy, including the victims and their families, first responders, and insurers.

The articles that follow are all drawn from a panel discussion that the Real Estate Transactions Section of the Association of American Law Schools (AALS) held on January 4, 2008, in New York. The AALS rarely has its annual meeting in New York, and the Real Estate Transactions Section wanted to take advantage of this opportunity by putting together a panel drawing on the enormous amount of real estate talent in New York and addressing an issue unique to the city.

The participants in this symposium represent a wide range of interests in the World Trade Center rebuilding project. Their articles address two principal questions. First, they discuss specific issues that have arisen during the negotiation and documentation process of this complex transaction, with an emphasis on those that are unique to the project. This transaction has numerous unique attributes, of course, with one of the participants describing the World Trade Center rebuilding project as “one of the most complicated bundles of sticks you will come across.” Second, the articles provide illustrations of the “teaching moments” the authors have observed throughout the process. Law professors who teach courses in any business subject will benefit from reading these articles, which demonstrate the opportunities this transaction presents for professors to help law students understand legal complexity. Others who are interested in this redevelopment project can also learn from the wide range of experiences and viewpoints these authors represent.

Many law professors come to a teaching career with a background in real estate practice, and we constantly struggle to think of ways to translate our practical experience into useful lessons for our students. Fortunately, our participating

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\*Woolf, McClane, Bright, Allen & Carpenter Distinguished Professor of Law, University of Tennessee (gstein@utk.edu). A.B. Harvard 1983; J.D. Columbia 1986. Professor Stein served as Chair of the Real Estate Transactions Section of the Association of American Law Schools in 2007-08 and organized and moderated the panel discussion from which the following articles are drawn.

experts—all leaders in the field of real estate law—can help us with this task. This transaction would be fascinating to any observer. But to the law professor, this is a teaching opportunity and not just an interesting deal.

Alex Garvin is President and CEO of Alex Garvin & Associates, a planning and consulting firm in New York that specializes in the development of the public realm, and also is an Adjunct Professor of Urban Planning and Management at Yale University. Mr. Garvin previously served as Vice-President for Planning, Design, and Development at the Lower Manhattan Development Corporation, which is charged with redeveloping the World Trade Center site.

His fascinating article describes some of the general planning issues in the area.<sup>1</sup> Mr. Garvin's contribution affords us both a history of the World Trade Center project and some thoughts about how the rebuilding ought to progress.

Dara McQuillan is the Vice President of Marketing and Communications for World Trade Center Properties, LLC, and Silverstein Properties, Inc. In this capacity, he manages the public relations, media, advertising, documentary, branding, and communications aspects of the Silverstein organization's efforts to rebuild at the World Trade Center site. Previously, Mr. McQuillan was the Communications and Media Manager of Shearman & Sterling LLP in New York. He began his career as a journalist at *Variety* and *Daily Variety* in Los Angeles. He has also worked at Academy Award-winning Merchant Ivory Productions and at Robert DeNiro's Tribeca Film Center in New York.

John (Janno) Lieber is Senior Vice President of World Trade Center Properties, LLC. In this role, he is responsible for managing all aspects of the Silverstein organization's efforts to rebuild at the World Trade Center site. Prior to joining the Silverstein organization, Mr. Lieber served as Senior Vice President of Lawrence Ruben Company. Before that, he practiced law at the New York firm of Patterson, Belknap, Webb & Tyler, and served in the office of New York City Mayor Ed Koch and on the staff of *The New Republic* magazine.

The article by Mr. McQuillan and Mr. Lieber, which Mr. McQuillan presented at the symposium, describes the plans for the redevelopment of the World Trade Center site.<sup>2</sup> After discussing the relationship between developer Larry Silverstein and the property, the article proceeds by providing details about the

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<sup>1</sup> Alex Garvin, *The Historical Context*, *infra* at 15.

<sup>2</sup> Dara McQuillan & John Lieber, *Plans for Redevelopment*, *infra* at 27.

exciting new buildings that are beginning to rise there.

Meredith Kane, a real estate partner at Paul, Weiss, Rifkind, Wharton and Garrison LLP in New York, has been involved in the World Trade Center project from the outset. Ms. Kane's experience includes the finance and development of complex public-private joint venture projects such as the long-term lease acquisition of the World Trade Center complex. She has served as a member of the Lower Manhattan Development Corporation's WTC Memorial Advisory Committee and also as a member of its Residential Advisory Council.

Ms. Kane's article is written from the perspective of the investors in the project.<sup>3</sup> She describes the very cordial relationships among the financial backers of the World Trade Center redevelopment and discusses the negotiations among these investors concerning some of the more significant business issues.

Lance Liebman is the William S. Beinecke Professor of Law at Columbia Law School. He previously served as Dean and Lucy G. Moses Professor of Law at Columbia. Prior to that he served as a Professor and as Associate Dean at Harvard Law School. He clerked for Justice Byron White of the United States Supreme Court. Professor Liebman has been director of the American Law Institute since 1999. He has taught and written in numerous areas of law, including property law.

Professor Liebman's extremely interesting contribution to the symposium is written from the perspective of a major property owner nearby.<sup>4</sup> He also emphasizes the ways in which property is both a public and a private law subject.

I want to thank every one of our participants for speaking at the AALS meeting and for preparing their remarks for publication in this journal. I do not have to tell you how busy their schedules are, and we are all grateful for their willingness to prepare, to speak, and to publish their work. I am also extremely grateful to Martin Polevoy, the head of the real estate practice group at DLA Piper's New York office, who gave an outstanding presentation at the symposium but was unable to participate in this published version of the discussion. I want to give a particular thank you to Merri Kane, my former colleague at Paul Weiss, for introducing me to several of our speakers and helping me develop this topic.

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<sup>3</sup> Meredith Kane, *The Investors' Perspective*, *infra* at 41.

<sup>4</sup> Lance Liebman, *Adjacent Property Owners*, *infra* at 47.