

Is Real Estate Titan MaryAnne Gilmartin Starting a New Firm?

The powerful Brooklyn executive appears to be taking key Forest City staffers with her. Will the team have a role in the Pacific Park mega-project?

By NORMAN ODER – January 13, 2018

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MaryAnne Gilmartin, CEO of Forest City New York (Photo by Sasha Maslov)

Is one of the most powerful women in New York City real-estate leaving her longtime corporate post to launch her own firm? The signals indicate that MaryAnne Gilmartin, CEO of Forest City New York, is about to announce that she will be co-founder and CEO of a new development firm called L&L MAG, where she'll be joined by several of her top executives from Forest City.

Her co-founders will evidently be Robert Lapidus and David Levinson, principals of L&L Holding, a major Manhattan-based developer that owns such high-profile properties as the 76-story Metropolitan Tower on 57th Street.

A web site apparently developed for the firm's launch, but not yet attached to a company web address, gives the new firm's mission statement: "The company brings together purposeful, committed builders to develop beautiful projects that enhance the skyline and streetscapes of our communities while delivering value to partners and investors. We are a proud woman-owned and managed company dedicated to inclusivity in the real estate industry."

The creation of the new private firm reflects a continued ascension—and perhaps a bit of an escape—for Gilmartin, who has played a major role in developing such properties as Barclays Center and Pacific Park, formerly known as Atlantic Yards. "When the next book on Brooklyn's rebirth is written, it will certainly have a chapter on MaryAnne Gilmartin," said Crain's New York Business in naming her No. 11 on its list of the 50 most powerful women in New York.

Her accomplishments are notable as well for happening in a notoriously male-dominated field. In accepting a lifetime achievement award last year from the Real Estate Board of New York, she declared: “I dedicate this award to all the women whose talents and ambitions were overlooked and underrated by our industry.”



DAVID LEVINSON
Founder

MARYANNE GILMARTIN
Founder & Chief Executive Officer

ROBERT LAPIDUS
Founder

A spokesperson for Forest City New York declined to comment; a spokesperson for L&L Holding didn't respond to queries.

Heading with Gilmartin to L&L MAG are four of her top lieutenants from Forest City, according to the new firm's website-under-construction: Jeffrey Rosen, whose new title will be Managing Director, Development & Capital Markets; Susi Yu, Managing Director, Head of Development; Adam Greene, Managing Director, Construction & Development; and Ashley Cotton, Managing Director, Communications & Marketing.

Forest City Pulls Back

Gilmartin's prospective move comes at a time of decline in the ambitions of Forest City New York, which has played a crucial role in Brooklyn real estate since it began the MetroTech office complex in 1989. The local arm of publicly-traded Forest City Realty Trust (FCRT), it has also developed the New York Times building, the residential tower New York by Gehry, and the long-gestating Pacific Park Brooklyn project, which is now steered by Greenland Forest City Partners.

That joint venture—now 70% owned by Greenland USA, whose parent is Shanghai-based Greenland Holding Group—excludes the Barclays Center operating company, controlled by Russian mogul Mikhail Prokhorov, and 461 Dean, said to be the world’s tallest modular tower, which Forest City has already put up for sale. Forest City, pressured by activist investors, has pulled back on risky ground-up development, and in November 2016 announced significant losses and a pause in new Pacific Park buildings. Four residential towers are complete.

It’s unclear whether L&L MAG will have a role in Pacific Park, with 11 mostly residential towers yet to be built, but the signs suggest it might. L&L MAG’s Brooklyn address is listed as 594 Dean St., a co-working space across the street from the southeast block of Pacific Park. (Its Manhattan address is at L&L’s current offices.) Moreover, the loss of Gilmartin’s team would decimate Forest City’s capacity to carry out the project.

Major Players

L&L Holding has focused on office space in Manhattan, not mixed-use projects, Forest City’s specialty, so Gilmartin’s team brings both Brooklyn expertise and a potentially broader portfolio. Levinson and Lapidus, in last year’s Commercial Observer Power 100 list of New York real-estate figures, were ranked 41. The publication cited their redevelopment of the landmarked 195 Broadway in the Financial District, among other projects. It may become best known for its under-construction, Norman Foster-designed 425 Park Avenue, the first new office tower in 50 years on that avenue. The firm was founded in 2000.

Gilmartin has spent nearly her entire private-sector professional life at Forest City, joining the firm in 1994 after a post-college stint working for New York City’s economic development agency. She’s a graduate of Fordham University, where she also earned a master’s degree.

In 2016, she and Forest City New York Chairman Bruce Ratner were listed together at 66 on the Commercial Observer power list. Since then, however, Ratner has lost standing with the parent company, long controlled by family members, which in late 2016 announced it was dismantling its two-class share structure and that he would leave the board.

Activist hedge funds had targeted Forest City, saying its stock was undervalued, and blaming its New York arm for significant losses, including on Pacific Park. Last year, the New York firm’s name, officially Forest City Ratner Companies, was quietly changed to Forest City New York.

Questions About the Mega-project

Signs of Pacific Park changes emerged Friday, when a hastily-scheduled meeting of the Atlantic Yards Community Development Corporation—a state advisory body—hinted at an emerging development.

Last September, Gilmartin offered an insight into her game plan to *The Real Deal*, suggesting that private companies, which didn’t need to fixate on quarterly results, could make “long-game investments.”

Forest City, understandably focused on quarterly results and mindful of the surplus of market-rate apartments around Downtown Brooklyn, said in November 2016 that it had revised the project schedule, but didn’t reveal details. Last June, Greenland USA’s head, Hu Gang, said that the joint venture was likely to break ground on two buildings in 2017. That didn’t happen, and it suggested that the partners were not necessarily on the same page.



In Pacific Park, the ninth-floor garden terrace at 535 Carlton, a 100% affordable building that opened last year (Photo by Max Touhey, courtesy of Forest City)

The developers of Pacific Park face some risk; the amended development agreement imposes a 2025 deadline for 2,250 affordable housing units, nearly 1,470 of which remain to be built. That deadline comes with \$2,000 a month in fines for each unit not built, though Gilmartin's team has already renegotiated aspects of the project.

The project still offers opportunity. The joint venture has explored—though it has faced delays in court—a giant two-tower complex at what's known as Site 5, catercorner to the Barclays Center and currently home to the big-box stores Modell's and P.C. Richard. That flagship tower was promoted as a potential home for Amazon's proposed second headquarters.

Aiming to focus on office and mixed-use projects, Forest City Realty Trust has been selling its retail portfolio, including its majority share of the Atlantic Terminal and Atlantic Center malls. It retains ownership of the corporation's largest single asset: MetroTech. Forest City New York also developed the Tata Innovation Center, part of the Cornell Tech campus on Roosevelt Island.

Brooklyn journalist Norman Oder writes the Atlantic Yards/Pacific Park Report, a watchdog blog, and is working on a book about the project