

New Jersey Powerhouse: Gibbons

By **Bill Wichert**

Law360, Clifton, N.J. (October 6, 2017, 2:18 PM EDT) -- Over the last two years, Gibbons PC has been a driving force behind major real estate deals in the Garden State, guiding the New Jersey Sports and Exposition Authority in issuing about \$1.1 billion in bonds for the long-delayed American Dream Meadowlands project and closing a deal that includes a new medical school on a former Hoffmann-La Roche Ltd. property.

With grit, perseverance and creativity, Gibbons steered the agency and the pharmaceutical giant through those complicated matters, earning the firm a spot on Law360's New Jersey Powerhouses list.

Where equipment once sat dormant at the American Dream site in East Rutherford, developer Triple Five Worldwide has resumed construction on what is expected to be a roughly 3 million-square-foot retail and entertainment center that includes an indoor water park, an amusement park and an aquarium.

"It's a very impressive sight to see all of those cranes now moving," said Kevin S. Evans, one of the Gibbons attorneys representing the authority. "They sat there for a long time in one direction."

A few miles away, firm lawyers represented Roche in the sale of the company's 116-acre North American headquarters campus in Nutley and Clifton to an affiliate of Prism Capital Partners.

As part of that transaction, Seton Hall University and Hackensack Meridian Health have partnered to lease 16 acres of the site for their new health and medical sciences campus, including what the firm has said would be the first new private medical school in New Jersey in more than 40 years.

Gibbons attorney Russell B. Bershad, who worked on the matter, said the medical school alone is a "crowning achievement."

On all sides, completing the transaction "took a lot of people with vision and people with ... complete commitment," said Bershad, a senior director in the firm's real property and environmental department.

With those successful deals, among other accomplishments, Gibbons remains a prominent player on the Garden State's legal scene, more than 90 years after the Newark-based firm was founded by Andrew Crummy.

With 153 of its 190 lawyers based in New Jersey, the firm takes its name from John J. Gibbons, who joined the firm in 1950 and returned in 1990 after spending about 20 years as a Third Circuit judge. Former New Jersey Supreme Court Chief Justice James R. Zazzali and Edwin H. Stern, former presiding judge of the state's Appellate Division, call Gibbons home as well.

Gibbons' team also includes criminal defense department chair Lawrence S. Lustberg, renowned litigator Michael R. Griffinger, employment department chair Christine A. Amalfe, corporate department chair Frank Cannone and products liability department chair Kim M. Catullo, among others.

Further, the firm only hires associates who worked as judicial clerks in state or federal court, representing more experienced lawyers who can work efficiently and ultimately save money for clients, according to Patrick C. Dunican Jr., chairman and managing director of the firm.

Dunican said that “if you have a really big problem in New Jersey, you probably should consider retaining us.”

A substantial part of Gibbons' practice is the work of the lawyer-lobbyists in its Trenton office, who assist clients in tackling legislative, regulatory and related needs, Dunican said.

Given the relationships the firm formed as counsel to President Donald Trump's transition organization last year, Gibbons is planning to have attorneys based in Washington, D.C., for similar government affairs work, he said.

Dunican said such work is “a business tool that Gibbons uses to expand its network of clients.”

Once clients are “exposed to the tremendous level of talent and service that our lawyers provide, then that's going to open up the door for my litigators to get in there or the corporate department to provide services,” Dunican said.

Gibbons also does substantial business in commercial and products liability litigation. The firm's corporate department has been busy as well, Dunican said, noting its work on the American Dream project.

“We're finally gonna have a world-class shopping and entertainment center and it's largely because of ... the tenacious efforts of our corporate lawyers who got it done after six years of effort,” Dunican said.

After having begun work on the project in 2010, Gibbons lawyers ultimately helped to build a “unique” structure for the bond financing, Cannone said.

Under that funding mechanism for the roughly \$1.1 billion in bonds, Wisconsin's Public Finance Authority served as a conduit for the financing. Triple Five accessed the funding after the New Jersey Sports and Exposition Authority sold its bonds to the Wisconsin agency, which sold its own set of bonds to the public in order to purchase the authority's bonds.

Soon after the New Jersey authority approved going forward with the sale of the bonds, the nonprofit New Jersey Alliance for Fiscal Integrity LLC attempted to block the issuance of the bonds in the Appellate Division.

Within four weeks of when that action was filed — an “unprecedented” time period — Gibbons won an

appellate decision on Sept. 27, 2016, to stave off the challenge, and the nonprofit group dropped the case, according to Cannone.

Knocking down that litigation was key to securing financing for American Dream, Cannone said.

“Without financing, without money, you can't build the project ... and there was going to be no financing and no money if there was a lawsuit challenging it,” Cannone said.

Triple Five announced in May that it had closed on \$1.67 billion in private construction financing for American Dream and said the complex would open in March 2019. The bond issuances were completed in June, marking the final piece of the overall construction financing needed for the project.

Around the time when Gibbons beat the challenge to the bond financing, the firm also helped close the sale of the Roche headquarters.

Given the nature of the parcel and the scope of the transaction, Bershad said the deal was “like selling a city.”

The matter was complicated in light of the joint venture for the health and medical sciences campus and the fact that the property is divided between Nutley and Clifton, requiring approvals from the municipalities and separate municipal agreements for payments in lieu of taxes, or PILOTs, according to Bershad. The transaction also involved certain state approvals, he said.

On top of those pieces, among other issues, there has been an ongoing environmental remediation at the site, Bershad said.

“There are few deals that I can think of that have been more complicated, involved, in terms of the number of moving parts and parties, the square footage, the dollar value, the remediation,” Bershad said.

“To make it happen was really actually fairly remarkable,” he added.

--Editing by Philip Shea.