

# THE POWER 30

COMMERCIAL REAL ESTATE 2022

## L.J. ROTMAN

HINSHAW CULBERTSON

L.J. Rotman wants to give a pat on the back to everyone involved in the construction of RBC Gateway. Not only is the building spectacular in scale, cost and complexity, it was completed on schedule during the COVID-19 pandemic and endured supply chain challenges. “It was a great job,” said Rotman, the project’s lawyer, who has been with the project since the beginning.

The new 34-story building — plus three floors of building mechanicals and equipment — is in downtown Minneapolis on the site of the old Nicollet Hotel, the landmark corner of Hennepin, Washington and Nicollet Mall. It includes office space, a Four Seasons hotel, three restaurants and residential space.

Built by United Properties, which is owned by Pohlad Companies, the project is said to be the most expensive project completed without public money in city history. The price tag is reportedly \$480 million.

All but about 4% of the office space is leased, including to Pohlad Cos., which will occupy three floors, and RBC Wealth Management, the largest tenant with 310,000 square feet. The law firm of Hinshaw & Culbertson, where Rotman is a partner, is expected to move in in June.

The property was owned by the city of Minneapolis, which was interested in what became of the property. A long period of contract negotiation between United Properties and the city ensued. The city wanted the property to be used in a meaningful way, Rotman said. United Properties met the city’s goals. “They wanted a ‘landmark’ kind of project, which they are getting,” he said.

The project is familiar territory to Rotman, who has centered his construction law practice on the hospitality industry.

He has been responsible for the structuring and negotiation of billions of dollars of hotel acquisitions, financings, developments, restructurings, and workouts involving thousands of hotels throughout the world.

In such projects, a variety of financing tools may be available in addition to conventional financing. They include real estate investment trusts, real estate mortgage investment conduits, joint ventures and tax increment financing.

Many other issues are yet to be addressed with these hotels, such as liquor licenses, employment and, of course, taxes.

