

Anthony athanas



**ASSIGN
BUSTER**

This case study is an excellent example of how different types of parties can be brought together in a large scale transaction and how the original energy of those early meetings can be lost over time. I imagine that when Anthony Athanas was purchasing those old piers back in the 1960s many, if not all, of his colleagues, friends, and family members told him that he was off his rocker. I'm sure Athanas was looking at this land as his family's ticket to financial prosperity and somewhat of a legacy that he could leave to his descendants for years and years to come.

One of the items I wish the case would have divulged is the amount of money that Athanas had invested in the properties. For me this information would have given an insight to his net worth and how much he had riding on this investment. I assume it was substantial given his actions later in the process. Twenty years later Athanas' dreams came true and all those naysayers were more than likely green with envy. The amount of pride Athanas' had in his investment at that moment had to have been insurmountable.

Being approached by a big time real estate development company and their extremely wealthy client, Hyatt Corporation, must have made Athanas feel larger than life and made him feel like something he isn't, which is a developer himself. The case doesn't give much insight into whether Athanas had any representation or anyone consulting him throughout the process. From the beginning, I saw this as matchup similar to David and Goliath.

Athanas was 69 during the early stages of the negotiations which at that time was considered an old man and he had exceeded the life expectancy for someone born during the early 1900s. Given the history of the similar

project in New York, Battery Park City, it's hard to believe that Athanas could have possibly thought this would be a smooth and quick process. The Battery Park City timeline should have given him a glimpse of how onerous the approval system is and how quickly the market can morph the original vision into something quite different.

Also, government leaders use real estate developments as a platform for their election into higher ranking positions within the legislature. As you can imagine this causes some pushing matches between governors and mayors wanting to take the reins of high profile developments, which is what happened at Battery Park, causing delays due to the plans of the development changing leadership midstream. Three decades later, and many revisions later, what we know now as Battery Park became reality due to the city planning process becoming more refined after time had passed and the area what was to be Battery Park City simply became an extension of Lower Manhattan. The early discussions of Fan Pier were happening as city planning was maturing in the late 70s but the scale of the project still forecasts a long timeframe from start to finish. This type of development requires parties that have time to ride the tide of the real estate market and who are able to abandon some, if not all, of their original visions and adapt to the needs of the market.

Athanas wanted to see action taking place quickly so he could start reaping the rewards from his investment as soon as possible before he was too old to enjoy any of the benefits. As time went on, plans were changed, and the market shifted into a much more prosperous time. This is probably when Athanas felt very much like "David" but he didn't have much of a stone to

throw. As owner of the property he simply crossed his arms, said that he would not be giving his support, and publicly criticized his partners.

During this feud the government seized the opportunity to consider Athanas' property to be part of the redevelopment of a portion of town. This would decrease Athanas' original capitalization rate forecasts dramatically because it would scale back the development considerably. The battle that Athanas would face against the Boston government would dwarf the conflict he has had between HBC because he wouldn't have any say in what happened because his rights are no match up against the State's right to eminent domain.

I think Athanas' original vision and concept deserve merit and gradually purchasing the parcels was a risky, but brilliant investment on his part. His lack of experience in this scale of a project was a crutch for him from the beginning. He had no idea what he was getting himself into when he became a partner with a much bigger and wealthier entity. The opportunity for Athanas to get pushed around or taken advantage of was a concern for me when I first started reading the case.

He obviously had something very valuable that several powerful parties wanted and I believe that he should have cashed out when he had the chance. He needed representation. He needed someone to advertise his idea and sell the parcels as a development opportunity. He could have had the cash accruing staggering amounts of interest by 1989. This case immediately made me think of one of my grandfather's friends from WWII. His name is Richard Pickering and after the war he began buying large

parcels of land. He focused his purchases in areas where interstates were being proposed.

In 1952, Pickering purchased a parcel of land right next to where 1-65 was going to pass in Franklin, Williamson County, TN with hopes of striking it rich down the road. I have attached a tax document that shows how much his most recent tax payment was for this land. In 2012, Mr. Pickering paid \$749.76 in real estate taxes. Less than 20 years ago the Franklin area was considered rural and was used primarily for agricultural purposes. In the early 90's the area boomed because of its close proximity to Nashville, beautiful rolling terrain, and growing reputation for excellent public schools.

Just recently more and more business have decided to base their headquarters in the area because of the huge tax benefits, centralized location, and family friendly environment. Nissan is the most notable addition to the ever growing number of companies moving their executives into town. Commercial development sites have become scarcer and growth has started to be focused in surrounding areas. The largest tract of land closest to the new Nissan headquarters just happened to be owned by Richard Pickering.

As you can see in the attached listing, Richard didn't get the original amount he had hoped for, but he did take home \$25, 000, 000 minus miscellaneous fees. Not bad for an old country boy from Tennessee. Athanas seemed to lose track of what I'm guessing he actually wanted, which was to get rich quick. He should have taken the same approach as Pickering, strike while the iron is hot and move on. He had a broker/developer and an investor sitting

across the table from him, all he had to do was sell his land to them and walk away a rich man.