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Why under-the-radar developer Mickey Rabina is building a supertall at 520 Fifth Avenue

After making a fortune post-1980s recession, the well-connected exec honed in on projects that "made sense"

Mickey Rabina and renderings of 520 Fifth Avenue (Photo-illustration by Kevin Cifuentes/The Real Deal; Binyan Studios, Getty Images)

By Rich Bockmann
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The developers of New York's supertall towers tend to be household names. Compared to them, the builder behind Manhattan's latest cloud buster is almost incognito.

Mickey Rabina may not have the name recognition of Gary Barnett, Stephen Ross, Harry Macklowe and their ilk. But his 1,000-foot-tall 520 Fifth Avenue at West 43rd Street has put him in the same conversation.

Despite his relative anonymity, Rabina is familiar to real estate's top dealmakers — in part for his reputation as a fix-it guy.

"He's known to a broad range of people," said Jonathan Rose, who in the 1990s invested in data centers with Rabina. "He's got an innovative way of finding complex projects and resolving them."

Rabina's tower will be the tallest on Fifth Avenue in the vicinity of the Empire State Building when it tops out at 88 stories. The mixed-use building — offices and condos — will by far be the biggest project in his six-decade career, and probably the best example of his particular kind of dealmaking.

Again and again, the 74-year old has found solutions for distressed situations, relying on his connections and his own deep pockets to forge a way forward. That was the case with 520 Fifth. When the original developer died six years ago, it seemed the project might never get off the ground.

But Rabina came in and was able to resuscitate it. He's been rewarded with early success.

"It was a hairy ride," Rabina said in a rare interview with *The Real Deal,* in which he discussed his background and the project that could end up defining his legacy. "It wasn't for the faint of heart, to get from Point A to Point B on that."

Gathering steam
High up in the snowcapped Utah mountains, Rabina gathers 45 friends for a ski trip every winter.

He started the tradition 25 years ago, with a group of eight.

They spend days on the slopes. The nights are more intellectual. Guests, who have included a Harvard Business School professor, a former Intel board member, a former head of Israeli military intelligence and plenty of real estate people, bat around ideas.

"Mickey's got a very clever group of partners and friends," said Time Equities' Francis Greenberger, who's gone on several of the trips and has a small stake in Rabina's tower. "He's highly intelligent and has a very high sense of integrity, and he surrounds himself with similar people."

Rabina's is a classic American success story. His father, who had just a fifth-grade education, moved his family from Israel to the United States in 1956.

> **"I was considering semi-retirement because nothing made sense. But then jumping back in made a lot of sense."**
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> MICKEY RABINA, ON HIS POST-GREAT RECESSION MOVES

But Zrubavel Rabina was — according to his son — a "mechanical genius" and bought a struggling paper factory in Connecticut, which he later sold to International Paper. Zrubavel took the proceeds and started investing in real estate, which is how his son learned the business.

While he attended NYU and Columbia, Mickey (a nickname for Maidad) managed his father's buildings. After finishing grad school, he bought his first building on West 101st Street and Broadway on the Upper West Side. He kept buying more buildings and renovating them.

But he got his big break the way many investors of his generation did: When the real estate recession of the late 1980s hit, he made a fortune buying deeply discounted loans from the federal government's Resolution Trust Corporation.

He and a partner, the late Howard Parnes of Houlihan-Parnes, spent the late '80s and early '90s buying loans on 30 or 40 properties at a time across the country.

"The biggest mistake I made was putting my hand down at those auctions, because you were buying these things at 30 cents on the dollar," Rabina said.

In 98 percent of those deals, Rabina said that he was able to modify the loan with the borrower. And in the rare instances when he couldn't, he took over the properties. By the mid-1990s, though, the deals were getting too pricey; discounts had fallen to 90 cents per dollar, and Rabina decided he wanted to buy properties he could own for life.

He focused on institutional-quality properties with stable cash flow. In 1996, for example, he bought the office building at 110 Fifth Avenue from the New York Times Company for $100 a foot. It's been one of his prized properties; today it rents for more than $100 a foot.

Soon, Rabina found that those buildings had gotten too pricey too. In about 2000, he pivoted to development. Not long after, he watched the market get frothy, and he decided it was a good time to sell. Starting in 2004, Rabina sold half of his portfolio. Three years later, at the age of 57, he was mulling sitting back and enjoying the good life.

When the market came back after the financial crisis, Rabina was flush with cash. He stopped mulling and began to buy. He also increased his development portfolio, and in the following years, he teamed up with such big-name developers as the Related Group's Jorge Perez on a pair of rental towers in South Florida and World Wide Group on a pair of apartment buildings in New York.

"I was considering semi-retirement because nothing made sense," he said. "But then jumping back in made a lot of sense."

A Classic Look

From his office on Fifth Avenue at East 42nd Street, Rabina has a clear view across the street to the development site on the corner of West 43rd Street and Fifth Avenue. He's been able to watch the tower rise up out of the ground and climb past the office windows on its way to its supertall stature.

A rendering of 520 Fifth Avenue (Binyan Studios)

In the early 2000s, Aby Rosen's RFR Realty had plans to develop the site, which Rosen sold to Joe Sitt's Thor Equities in 2012. Sitt filed plans two years later for a 71-story, 920-foot skyscraper on a three-story retail podium, but in 2015, he opted to sell the site to developer Lou Ceruzzi for $275 million.

Ceruzzi, a Connecticut-based developer of suburban retail properties, had moved into Manhattan development in 2013 with ambitions of building a legacy as a major New York developer. He planned to build a 208-room hotel with 145 residential condos above the retail space. The project at 520 Fifth Avenue was his most ambitious ever. But in 2017, Ceruzzi died suddenly at the age of 64, and his company's portfolio was thrown into turmoil.

That's where Rabina came in. He'd been in talks with Ceruzzi president Art Hooper about helping to finance another company project: the Centrale, a 71-story residential skyscraper at 138 East 50th Street. That deal ultimately didn't come together, but the two kept in touch.

One of the big problems with 520 Fifth was that Ceruzzi had provided guarantees to his lenders, Bank OZK and Mack Real Estate Group, that threatened his estate. Rabina came in and bought the site for $205 million, and he worked to get the company off its guarantees.

“We were in a difficult situation where we needed to get this loan paid off. He could have been a lot more hard-nosed,” said Hooper, who added that Rabina’s become something of a mentor on liquidating Ceruzzi. “He has no obligation to do that. But he’s helped me tremendously.”

With control of the site, Rabina decided to switch things up. He scratched Ceruzzi’s plans, which topped a three-story retail podium with a 208-room hotel spread across eight floors and instead decided to include a private club and about 200,000 square feet of offices.

“We didn’t think the hotel underwriting made sense,” said Rabina’s son, 49-year-old Joshua, who joined the family company as president in 2017 after building his own data-centers business. “We’d been observing at the time that new boutique office in this location was performing really well. So we went back to the drawing board.”

The Rabinas also changed up the glass-facade design and went with a more classic look of arches and terracotta designed by Kohn Pedersen Fox. And Rabina decided to include a five-story members club named Moss.

In a very Rabina-esque tale, Mickey already knew the project’s capital partner, David Abrams of Abrams Capital, from a trip — on safari, not the ski slopes — a dozen years ago.

The condo component of the building, which is targeting a sellout of nearly $400 million, launched sales in April. Nearly 60 percent of its 100 units are already sold. Part of the draw is the relative value: The blended price of the homes is just shy of $3,000 per square foot.

Beth Fisher of Corcoran Sunshine, who’s handling sales at the building, said buyers are looking for the advantages of Midtown, including being close to Grand Central.

Although this part of Fifth Avenue isn’t primarily known as a residential neighborhood, she said that there have long been pockets of resi around the Bryant Park area and notes such amenities as the Whole Foods nearby on Sixth Avenue.

Fisher worked on the marketing at Time Warner Center and One Beacon Court and said that like those projects, 520 Fifth is pushing the traditional residential boundaries.

“There are not a ton of things like this,” she said. “It’s really reinventing this neighborhood.”

Mickey’s supertall

The pitch for 520 Fifth hinges largely on value: Homebuyers can get a condo in a supertall tower without having to spend Billionaires’ Row money, and companies can lease Class A office space for a bargain compared to what they might pay nearby at One Vanderbilt.

A large part of the value proposition can be traced back to Rabina’s basis. By getting in at a lower cost, he’s been able to be more flexible.

Rabina said he wants to hold onto the lower portions of the building forever.

“We’re usually not condo builders. We prefer rental properties,” he explained. “So the logic was, if we can sell the 100 units on top as condos and then be able to afford to stay in the deal long-term by reducing our basis in the balance, that’s a home run for us.”

His project will be a fixture on the skyline, which is something new for a guy who’s spent his life avoiding the limelight.

But it’s hard to stay under the radar when you’re building a supertall.