

Crowell To Move DC Office To Redeveloped Former Metro HQ

By **Alison Knezevich**

Law360 (June 13, 2023, 4:13 PM EDT) -- Crowell & Moring LLP plans to move its Washington, D.C., office to become the anchor tenant in the redevelopment of the former Washington Metropolitan Area Transit Authority headquarters, a deal developers say represents the largest private-sector lease in D.C. since 2019.

The firm will occupy the top five floors of 600 Fifth St. NW in the Penn Quarter neighborhood, Crowell officials said Tuesday as developers Rockefeller Group and Stonebridge announced they have closed on a 99-year ground lease with Metro to revamp the property. Crowell declined to disclose terms of the deal.

The announcement comes as Crowell remains in a legal dispute with the landlord of its current D.C. location, 1001 Pennsylvania Ave. NW. The firm sued the landlord, known as the TREA 1001 Pennsylvania Avenue Trust, in March, seeking to recover roughly \$30 million for rent during the COVID-19 pandemic.

A groundbreaking ceremony was held Tuesday for the 400,000-square-foot redevelopment project, announced in 2020. Crowell Chair Phil Inglima told Law360 Pulse in an interview Tuesday that the firm hopes to relocate by late June 2026, which will coincide with the end of its current lease.

The firm was drawn to the new location for reasons including its proximity to courts and federal agencies, the need for state-of-the-art technology to facilitate hybrid meetings, and outstanding views of the city.

"It's a space that we can see being a gathering place, and that was extremely appealing to us," he said.

Inglima told Law360 Pulse the decision to move to the new location was unrelated to the rent dispute.

Crowell has roughly 675 attorneys and staff based in D.C. Its new office will take up nearly 200,000 square feet.

Its current office on Pennsylvania Avenue is more than 390,000 square feet, though it sublets some floors and only uses about 315,000 square feet, Inglima said. He said the firm can move to a smaller office because of the need for less physical storage space due to the move to electronic records, as well as the rise of hybrid work.

In addition, the new office won't have "what used to be the norm of kind of extravagant" partner

offices, he said.

Inglima added that Crowell's identity "has long been tied up in being a firm in the nation's capital."

"While there are many great sites in Washington, redeveloping this one into a vibrant new building was something we really wanted to be part of," he said.

With the prominence of remote work, the district has struggled with vacant office space. In a statement Tuesday, Mayor Muriel Bowser applauded developers "for seizing the opportunity to transform this building into a modern, desirable space that employers want and need."

"This partnership, anchored by a long-term tenant in Crowell and Moring, will deliver a monumental project and bring even more employees to downtown D.C.," Bowser said.

Under the 99-year ground lease, Metro remains the ground lessor of the property, and the building is owned by affiliates of Stonebridge and Rockefeller Group.

Metro General Manager and CEO Randy Clarke said in a statement that the project has been "an important part of Metro's long-term vision to capitalize on our assets and create a continuing revenue stream to support the critical transit services Metro provides."

In the lawsuit against its landlord, filed in D.C. Superior Court, Crowell said it should be able to recoup rent payments from when its use of the Pennsylvania Avenue office was restricted because of the pandemic. The landlord has asked a judge to dismiss the lawsuit, arguing in court filings that Crowell is not entitled to rent abatement and that there is no allegation that it failed to provide essential services during the pandemic.

Counsel for the TREA 1001 Pennsylvania Avenue Trust couldn't immediately be reached for comment Tuesday.

--Additional reporting by Andrew Strickler. Editing by Roy LeBlanc.