



Chicago's Hospitality Lawyer

Larry Eppley helps clients transform historic buildings into high-end hotels

BY NANCY HENDERSON



Larry Eppley

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Larry Eppley took a few real estate classes as an undergrad and in law school in the 1980s, but it was years before he was able to apply that knowledge. A group of entrepreneurial friends asked him to negotiate the acquisition of an aging Sheraton hotel in a northern Chicago suburb, and the new owners gave it a substantial facelift. After that, more clients hired him to represent their hospitality projects. "Eventually it became sort of a niche," he says.

Now managing partner at Sheppard, Mullin, Richter & Hampton's Chicago office, Eppley has played a role in acquiring, financing and transforming dozens of ailing buildings across the U.S. into high-profile hotels—including Chicago's Essex Inn, Hotel Felix and the reborn Chicago Athletic Association. His "tweener" focus—hospitality law straddles the corporate and real estate fields, he says—suits his analytical, goal-oriented personality. "I also found that the people that get involved, either the lawyers or the business people, are pretty sophisticated, pretty sharp, pretty smart," he says. "It just became more fun, I guess, to do those deals."

Many of his clients are sponsors or developers with a "laser focus" on adding value to existing properties.

"We sort of help those clients juggle a lot of balls and spin a lot of plates, because it's not sequential," he says. "Everything has to be done all at once. It's a very multifaceted practice. There's acquisition, there are joint ventures, finance, operating agreements, often labor issues, union issues." Still, Eppley says, it's not magic—just focused teamwork.

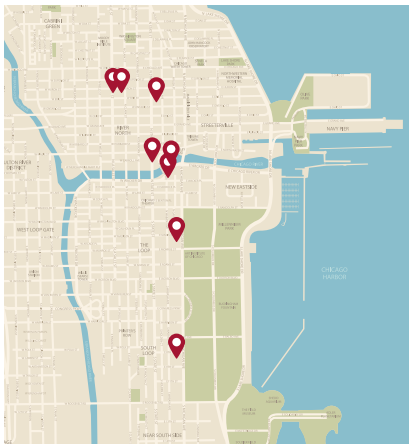
From his 48th-floor office window on West Madison Street, Eppley points to a few notable deals that have reshaped the Chicago skyline. The Godfrey, a brand-new hotel concept at the time, was originally a half-finished property with a defaulted loan. "There was litigation involved. There was financing involved. There was EB-5 financing involved, and a joint venture," he says. "And it was instantly successful, and one of the most popular rooftop bars in the city."

Then there's The Langham, designed in the 1970s by German-American architect Ludwig Mies van der Rohe, a pioneer of modernist architecture. Eppley helped his clients acquire a "vertically subdivided" portion of the office building, which was losing ground to newer competitors, and turn it into one of the city's most highly regarded five-star hotels. According to Eppley, it was also at the time the youngest building in Chicago ever landmarked for preservation.

More recently, a nearly empty 1920s beaux arts insurance complex at the corner of Wacker and Michigan avenues was, thanks to Eppley's team, transformed into the LondonHouse, which features a tri-level rooftop bar and 360-degree view of the city. "What would the future of that building have been, absent conversion to a hotel?" Eppley muses. "I'm not really sure. But it's a way to preserve an iconic structure."

His favorite so far is his very first office building adaptation, which turned an empty space into the Wyndham Grand in the '90s. "That was the first time we did a project that was converting something into something that it wasn't," Eppley recalls. "All of these other adaptive reuse projects followed the blueprint of that project."

Eppley is also often involved in the preservation of historic buildings, which requires him to be up to speed on tax credits and other complexities. On the other end of the spectrum, he's now working with more luxury fashion and retail brands seeking to expand into the hospitality industry with new lifestyle hotels. "A lot of times you just sit at your desk, talking on the phone, negotiate documents and go to a closing," he says. "But with these projects, guess what? You can actually go visit the fruits of your labor."



Larry Eppley's Chicago

A bird's-eye view of some of the hotel projects Eppley has worked on.