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PROFILE

David Penick, vice president of development, Hines Interests

Penick goes from the ground up

By BILL CRESENZO

Developer David Penick began his career as an architect, drawing the designs for buildings that would end up in New York, Washington and even North Carolina.

For nine years, he drew at the drafting board in the Manhattan office of Skidmore, Owings and Merrill, where he was designer. But unlike most architects, Penick eventually moved out of the drafting room and onto the construction sites of some of New York City's most well known buildings.

As vice president of development for Hines Interests, he has developed 40 Mercer in SoHo, and the Bear-Stearns World Headquarters on Madison Avenue. Now, he is in charge of an ambitious project that will combine the Modern Museum of Art with residential real estate.

In all, he has had a hand in developing more than 3.3 million s/f of New York City real estate.

"You are crafting a beautiful piece of paper, but you aren't creating a building physically," he said of his days as an architect. And then to go out to the actual construction site to help execute the construction is really fascinating. It's a great experience."

Penick was born in Kansas, but his businessman father moved the family to Los Angeles when Penick was very young. When he was 16, the family moved to New York City.

"It was tough," he said. "In Los Angeles, you're outside all the time. In New York, it gets cold in the winter and you are inside all the time. And when you are in high school, your social relationships and friends

are important, so it was a tough transition."

He made it through high school, though, and into Cornell University, where he decided to major in engineering. That was a mistake.

"I quickly realized that is not what I wanted to do," he said. "I was good at math and science, but kids don't really know what engineering is. I was much more creative than engineering was going to allow me to express. So I transferred into the architecture school. I was very lucky. Cornell has one of the best architectural programs in the country." He graduated in 1980 with a bachelor of architecture degree and moved back to New York City, where he landed a job with Skidmore, Owings and Merrill.

He did general drafting and design work and worked his way up to associate partner until Hines Interest hired the firm to design a new building at 450 Lexington Avenue.

"I liked them very much and I liked the developer's role in the real estate business," Penick said. "They offered me a job and I accepted it."

He quickly found that he had a lot to learn about the building development business.

"In some cases, the developer is the owner, and sometimes the developer is the surrogate of the owner," he said. "In either case, the developer is someone who carries out the role of the owners in the architecture-contract-owner equations. It was challenging because I didn't know much about how buildings got built. What I've learned over the years is that it takes a lot of different kinds of experiences to really understand how buildings get built. But it was an enriching and ultimately attractive experience for me, because I understand buildings intimately."

Under his watch, Hines completed 40 Mercer Street, the Jean Nouvel-designed residential building in Soho.

"We were originally planning on building a hotel," he said. "We were working on the design, and then 9/11 came and we thought there would be a big pause in international travel, and perhaps a hotel was not the best use for that site. We paused for a short while, and then refilled all of our permits to build a condominium project. And it's a very high end project."

Indeed. When the apartments went on the market, prices in the 40-unit building ranged from \$2 million to \$13 million. Right now, there is an apartment on the market for \$6.9 million.

He's now helping to develop the Museum of Modern Art West site, on West 53rd Street between Fifth and Sixth Avenues in midtown Manhattan. Once completed, he says it will be "one of the greatest buildings of our generation."

MOMA approached the firm two years ago as a potential builder.

"We won the bid and have been working on it for two years," he said. The building will be one of the



tallest in midtown Manhattan. It will have three floors of museum space, a 120-room hotel and 120 condos. Construction will begin next year. The museum will own its part of the building, and Hines will own the hotel and condos.

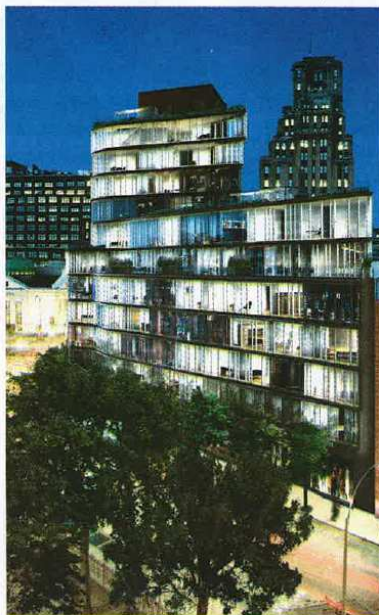
And he's overseeing the development of One Jackson Square, an 11-story, 81,000 s/f, 35-unit residential condominium project in Greenwich Village. He said half of the units are already sold, and the architect, Bill Pederson, has created a unique, undulating glass building that will fit in well with the Village.

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"It's a modern building, but it also finds itself comfortable in the context of the West Village," he said, "which is mostly brownstones, older buildings with idiosyncratic details like bay windows and stoops. Character."

Penick works 11-hour days. When he's off, he spends time with his wife, Mary Delaney Penick, who owns a design firm. They like to spend time on the New York City arts scene, and Penick says that the project with MOMA combines his interests in arts and real estate.

"I believe very strongly in honesty and ethical business and personal relationships," he said. "I believe very strongly in personal responsibility and taking responsibility for your actions. And the result of your hard work and creativity are reflected in your accomplishments."



1 Jackson Square