

Transportation Group Of The Year: Mayer Brown

By **Michael Macagnone**

Law360, Washington (January 22, 2016, 5:42 PM ET) -- Among the firms leading the nation in supporting new infrastructure, Mayer Brown LLP attorneys advised on hundreds of millions of dollars in projects in 2015, ranging from a new toll highway in Texas to a rail build-out in Florida, landing the firm among Law360's Transportation Practice Groups of the Year.



The firm's transportation practice group — now more than a decade old — specializes in the public-private partnerships, or P3s, that have helped several major infrastructure projects get off the ground in the past year. With five partners dedicated to the practice group, along with another dozen from other groups that help on portions of transactions, partner Joe Seliga said the firm feels it has built itself into a powerhouse for transportation infrastructure transactions.

"What we really see ourselves as is the leading transportation infrastructure practice in the U.S., advising on all sectors of transportation and all types of transactions," Seliga said. "I think we see a bright future in terms of this space and the ability to continue working and expanding our practice in the years to come."

This year, the group helped several significant U.S. projects like the public-private partnership for Texas SH 183, a toll road in the Dallas/Fort Worth Area. The Texas Department of Transportation, or TxDOT, had tried to solicit bids through a traditional approach but failed to garner any competition, receiving only a single bid.

The firm then helped design a model that allowed the state to keep toll revenues, financing the projects with \$600 million in progress payments from TxDOT and \$250 million in financing provided by the developer, and also included an agreement that the private partner operate and maintain the project for 25 years. The new approach attracted three bidders.

Seliga said the firm was able to help guide the department to its first-ever project without a concession, and included maintenance of the non-toll lanes as part of the deal. He said throughout its history, the practice group has represented all parties of P3 transactions, and can bring that breadth of experience to bear on each deal.

“Part of what we think makes our practice unique is our ability to bring our perspective from all of that representation to our clients,” Seliga said. “A public-sector client has the benefit of us having represented private entities and funding entities, and vice versa.”

The practice group’s attorneys have insight into the needs of financiers, contractors and the public entities themselves, what they look for in projects, and how they work towards completion, the attorneys said. George Miller, another partner at the firm, said they brought that experience to bear in advising the underwriter for the new, \$2.3 billion All Aboard Florida project.

“We were able to be a one-stop shop, do all of the pieces of this historically large and complex rail project and financing because we have assembled all of the pieces that can cover all these angles,” Miller said.

The new train line, which plans to begin service in 2017 on the segment from Miami to West Palm Beach, would be the first privately funded and operated passenger rail service in the United States since Amtrak’s creation. All Aboard Florida projects that eventually with 16 trips in each direction daily, taking about three hours to travel between Miami and Orlando, it will help remove 3 million vehicles from roads each year, reducing traffic and pollutants from the air.

An economic impact analysis by The Washington Economics Group Inc. estimates that All Aboard Florida would have a \$6.4 billion direct economic impact on the state economy over the next eight years, add \$3.5 billion to its gross domestic product through 2021, generate \$653 million in federal, state and local tax revenue through 2021, and create 10,000 jobs annually during the rail construction phase and 2,000 jobs annually thereafter, according to FDFC documents.

All Aboard Florida would be backed by bonds, which it says would be repaid primarily through revenue from rail tickets and sales of food and beverages and sponsorship deals. It has pledged more than \$800 million in equity.

On top of the Florida and Texas deals, the Mayer Brown team also advised the Port Authority of Jamaica on privatizing the Kingston Container Terminal and the Philadelphia Regional Port Authority on a P3 to build and maintain new facilities on its Southport Marine Terminal Complex, which could be the largest such port project in the United States.

Seliga said budget constraints have forced many public transportation agencies to make difficult choices between maintaining current infrastructure or building new facilities to meet growing demand. The nation’s roads, bridges and port facilities aren’t getting any younger, he said, and many have turned to private partnerships to fund new projects, as they use limited public funds to keep existing infrastructure usable.

“I think you are going to see the combination of funding need that we have already talked about, and the need for new sources of funding for the maintenance of existing assets and building new assets going forward,” Seliga said.

He said that's a need Mayer Brown has positioned itself to meet as it has advised clients for more than 10 years on such partnerships, starting with public roads, extending to ports and most recently rail projects.

--Additional reporting by Zachary Zagger. Editing by Philip Shea.

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