

## Project Finance Group Of The Year: Mayer Brown

By Michael Phillis

*Law360 (December 11, 2020, 7:04 PM EST)* -- Mayer Brown LLP helped a financial institution act as underwriter on a unique highway public-private partnership in Oklahoma and assisted clients with international transactions including an Argentina-based bond swap, earning the firm a spot as one of Law360's 2020 Project Finance Groups of the Year.

Paul Astolfi, co-head of global projects and infrastructure, said the firm stands out for its attention to specific industries and asset classes. Mayer Brown has more than 60 attorneys based in areas that include New York, Singapore and London. The firm, like others, has mergers and acquisitions specialists and other talented attorneys but it also focuses on its sector-specific expertise.

"In addition to the legal skills we have, we are also several decades into careers in a specific industry. We understand the jargon, we understand how money is made in the industry, we understand how that industry works," Astolfi said. "And we are viewed by clients and others in the industry as part of their cohort rather than mere service providers who are coming in and need to be taught about the industry. We already know the industry."

Joseph Seliga, co-lead of the firm's government practice and co-head of global projects and infrastructure, said what makes the firm unique is the range of infrastructure projects it is able to handle, from roads to ports to public buildings, around the world. He said Mayer Brown handles public-private partnership deals, serving a range of clients from equity investors to government entities, among others.

"Mayer Brown has a long history advising clients on public-private partnership transactions," Seliga said, adding that the firm's work from the past year continues to demonstrate its expertise.

The firm assisted Wells Fargo, an underwriter of U.S. Department of Transportation private activity bonds, which helped secure financing for the Gilcrease Expressway West project moving forward in Tulsa, Oklahoma. The project involves the construction of a 5-mile highway and financing for the private activity bonds closed in January. The project marked several firsts. It's the first public-private partnership, or P3, roadway in the state and the first time a project in Oklahoma received a Transportation Infrastructure Finance and Innovation Act loan, according to the firm.



It was also the first build-finance P3 in the country, according to Seliga. While other P3 projects combine design, construction, finance and, potentially, maintenance, for this project, officials turned to the contractors that were building the project to help finance it.

"It basically involves the contractors undertaking the financing for the project and the contractors issued surface transportation private activity bonds," Seliga said, calling it "innovative in a variety of different ways."

Seliga said P3 projects typically involve structures such as a toll-revenue risk project, where a developer constructs the project and then receives right to toll revenues, or availability-payment financing, where a developer constructs the project and maintains it for a specific period and receives government payments. This project, however, related only to a construction obligation that isn't usually financed by the contractor — usually, they are done through a public entity.

"Typically, the contractor is not taking the financing risk of the project, or is usually doing so if there is a long-term contract related to the asset, including a long-term maintenance period. This is an example where the contractor was also financing the project and that is an innovative means of use of private-sector financing," he said, adding that the firm's experience helped it facilitate the deal.

The firm also was involved in the "largest highway P3 project" in the United States, which is a major effort to reduce clogged traffic in Maryland, it said.

Mayer Brown also helped deal managers Citigroup Global Markets, UBS Securities and Santander Investment Securities in June facilitate the exchange of Aeropuertos Argentina 2000 SA notes in the original value of \$400 million for new bonds due in 2027. The pandemic had hit the Argentine entity, which is a major airport concessionaire, and the deal had to be done fast "to avoid a pending potential default," according to the firm.

Astolfi said transactional work in Argentina can be fraught. From government debt to international views of the country that make "anything done in Argentina particularly challenging." The firm has attorneys who can speak multiple languages that allow them to do work in the native language "to provide a New York-level performance on the legal side" in places where that is hard to find, Astolfi said.

The firm also helped underwriter UBS on a \$225 million bond issuance by a Jamaican toll road concessionaire, TransJamaican Highway Ltd., it said. The transaction helped TransJamaican "refinance its higher-priced debt with predictive, long-term financing" with the added bonus of providing a dividend for the parent of TransJamaican, according to Mayer Brown.

"It was quite successful in the end," according to Astolfi, adding that working from home because of the pandemic added additional complexity. "It was a group effort to get it done."

Astolfi said next year may bring infrastructure-related legislation that could further boost construction and spending.

"We have been extremely busy," Astolfi said, adding that he expects the pace of work to continue into next year.