

P3, Infrastructure & Project Finance

Infrastructure development in the United States is expected to grow significantly over the next decade, while state and local government spending on infrastructure is at its lowest point in 60 years. This trend has led to a demand for innovative financing solutions and participation from both the public and private sectors.

Led by its preeminent real estate practice, Winstead has emerged as a leader in P3 and infrastructure development and financing. Winstead represents public agencies, developers and underwriters on projects both in Texas and across the country.

P3 and Project Finance

Winstead's multidisciplinary project finance group has grown to encompass every aspect of the planning, financing and development of public-private partnerships (P3) at a level of sophistication not typically found in other Texas firms with procurement or public finance experience. Our infrastructure attorneys possess a thorough understanding of the unique construction, procurement, financing, and tax matters that arise in P3 transactions, particularly in the context of Texas law. Winstead works closely with its clients to weigh the risks and benefits of the transaction, maximizing both public and private resources to achieve the most efficient outcome and optimize community impact. We have represented all parties at the negotiating table, including governmental entities, developers, lenders, and investment banks. This background gives us the ability to understand the needs and motivations of all parties involved.

Innovation and creativity are important values at Winstead. There is no "off-the-shelf" structure for any P3 project. Winstead's attorneys have the experience necessary to advise clients on a multitude of project structures, financing mechanisms and delivery methods. Winstead understands the importance of prioritizing deliverables and minimizing risks to drive competition in private markets, without compromising private sector innovation. Our experience comes from a broad array of both taxable and tax-exempt projects, including the following:

- Airports and Airport Facilities
- Toll Road Facilities
- Municipal Convention Centers and Hotels
- On-Campus University Facilities and Student Housing
- Stadiums and Professional Sports Facilities
- Industrial Development Projects
- Water Infrastructure and Utilities
- Municipal Facilities
- Economic Redevelopment Projects
- Privatized Toll Roads
- GSA Build to Suit Lease Facilities
- Privatized Military Housing

Real Estate

Winstead's Real Estate Practice Group serves as a leading resource for both national and regional companies. With more than 80 real estate attorneys across seven offices, Winstead's experience spans the full spectrum of real estate services. The breadth of our real estate experience allows Winstead to assist clients in every phase of the project, including financing, acquisition, development, management and disposition.

Procurement, Construction and Delivery

Procurement and delivery method selection provides the foundation for every infrastructure project. We work closely with our clients to craft delivery method solutions that achieve their long-term operating and maintenance goals, while minimizing construction risk to both the owner and the investor.

Corporate and Government Relations

Winstead's corporate attorneys counsel clients on a range of corporate and governmental matters in the planning and financing of infrastructure development projects, including privatized toll roads, professional sports facilities, and large-scale web server facilities, to name a few. Winstead has helped clients secure both local and state-level economic incentives to achieve significant cost savings for new infrastructure projects across Texas.

Experience

- **Cain Hall Redevelopment Project, The Texas A&M University System (2015-Present)**
Winstead represents The Texas A&M University System as special project counsel and bond counsel for the leasing, financing, development and construction of an on-campus redevelopment project consisting of a five-story parking garage, a 250-room full-service upper-upscale hotel, and a student services building. The project was procured under a design-build-own model utilizing a ground lease structure. Each component of the project is separately leased and financed to a private non-profit borrower using tax-exempt lease revenue bonds issued by a Texas cultural education facilities finance corporation. As lead counsel for the projects, Winstead prepared all necessary leases, drafted development and construction agreements, negotiated a hotel operating agreement with a national hotel management company, and prepared all necessary documentation for the bond issuance. Our representation of the client continues as post-closing matters arise.
- **Irving Convention Center Hotel Project, Preston Hollow Capital, LLC (2015-Present)**
Winstead represents Preston Hollow Capital, LLC as sole investor in the recently closed Irving Convention Center Hotel Project. The hotel is the primary component of a multi-phase development in the Las Colinas Urban District in Irving, Texas. The Hotel is financed by multiple series of revenue bonds issued by the Wisconsin Public Finance Authority. As counsel to the investor, Winstead negotiated two separate development agreements with the City of Irving and the developer to achieve a coordinated outcome, with the hotel being owned by a private nonprofit borrower, and the City owning an adjacent parking garage and conference facilities. A portion of the parking garage and the conference facilities will be made available to the hotel operator and its patrons based upon conditions negotiated with the City. Winstead also negotiated an economic development agreement with the City for future financial support from incremental tax revenues.
- **Love Field Modernization Project, Southwest Airlines Co. (2010-Present)**
Winstead's infrastructure group represented Southwest Airlines in the modernization of Love Field Airport in Dallas, Texas. Through the negotiation of a project management agreement, the City of Dallas, Texas, and Southwest formed a P3 to finance a \$500 million improvement project of the airport. Winstead assisted Southwest in negotiating a financing structure with the City of Dallas that met the goals and requirements of both Southwest and the City of Dallas. The City of Dallas formed a local government corporation to act on its behalf as the issuer of tax-exempt special facilities revenue bonds. Through Southwest's commitment to make debt service payments on the bonds, the City was able to rely on the creditworthiness of Southwest to achieve a competitive interest rate on the bonds. Through an assignment by the local government corporation to Southwest of the corporation's obligation to construct the improvements, Southwest was able to utilize its construction expertise to oversee the construction of the improvements to the City's airport. Winstead continues to represent Southwest with respect to ongoing matters related to this project.
- **Various Hotel Development Transactions, Omni Hotels Corporation (2005 - Present)**
We have represented Omni Hotels Corporation in connection with the financial structuring and development of public-private convention center hotel projects in Dallas, Fort Worth, Nashville, and Louisville. We are currently representing Omni in connection with the proposed Oklahoma City convention center hotel project. All of these projects involved significant investment of both public and private funds and the negotiation of complex development agreements between the public and private parties involved in the transactions.
- **Blinn College Privatized Student Housing Project, Blinn College (2015-Present)**
We represent Blinn College as special project counsel and bond counsel for the leasing, financing, development and construction of an on-campus 465 bed privatized student housing project consisting of a 5-story parking garage. The project was procured under a design-build-own model pursuant to a ground lease, in order to minimize use of procurement resources. Our multidisciplinary approach enables us to efficiently advise the client on all matters relating to the project, including the attainment of necessary wetlands permits, complying with open

meetings and open records requests, negotiating pre-development, development, and construction contracts with the developer and its subcontractors, and preparing all necessary real estate, security and financing documents. The financing structure utilizes tax-exempt project revenue bonds issued by a Texas cultural education facilities finance corporation and loaned to a private non-profit corporation.

- **Military Housing, various clients (1996-2015)**

In 1996, Congress authorized a unique public private delivery model to encourage more efficient development of large family housing projects on military bases across the United States. Winstead was a leader in this space and structured the legal documentation for the initial projects under this statutory authority. The delivery model for these projects involves a long-term ground lease from the United States Government to private developers, with a heavily negotiated fee sharing arrangement between both public and private participants. For over two decades, Winstead has represented parties on privatization projects by tailoring unique multi-base lease and financing structures for each branch of the U.S. military, enabling our clients to raise over \$3 billion in financing for 25 projects across the country, including the following Texas facilities: Fort Hood, Fort Bliss, Lackland Air Force Base, Dyess Air Force Base, Naval Station Ingleside, and Naval Air Station Corpus Christi. These project ranged in size from \$25 million to over \$500 million.

We also worked with the Army Air Force Exchange Service to structure and finance a 500,000 square foot life-style center at Fort Bliss. This project was developed pursuant to a public private venture agreement between the Service and a private developer whereby the developer licensed the use of AAFES owned improvements and entered into land subleases and management agreements with third party retailers.

- **Toyota Center, Houston Sports Authority**

Winstead served as special counsel for the Harris County-Houston Sports Authority. The firm was extensively involved in the structuring and negotiation of the project agreements for the new arena and all aspects of site acquisition, including eminent domain litigation. Winstead worked closely with the Harris County-Houston Sports Authority and underwriting team to maximize the Authority's ability to support the funding of three new sports facilities. Winstead attorneys succeeded in obtaining a very favorable commitment from a bond insurer to credit enhance the entire project. The arena was financed using a combination of motor vehicle taxes, hotel occupancy taxes, team guaranteed obligations, PSLs, ticket taxes, parking taxes, sales tax rebates, and facility revenue sharing.

- **NRG Stadium (formerly Reliant Stadium), Houston Texans**

Winstead attorneys worked closely with the Houston Texans, the Houston Livestock Show & Rodeo, the Harris County Sports & Convention Corporation, and the Harris County-Houston Sports Authority in the formulation of a public/private partnership to finance a \$467 million retractable roof stadium. Winstead also worked with the Houston Texans in the acquisition of the franchise as a 32nd NFL expansion team. In addition to a variety of finance, tax, and bond related matters, Winstead represented the Houston Texans and Harris County Sports and Convention Corporation with regard to design and construction of the stadium. Winstead attorneys also represented the Texans in connection with a loan for improvements and upgrades to NRG Stadium and assisted with sales tax issues related to corporate suites. Winstead continues representation of the team on financing matters.

Other Relevant Experience

- Counsel to various private developers in the negotiation and administration of comprehensive development and design-build agreements for highway, toll road and light rail projects with state and local governmental entities, including TxDOT, North Texas Tollway Authority, Harris County Tollroad Authority, and Houston Metropolitan Transit Authority
- Developer's counsel in relation to basketball and football stadiums in Houston, Dallas, and San Antonio, including the new Cowboys Stadium in Arlington, Texas, which involved complex public-private financing, political, land use, and construction issues
- Represented owners and contractors in the drafting and negotiating of engineer, procure and construct (EPC) agreements for a number of large power, industrial, and petrochemical facilities
- Represented bond insurers in relation to new stadiums for the New York Yankees, the New York Jets, and the New York Giants, all involving similarly complex public-private issues

- Participated as lead counsel to Catellus Development Company (a Prologis Company) in connection with the redevelopment of the 709 acre Robert Muller Airport redevelopment
- Negotiated and implemented a P3 between Broward County, Florida and the Florida Panthers for the development of the Office Depot Center project as counsel to the Huizenga Organization
- Represent Centeq Equities on a P3 project for a research park known then as Centeq Research Park with Texas A&M
- Represented Rice University on their development of a Collaborative Bio-Science Facility in conjunction with major Texas Medical Center research institutions
- Represented Leisure Management International in the development of a basketball arena at the University of North Carolina
- Represented the University of Houston in their lease of Robertson Stadium to the Houston Dynamo
- Structured a lease-leaseback private activity bond financing for the development of two biomass wood pellet facilities in Texas and Louisiana as underwriter's counsel to Raymond James & Associates, Inc.
- Represented a private developer in negotiating a design-build agreement with Harris County for the construction of a large jail facility