

→ Public-Private Partnerships

Sheppard Mullin is a leader in implementing complex Public-Private Partnerships (P3s) for projects across the U.S. We represent public and quasi-public entities, developers, institutional investors and non-profits operating in the higher education, housing and residential, transportation, aviation, healthcare, sports and energy sectors, among many others.

We provide our clients with the full suite of services relevant to P3 transactions. We draft, negotiate and implement disposition agreements, development agreements, long-term ground leases, management agreements, design-build agreements, concession agreements and various ancillary agreements, including those related to private and bond financing.

As needed, we call upon our firm's deep bench to advise on the complex land use, natural resources and environmental permitting (including NEPA and CEQA), construction and prevailing wage issues, and related litigation common to P3 projects.

Experience

- Represented the Alameda Corridor Transportation Authority (ACTA), as disclosure counsel, in connection with ACTA's public-private partnership debt restructuring transaction that included the sale of more than \$730 million in revenue refunding bonds. ACTA is a joint exercise of powers authority created by the City of Long Beach and the City of Los Angeles to acquire, construct, finance and operate the what may be the nation's most successful consolidated multi-track high speed rail system, linking the ports of Long Beach and Los Angeles ("Ports") to the transcontinental rail route connections near downtown Los Angeles. Revenues from Union Pacific and BNSF Railway pay, among other things, debt service on ACTA's revenue bonds. Despite significant interest rate pressure and a complex series of tenders and refundings, the successful sale of these bonds allows ACTA to reshape its debt service profile to avoid certain projected debt service shortfalls. These shortfalls are backstopped, in part, by the Ports.
- Represent the City of Long Beach in connection with the Long Beach Civic Center, winner of the Gold Award for Best Social Infrastructure Project and the Grand Prix at the 2016 P3 Awards Conference. In honoring the transformative project, home to a new City Hall, public library and Port headquarters, the judges called it, "a stand-out example of how a complex social P3 project can be delivered" and "a truly exceptional application of P3 structures to achieve public good across multiple dimensions." Scope of work includes helping the City fashion a groundbreaking project agreement for the development of City-owned land with the master developer, Plenary Edgemoor Civic Partners, LLC, to utilize project financing with minimal fiscal impact on the City. The agreement is the new model for P3 municipal facilities across the country.
- Represent Primestor in connection with the development and operation of the 370,000-square-foot Azalea regional shopping center in South Gate Los Angeles, the poster child for successful P3's in the post-CRA development arena. Scope of work includes negotiating P3's with local governments, including tax credits and infrastructure benefits to build and operate the center, and negotiating and drafting the Infrastructure and fee waiver agreement governing the rights and obligations of the City and the developer. Work also includes advising our client on all leasing, permitting and construction issues related to the project.

- Represent the University of California, San Francisco in numerous P3 projects, including with respect to the acquisition and development of its Mission Bay Campus. Scope of work includes partnering with the campus to create and implement an alternative delivery method from its traditional build to suit construction model; namely, a long-term lease arrangement with a developer obliged to construct University facilities. Work also includes representing UCSF in negotiations with the City and County of San Francisco of a ground lease and a lease disposition and development agreement to facilitate the development and operation of a modern research facility located on a portion of the Priscilla Chan and Mark Zuckerberg San Francisco General Hospital and Trauma Center.
- Represent Edgemoor Development with respect to a \$350+ million bond-financed campus expansion and improvement project at the University of Kansas, which includes the financing, development, construction and long-term maintenance of new student housing, a 300,000-square-foot sciences building, student union, power plant and related infrastructure. This project was nominated for Best Social Infrastructure Project at the 2016 P3 Awards Conference.
- Lead counsel for nearly a decade for the developer of The Hotel and Residences at L.A. Live in Downtown Los Angeles. The high-rise, mixed-use project consists of a J.W. Marriott, a Ritz Carlton and 224 luxury residential condominiums. Scope of work includes governance structure, sales and marketing program for the project and a program to reduce our client's construction defect and other liability exposure. Work also includes advising on bulk sales, as well as individual sales of the project's luxury residential condominiums, working closely with Marriott and the Ritz Carlton on all hotel agreements and advising on other agreements necessary to ensure the operation of the project's various facilities and amenities, including the Nokia Theater, Staples Center and its large outdoor urban plaza.
- Represent LA BioMed in connection with a complex multi-lender construction loan (including EB5 debt) for the expansion of its ground leased campus at Harbor-UCLA Medical Center, including amending the existing long-term ground leases with the City of Los Angeles, grants of new easements and negotiation of all debt instruments.
- Represent ArtCenter College of Design in obtaining approvals for a 15-year Master Plan, a development agreement and related entitlements for the development of student housing, learning facilities, an elevated quad spanning the Metro Gold Line, theatre and other student facilities. Scope of work includes overseeing all real estate (permitting, construction and leasing), land use, CEQA and environmental matters for the college.
- Represent California State University, Los Angeles in connection with the permitting and development of the new athletic training facility for the Los Angeles Football Club, which is part of Cal State LA's campus master plan development. Scope of work includes CEQA compliance and negotiating a ground lease and ancillary use agreements with the Los Angeles Football Club.
- Represent California State University, Pomona in connection with the redevelopment of the approximately 300-acre Lanterman Development Center. Scope of work includes negotiation of development agreements, including ENA, funding agreements, development agreements, license and operation agreements, entitlements, including master planning work, subdivisions, and CEQA permitting work, environmental due diligence and historic and cultural resources permitting. Work also includes negotiation with local and state agencies.
- Represent Los Angeles County Fair Association in connection with land use and redevelopment permitting matters for the 421-acre Fairplex, including real estate owned by the Association and the County of Los Angeles. Scope of work includes partnership with private sector parties, the City of Pomona and the County of Los Angeles, negotiation of agreements, including community benefits agreements between the client and

the City of Pomona, entitlements and compliance with the California Environmental Quality Act.

- Represent LAC-USC Medical Center Foundation in connection with the redevelopment, leasing and management of health and wellness facilities in coordination with Foundation partners and stakeholders.
- Represent PG&E as the seller in a \$30 million purchase and sale transaction involving a brownfield site in San Rafael, California, which was formerly a manufactured gas plant facility. Scope of work includes leading PG&E in negotiating a strategic environmental responsibility agreement and easement agreement governing the parties' obligations with respect to a range of matters, including environmental cleanup and long-term site management.
- Represent San Diego State University (SDSU) in negotiating a purchase agreement to acquire the site of the former Qualcomm Stadium in Mission Valley from the City of San Diego. The site will be redeveloped to include a 34,000-seat stadium, campus housing and other SDSU facilities as well as hospitality, office, public and park space and an innovation district. Scope of work also will include advising on development of the site, including P3 ground leases and financing, as well as CEQA matters.
- Represent the Transbay Joint Powers Authority in negotiating the master asset management agreement and individual tenant leases for San Francisco's Salesforce Transit Center. Dubbed the "Grand Central Station of the West," the visionary transportation hub will connect eight Bay Area counties and the state more broadly through 11 transportation systems.
- Represent California State University, Northridge (CSUN) in negotiating a P3 agreement with a nonprofit organization to design, finance, build, maintain and operate a new baseball training facility on CSUN's campus.
- Represent the County of Santa Clara and the City of Napa in connection with the development of their respective new civic centers.
- Represent the developer of The Quad, a privately held complex of three buildings that serve as private dorms to California State University San Marcos. Scope of work includes negotiating a complex affiliation agreement that includes project management, parking issues, integration with campus life activities and rights of first refusal. The affiliation agreement is critical to obtaining project financing and entitlements.
- Represent long-time client DHL in connection with facilities across the country, including its hub/sort facility at the Cincinnati/Northern Kentucky International Airport, financed by means of a \$230 million tax-exempt special facilities bond; a major expansion of the former Airborne hub in Wilmington, Ohio, financed by a \$270 million tax-exempt special facilities bond; and a western air and ground hub at the former March Air Force base in Southern California.
- Represent a joint venture of several major construction firms as design/build contractor on the issuance of bonds to finance a \$768 million contract with Foothill/Eastern Transportation Corridor Agency for the design and construction of a 23-mile tollway project in Orange County, CA. Scope of work includes advising our client on utility relocation agreements with numerous agencies and utilities, permitting issues, construction contracting matters, construction litigation claims, Dispute Board proceedings, contract close-out issues and other matters.
- Represent Carmel Partners in connection with the long-term ground leasing and development of 200 acres of University of California, Davis land for student housing and neighborhood-serving retail, recreation and park areas. Scope of work includes negotiating a multi-phased ground lease and numerous ancillary documents with the University, and representing the developer in connection with its financing, development, construction, leasing and management of the student housing project, including implementation of various green initiatives intended to make the project a Zero Net Energy development.

- Represent private developers and non-profits in connection with numerous transit-oriented and other redevelopment projects on public land, including:
 - Bart MacArthur Station, Oakland, CA
 - Bart West Dublin/Pleasanton Station, Pleasanton, CA
 - Bowles Hall, University of California, Berkeley, CA
 - The Uptown Project, Oakland, CA
 - The Presidio, San Francisco, CA
 - Cruise Terminal, San Francisco, CA
 - Ferry Building, San Francisco, CA