

Project Finance Group Of The Year: Latham & Watkins

By **David McAfee**

Law360, Los Angeles (January 27, 2014, 4:44 PM ET) -- In 2013, the project finance group at Latham & Watkins LLP closed 66 transactions totaling \$38 billion, including for a record-setting \$20 billion liquefied natural gas project in Australia and a \$1.1 billion bridge crossing the Ohio River, earning it a place in Law360's Project Finance Groups of the Year.

With 150 attorneys worldwide, most located outside of the United States, Latham's project development and finance team handles a variety projects, from the development of rooftop solar electric generation to the development and financing of natural gas liquefaction facilities. The group also works for a number of diverse clients, including many of the world's largest oil and gas, electric energy, infrastructure and telecommunications developers, investors and financiers, according to Latham.

Jonathan R. Rod, a partner in Latham's New York office where he is a member of the finance department and chairman of the energy-power industry group, said the team's global presence sets it apart from many of its competitors.

"We do everything as ubiquitous as rooftop solar projects to the large LNG projects, and we work on projects everywhere from northern California to southern Australia," Rod told Law360. "We really have worldwide practice groups, and project finance is an example of that."

Rod added that it's rare that the group works on a transaction without attorneys from Latham's offices around the world.

"We try to provide teams that best fit the client's needs, and it doesn't matter if the attorney is Hong Kong, Singapore, London, New York or Los Angeles," Rod said.

Latham's worldwide approach to project finance was especially necessary a year ago, when the project finance team worked on the Ichthys LNG project, representing eight export credit agencies from Japan, Australia, Korea, France, Germany and The Netherlands, as well as a syndicate of 24 commercial lenders, in what many have called the biggest project financing in history. Finance documents for the \$20 billion project in Australia were signed in December 2012, and funding was completed on Jan. 30, 2013.

"The project involves one of the world's largest LNG facilities, paving the way for Australia to surpass Qatar as the world's top exporter of the fuel by 2017," said William H. Voge, a Latham partner in London. "The LNG produced by the Ichthys project will be supplied to seven Japanese utilities, CPC Corporation of Taiwan and to affiliates of the sponsors."

Latham's team on that deal included approximately 50 lawyers from the firm's London, Tokyo, Singapore and Washington, D.C., offices. The project was sponsored by Inpex Corp., France's Total SA and four Japanese utilities, according to the firm.

But Latham's team took on a more local project when representing the underwriters in a \$1.1 billion project financing to develop a cable-stayed bridge crossing the Ohio River and associated roadways, tunnels and facilities connecting Clark County, Ind., and Jefferson County, Ky. In March, the Indiana Finance Authority issued \$677 million of private equity bonds in connection with the bridge, one of three bridges planned for the area at a total cost of \$2.6 billion.

"It's always gratifying to work on a project like this. It was a true public-private partnership that will deliver critical infrastructure to support growth in the region," said Warren Lilien, a partner with Latham who worked on the project. "And, by using an innovative structure where it served as both the conduit bond issuer and the procuring authority, the Indiana Finance Authority was able to, in tandem with the sponsors and the underwriters, achieve the impressive feat of completing the deal without federal Transportation Infrastructure Finance and Innovation Act loans."

Most recently, Latham's project finance team represented Citigroup Global Markets as lead purchaser, and Union Bank NA as lead arranger, in a \$1.32 billion financing for Solar Star Funding LLC. The project included the construction of a 309-megawatt alternating current solar photovoltaic electric generating facility in Los Angeles and Kern counties, Calif., and a 270-megawatt facility in Kern County, according to Kelley M. Gale, the global chairman of the firm's project finance practice.

"One of the most important elements of our work on the Solar Star project was that we were able to play a major role in meeting the mutual timing goals of both parties, even despite the fact that it was very large — the largest solar PV project ever — and spread across and permitted in two California counties," Gale said. "The depth of our experience, particularly over the last few years on similar projects, made us confident that we could work seamlessly between the borrower and the managers/lenders to keep things on track. And we were thrilled to deliver that for our client."

According to Rod, Latham's project finance team continues to grow. The group added a new partner in San Francisco and promoted someone to counsel already this year and continues to hire associates, he said.

The volume of transactions is also on the rise, with 2013 beating out 2012's numbers and a "decent pipeline heading into the new year," Rod said.

But it's not all about the project finance group at Latham, according to Rod. He said it's sometimes important to reach out to other groups for expertise on specific deals.

"You need not only the folks that are out front working the transactions, but you also need people with specialties in certain areas," Rod said. "One of the things that makes us unique is we have first-rate environmental and energy regulatory practices, but we are also able to tap those resources for our project financing."

--Editing by Christine Chun.