



Real Estate Group Top 10 2022 Highlights

BRACEWELL

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In 2022, we handled exciting and significant projects for industry leaders such as Texas Medical Center, Navigator CO2 Ventures, Crescent, Equinor, Lincoln, Rockland Capital and many others. Some of our favorite projects included:

- 1. Lincoln Property Company Commercial, Inc.** – we are representing Lincoln Property Company Commercial, Inc. in the negotiation of a joint venture and development management agreement in connection with Waller Creek Development at 98 Red River St. in downtown Austin, Texas. The skyscraper, Waterline, will be the tallest building in the state and will rise 1,022 feet, or 74 floors, above a 3.3-acre lot near the Rainey Street district. At ground level, Waterline will feature two floors and 24,000 square feet of publicly accessible retail and restaurant space. The next 13 floors of the tower will be occupied by 1 Hotel Austin, a 251-room luxury hotel with a ballroom, meeting spaces and a rooftop pool.

The tower is seeking LEED Gold certification, which is the second-highest certification recognizing buildings that save money, improve efficiency, lower carbon emissions and create healthier places for people. Additionally, the co-developers (Lincoln and Kairoi Residential LLC) will contribute \$1 million to the Waterloo Greenway in order to help fund improvements to the 1.5-mile trail that will connect the University of Texas at Austin to Lady Bird Lake. The Public Sector Pension Investment Board, one of Canada's largest pension investment managers, is the main equity partner in the project. Blackstone Mortgage Trust Inc. provided the construction loan for the project. The tower is expected to be completed in August 2025 for a total estimated cost of \$520 million.

- 2. Navigator CO2 Ventures LLC** – we are representing Navigator CO2 Ventures LLC, a portfolio company of BlackRock Global Energy & Power Infrastructure Fund III, on real estate matters in connection with transactions and agreements necessary to develop an industrial scale carbon capture pipeline system (CCS). Valero Energy Corporation will be the primary anchor shipper. Navigator is expected to lead the construction and operations of the system and anticipates operations to begin late 2024. This CCS project is one of the first large-scale, commercially viable, carbon pipelines to be developed in the United States.

The initial phase is expected to span more than 1,200 miles of new carbon dioxide gathering and transportation pipelines across five Midwest states (Nebraska, Iowa, South Dakota, Minnesota and

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Illinois) with the capability of permanently storing up to 5 million metric tons of carbon dioxide per year. The proposed system plans to transport liquefied carbon dioxide through the pipeline, ranging from 6" to 16" in diameter, for delivery into a central sequestration facility contemplated to be in south-central Illinois. At full capacity, the CCS will have the ability to capture and store enough CO2 to be the equivalent of removing approximately 2.6 million cars from the road per year or planting 550 million trees per year or eliminating carbon footprint of Kansas City 1.5 times over.

- 3. Texas Medical Center** – we are representing TMC in connection with the development of a 37-acre biomedical innovation and commercialization campus known as TMC3. The project will make Houston a hub for biomedical breakthroughs and is estimated to be completed in 2022. It has been reported that TMC3 will drive billions of dollars into the Houston economy and create nearly 30,000 new jobs. The facility will be a cooperative development between TMC and three public medical institutions: Texas A&M University Health Science Center, University of Texas Health Science Center at Houston and University of Texas MD Anderson Cancer Center. The campus will be focused on fostering innovation and collaboration and hopes to pioneer medical advancements including genomics, regenerative medicine and data science. TMC will also be entering into additional agreements, including with a private party for the development, lease and operation of a hotel and conference room facility to serve TMC and the TMC3 project.
- 4. Crescent Real Estate Equities Ltd.** – we represented an affiliate of Crescent Real Estate LLC in its acquisition of The Crescent® office and mixed-use development property in Dallas' Uptown District. Crescent, which was founded in the early 1990s to build a real estate portfolio during the market decline, has been actively involved in the ownership, leasing or management of The Crescent for 30 years. The Crescent® is a high-profile landmark in the Uptown

District of Dallas. The Crescent® is home to over 120 office tenants, and includes various restaurants, a golf simulator, a private club, and an award-winning spa and hotel. The Crescent® has recently undergone \$48 million in renovations to enhance the mixed-use development, with infrastructure improvements including a more pedestrian-friendly environment and dual-feed power that increased energy reliability and efficiency.

In addition, Bracewell represented Crescent in its acquisition of The Hotel at Avalon, a 330-room luxury Marriott Autograph Collection hotel located in the metro Atlanta suburb of Alpharetta, Georgia. Crescent is a fully integrated real estate investment, operation and development company. Bracewell lawyers provided services related to all aspects of the leveraged acquisition, including the negotiation of loan documents, equity documents, management agreement and franchise agreement. The hotel, which is also home to the 65,000 square foot Alpharetta Conference Center, is located within the highly acclaimed, \$1 billion, 86-acre, master planned, mixed-use development community known as Avalon. Crescent's investment in The Hotel at Avalon was made through its private equity fund known as GP Invitation Fund II. Working in conjunction with investors and high-net-worth clients, Crescent acquires, develops and operates high-end properties including Class A and creative office space, hotels, resorts, senior living and multifamily properties throughout the United States.

5. **Equinor Wind US LLC** – we represented Equinor as US counsel in its \$1.1 billion agreement to sell to BP a 50 percent interest in the Empire Wind project and the Beacon Wind project off the US East Coast. As part of the transaction, Equinor and BP agreed to form a partnership to develop other offshore wind projects in the United States. Bracewell's understanding of the unique real estate interests was essential in determining the ownership structure to acquire, develop and manage the project. Equinor currently holds a 100 percent interest in both the Empire Wind and Beacon Wind leases. The transaction supports Equinor's strategy to access attractive acreage early and at scale, mature projects and capture value by de-risking high equity ownership positions. Equinor will remain the operator of the projects for these leases through the development, construction and operations phases. Both wind farms are expected to be equally staffed after a period of time.

In addition, we represented Equinor in the drafting and negotiation of the sublease of additional real estate assets located in the South Brooklyn Marine Terminal, including performing title and survey diligence in support of ongoing negotiations of purchase and sales agreements and conditional grant agreements with the New York State Energy Research and Development Authority (NYSERDA).

These projects have enormously consequential onshore real estate components being handled exclusively by the Bracewell real estate team. This work includes acquiring and developing multiple marine ports and electrical substations along the eastern seaboard, developing state-of-the-art manufacturing facilities, and negotiating numerous design, finance and construction agreements to facilitate the projects.

6. **The Museum of Fine Arts, Houston** – we represented the Museum in connection with the approximately \$450 million expansion and redevelopment of its 14-acre campus with four new buildings and two underground garages. Bracewell worked with the Museum with respect to issues related to an economic development agreement with the City of Houston, which involves the City's economic participation in the project in exchange for the Museum's dedication of additional land associated with the expansion of a sculpture garden, as well as all aspects of the development and construction of the project. The project included the 102,000 square foot Glassell School of Art, a 37,000 square foot state-of-the-art conservation center, and a 237,000 square foot exhibition building named for Nancy and Rich Kinder. Instead of a parking garage, parking is underneath the new school and museum building, and more green space was added to the campus. This is a significant project for the Museum resulting in a state-of-the-art, world-class art complex, including the development of a new building to house the Museum's vast modern art collection and significantly update its educational and preservation facilities. The project was named the 2015 Hospitality & Tourism Deal of the Year by the Houston Business Journal.
7. **Interseqt, LLC** – we are currently acting as project real estate counsel providing advice to Interseqt LLC, a low carbon projects division of one of the largest midstream operators in the United States, in its joint venture project to capture, transport and store CO₂ in the Permian Basin. The project includes two leased sequestration processing facilities and two 50-mile pipelines to transport the captured volumes to nearby sinks for EOR or storage as applicable. This first of its kind, cross-industry partnership will utilize Section 45Q tax credits to accelerate carbon capture infrastructure development, reduce CO₂ emissions and permanently store CO₂ through geological sequestration. This project will install carbon capture equipment to capture CO₂ emissions from two ethanol plants in north Texas and construct pipelines to transport the captured CO₂ to end use locations in west Texas where it will be sequestered and utilized in subsurface formations for enhanced oil recovery. Bracewell's in-depth knowledge of the unique right of way acquisition strategy for pipelines without condemnation authority was essential in developing a ROW acquisition plan with the client covering approximately 158 landowner easements, as well as negotiating term sheets for the project's construction lender credit facility and the tax equity financing agreement.

8. Lincoln Property Company/Lincoln Property Company Commercial, Inc. – we represented Lincoln Property Company Commercial, Inc. in the joint venture formation for the development of The Republic, a 48-story office high-rise with ground-floor retail at 308 Guadalupe in Austin, Texas. Lincoln partnered with Phoenix Property Co. to develop the 800,000 square-foot office tower that overlooks Republic Square. Following the closing of the land contribution and the joint venture agreement, Bracewell assisted Lincoln and the joint venture in negotiating a construction loan to finance the construction of the project. The building will feature 750-square-foot private terraces on every office floor, according to the announcement. A 50,000-square-foot amenity level on the 19th floor will feature a club room with a lounge and a bar, conference rooms, a fitness center and a sky terrace that overlooks Republic Square.

In addition, Bracewell represented Lincoln in the negotiation of equity and construction finance documents in connection with the development of a life sciences development in San Diego, California. Lastly, Bracewell represented Lincoln in the negotiation of equity and construction finance documents in connection with the development of a life science campus in Broomfield, Colorado.

9. Rockland Capital, LP – we represented Rockland Capital, LP in the acquisition of the Mid-Georgia Power Facility, a 320 MW dual fuel-fired combined cycle electric facility in Kathleen, Georgia, from an affiliate of Carlyle Power Partners. Bracewell's real estate role included negotiating the membership interest purchase agreement, real estate diligence

and permitting review of the combined cycle power plant and supporting the financing efforts related to the acquisition.

10. Port of Houston Authority – we represented the Port of Houston Authority regarding the possible sale to a major energy company of multiple large tracts of land abutting the ship channel in Houston, Texas. The Port is one of the most vital waterways in the country, connecting the nation's largest petrochemical complex to the globe. The waterway has more deep-draft ship visits than any other port in the country, and nearly 200,000 barge transits every year as well. As energy and manufacturing exports increase and vessel sizes grow, improving the channel is nationally important as the Port drives \$802 billion in annual national economic value, sustains more than three million US jobs, and is the nation's number one port in total waterborne tonnage. As the local sponsor of this crucial federal waterway, the Port is partnering with the US Army Corps of Engineers as well as private industry on a plan to expand the channel at an accelerated pace. The Houston Ship Channel expansion – Project 11 – will widen the channel by 170 feet along its Galveston Bay reach, from 530 feet to 700 feet. It will also deepen upstream segments to 46.5 feet, make other safety and efficiency improvements, and craft new environmental features.

"Bracewell is a strong team with breadth and depth of experience. They are capable of mobilizing at a moment's notice and following through no matter what it takes."

– *Chambers USA 2021*

What the Team is Known For

Our real estate team has highly impressive expertise across the energy, hospitality, healthcare, and public-private partnership sectors, particularly esteemed for its ability to cross navigate between a very diverse range of projects while offering strategic, tailored results to each client. Bracewell lawyers offer excellent capability in creative deal structuring and negotiation, and depth of its diligence team.

Our lawyers have particular expertise in the acquisition, development and leasing of corporate headquarters and office buildings, most notably with respect to the energy, healthcare and hospitality sectors and impresses in real estate financing transactions for both lenders and borrowers, including structured lease financings for first-class properties.

Bracewell handles a mix of asset acquisition, financing, development and leasing work, and a time-tested closing and diligence process that provides integrated planning and disciplined operational focus. Our uniquely positioned team is at the forefront of renewable energy, oil and gas (upstream, midstream and downstream mandates), hospitality, healthcare, and office development work and is experienced in a wide range of matters including shared use accommodations, mixed-use development, restrictions, permitting, construction, zoning, leasing, and public-private economic partnerships.

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