

## Hospitality MVP: Latham & Watkins' Gary Axelrod

By Natalie Rodriguez



Gary Axelrod  
Latham & Watkins LLP

*Law360, New York (November 19, 2013, 1:29 PM ET)* -- While juggling \$3 billion worth of deals this year, Latham & Watkins LLP's Gary Axelrod also managed to strike some of the hospitality industry's more innovative and complex arrangements and add new clients to an already stellar client roster, earning him a spot on Law360's list of Hospitality MVPs.

Axelrod, who co-chairs the firm's hospitality, gaming and leisure group from the firm's Chicago base, has been at the helm of several of the industry's more complicated deals, including a \$150 million joint venture between Starwood Capital Group LP and the developers of a Floridian Margaritaville-branded resort, as well as Loews Hotels & Resorts' \$230 million purchase of two major hotels.

The impressive multibillion-dollar size of Axelrod's deals volume can be attributed to his having burnished a rock-steady reputation that has made him the "go-to" for a slew of hospitality companies, colleagues say.

"He's very strategic in the way he thinks and clients appreciate that. When they ask a lawyer to lead a deal, they don't want someone who is just well-versed in the legal issues, they want someone who has business acumen," Richard Levy, Latham's global chair of its finance department and a Chicago-based partner, said.

Axelrod's ability to deftly feel out a deal came particularly handy this year, as he worked towards closing in June 2013 a trio of management agreements, plus a development deal and franchise agreement, for the Margaritaville Resort and Spa venture in Hollywood, Fla.

Starwood Capital, Axelrod's client, was riding in as the white knight to a Jimmy Buffett-themed development proposal that had struggled for years to get off the ground due to funding issues and whose developer was facing a hard deadline to get its financing act together once and for all.

"Deadlines were key, the city was facing tremendous pressure from its constituents to either move on or get the deal done," Axelrod said.

As such, Axelrod and his team knew better than to try to push too hard on the city, which had already extended deadlines for the project in the past. "If you came in and tried to bully the city, you wouldn't have gotten anywhere," Axelrod said.

With that in mind, he helped negotiate a unique condition in the ground lease that bought the parties more time, but gave some much-needed political cover to the local officials that were under fire to make progress with the project.

"We were able to craft a structure that allowed them to announce the deal was done, but still gave everybody on our side the time to finalize our documentation," Axelrod said.

A comfort with complex deals also came to the fore when the Latham partner helped Loews seal up in January 2013 the \$140 million purchase of the Boston Back Bay Hotel, which was subject to an estate of years agreement. While operating much like a ground lease, the deal calls for a unique form of title. Around the same time, Axelrod also helped the hotel operator snag the Washington, D.C.-based Madison Hotel, which is part of a mixed-use development, for about \$90 million.

On top of those one-offs, Loews further called upon Axelrod to work out a platform joint venture with an entity involved the both hotel deals, which required planning for several unknowns and possible future circumstances. "We had to keep in mind this is something we might have to live with years from now," Axelrod said.

Such repeat work is par for the course for Axelrod, who boasts a client roster including Kimpton Hotel & Restaurant Group LLC, Starwood Hotels & Resorts Worldwide Inc. — for whom he closed \$90.5 million worth of hotel deals in New Orleans this past April — and many others.

"He is someone who is on the very short list for any major transaction in the hospitality industry," Levy said.

And the number of companies turning to his expertise is growing. "This has been an incredibly busy year and probably my proudest achievement is getting calls from new clients who I was adverse to on previous transactions," Axelrod said, noting recent work with Highgate Hotels LP and others.

Axelrod said he focuses hard on client relations. "You can't be a pushover, but you also can't be a bulldozer," he said, adding that his success can in part be attributed to having had the good fortune of working for clients that do interesting and unique deals.

"There's nothing better than learning from your past and showing clients that you're forward-thinking in anticipating and solving issues ... and that you have the track record showing you've done it successfully," Axelrod said.

--Editing by Katherine Rautenberg.