

# PROJECT FINANCE: Von Wobeser & Sierra Advises Germany's BMW on \$1 Billion Investment

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Mexico City-based Von Wobeser & Sierra has advised Germany's BMW in the negotiation and execution of an investment agreement with the Mexican state of San Luis Potosi. The \$1 billion investment will go toward building a new luxury car factory in San Luis Potosi, with production commencing in 2019. It is a major step in the growth of the company's presence in the Americas. Rupert Hüttler led the team, consisting of Javier Lizardi, Edmond Grieger and Fernando Moreno, that completed the transaction on July 4, 2014. The firm's corporate, labor, environment & real estate and tax practices were involved in the deal.

Hüttler told IFLR1000 that what made this deal different from others was the complexity of finding the right geographical area for the project and the different legal challenges related to possible areas.

"The site selection process made it necessary to practice legal due diligence procedures for different possible sites at the same time, which required an additional effort and made it necessary to involve a larger number of human resources," he said.

Moreover, the deal involved differing cultural mindsets on the German and Mexican sides, he noted.

Only the first stage of the project has been completed. Von Wobeser & Sierra will continue to assist BMW in all corporate and contracts, real estate, construction, environmental, regulatory, and foreign trade matters relating to the implementation phase.

"It is one of the most important investments in Mexico this year and will transform or create an incredible amount of jobs for those in San Luis directly as well as indirectly in other parts of the country," Hüttler commented