

Hilton Garden Inn - Hato Rey San Juan, Puerto Rico

**\$22.7M Sr. Mortgage Request
September 2018**



**REQUESTED:
\$22.7M IN DEBT TO HELP FUND \$37M IN PROJECT COSTS**

Interested parties please contact:



CBO FINANCIAL

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Executive Summary

GOALS: 1) To secure debt financing for the 154 room Hilton Garden Inn – Hato Rey, casino and office complex as part of a capital stack that is likely to include Puerto Rico Tourism Tax Credits and New Markets Tax Credits, and 2) to secure a permanent owner/operator for the mixed use facility upon completion; the current project sponsor is an engineering/contracting firm that wishes to construct the facility and is open to partnerships or outright sale.

SEEKING: \$22.7M in senior mortgage debt; once this is secured New Markets Tax Credits will also be sought.

PROJECT: a 17- story building that will house a 154 room Hilton Garden Inn and four levels of offices, in addition to a restaurant, pool and other amenities. The lot size is 852 square meters. Included in the appendices is an independent feasibility study and endorsements; note that # of rooms varies in some of these but the final is 154.

SPONSOR & OPERATOR: The project sponsor is Hollow Core Slabs of Puerto Rico (HCSPR), which provides the full spectrum of planning, design, development, construction and construction management services to clients throughout Puerto Rico including major retail, office, parking structures, hotels, residential, commercial and governmental. As self-performing contractor / developer, HCSPR is a “one stop shop” with the ability to take any real estate development project from concept all the way throughout completion by providing the full spectrum of planning, design, development, construction and construction management services. Its President, C.E.O. and stockholder is Mr. Ruben Ortiz Galarza, PE, who has had a leadership role in construction of over 4,000 structures on the island.

SITE: Located on Roosevelt Ave between Luis Munoz Rivera and Ponce de Leon Avenues in San Juan, PR 00917, Puerto Rico; latitude/longitude: 18.423656, -66.056456, Census Tract 72127006300, NMTC Severely Distressed with 23.2 % poverty and a 9.2% unemployment rate. Site is in a HUB Zone and qualifies as a FEMA disaster location. The lot size is 852 square meters.

BENEFITS: Expanding tourism has been identified by the Puerto Rican government as a top priority for stimulating economic growth. This facility will not only produce high quality jobs but also a valuable lodging option in an area without another significant hotel.

STATUS: The project sponsor owns the site. Plans are complete, and the project is building permit ready.

SOURCES & USES OF FUNDS:

Hilton Garden Inn - Hato Rey Sources & Uses of Funds		
Sources		
New Debt (conventional, PACE)	51.9%	\$ 22,674,325
Sponsor Equity	11.4%	5,000,000
PR Tourism Tax Credit - Act 74	21.1%	9,231,365
NMTC Equity (based on \$20M raise)	15.6%	6,800,000
Total sources	100.0%	43,705,690
Uses		
Project Budget	84.5%	36,925,460
Debt Service Reserve (24 mos)	8.0%	3,500,000
Legal & Accounting	0.7%	300,000
NMTC & Lender Fees	6.8%	2,980,230
Total Uses	100.0%	43,705,690

For additional information, please contact: James Badgley, CBO Financial
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A full financing request packet is available at: <https://1drv.ms/b/s!AsVSUXkA6d83huIWvRHXvrHJ-kyu5fA>