

Santana Shopping Plaza Arecibo, Puerto Rico

\$8.0M Sr. Debt Request October 2018



REQUESTED:

**\$5.3M SR. DEBT FOR SANTANA SHOPPING PLAZA (56% LTV), AND
\$2.7M SR. DEBT FOR SANTANA HOMES (AFFORDABLE FOR-SALE)**

Interested parties please contact:



CBO FINANCIAL

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Executive Summary

GOALS: 1) To secure debt financing for the 82K sf Santana Shopping Plaza and 200 unit Santana Homes, to be built on contiguous parcels in Arecibo, Puerto Rico, and; 2) to secure a permanent developer/operator.

SEEKING: a \$5.3M permanent mortgage loan for the 82K sf Santana Shopping Plaza, which has a \$11.1M project budget; the requested debt would be at 54% loan to value. In addition, a \$2.7M credit line is requested to fund construction of 200 for-sale detached affordable homes on a revolving basis, with the line being drawn down to fund Phase I of 50 units, to be paid back as units sell.

PROJECT: Santana Shopping Center has lease commitments for a 45K sf “Kash and Karry” grocery store, 2.8K sf Church’s Chicken, and a 2.8K sf California BBQ, in addition to space for a 5K sf pharmacy and 9 stores, and an 8.4K freestanding space. Santana Homes will consist of 200 detached 2, 3 and 4 bedroom units averaging 1.1K sf.

SPONSOR: Hollow Core Slabs of Puerto Rico (HCSPR) is the project sponsor and seeks to be the construction contractor. HCSPR provides the full spectrum of planning, design, development, construction and construction management services to clients throughout PR 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 to completion. Its President, C.E.O. and primary stockholder is Mr. Ruben Ortiz Galarza, PE, who has had a leadership role in construction of over 4,000 structures on the island. HCSPR is flexible with respect to development partnerships or outright sale.

SITE: Address is Rt. 2 Km. 66.9 Santana, Arecibo, Puerto Rico; latitude/longitude: 18.43938266, -66.64883570. The project lies in two Census Tracts which are both NMTC Severely Distressed: #72013300302 (majority of site) - 31.6 % poverty and 28.5% unemployment rate; #72013302000 - 43.2% poverty and 10.2% unemployment rate

BENEFITS: Santana Shopping Plaza will bring sorely needed fresh food and commercial and community goods and services in a heavily residential area where the closest shopping center is 9 miles away. Santana Homes is being built to ease the severe shortage of affordable housing that was exacerbated by Hurricane Maria.

STATUS: The site is owned by the project sponsor, architectural plans are building permit ready, and lease commitments are in place Kash and Karry Supermarket with a 45,000 s.f. store, a Church's Chicken and a California BBQ store. The municipality of Arecibo has committed to purchase the first 50 Santana Homes.

SOURCES & USES OF FUNDS: Sources and uses of funds is anticipated to break down as follows:

Santana Shopping Plaza & Housing Project				
NMTC Sources & Uses of Funds				
Sources	%	Shopping	Homes (50)	Total
New loan(s)	47.9%	\$ 5,296,750	\$ 2,712,500	\$8,009,250
Sponsor equity	18.1%	2,000,000	1,000,000	3,000,000
NMTC Equity	34.0%	3,758,932	1,912,500	5,671,432
Total sources	100.0%	11,055,682	5,625,000	16,680,682
Uses				-
Project Budget	86.2%	9,529,000	4,750,000	14,279,000
Legal & accounting (NMTC)	1.8%	200,000	200,000	400,000
NMTC & lender fees	12.0%	1,326,682	675,000	2,001,682
Total Uses	100.0%	11,055,682	5,625,000	16,680,682

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!AsVSUXkA6d83huljTYu9VwC3475Few>