



HKS Capital secures \$50 million for Nazarian and Moin Development

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HKS Capital Partners, an advisory firm specializing in debt and equity finance nationwide, has secured financing for 444 Park Ave. South, a 14-story office building slated to be turned into a boutique hotel. Sam Nazarian, recently purchased the building, along with his partner, Moin Development Corp.

HKS Capital provided \$50 million for the project, which will allow for the start of construction on the planned 190-key hotel. "They already acquired it," said Ayush Kapahi, a partner at HKS who worked on the deal. "This loan is for the refinancing, restructuring and the construction component to get to a finished product."

According to Kapahi, HKS arranged financing using "a mix of two types of financings, one of which, an EB-5, was a first for the firm. "The financing was a blend of a first mortgage from a conventional local bank in a construction facility, paired with an EB-5 financing structure," said Kapahi. "The investors behind this EB-5 transaction are Chinese who happen to be aggressively jumping on board for this program, because it requires a family be able to invest \$500,000 at a given time, so you need to have somewhat of deep pockets in order to be able to pull off the investment."

The EB-5 visa for Immigrant Investors is a U.S. visa created by the Immigration Act of 1990. This visa provides a method of obtaining a green card for foreign nationals who invest money in the U.S. To obtain the visa, individuals must invest \$1 million (or at least \$500,000 in a "targeted employment area"-high unemployment or rural area), creating or preserving at least 10 jobs for U.S. workers excluding the investor and their immediate family.

Nazarian and Moin Development bought the site in August of last year for \$45 million. Together they plan to spend about \$40 million to add five floors to the building, convert it into a, boutique hotel and open it in the second quarter of next year. The boutique property is expected to have three bars and a restaurant.

David Shenfeld, a vice president at Moin Development, said the development is underway.

Shenfeld praised HKS Capital Partners' performance during the entire loan process. "We hope to do many more deals with them in the near future," said Shenfeld. "They made it incredibly easy for us and were very professional the whole time."

Founded in April of 2011, by industry veteran Jerry Swartz, along with Kapahi and Jon Harrington, HKS Capital has secured more than \$1 billion in loans since inception. The company is focused on financing all asset types including multi-family, hotel, retail, office, industrial and mixed use properties nationwide.