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## New Joint Venture Partnership Secures \$325 Mil in Financing for Development of Stalled High-Rise in Seattle's Belltown Submarket

2/01/17

A new joint venture group has secured \$325 mil of development funding for a previously stalled, 41-story mixed-use multifamily and hotel tower located in the Belltown submarket of downtown Seattle. The project financing, arranged by Newmark, includes a \$225 mil joint-venture partnership between the Molasky Group of Las Vegas, NV and Binjiang Group of Hangzhou, China, and a \$100 mil construction-to-permanent loan to develop the as yet-to-be-named property, formerly known as Potala Tower.



"This was an extremely complex capital stack and deal structure with many moving parts," said George Mitsanas, Principal with Newmark. "The project faced numerous hurdles, including salvaging the principal of original investors who are now represented by the new joint venture.

Due to circumstances concerning the original developer of the project, the project was put under the control of a court-appointed receiver and construction was suspended on the project for approximately one year. The new joint-venture development partnership acquired the property from the court-appointed receiver in October 2016. Construction has resumed at the project and is now underway, with Denver, CO-based PCL as the general contractor and project design from Seattle's Weber Thompson architects.

The tower, located at 2116 4th Ave, will feature 339 apartment units, 142 hotel rooms, and 1.8k sf of ground floor retail space. The project is designed to meet the LEED silver certification standard and is expected to be completed by August 2018.

Newmark's George Mitsanas, Peter Hillakas and Doug Tisdale, out of LA, along with Mike Taylor and Patrick Taylor, out of the firm's Seattle office, handled this complicated transaction. The \$100 miln construction-to-permanent loan was placed with two of Newmark's correspondent life insurance company lenders, Guardian Life and Voya Investment, on a pari-passu basis with each lender providing \$50 mil in financing. The seven-year construction-to-permanent loans will be interest-only for a period of time and later amortized over 30 years. Both loans will be serviced by Newmark.

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