PARTNERS CAPITAL SOLUTIONS, INC. PROVIDES $16 MILLION CONSTRUCTION LOAN

News / Airlines

Partners Capital Solutions, Inc.has provided a **$16 million construction loan** to Mission Grove Partners, L.P., to fund ground-up construction of a new industrial park in a redevelopment area adjacent to Ontario International Airport. This financing was a complex, public-private venture. Mission Grove Partners was referred to PCS after traditional lenders declined to finance the deal due to its complexity, its relatively small loan amount, and the challenges the sponsor encountered in the downturn. PCS recognized the sponsor's experience, evaluated the opportunity and worked with Mission Grove Partners to structure a financing solution to meet the needs of all parties.

The project involved over 30 parcels covering 14.6 acres, which were acquired by Mission Grove Partners and by the City. It required a new parcel map and had to meet bond requirements. Furthermore, the developer was required to finance the City's acquisition of parcels and make certain offsite improvements. The new map created six parcels on which will be built five industrial buildings ranging in size from 13,000 to 99,000 square feet and totaling 230,000 square feet. Over 50% of the project has been pre-sold.

PCS advised the sponsor and financed the deal in two stages. First, PCS provided a $2 million

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acquisition loan, so that Mission Grove Partners could acquire 28 parcels and finance the 2 parcels acquired by the City. The City retained ownership of its parcels at this stage, so PCS took as collateral the City's Notes and the developer's parcels. Second, concurrent with closing this new $16 millionloan, the City released ownership of its parcels and the project's construction can commence.

According to Michael Klein, Managing Director and COO of PCS, "Banks don't have the capacity or expertise to handle complex deals under $25 million. At PCS we specialize in deals this size and help our clients solve even the most complex financing situations. In this case, our Team was able to understand the client's needs, while working within the limits of the City's requirements, and thus effectively structure two transactions that met the needs of all parties involved."

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