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HALL STRUCTURED FINANCE ORIGINATES A \$39 MILLION CONSTRUCTION LOAN FOR A MARRIOTT COURTYARD AND RESIDENCE INN IN SAND CITY, CALIFORNIA



Photo Credit: EKN Development

DALLAS – January 29, 2024 – Dallas-based HALL Structured Finance (HSF) announced today that the company has originated a \$39 million construction loan to develop a dual-branded Marriott Courtyard and Residence Inn in Sand City, California. HSF was also instrumental in helping the borrower secure an additional \$28 million in C-PACE financing, provided by Nuveen Green Capital. The project broke ground in January 2024 and is slated to open in November 2025. The project is being developed by EKN Development and their partner Garn Development. The deal was brokered by Jillian Mariutti and Robert Tonnessen of JLL on behalf of EKN.

The 139,660-square-foot building will include 215 total guest rooms. The Courtyard by Marriott’s 127 guestrooms will feature the brand’s clean lines and a modern beach style while Resident Inn by Marriott’s 88 rooms are designed for the longer-stay guest. The development will feature over 3,000 square feet of flexible meeting space and a courtyard with a restaurant, pool, and bar.

This is the second loan HSF has provided for an EKN development project, the other being a Fairfield Inn and Townplace Suites dual branded hotel located in Tempe, Arizona, slated to open February 2024.

“HSF is looking forward to working with EKN Development on another thoughtfully planned hotel project. We worked with EKN to provide a highly attractive overall financing structure that included C-PACE financing,” said Matt Mitchell, Vice President of HALL Structured Finance and the loan

originator. “We believe this development will bring much needed, new quality hotel options to Sand City to support the region’s growing tourism.”

The property is located a short walking distance from the beach and three miles from downtown Monterey, California. Monterey is one of the top drivable leisure destinations in the country averaging 4.6 million visitors per year. The area boasts 20 golf courses including the renowned Pebble Beach Golf Links and is home to Monterey Wine Country with more than 175 unique vineyards and winegrowing activities, and the famous race track the Laguna Seca Raceway.

“HALL and Nuveen understood the project’s requirements not only from a financing perspective, but also from the hospitality side of the business,” said EKN Development President and CEO Ebbie K. Nakhjavani. “Commitment and creative solutions were what we needed and HALL and Nuveen delivered.”

This will be the first branded select service or extended stay hotel developed within five miles of downtown Monterey since 1995.

Despite challenging market conditions, HSF finished 2023 with over \$600 million in new loan originations, primarily in the hotel and multifamily markets. The company is targeting to originate \$1 billion in new construction and bridge loans in 2024, largely in the hotel and multifamily sectors. On a selective basis, the company will look at pairing its first mortgage loan program options with C-PACE financing to offer borrowers additional flexibility.

About HALL Structured Finance

HALL Structured Finance is an entrepreneurial, value-add, direct private lender that provides first mortgage debt capital for new construction, adaptive reuse and major asset repositioning for commercial real estate projects located throughout the United States. HALL Structured Finance has historically focused on providing multifamily and hotel construction loans and hotel bridge loans, but also provides financing in connection with industrial, office and retail. For more information, visit hallstructuredfinance.com.

About EKN Development Group

EKN Development specializes in developing timeless projects that capture the essence of the local community and personifies the spirit of each location. EKN believes in creating transformative places that provide a location for human connection and enrichment. Guided by our creative vision and decades of experience, we deliver human-centric, state-of-the-art resorts and projects that transcend materiality.

To deliver on our vision, we capitalize on our distinct expertise to pursue unique locations with diverse demand drivers and high barriers-to-entry. EKN is dedicated to creating the outstanding spaces of tomorrow that draw visitors and locals together, encourage economic growth, and stand the test of time.

About Garn Development

Garn Development is a diversified real estate development company specializing in land acquisition, planning, entitlement, design, construction and asset management of hospitality, multi-family, retail, industrial, and assisted-living properties. We create value for partners and have a diverse income stream that is resilient to market cycles. Our ample access to capital, investment discipline, and sound financial footing allow us to capitalize on long-term industry trends and short-term opportunities alike.

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