



**January, 2014**  
**FOR IMMEDIATE RELEASE**

## **TERRA CLOSES PREFERRED EQUITY INVESTMENT IN BOUTIQUE HOTEL IN SAN FRANCISCO, CA**

NEW YORK - Terra Capital Partners ("Terra Capital") is pleased to announce the closing of a three-year, \$4.325 million preferred equity investment in the recapitalization of the 82-room Mystic Hotel in San Francisco, California. The sponsor is a joint venture between City Core Hospitality, an active West Coast investor and developer of urban in-fill properties, and Charlie Palmer, the nationally-acclaimed chef and restaurateur. The senior lender is Bank of America, which increased the size of its existing loan from \$9.4 million to \$15.5 million.

Terra continues to close loans and preferred equity investments in both primary and secondary markets, often with earnouts and PIP financing, while providing both flexibility and speed for transactions that need higher leverage debt than is available from senior lenders.

"Since it acquired the hotel in November 2011, the sponsor has significantly increased both occupancy and RevPAR - creating exceptional value for the hotel - by completing several million dollars in capital improvements that included increasing the number of rooms and upgrading and expanding the restaurant and kitchen," noted Adam Kies, a Managing Director at Terra Capital Partners. "In addition, the sponsor has successfully established a unique identity for the hotel and has increased its exposure and recognition with the Charlie Palmer branding of the restaurant."

Kies added that San Francisco continues to be one of the strongest hotel markets in the nation, and that the Mystic capitalizes on this with its downtown location one block north of Union Square.

Mike Guterman of Highland Realty Capital, the investment banking firm that brokered the transaction, observed that "Terra Capital, as in previous financings, worked in a thoughtful and timely manner in order to close the transaction. I look forward to working with them on future opportunities."

Terra is a New York based non-bank lender that specializes in mezzanine and preferred equity investments in high quality commercial real estate. Terra fills the gap between the first mortgage and the borrower's equity by funding up to 85% of the value of the underlying property. Our firm lends on multifamily, hotel, office, retail and industrial properties throughout the United States. Since 2002, we have made 300 investments nationwide in approximately 41 million square feet of property valued at over \$5 billion.

Adam Kies, Managing Director  
212 753 5100 ext. 202  
akies@tcp-us.com

Jade Faugno, Account Supervisor  
212 754 5425  
jfaugno@intermarket.com