



BEFORE
CONVERSION



AFTER
CONVERSION

The Peregrine (Curio Collection by Hilton) financed by AVANA Capital

in downtown Omaha, Nebraska

LOAN DETAILS

Project Type:
Hospitality

Loan Type: Construction
& Mini Perm

Project Cost: \$18 million

Loan Amount: \$11 million

Project Description:
Conversion of the historic
Woodmen of the World
building to a 90-Unit
Full Service Curio Upscale
Collection by Hilton

Location:
Downtown Omaha, NE

Jobs Created: 80

Challenge

The Woodmen Building is not only a 100 plus year old historic landmark, but in 2017, the Omaha Landmarks Heritage Preservation Commission designated it as a “local landmark” in Omaha. The age of this property, originally built in 1910, presented some challenges for redevelopment into a hotel—but these designations also opened opportunities for creative financing solutions.

The developer, AAD Capital Partners and ViaNova development decided to take advantage of various financing tools, including: Property Assessed Clean Energy (PACE) financing, Tax Increment Financing (TIF), and both state and federal historic tax credits. These three mechanisms would fund a substantial portion of the capital stack.

However, historic tax credits cannot be funded until the project receives

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AZ CBK# 0921662 | CA DBO# 603K752



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“After sitting vacant for years, the Peregrine will bring new life and vitality to the area and should serve as a catalyst for future development. We are grateful that we found in AVANA Capital a partner that believes in our vision and understands the complexities of the financing structure.”

– **Edward Chen** | Founder and CEO of AAD Capital

its certificate of occupancy, which occurs in the final stages of development. Therefore, the developers needed to secure a loan during construction, which would then be repaid by monetizing the historic tax credits. Similarly, PACE loans can fund redevelopment costs related to energy efficiency, with the amount borrowed amortized over a 15-year period and repaid through the local property tax assessment. Meanwhile, TIF can only be utilized for very specific purposes and is paid for by excess ad valorem taxes generated by the project. In addition the developers needed to find a lender who understood the intricacies of how these financing tools worked – individually, and as a whole.

Solution

Whereas other lenders might shy away from such a complicated deal, AVANA Capital started by conducting its own research. AVANA Capital noted that the Omaha market is experiencing a period of economic strength and expansion driven by multiple Fortune 500 companies, tourist attractions, and airport and convention center traffic. “We see many positive signs in the Omaha area and room demand generators,” said Sanat Patel, Chief Sales Officer at AVANA Capital.

These underlying economic indicators, in conjunction with the property being well located and the project having evident support from city leaders, provided AVANA Capital with the confidence to fund \$11 million from the total cost of the project.

Result

Construction of the Peregrine in downtown Omaha is already underway and expected to be complete in early 2019. The project will feature hotel guestrooms on the upper six floors, a full-service restaurant and lounge on the main floor, and a rooftop bar. There are currently no other hotels in downtown Omaha that offer such high-end amenities, thereby allowing Peregrine to fill a gap in the local market.

“We are very glad that we could not only fund this project, but also help preserve the historic integrity of such a historic local landmark,” said Patel. “This project will create jobs, and increase the vibrancy of downtown Omaha.”

AAD Capital Partners and ViaNova Development anticipate creating 80 permanent jobs at the Peregrine hotel as well as helping support numerous other local businesses.



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