



Holiday Inn



# AVANA Capital Provides \$11MM Refinance for the Full-Service Holiday Inn in Chattanooga, TN

## LOAN DETAILS

**Project Type:**  
Hospitality

**Loan Type:** Refinance

**Loan Amount:** \$11million

**Project Description:**  
Refinance of a 137-room  
Holiday Inn

**Location:**  
Hamilton Place  
Chattanooga, TN

## Challenge

Between 2011 and 2013, KBS Hotel Group took multiple loans from a variety of sources to complete construction and stabilize the property. With the deadlines looming, KBS Hotel group was seeking to refinance its original construction loan, consolidate personal debt and obtain cash out. They needed a lender with the vision to see the property's future potential and act fast.

**877.850.5130**  
**avanacapital.com**

AZ CBK# 0921662 | CA DBO# 603K752



**AVANA CAPITAL**  
COMMERCIAL REAL ESTATE DEBT FUND

“We had a need to move quickly as deadlines were looming. AVANA Capital dove right in the fray and devised a solution that fit our needs, and understood what it was going to take to get the deal done on time.

They did everything they said they would do.”

– **K. Patel** | KBS Hotel Group, Partner

## **Solution**

After vetting the deal, AVANA Capital found the project to have many positive attributes:

First, the KBS company had a significant level of hospitality experience; they owned several Hilton properties in Georgia, and this particular Holiday Inn’s revenue had been on an upward trend since 2015.

AVANA Capital also researched the market and found out that in late 2019, Volkswagen is expected to begin a \$340MM expansion to allow for the production of its five-seat Atlas, with another \$800MM to be invested in 2022 for the construction of a new electric vehicle plant on its Chattanooga campus.

This expansion will potentially add 1,000 new local jobs and further energize the community and surrounding area.

Also, Erlanger Health System, the area’s largest healthcare system, has five hospitals in Chattanooga and is on the threshold of spending \$100MM to enhance its Chattanooga facilities, including its new \$40MM children’s hospital (opened December 2018).

Additionally, in 2017, FedEx Ground opened a \$30MM distribution center along Interstate 75, near Volkswagen and the Amazon facility.

Finally, in very close proximity to the property is Hamilton Place Mall which serves as an anchor for a multitude of surrounding office buildings, restaurants, and retail centers.

Given all these factors, AVANA Capital was able to provide \$11MM in refinance in time for KBS to meet its requirements.



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