



Downtown LA Mixed-Use Property Refinanced with \$31.8 Mil in CMBS Debt

July 21st, 2017

The Metropolitan, a 10-story, 137.3k sf mixed-use building in Downtown Los Angeles, has been refinanced with a new loan of \$31.75 mil. The new CMBS debt financing, arranged by **Quantum Capital Partners**, will be used to pay off maturing loans and return equity to the borrower.



The Metropolitan is a historic building constructed in 1913 and located at 499 S. Broadway, at the intersection with Fifth St. The building was acquired in 1996 by the borrower, an unnamed local investor operating as 499 S. Broadway LLC.

The top eight floors were converted for residential use in 2011 under the City of Los Angeles' Adaptive Reuse Ordinance. Designed by renowned architect John Parkinson, whose other well-known local projects include Los Angeles City Hall, the Los Angeles Memorial Coliseum, and Los Angeles Union Station; The Metropolitan is considered one of the finest examples of Beaux Arts Style architecture in Southern California.

The borrower's multimillion-dollar adaptive reuse program included the creation of 88 high-end loft units with 12-foot ceilings, a rooftop pool and spa, penthouse event space, fitness center and resident lounge. The improvements combined with the building's rich history, architecture and location, allowed the sponsor to quickly lease up the residential component, which is currently 97 percent leased.

The Metropolitan also includes 45k sf of retail space in the basement and first two floors. Retail discounter Fallas Paredes, which opened its flagship store in the building in 1962, currently occupies 42k sf of the retail space. The family-run retailer now operates more than 300 stores in 22 states and Puerto Rico.

The 10-year interest-only, non-recourse loan was arranged by Quantum Capital Partners' **Jonathan Hakakha** and **Mike Yim**.