

# Madison Realty Capital Provides \$31M Acquisition Loan for SoCal Hotel Project

A hotel developer has picked up a \$30.5 million financing package led by [Madison Realty Capital](#) to buy a building site in Southern California, Commercial Observer can first report.

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The financing, extended to developer **John deVries**, includes a \$24.5 million loan from MRC and a preferred equity investment worth \$6 million from **The Bluestone Group**, an opportunistic-investment company based in lower Manhattan.

De Vries is using the funds to buy a site at **18582 Teller Avenue**, close to **The University of California, Irvine** and **John Wayne Airport**. His company, **HJ Capital**, has plans to build a 991,000-square-foot development there, which would include an 11-story hotel and a separate 155,000-square foot commercial building with retail and office tenants. The square footage also seems to include a large adjacent parking garage.

“This transaction represents what we do best – speed, flexibility, and reliable financing for transformative projects nationwide,” MRC’s co-founder, **Josh Zegen**, said in a statement. “In this case, we had the opportunity to quickly finance a mixed-use development that will fill a substantial hospitality void in the Irvine market.”

“We were able to finance this well-located property at an attractive basis and partnering with MRC allowed for a smooth and quick execution on this deal,” **Eli Tabak**, a Bluestone Group founder, said in prepared remarks.

The plan has been in the works since the middle of last year, when the developer kicked off the process of winning zoning approval for the project. According to records from an **Irvine City Council** meeting this spring, the plot was part of an assemblage controlled by Hines, where the national development firm had aimed since before the Great Recession to build a 900,000 mixed-use project of its own.

Those plans never materialized. Instead, HJ Capital made overtures toward developing the property, winning approval from local lawmakers to make improvements to road that provides access to the site before finalizing the acquisition from Hines.

The **Banc**, as the hotel will be known, will stand across the street from a new 500,000-square-foot office building developed by **Trammell Crow** completed last year. **WeWork** leases part of that building.

Irvine, which began as a railroad town in the 19th century, has become a wealthy community with a thriving business scene. Companies headquartered there range from from fast-food chain **In-N-Out Burger** to **LA Fitness**, **Meade Instruments** – which makes optical tools – and **Blizzard Entertainment**, a big video game maker.

De Vries didn't immediately respond to an inquiry.