

## **STRUCTURE TONE EQUITIES**

**Meeting Date:** 10/1/2014

**Meeting Participants (MS):** Chris Miculis

**Meeting Participants (Greenwich):** Peter Witham, Duke Fairchild

**Meeting Location:** 1114 Avenue of the Americas, 39<sup>th</sup> Floor, New York, NY 10036

### **Meeting Notes:**

- **Bucket of capital:**
  - a. Donaghy Family – most of what they do is on their own account, but they also consider Joint-Venture opportunities (prefer 50x50 deals rather than 90x10's but can do them)
    - i. Equity Check Size: \$5 - \$25 Million Equity Check Size is their sweet spot
      - 1. Larger than \$20-25M in any one deal and they would look for a partner
    - ii. Locations: DC up to Boston, Florida, and Texas
    - iii. Deal Targets:
      - 1. Stabilized (they just purchased an 111 unit apt building in Boston for a 5% cap)
      - 2. Value-Add
      - 3. Development & Opportunistic
    - iv. Asset Classes: Office, Residential, Retail, Industrial
      - 1. Will consider Condos, but only for special situations
- **Miscellaneous Notes:**
  - a. Chris runs the Investment group along with a member of the Donaghy family
  - b. Structure Tone owns LF Driscoll
  - c. They have non-union work on the contracting side
  - d. They recently partnered with Vance Realty on something
  - e. From a construction/contractor standpoint (1255 22<sup>nd</sup> Street), go through him and he will put it over to the contractor side. This way it will be coming from the top/the family, rather than the other way around. This will ensure it gets their attention.
- **Summary – Deals To Follow Up On:**
  - a. Horizon Apartments – most interested in this one
  - b. 609 H Street
  - c. Charlottesville

- **Deals Discussed:**

- a. Tower Bridge:
  - i. Was not very interested in the suburban Philly market
- b. 609 H Street:
  - i. They had looked at it, but did not spend much time on it at the time due to the parking issue, and he mentioned that a hotel was supposed to go in there but had backed out.
  - ii. He said we are not conflicted as they are not currently looking at it, and would be interested in looking at it again with our client
- c. Charlottesville:
  - i. Not keen on Charlottesville as a market (as it is not a major market)
  - ii. If he can make the case of student/medical housing and can point to additional developments nearby by the same operating partner, then he may be able to get his investment committee around the fact that it is in Charlottesville
- d. Horizons
  - i. Chris liked this deal the best.
  - ii. As they do not have any projects in DC, they are looking at these types of deals where you acquire a B- building, invest a bit on the units, and move the asset/rents up to B+/A-
  - iii. He asked what the existing debt structure is? Asked specifically if there was an existing HUD loan / any loan that would need to be assumed. They just recently successfully assumed a HUD loan, and thought it might be another selling point to the seller that they would be willing to work through a loan assumption.