

News from the DC Business Group - April 2021

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Kelley Drye's Washington, DC Business Group is pleased to share the following transactions that we have closed over the past year:

Acquisition of Frederick, Maryland Office Park; and Subsequent Sale of One Building.

Affiliates of Finmarc Management acquired an approximately 440,000 square foot office park (including 5 parcels in fee and a ground lease), comprised of 11 buildings, for more than \$40 million as part of the back-end of a 1031 like-kind exchange. Shortly after acquiring the office park, the Kelley Drye clients began a lease up program and implemented a land condominium in order to maximize the property's value. In March 2021, our clients sold one of the buildings for more than \$7.5 million. Kelley Drye represented the Finmarc affiliates in all aspects of the acquisition and sale, including \$33.75 million of mortgage financing in connection with the original acquisition provided by City National Bank.

Buyout of Investors and Refinancing of 324-Unit Multifamily Project in District Heights, Maryland.

Kelley Drye represented an affiliate of Dragone Realty in connection with the buyout of U.S. and Irish investors and a mortgage refinancing of Verona at Station Square, a 324-unit multifamily housing community in District Heights, Maryland. Capital One originated the new \$41 million Freddie Mac loan. Additional preferred equity funding came from an affiliate of real estate private equity investor Harbor Group. Excess funds will be used to refurbish the property, a project that has been part of the Dragone portfolio since 2015 (when Kelley Drye represented Dragone in connection with the property's original acquisition and syndication).

Preferred Equity Investment in Two Minneapolis Hotels.

Kelley Drye represented affiliates of Alex. Brown Realty in connection with a preferred equity investment in two select service hotels in Minneapolis, Minnesota totaling almost \$10 million of fresh capital. The transactions were complicated by the negotiation of new joint venture agreements with the existing equity holders as well as negotiating amendments to each hotel's senior mortgage loan to recognize the preferred member's rights. The preferred equity funds are intended to help the hotels manage their business through the remainder of the COVID-19 pandemic.

Purchase of Multifamily Properties in College Park, Maryland.

Kelley Drye represented the purchasers of residential buildings located at 7302 Yale Avenue and 4424 Hartwick Road in College Park, Maryland. Purchase money mortgage financing was provided by

Sandy Spring Bank. The purchase is part of our clients' long-term plans to redevelop the properties as part of a new mixed-use retail and residential development. The transaction was complicated by our clients' need to reinvest 1031 like-kind proceeds from the sale of property.

[Sale of a Commercial Condominium Project in Alexandria, Virginia.](#)

Kelley Drye represented affiliates of its longtime client, Finmarc Management, in the sale of a commercial condominium project overlooking the Potomac River in the Old Town section of Alexandria, Virginia, for a purchase price of over \$13 million. Kelley Drye advised Finmarc on the original purchase and financing of this property, that included a second building previously sold, in 2014. The buyer intends to convert the property into a 54-unit residential condominium.

[Purchase of Single Tenant Retail Property in DuPont Circle, Washington, D.C.](#)

Kelley Drye represented White Star Investments in the acquisition of 1647 20th Street, NW in the DuPont Circle neighborhood of Washington, D.C. that was previously occupied by Bareburger. White Star expects a new restaurant to open in the space later this year after the space is improved.

[Freddie Mac \\$333 Million Securitization of Multifamily Loans by Citibank N.A.](#)

Kelley Drye represented Freddie Mac in connection with the securitization of approximately \$333 million of multifamily loans by Citibank N.A. and its affiliates. The transaction was Citibank Multifamily Housing Mortgage Loan Trust 2020-Q012.

[Sale of Flex/Industrial Property in Rockville, Maryland.](#)

Kelley Drye represented the sellers, a joint venture led by the principals of Greenhill Companies and The Maven Group, of 12300 Carroll Avenue in Rockville, MD for \$4.4 million. The 22,000 square-foot flex industrial building was 87.5% occupied by stabilized tenants in place, including Silver Lining Design Group and Oxman Studios, Inc. The sale was completed as the front-end of a 1031 like-kind exchange and the proceeds will be used to fund the purchase of new value-add properties.

[Refinancing of Manhattan Commercial Building and Springfield, Virginia Retail Property.](#)

Kelley Drye assisted affiliates of Squire Investments and Finmarc Management in relation to a \$27.5 million mortgage refinancing of properties located in New York City and Springfield, Virginia. City National Bank provided the financing.

[Sale of Single Tenant Retail Property in Edgewater, Maryland.](#)

Kelley Drye represented an affiliate of White Star Investments in the sale of a single tenant, stand-alone building on Solomons Island Road in Edgewater, MD. The building was formerly occupied by Plazuelas Mexican Restaurant and the new owner is expected to re-tenant the property with a new restaurant.

[Recapitalization of Prince George's County, Maryland Apartment Project.](#)

Kelley Drye represented affiliates of Dragone Realty in connection with a recapitalization of Verona at Silver Hill, a 214-unit multifamily complex in Prince George's County, Maryland. Capital One originated the new Fannie Mae loan in the amount of slightly more than \$33 million.

Sale of Land in Prince William County, Virginia for Data Center Development.

Kelley Drye represented long-time client Gainesville Associates, LLC in the sale of 58 acres of vacant land in Prince William County to an Amazon affiliate. Kelley Drye advised Gainesville Associates through protracted negotiations over the sale, including a post-closing escrow agreement and required subdivision of the site.

Sale of Commercial Buildings in Rockville, Maryland.

Kelley Drye represented affiliates of Finmarc Management in two separate sales of commercial buildings in Rockville, Montgomery County, Maryland for \$12 million. Our clients acquired this multi-parcel property in 2017, leased it up, and commenced to sell off individual parcels in mid-2020. In addition to sale agreements and 1031 documentation, the work involved negotiating an amendment to the Declaration on the property and Parking and Access Easements in connection with the sales.

Freddie Mac / California Community Reinvestment Corporation \$186 million Securitization of Multifamily Loans.

Kelley Drye represented Freddie Mac in connection with the securitization of approximately \$186 million of multifamily loans by the California Community Reinvestment Corporation ("CCRC"). The transaction was CCRC Affordable Multifamily Housing Mortgage Trust 2020-Q014.

Kelley Drye News

New BTI Report Identifies Kelley Drye as an Unparalleled Leader in Client Service

The recently released BTI Client Service A-Team: Survey of Law Firm Client Service Performance 2021 recognized Kelley Drye as an unparalleled leader in client service.

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Kelley Drye & Warren LLP was recognized by *U.S. News & World Report* and *Best Lawyers*

Kelley Drye's [Real Estate Law](#), [Environmental Law](#), [Environmental Litigation](#), [Advertising Law](#), [Communications Law](#) and [Trusts & Estates Law](#) practice groups have been honored with top national rankings in the *U.S. News & World Report* and *Best Lawyers* 2021 report of Best Law Firms.

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Thought Leadership

Kelley Drye's Real Estate Industry Alerts

The Kelley Drye [Real Estate practice group](#) is carefully monitoring across all facets of the real estate industry developments and opportunities arising out of the disruptions to the economy caused by the COVID-19 pandemic. Our real estate industry tracker provides what we hope is a useful summary of some of the more significant legal and regulatory developments together with intelligence on emerging market and practice trends in the real estate industry. See [link](#) to our ***Real Estate***

Industry Alerts Tracker.

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Please reach out to any member of the Kelley Drye team if we can be of service. Most importantly, we wish each of you and your families continued good health in these difficult times.