



NEWS RELEASE

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X-Caliber Funding and CastleGreen Finance Close Largest Single Asset C-PACE Transaction in California History in Joint \$94MM Financing of Iconic Breakers Hotel

Project is Part of a \$167MM Plan for 2023 Reopening of the Landmark Hotel

Irvington, NY – September, 29, 2021 [X-Caliber Funding](#) (X-Caliber), a national, direct commercial real estate lender, and [CastleGreen Finance](#) (CastleGreen), an affiliate company that provides capital focused on Commercial Property Assessed Clean Energy (C-PACE) financing, are pleased to announce the closing of a \$94MM joint transaction as part of a multimillion-dollar renovation to reopen the Long Beach, California landmark [Breakers Hotel & Spa](#). The funding was comprised of a renovation loan and [C-PACE](#) financing, earning the distinction of being the largest financing of a single asset under the program in the state of California.

The X-Caliber/CastleGreen team executed the one-stop transaction providing \$48.5MM in first mortgage, renovation financing, and \$45.5MM in C-PACE financing through the California Statewide Communities Development Authority's (CSCDA) Open PACE Program. The Open PACE Program provides property owners funding to finance improvements that include energy efficiency, renewable energy, water conservation, and seismic improvements while leveraging contractor networks in California communities. The unique PACE financing is only administered through C-PACE approved lenders and allows borrowers to pay it back over time through a voluntary tax assessment that provides a longer-term, lower-cost financing option coupled with the ability to transfer repayment to the next owner.

The \$94MM in financing is part of a \$167MM project led by [Pacific6 Enterprises](#), a Long Beach, California partnership, led by John Molina, who purchased the Long Beach Breakers Hotel & Spa in 2017. The firm focuses on projects that bring positive economic and social advancement to their local communities. The property is planned to reopen as a boutique hotel in the first quarter of 2023 and will feature 185 guest rooms, a rooftop pool, several restaurants, and a renovation of the iconic [Sky Room](#).

Chris Callahan, President and CEO of X-Caliber, says he was extremely pleased to work with all of the parties involved in this notable transaction.



“This was our first joint transaction with our affiliate company, CastleGreen, and we were excited to combine our unique capabilities through the C-PACE program to help Pacific6 execute their vision of bringing this hotel back to life while providing more than 220 jobs and significant economic stimulation to vibrant downtown Long Beach. X-Caliber is committed to providing our clients with the best possible solutions for their business goals and we instantly fell in love with the vision for the Breakers Hotel. Our team of experts understood the needs of our friends at Pacific6, and we were pleased to provide a one-stop financing solution for this transformational and impactful initiative.”

The financing will not only provide borrowers with longer-term, lower-cost financing, but it will significantly reduce greenhouse gas emissions at the rate of an estimated 247.2 metric tons of carbon dioxide per year. The C-PACE financing required improvements for this project are estimated to reduce annual greenhouse gas emissions by eliminating the equivalent to 273,800 pounds of burned coal and avoiding 84.3 tons of waste that will be recycled instead of landfilled. These are two of nearly two dozen examples of CO2 reduction that are a direct result of the C-PACE financing for the Breakers Hotel and Spa.

“The CastleGreen team was very proud to work with its partner at X-Caliber to help the Pacific6 team bring this historic asset back to its grandeur of the early 20th century,” said Sal Tarsia, Managing Partner of CastleGreen. “It was a pleasure to bring all of the elements available in the CSCDA Open PACE Program to help benefit Pacific6, a firm truly engaged in the restoration and positive environmental impact of its community.”

“Bringing the Breakers Hotel back to its former purpose and glory has been our intention from day one,” said John Molina, founder of Pacific6. “Long Beach needs this hotel and we’re proud to work with CastleGreen and X-Caliber to make this dream a reality as we transform our city’s downtown neighborhood.”

James Hamill, Managing Director, California Statewide Communities Development Authority, says the project’s financing is an example of how the unique C-PACE program and strong teamwork can make a real impact.

“The Breakers C-PACE financing exemplifies how CSCDA brings effective financing mechanisms to its member cities, such as Long Beach, to create a sustainable present and future,” said Hamill. “We commend the CastleGreen team for its efforts here and look forward to their continued positive impact in the C-PACE space in California.”

Berkadia’s Matt Raptosh, Managing Director, arranged the transaction financing. “This deal could not have been closed without the creativity, commitment, and integrity of the X-Caliber/CastleGreen team. Thanks to their efforts, the city of Long Beach will benefit from the return of this historic hotel as a beautiful and defining feature of its coastal skyline. X-Caliber and CastleGreen were able to lever their expertise in structured finance and C-PACE lending to create an outstanding solution for a very complex deal, all the while providing best-in-class



service to the client, Berkadia, and all of the stakeholders from application through closing. We are excited to work with them again in the very near future.”

The 14-story Breakers hotel, which is among the oldest buildings in Long Beach, was built in 1926 and has a star-studded history of hosting guests like John Wayne, Clark Gable, Cary Grant, and Elizabeth Taylor. It is within walking distance to many of Long Beach’s notable features, including the Convention and Entertainment Center, the restaurant district, the Aquarium, and the Long Beach Cruise Terminal. The hotel closed in 1988 and most recently operated as an assistant living facility. The new Breakers Hotel and Spa is projected to reopen in the first quarter 2023.

About X-Caliber – www.x-calibercap.com

X-Caliber is a nationally recognized direct lender that has been building long term relationships with our clients for 30 years. The X-Caliber team offers a broad breadth of experience and capital markets knowledge unrivaled by its competitors. The principals have provided capital in excess of \$80 billion to the Commercial Real Estate space over the past two decades

About CastleGreen Finance – www.castlegreenfinance.com

CastleGreen Finance is a private capital source focused on Commercial PACE (Property Assessed Clean Energy) financing. CastleGreen brings extensive experience in commercial real estate across a broad range of financial disciplines. The real estate experience of the CastleGreen team, combined with its core C-PACE capabilities, provides its clients with the knowledge and resources to create a superior capital stack that meets all its needs and helps to unlock the potential of their commercial real estate. We understand that the most important part of any real estate transaction is showing up with the capital at closing. Our team focuses on the details of every deal to ensure we can get our clients to the finish line.

About Pacific6 – www.pacificsix.com

Pacific6 is a Long Beach, California-based investment and development partnership, capitalized at over \$100 million. The partnership's six founders are committed to identifying, investing, and being personally involved in inspiring initiatives that provide both economically and socially positive impacts for the people and communities in which they are located. The current project portfolio includes the award-winning Long Beach Post and the historic Breakers Hotel.