

## **Paragon Commercial Group and Canyon Catalyst Fund Joint Venture Acquires Retail Center in Rancho Mirage, CA**

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Acquisition represents partnership's first in a series of anticipated investments through the Emerging Manager Program

**LOS ANGELES--(BUSINESS WIRE)--April 08, 2014--** A partnership between the Canyon Catalyst Fund, the groundbreaking emerging manager fund designed to identify and cultivate emerging real estate investment managers, and Paragon Commercial Group has closed on its first retail real estate acquisition, a 158,156 sf shopping center known as Rancho Las Palmas located in Rancho Mirage, CA. Rancho Las Palmas is a centrally located neighborhood shopping center situated at the intersection of Bob Hope Drive and the U.S. Highway 111 in the city of Rancho Mirage. The joint venture acquired the asset from Wells Fargo and plans to redevelop the site, which is currently approximately 50% vacant.

Aerial view of Rancho Las Palmas shopping center (Photo: Business Wire)

"Canyon is thrilled to partner with Paragon Commercial Group in this acquisition through our emerging manager platform," said Maria Stamolis, Senior Managing Director at Canyon Capital Realty Advisors. "The team at Paragon Commercial Group possesses best-in-class operating capabilities and strong retail relationships, which will benefit both the Rancho Las Palmas shopping center and the City of Rancho Mirage."

Rancho Las Palmas is located adjacent to the River, a major regional retail and entertainment destination, and benefits from one of the busiest intersections in the entire Coachella Valley, with average traffic counts of over 65,000 cars passing by the shopping center daily. In addition to the growing number of Coachella Valley residents, the daytime population for the area includes approximately 128,000 employees who work within a 10-mile radius of the shopping center and 10,000 students who attend the College of Desert located 2.5 miles away.

"We are excited to seed our partnership with the Canyon Catalyst Fund with this initial and compelling acquisition," said Jim Dillavou, Principal at Paragon Commercial Group, "and we anticipate announcing additional value-add acquisitions through our partnership in the very near future." Dillavou added, "We would especially like to thank the City of Rancho Mirage and its staff who were excellent partners during our evaluation of the center. We look forward to working closely with them as we invest significant capital into the center over the coming months to modernize and revitalize the asset into a vibrant community amenity."

Formed in 2013, the partnership between Paragon and the Canyon Catalyst Fund is focused on acquiring \$60-\$100 million in retail shopping centers in urban markets throughout California.

### **About The Canyon Catalyst Fund**

The Canyon Catalyst Fund is a joint venture between Canyon Capital Realty Advisors (Canyon Realty) and the California Public Employee's Retirement System (CalPERS) aimed at developing the next generation of real estate managers and deploying \$400 million into urban markets across California. Leaders from Canyon Realty will work closely with emerging managers, acting as mentors and advisors to ensure the incorporation of best-in-class practices.

Canyon Realty (<http://www.canyoncapitalrealtyadvisors.com/>) is the real estate direct investing arm of Canyon Partners, LLC. Founded in 1990, Canyon Partners and its affiliates are investment management firms and registered investment advisors headquartered in Los Angeles, with approximately \$25 billion in assets under management.

## **About Paragon Commercial Group**

Founded by Mark Harrigan, Erwin Bucy and Jim Dillavou, Paragon Commercial Group opportunistically invests in value-add and tenant-driven retail development and redevelopment opportunities, with a focus on underutilized assets in infill and high-barrier to entry markets. With over 50 years of collective retail experience and a retail resume in excess of 10 million square feet of neighborhood and community centers on the West Coast, Paragon's deep market knowledge and extensive tenant relationships provide a constant grass roots pipeline of retail investment opportunities.

Paragon enters into each acquisition with a commitment to quality that extends to each constituency involved in the development process including, capital partners, government agencies, lenders, property owners, tenants and clients. The team's current portfolio ranges from smaller properties, including single tenant assets and neighborhood grocery anchored centers, to larger more complex infill development and redevelopment projects.