



## **Virtua Partners and Hotel Equities Break Ground on the First-Ever Opportunity Zone Project; a SpringHill Suites by Marriott in Phoenix**

*The new development sets the stage for the implementation of the Opportunity Zone program*

SCOTTSDALE, Az. – (February 1, 2019) – [Virtua Partners](#), the Scottsdale-based private equity firm, and its management partner [Hotel Equities](#), marked a new chapter today for the Opportunity Zone program. Local officials, community leaders and project partners gathered to celebrate the groundbreaking of the new 130-room Springhill Suites by Marriott being constructed in the Phoenix suburb of Avondale.

In addition to being a first mover, Virtua Partners is leading the charge to ensure that the Opportunity Zone program provides the economic and social benefits promised to local communities. To that end, Virtua Partners hosted a roundtable policy meeting for stakeholders, policymakers and thought leaders to discuss how to assess, measure and track the social impact of Opportunity Zone projects. One result of this discussion was the formation of an Opportunity Zone Impact Policy group that will be charged with identifying a set of standards that can be applied to Opportunity Zone projects, so communities and investors can evaluate the social impact of the capital poured into such initiatives.

“Being first is significant because this project is where the rubber meets the road for the Opportunity Zone program,” says Quinn Palomino, principal and co-founder of Virtua Partners. “There has been much speculation about how this program will unfold and now it’s being realized. We want to set an example for how others can adhere to the mandates of this program to provide both attractive, tax-advantaged investments and real social benefit to local communities.”

The Opportunity Zone program was introduced in the 2017 Tax Cuts and Jobs Act as a bipartisan effort to encourage private capital to invest in economically distressed areas. Significant tax breaks are offered as incentives for long-term investment in designated communities.

One way Virtua Partners is providing social benefits through its first project is by offering on-the-job training opportunities to entry-level employees of the hotel. Virtua Partners, in conjunction with its affiliated hotel management firm, Hotel Equities, provides employees of the properties it manages with several on-the-job management and leadership programs with the goal of promoting entry-level employees to management-level positions.

“We are wholeheartedly committed to providing opportunities for advancement to our associates,” says Brad Rahinsky, president and CEO of Hotel Equities. “We believe it because we’ve lived it. I started as a bellhop. The founder of Hotel Equities, Fred Cerrone,

started in a hotel mailroom. We were lucky to have people who believed in us and helped us grow professionally. We strive to offer those same opportunities to others, regardless of background, education or circumstance.” To date, nearly 100 employees have graduated from one of Hotel Equities’ training programs and 60 percent of those graduates have gone on to fill upper-management roles within the company.

“We like to say, ‘doing great, by doing good,’” says Palomino. “This program can be a win-win for investors and communities. For investors, the tax benefits are among the most attractive available. For communities, we’re generating economic activity, creating jobs and increasing local tax revenue. When you combine that with initiatives emphasizing social impact, like Hotel Equities’ management training programs, we have the ability to change lives and leave a lasting impact, just as the program was intended to do.”

To learn more about Opportunity Zones, visit [VirtuaPartners.com](http://VirtuaPartners.com).

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### **About Virtua Partners:**

Virtua Partners is a global private-equity firm specializing in commercial real estate. The firm and its affiliates sponsor a variety of investment funds and commercial real estate projects across the United States and currently have 16 million square feet of assets under management or development.

Virtua Partners was the [first firm to introduce an Opportunity Zone Fund](#) in June 2018 and the [first to complete a rezoning of an Opportunity Zone project](#).

Virtua Partners’ goal is to provide superior risk-adjusted returns for high-net-worth individuals and family offices through comprehensive strategies, rigorous underwriting and careful execution. Virtua Partners strives to lead the conversation on how Opportunity Zone participants can evaluate, communicate and maximize the social impact of the investments they make in local communities.

### **About Hotel Equities**

Hotel Equities (HE) is an Atlanta-based full-scale hotel ownership, management and development firm operating 110+ hotels throughout North America. Frederick W. Cerrone, CHA, serves as Founder and Chairman; Brad Rahinsky serves as President and CEO. For more information, visit [www.hotelequities.com](http://www.hotelequities.com).

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