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Magic Johnson and Canyon Capital close \$1 bln fund

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By [Iaina Jonas](#)

NEW YORK, April 16 (Reuters) - The Canyon-Johnson Urban Fund, a partnership between Canyon Capital Realty Advisors and former basketball star Earvin "Magic" Johnson, said on Wednesday it has concluded raising a \$1 billion fund targeted for new development and urban revitalization.

Canyon-Johnson Urban Fund III will fund new development specifically geared to the population in ethnically diverse, densely populated neighborhoods with strong demand for new retail, residential, or warehouse and distribution centers.

Adding leverage, the fund can translate into \$3.5 to \$4 billion in new development, said K. Bobby Turner, managing director of Canyon Capital Realty Advisors, which manages more than \$11 billion of capital.

Johnson is the chief executive of Magic Johnson Enterprises and Magic Johnson Theatres, a nationwide chain of movie theaters, and an advocate for urban renewal.

The investors are pension funds and endowments seeking returns. Most have invested in the partnership's two prior funds CJUF I and II.

"Our investors came to us and said this is not charitable. This is not social. This is about making money," Turner said.

The funds do not depend on tax breaks to make their projects financially viable. But Turner said municipal leaders are able to support projects in other ways, such as expedited zoning, use of government-owned land, variances for signage and other assistance.

"These are ways cities and communities that are already starved for capital can help support and facilitate urban development without having to provide actual dollars," Turner said.

Some of the areas for development via the fund may be located in Los Angeles, San Diego, Phoenix, Dallas, Austin, Huston, Washington D.C., Boston, Chicago, Nashville, and the Interstate 85 corridor between Atlanta and Charlotte, North Carolina. (Editing by Tim Dobbyn)

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