

DEALMAKERS

Tall Tower Gets Big Loan: \$425 Million Refinancing Issued for Panorama Project

by Lidia Dinkova

In Miami, developers are building higher, and the related real estate transactions are getting bigger.

On the lending side, a \$425 million refinancing was issued by Wells Fargo & Co. for Brickell's Panorama Project, which includes the 85-story Panorama Tower — the tallest residential building on the East Coast south of New York.

“Having been on the 85th floor, there is no building in South Florida that approximates that height. So the buildings that used to be the largest in downtown Miami are now buildings that you can in a sense look across the vista — but you look down on them,” said Kerry Rosenthal, an Aventura attorney who secured the loan for the developer. “On a clear day, you can see 50 miles. You can see Sawgrass. You can see Fort Lauderdale.”

Rosenthal is a founding partner at Rosenthal Rosenthal Rasco, where he leads the real estate and



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development, condominium, corporate and business transaction practice.

The refinancing closed Jan. 31.

Tibor Hollo is a prolific real estate developer whose projects include notable Miami towers, and his Florida East Coast Realty LLC developed the 868-foot Panorama Tower. The company chairman

and president is in business with his sons Wayne Hollo and Jerome Hollo, both executive vice presidents.

The tower, which opened last summer, has 821 luxury apartments, a 208-room Hyatt Centric boutique hotel, 70,493 square feet of office space, 47,360 square feet of high-end

retail and a 2,039-space parking garage.

The Panorama Project includes two office buildings, which existed when Hollo bought the site through an affiliate of Florida East Coast Realty, with a combined 300,000 square feet.

TWJ 1101 LLC owns the site between Brickell Avenue and Brickell Bay Drive north of 11th Street. The limited liability company is listed in state corporate records as a Florida East Coast Realty affiliate.

Some of the proceeds will be used to pay the principal on a \$340 million loan secured in 2015 for construction of the residential tower.

Rosenthal said he is unsure where the remaining \$85 million is headed, although he said the developer spent its own money on the project as well.

“The construction loan was only financing a portion of the construction and the remaining construction was paid out of pocket by the property owner,” Rosenthal said.

Rosenthal has represented the Hollo family in numerous other deals, including the securing of the \$340 million construction loan four years ago and the property acquisition in 2009.

The latest deal was complex and required two underwriters to insure the mortgage title, he said.

Chicago Title Insurance Co. was the underwriter on 60 percent of the loan, and Old Republic National Title Insurance Co. was the underwriter on the balance, Rosenthal said.

“It added to the complexity of the closing because we had to satisfy the concerns of not just one underwriter, which is a more typical scenario, but two,” he said.

Also, transitioning from a construction loan to permanent financing comes with its own set of complexities.

“The construction needed to be completed and the contractors paid and/or provided for in the loan for the construction aspect to close out. Then that part of the project moved to the permanent financing upon completion of the building,” Rosenthal said. The tenants’ leases also had to be subordinate to the mortgage so the lender was in first position, he added.

Rosenthal declined to provide the loan terms.

While the construction loan was for the tower building only, it encumbered the entire project. The same terms are in the new loan.

“It means the loan is secured by the entire project,” Rosenthal said.

Panorama Tower offers one-bedroom apartments of 1,134 to 1,153 square feet, two-bedroom units measuring 1,125 to 1,630 square feet and three-bedroom

units of 2,175 to 2,191 square feet. Monthly rents range from \$3,044 to \$9,354.

While Panorama Tower currently is the tallest building in Florida, it is expected to get bigger company soon.

Okan Tower, with its peak resembling a tulip blossom, is expected to soar 890 feet high at 555 N. Miami Ave. It will include 236 condo-hotel units, a 293-room Hilton Hotels & Resorts hotel, 149 condos, four duplex-style penthouses and 64,000 square feet of office space, according to the project’s website.

Florida East Coast Realty intends to outdo itself by building the 1,049-foot mixed-use One Bayfront Plaza in downtown Miami.

As for Panorama Tower, it also is noted for its amenities. They include a pet spa and boarding kennel, a 52nd-floor restaurant and lounge, three private theaters, a children’s playroom, pools and a 22nd-floor sundeck wrapping around the tower, according to Panorama’s website.

All of the apartments have terraces, and more than 90 percent have water views.

“The amenities,” Rosenthal said, “for both the hotel and the residences are unparalleled.”

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