

DEALMAKERS

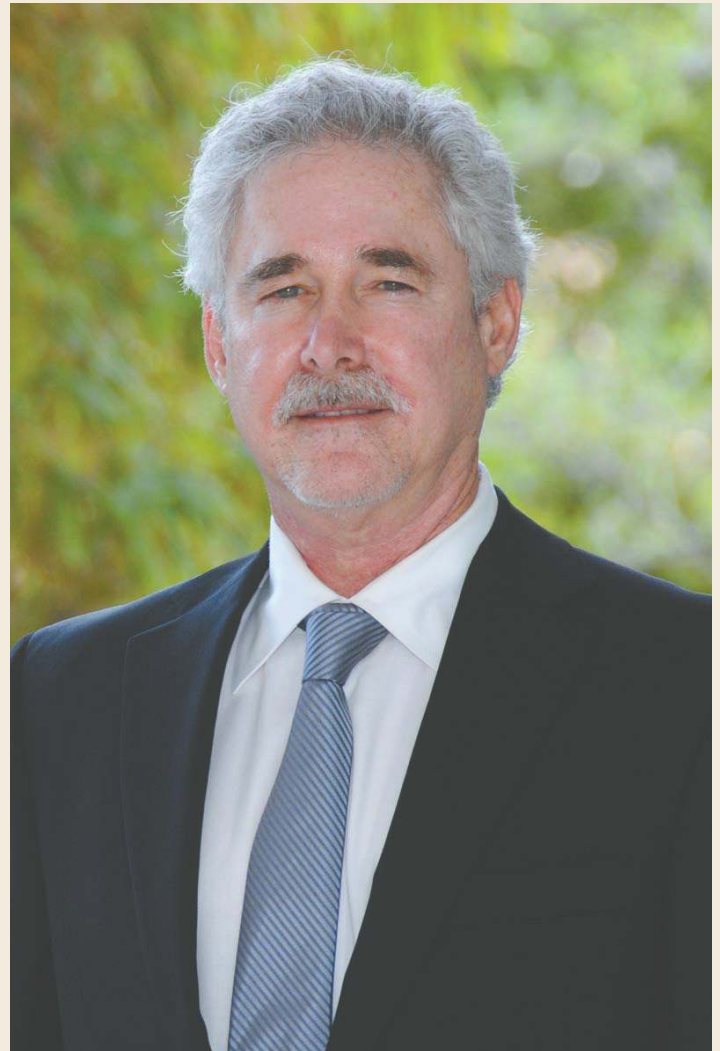
AVENTURA ATTORNEY WORKS BOTH PANORAMA LAND DEAL, CONSTRUCTION LOAN

Dealmaker: Kerry Rosenthal

The Deal: The partner at Rosenthal Rosenthal Rasco Kaplan in Aventura represented TWJ 1101 LLC in obtaining a \$340 million construction loan for the 83-story Panorama Tower rising at 1101 Brickell Ave. The deal closed March 2.

Details: TWJ 1101 is an affiliate of veteran Miami developer Tibor Hollo's Florida East Coast Realty LLC. Panorama Tower, expected to be the tallest residential building on the East Coast south of New York, is planned as a mixed-use project with 821 luxury apartments, a 208-room hotel, a 100,000-square-foot medical office facility, 50,000 square feet of retail and a 2,000-car parking garage. Two existing office buildings on the site will be incorporated into the complex.

At the time of closing, the \$340 million construction loan was the largest in Miami history, according to Miami-Dade County Recorder's Office data. Larger loans have closed in the county, but they were to refinance or modify existing mortgages for the Aventura Mall, Fontainebleau Miami Beach and the ICON mixed-use development on Brickell Avenue.



Jill Kahn

Aventura- Kerry E. Rosenthal,
with Rosenthal Rosenthal Rasco Kaplan.

A syndicate of seven banks led by Wells Fargo Bank N.A. provided the loan. Hollo plans to fund about \$160 million of the project through the EB-5 program, which allows wealthy foreigners to qualify for green cards by investing at least \$500,000 in commercial ventures that preserve or create full-time jobs.

Rosenthal has represented Hollo since the early 1990s in projects across South Florida as well as in New York and Las Vegas. The list includes Hollo's acquisition of the Panorama Tower property in 2009 for about \$33 million.

"The seller sold it to Mr. Hollo and his entity for a very good price," Rosenthal said. "Many of the banks were not lending (during the Great Recession.) Mr. Hollo was in the right place at the right time with cash."

Rosenthal holds Hollo in high regard. "He is one of the smartest men I know," he said. "I have learned so much from him. When everyone else was having problems with the market and prices were dropping, he made all the right moves and calls and got through that rough time in an amazing fashion."

The path to getting the loan was smoothed by the fact that Hollo has worked with Wells Fargo for years. "They have had a good working relationship for quite some time," Rosenthal said.

Ironically, getting the loan created a big challenge, he said. Though Hollo knew the loan would come through, he got the project going with cash. But the issuance of a loan meant there could be no mechanics liens.

All work ground to a halt Feb. 27 until dozens of contractors and subcontractors were paid and lien releases were obtained.

"It is a monumental effort to get everyone to stop work, get them paid and recom-

mence," Rosenthal said. "This was accomplished over four days, which was a pretty amazing feat. It took a lot of coordination and advance planning."

With the mortgage recorded and a notice of commencement issued, work was ready to resume March 2. "We are very happy it got done as quickly as it did," he said.

The next milestone came March 21, when 175 trucks converged on the site to begin the foundation pour. The \$800 million project is expected to be completed at the end of 2017.

Another complication was that Panorama Tower is a mixed-use project. Before the loan could close, the developer had to have a signed lease with the hotel and other tenants.

"To get all of those moving parts to be appraised and approved and in place was a difficult challenge, but it was managed by the developer," Rosenthal said.

As high-end residential and mixed-use projects transform the Miami skyline, Rosenthal has watched tremendous change unfold.

"Ultimately, someone who lives in Panorama Tower will be able to walk out his door and find all the facilities and services they need and never have to go anywhere by car," he said. "Downtown is becoming a place where people want to live."

Comment: During the real estate bust, Hollo "kept his cash close and did not speculate on the market like other people had and who ended up losing their shirts," Rosenthal said.

Background: Rosenthal, who has practiced law for about 35 years, manages the Aventura law firm's real estate and development practice.

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