

Bilzin Attorneys Arrange \$115M Loan for Hollywood Condo-Hotel



Meredith Singer, shareholder with Greenberg Traurig in Miami, and Alexandra Lehson, with Bilzin Sumberg Baena Price & Axelrod.

A group of Miami lawyers came together to secure a \$115 million loan for Hyde Beach House in Hollywood, a condo-hotel project spearheaded by the Related Group.

Bilzin Sumberg represented a joint venture Related formed to develop the tower, which now includes Dezer Development and Silverback Equity Partners LLC. Related originally partnered with 13th Floor Investments and Key International, but those two groups are no longer involved, a spokeswoman for the project said.

The borrower's lead counsel, Bilzin Sumberg partners Alexandra Lehson and Suzanne Amaducci-Adams, negotiated the loan when financing for new residential construction, especially luxury condominiums, is tight in South Florida. While most banks have exited the segment, some alternative lenders are still in play.

Hyde Beach House's developers landed the loan from Guggenheim Corporate Funding LLC, an affiliate of the New York-based investment and advisory firm Guggenheim Partners.

Lehson, who has represented the sponsors in the past, said her team was under a tight deadline to negotiate the deal with multiple attorneys on the lender side.

"You just have to work through all the issues," she said. "Fortunately, everybody was willing and able to come up with practical solutions and work together to get to a place where we were able to move forward."

The deal shows lenders are still willing to fund unique developments backed by renowned developers, Lehson added. Hyde Beach House is 80 percent sold.

Bilzin alone has completed \$1 billion worth of construction loans in the last few months.

"The real takeaway is that there is money available still for really great projects with really strong sponsorship," Lehson said.

Bilzin attorneys who worked on other aspects of the deal include partners Marshall Pasternack, Carter McDowell and Joshua Kaplan as well as David Resnick, an associate.

Greenberg Traurig shareholders Meredith Singer and Kimberly LeCompte acted as condominium counsel for the development team, structuring the building's condo documents and representing the team in sales.

The law firm has represented the Related Group on most of its South Florida condo developments.

Many of today's residential developments are no longer condo only. This project in particular has residential, commercial and hospitality components.

Hyde Beach House is rising on 2.4 acres at 4000 S. Ocean Drive. The 41-story building will be composed of 77 unfurnished condos and 265 condo-hotel units.

"Our documents govern the relationship between the different components in the project," Singer said.

Try explaining this to a lender.

Singer and LeCompte were there to guide the lender through the project's moving parts. They helped the lender understand how each component relates to the loan funding its construction.

"It's always a challenging because there are lots of different issues that come up whenever you build these," Singer said. "You're talking about a set of documents that have to work for years and years."

Unit prices start at \$590,000 and go up to \$1.3 million.

Building amenities include three food and beverage areas, a spa and fitness center, and pool and lounge areas for residents. Hotel guests and unit owners will have exclusive access to the sbe hospitality platform, which includes a number of sbe hotels, restaurants and nightlife venues in South Florida.

Other lawyers involved in the deal include Miami-based Carol Faber, an Akerman partner who represented the New York lender.

Weil, Gotshal & Manges partner Beatriz Azcuy-Diaz in Miami also participated in the deal.

Hyde Beach House is one of a handful of projects backed by big loans this year. The ultra-luxury Bristol Palm Beach nabbed a \$206 million construction loan in West Palm Beach earlier this year.

A \$236 million construction loan fueled construction of the Brickell Flatiron in Miami's Brickell neighborhood, and in March, the Paramount Miami Worldcenter condo tower secured \$285 million to fund its construction in downtown Miami.