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## \$120M Offer Emerges For Surfside Condo Tragedy Site

By **Jeannie O'Sullivan**

Law360 (August 11, 2021, 4:27 PM EDT) -- A principal for the real estate company handling the sale of the Surfside, Florida, property where a condominium building collapsed revealed an anonymous \$120 million offer to buy the property Wednesday.

The state judge presiding over litigation connected to the tragedy, however, said he feared a proposed municipal zoning overhaul might endanger the transaction and victims' monetary recoveries.

During a weekly status conference in the litigation over property loss and wrongful death from the June 24 incident, Miami-Dade Circuit Judge Michael Hanzman said the possible sale was the "best news" he'd heard all day, but made clear to the town of Surfside that now is a bad time to consider any move that would possibly undervalue the Champlain Towers South complex.

The proceeds from the potential sale are earmarked for the displaced residents and the estates of those who died, but a zoning change could lessen the density that developers find attractive. Any move to diminish the property's value after the tragedy would "shock" the court, Judge Hanzman said during the hearing, which was held via Zoom.

"I don't want to lose bidders and I don't want to lose the opportunity to compensate these victims because" Surfside is delaying the process, Judge Hanzman said.

Surfside attorney Anthony L. Recio, of Weiss Serota Helfman Cole & Bierman, cited an ongoing zoning code rewrite as reason for the delay in getting property information to real estate company Avison Young, which needs the zoning specifics in order to advance the bidding process.

"I would hope that the town is not seriously contemplating that at this time," the jurist said, wondering aloud if it was possible for Surfside to get the current zoning information to Avison Young this week.

"I will convey the urgency of this to the [town's] planner," Recio told the court.

Earlier in the hearing, Avison Young principal Michael T. Fay said a stalking horse bidder had submitted a \$110 million letter of interest for the property and was willing to go up to a floor bid of \$120 million. It was "very important" that Surfside provide the current zoning of the parcel in order to facilitate the bidding process, according to Fay, who told Law360 after the hearing that the bidder's identity was confidential for now.

When Judge Hanzman asked Recio for an explanation, Recio said it was "not simple," due in part to a "push to change the zoning" that's been underway for about a year.

The judge said he considered that a "cryptic" explanation.

"I want this done and my biggest concern is that we have somebody who can close at fair market value," the judge said, adding that he wants "a short auction process, and if nobody outbids [the stalking horse] we can move forward."

"And if somebody outbids them, that's fantastic," Judge Hanzman said.

Champlain Towers resident Oren Cytrynbaum, an owner-occupant of a ninth-floor unit, reiterated

concern that the town's intention to "downzone" the parcel's density would impact how compensation would be divvied up among different classes of residents, including owners and renters.

The matter has spurred infighting among the once-united victims, according to Cytrynbaum.

"Now there's a lot of nastiness going on within the owners," Cytrynbaum said during the hearing.

Judge Hanzman acknowledged that compensation could vary for the former residents of the 12-story building, which featured ocean views in certain upper-floor units. He said that voting on the type of appraisal process could be "complicated," so it might be best if the court fielded input from everyone concerned and made a decision from there.

The collapse killed 97 people and spurred multiple lawsuits, which Judge Hanzman ordered consolidated by Aug. 16. An attorney representing a group of victims, Rachel Furst of Grossman Roth Yaffa Cohen PA, said Wednesday that an amended complaint was on track to be filed by that deadline.

The plaintiffs' attorneys have said they're working to identify additional possibly responsible parties. So far the only defendant in the litigation is the condominium association.

The weekly status conferences have also addressed efforts to find compensation sources for victims, as well as concerns that evidence on the property is preserved while it undergoes an investigation and repairs critical to what the town and county say are "life safety" issues.

Attorney Manuel Kadre, who along with lobbyist Rodney Barreto has offered pro bono services to try to raise victim compensation money from the government, gave a report on talks with Surfside Mayor Charles W. Burkett, U.S. Sen. Marco Rubio, R-Fla., and U.S. Rep. Debbie Wasserman Schultz, D-Fla.

Possible victim compensation sources include mortgage relief, a victims' compensation fund "similar to what was done after 9/11," a victims' memorial and private corporations, Kadre said.

"Those are the four buckets with which I see the highest likelihood of success," Kadre told the court Wednesday.

Complicating matters at the Champlain Towers site is Miami-Dade County's evolving plan to buttress retaining walls while the U.S. Department of Commerce's National Institute of Standards and Technology investigates the cause of the collapse.

Concerns about preserving evidence key to the victims' claims during these activities dominated an **emergency hearing** held Friday. The condominium association's court-appointed receiver, Michael Goldberg of Akerman LLP, had said the county was exploring revisions to the plan to buttress the walls but needed to address the immediate concern of a pool patio in danger of collapsing.

Goldberg's attorney, Paul Singerman of Berger Singerman LLP, said Wednesday that a meeting was held Tuesday among stakeholders to come up with a revised protocol for preserving the evidence.

Judge Hanzman said at one point that any destructive testing on the site would be done "pursuant to and only pursuant to" a court-approved protocol.

Goldberg is represented by Paul Singerman and Jordi Guso of Berger Singerman LLP.

The plaintiffs are represented by Harley Tropin and Javier Lopez of Kozyak Tropin & Throckmorton, Rachel Furst of Grossman Roth Yaffa Cohen PA, Ricardo Martinez-Cid of Podhurst Orseck PA, Adam Moskowitz of The Moskowitz Law Firm, MaryBeth LippSmith of LippSmith LLP, John Ruiz of MSP Recovery Law Firm, Brad Sohn of The Brad Sohn Law Firm PLLC, John Scarola of Searcy Denney Scarola Barnhart & Shipley PA, Robert Mongeluzzi of Saltz Mongeluzzi & Bendesky PC, Shannon Del Prado of Pita Weber Del Prado, Gonzalo Dorta of Dorta Law, Judd Rosen of Goldberg & Rosen PA, Luis Suarez of Heise Suarez Melville PA, Jorge Silva of Silva & Silva PA, and Willie Gary of Gary Williams Parenti Watson & Gary PLLC.

The case is In re: Champlain Towers South Collapse Litigation, case number 2021-015089-CA, in the

Eleventh Judicial Circuit Court of the State of Florida.

--Editing by Robert Rudinger.

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