

DEVELOPMENT SOUTH FLORIDA

## South Florida Dirt: In Brickell, Michael Stern fights foreclosure. In Miami Beach, his proposed tower moves on without him

Also, billionaire Jeff Greene listed a Manalapan property for \$99M



*Terra's David Martin with a rendering of 1250 West Avenue in Miami Beach and Michael Stern with a rendering of Mercedes-Benz Places in Miami*

Two of Michael Stern's marquee projects are moving forward in different ways: one with him, and one without him.

A year ago, the JDS Development Group founder was working on three ambitious projects in South Florida: Mercedes-Benz Places, a nearly 800-unit, two-tower development under construction in Brickell; the redevelopment of 1250 West Avenue into a tall and slim condo tower in Miami Beach; and the Dolce & Gabbana-branded condo building at 888 Brickell Avenue.

Over the course of the last year, Stern secured an upzoning on the Miami Beach property and teamed up with developer David Martin's Terra to complete the bulk purchase of the condo building where the project is planned.

But that's when JDS' trajectory shifted.

In January, JDS transferred its ownership stake in 1250 West Avenue to developer David Martin's Terra. And after JDS' hard work to persuade the Miami Beach City Commission to rezone the property last summer, Terra will reap the benefits. Last week, the city's Design Review Board unanimously approved plans for the 28-story condo tower, once a hot-button issue.

A totally different story is playing out in Brickell, where JDS is now fighting its new lender, Cottonwood Management, weeks after Cottonwood sued to foreclose on the Mercedes-Benz Brickell project.

The future of the partially built, yet stalled, development has had Brickell brokers in a frenzy. (Really, ask any of them.)

Cottonwood, which took over the loan in late March of this year, alleges the developer defaulted when it failed to repay the loan by the January 2025 maturity date. Cottonwood is seeking at least \$100 million in damages, including interest.

JDS, meanwhile, is accusing Cottonwood of dirty tricks, specifically violating its non-disclosure agreement that it signed with JDS months before it took over the loan, which JDS said was related to a potential refinancing. The agreement limited the use of confidential information and prohibited entering other project-related transactions, according to JDS' complaint.

The developer said the foreclosure filing has caused serious damage, including about 10 percent of buyers considering backing out of their contracts. The foreclosure has also "significantly impeded" the developer's efforts to refinance the debt, according to court filings.

Time is one of a developer's biggest enemies. How quickly JDS and Cottonwood resolve their issues, if they do, could determine whether the project succeeds or flops.

What we're thinking about: Buyers of five condos at the planned Edition Residences in Edgewater sued to recoup their deposits from Two Roads Development. But the developer made another move on this complicated chessboard, terminating the Biscayne 21 condo association, amid its fight with

holdout owners of the older building. How does this story end? Send me a note at [kk@therealdeal.com](mailto:kk@therealdeal.com).

## CLOSING TIME

**Residential:** A trust tied to Luis Arevalo sold the waterfront home at 216 Bal Bay Drive in Bal Harbour for just under \$29 million. A trust managed by attorney Mark Meland bought the house, which was marketed as a teardown. It sits on a half-acre lot.

**Commercial:** Integra Investments sold a luxury apartment building known as Biscayne Shores at 11295 Biscayne Boulevard. The property is in an unincorporated area of the county that's bordered by North Miami, Miami Shores and Biscayne Park. The buyer was RPM Living Investments, based in Atlanta. Sources told The Real Deal that the sale amounted to \$151.4 million; the recorded deed values the property at \$206 million, though the buyer is disputing this.

— Research by Mary Diduch

## NEW TO THE MARKET

Billionaire real estate developer Jeff Greene listed the two properties at 4000 and 4020 South Ocean Boulevard in Manalapan for \$99 million, according to the Palm Beach Daily News. They total 3.1 acres with frontage on the ocean and the Intracoastal Waterway, and the properties include two homes that could be redeveloped. They're on the market with Premier Estate Properties' Margit Brandt. Greene previously listed the lots for sale in 2022 asking just under \$50 million.

## A thing we've learned

The Florida Legislature passed a bill last session that applies to the redevelopment of shuttered recreational sites, including golf courses and tennis courts, of at least 5 acres in Miami-Dade, Broward, and Palm Beach counties. As lawmakers have done in previous years, the bill further strips local governments of their powers, allowing developers of these sites to proceed with staff-level administrative approval and bypass public hearings.