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## Regional, Community Banks Combine on \$76M Miami Condo Loan



Rendering of 1010 Brickell tower

A large construction loan secured by a mixed-use development appears to be a coup for regional and community bankers selected to finance the condo tower in Miami's Brickell financial district.

The win for the local financiers is significant given the lending environment for large construction loans has been dominated in the current cycle by national banks, institutional lenders and hedge funds.

Developers Key International Inc. and 13th Floor Investments LLC said last week that they closed on a \$76 million syndicated construction loan from Alabama-based Regions Bank, which

is bringing Coral Gables-based Mercantil Commercebank and Miami's City National Bank of Florida along as junior lending partners. The money amounts to 35 percent and 40 percent of the value projected in the future 1010 Brickell tower, a 387-unit condo being built at 1025 SE First Ave. in Miami. The mortgage has not been recorded.

Daryl Shevin, chief financial officer at 13th Floor, said a longstanding relationship between his company and Regions Bank helped facilitate the deal. But the lenders' flexibility in working with the developer's cash flow calendar also played a large role in the deal, Shevin said.

"When you seek a loan of this size, there's two things that come into play: The first is pricing, and the second is structure," he said, explaining the loan deal had been worked over five months,

That's significantly longer than what private equity shops have taken to close deals in South Florida, but Shevin said the process was worth it because it gave the lenders "the ability to understand the most important part of this deal, which is the deposit structure."

The 1010 Brickell project has a relatively aggressive deposit schedule for South Florida with most buyers paying half of their future unit price even though the groundbreaking just happened in September.

While declining to go into specifics, Shevin said other institutional lenders who were offered the deal presented 13th Floor with terms that would not have worked based on the deposit structure. Many other residential projects in South Florida don't require buyers to reach a 50 percent deposit level until later in construction milestone, such as the topping off.

Shevin said the deal was helped by his company's engagement in the process of syndicating the loan, the so-called roadshow where Regions went to various financial institutions looking to sell off parts of the loan.

"It wasn't a 13th Floor roadshow, it was a Regions roadshow, but we did help to execute," he said. "The very first conversation with Regions was one where they told us, 'Give us the list of the banks you have relationships with.' That started the process."

As to the terms of the deal, Shevin said he had "nothing but compliments for Regions and their ability to close."