

# Luma Apartments at Miami Worldcenter Scores \$142 Million Financing

By Lidia Dinkova | April 30, 2019 at 02:29 PM

A second apartment tower at the downtown Miami Worldcenter is a \$142 million step closer to fruition.

Luma is planned as a 43-story, 434-unit luxury building, one of four residential buildings at the \$4 billion, mixed-use development rising on 27 acres covering 10 blocks between the Freedom Tower Metromover station and the Virgin MiamiCentral train station.

ZOM Living is developing Luma with the New York-based Moinian Group, which issued the \$142 million loan April 5.

"It's never easy when the dollars are that large," said ZOM CEO Greg West, who is based in Fort Lauderdale. "These urban infill projects are very complicated, so there's inherent complexities in getting any deal like that closed."

Who helped ZOM close the deal? Cushman & Wakefield vice chairman Robert Given in Fort Lauderdale and executive managing director Robert Kaplan in Miami.

They worked only on the debt portion and securing The Moinian as the joint venture equity partner.

The loan covers 80% of the land, hard and soft costs, Kaplan said.

It breaks down to a \$119 million senior loan and a \$23 million mezzanine loan. The senior debt includes a \$96 million senior loan and a \$23 million mezzanine loan, according to Kaplan. The loan rates are floating, and terms were not disclosed.

The Moinian's position as lender and equity partner is unusual.

The company has "multiple sources of capital," Kaplan said. "They have access to money that can play in the senior debt, they have sources that would play in the mezzanine, and finally they have pockets of money for the joint venture equity."

The Moinian is a private real estate company that develops, owns and operates properties across asset classes.

It beat stiff competition for both the equity and debt portions. Other companies from China, Canada and the United States were vying for the equity position.

The Moinian was the only potential equity partner interested in providing the senior and mezzanine financing, although one of the other equity hopefuls was willing to issue a mezzanine loan.

"We went fully to the market to establish the market for those pieces of the capital stack, and then we were both introduced to Moinian," Kaplan said, explaining the process. "We had gone fully to the market, we informed Moinian of where the market was, and then they came in for a proposal for the whole thing."

## THE BIGGER PROJECT

When Given first started working with ZOM on Luma in July 2016, Miami Worldcenter was just a slew of glitzy renderings.



"When we started, all that was dirt," Given said. "It was nothing going vertical, and to believe in the deal 24-26 months ago was a lot more difficult because there was nothing around it."

Since then, parts of the project began, which Given said helped Luma. In January, the 43-story, 444-unit Caoba at 698 NE First Ave. opened to renters paying \$1,775 and \$4,275 a month for units measuring 500 to 1,300 square feet.

The 700-foot tall Paramount condominium tower at 1010 NE Second Ave. is 85% sold and due for completion in June.

Construction started last week on the first 50,000 square feet of the 300,000-square-foot retail and a 922-space garage fronting on

Northeast Seventh Street between First and Second avenues.

Luma amenities include a wellness center with sauna and treatment rooms, bar, dog salon, gym and pool.

"What's really exciting for me is not just this Luma deal that just closed with ZOM and The Moinian Group, but that it's the first of many more that is going to show the diversity of investment that's going into Miami Worldcenter and ultimately Miami itself as this is starting to crystallize and come together," Given said.

Cushman & Wakefield is working on other Miami Worldcenter deals, but he declined to provide specifics.

## TRANSIT

Access to mass transit will benefit renters but posed some challenges to closing the financing.

"The access to the site goes through the current station and, in order to free up the access to the site, we have to reconfigure the station. So we will be rebuilding that station and moving some of the stairs, columns and elevators in that station to coordinate them with our building," said West, ZOM's CEO.

ZOM had to secure city, Miami-Dade County and federal permits for the station reconfiguration with federal approval needed because the station was built with federal funds.

"It's very rare we even have to go past the county level to get a permit, but in this case we had to go not only beyond our state but we had to go to the federal government," West said. "It took a long time to get that done."

As part of the reconfiguration starting in the next three months, station columns and an elevator will be moved to allow vehicle access to Luma from Second Avenue.

The station is expected to close during construction, but West is unsure for how long.

"It will feel like not only refurbished," West said, "but like a new station."