

DEALMAKERS

Attorney's Second Transaction With Hotel Goes Easier

Dealmakers: Helen C. Costa

The Deal: The Miami Lakes attorney negotiated the \$10 million sale of the Princess Ann Hotel in Miami Beach on behalf of long-time clients who bought the property in 2006.

Details: The second time was the charm for the attorney who'd twice overseen the sale of the 45-room hotel at 920 Collins Ave.

When she closed on the latest deal July 1, Costa was on the other side of the negotiating table. Eight years earlier, she and clients Antonio Bacallao and Manuel Fernandez acquired the Princess Ann from a seller who reluctantly doled out information, making for tedious due diligence.

"You had a seller who didn't want to disclose," said Costa, a partner at Costa & Associates. "My clients learned that if you want to make the deal happen, you have to put yourself in the shoes of the seller."

So this time when Bacallao and Fernandez were looking to

sell, they gave the potential buyer access to property inspections and disclosed details like future bookings to help them evaluate the strength of the investment.

It made life easier for the buyer but, for Costa, the trick was finding ways to accommodate due diligence without disrupting the hotel's operations.

"That was the biggest challenge. All buyers want to know what they're buying before they spend \$10 million on something," she said. "You have to give them access. But the difficulty with this transaction is that it not only involves a real estate property, but a successful ongoing hotel business."

Between making arrangements for plumbing, roof and electrical inspections, and giving potential buyers access to financial data, Costa negotiated a safety net to limit her clients' risk, such as the departure of employees if news leaked of an impending sale.

"We did have to dance a little

bit but were able to negotiate a fair but hefty deposit that would have been forfeited if the deal fell apart," she said. "Buyers usually want to give you what they believe is a fair deposit, but it's always on the low side."

After five months, Bacallao and Fernandez's companies, PAH I LLC and PAH II LLC, closed with buyer DBH Collins Hospitality LLC, represented by Manny Vadillo of Doral-based Torres Vadillo.

The new owner paid about \$222,222 per key for the three-story hotel built in 1934 on a 7,000-square-foot parcel.

"There's been a lot of interest to purchase this property. Every year from July 2007 to now, there was at least one legitimate offer or intent to purchase. But it just wasn't the right people or the right deal or the right terms," Costa said. "This time all the chips fell in place. Everybody crossed each t and dotted every i and helped us get to the closing table."



Costa

Background: Costa has nearly 20 years' experience practicing real estate and family law. She specializes in probate and estate law, landlord-/tenant issues and foreclosure defense.

—Samantha Joseph

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