

'Ghost tower' in Palmetto foreclosed upon

HIGHLIGHTS

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By DUANE MARSTELLER - dmarsteller@bradenton.com

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A judge issued an \$18.4 million judgment against The Palms of Riviera Dunes' developer earlier this month, more than two years after an Alabama bank sued to foreclose on the mostly empty condominium building.

Circuit Judge Harry Rapkin also set a Dec. 21 auction of 44 units still owned by Waterford Palms at Riviera Dunes LLC., court records show.

The Venice company completed the 12-story building at 501 Haben Blvd. in 2007, just as the overheated local condo market was crashing.

The developer sold only 14 of the building's 58 units, and defaulted on \$23 million in land acquisition and construction loans.

"It's pretty tough," said Jonathan Preiksas, attorney for Waterford and its president, Michael W. Miller. "My client has been a successful developer for 20 years and got caught up in this housing collapse. He lost his life's work in just six or 12 months. It's devastating."

The judgment was the result of a settlement reached during a September mediation conference, court records show.

The loans were issued in 2005 by AmSouth Bank, which later merged with Regions Bank.

After Waterford missed both loans' May 2008 maturity dates, Regions sued to foreclose in Manatee County Circuit Court.

The case then moved slowly, as creditors -- including a second lender and contractors -- battled in court. Waterford also was defending itself against almost a dozen other lawsuits filed by creditors and would-be unit buyers of the Palmetto condo.

Regions later sold the Palms loans to CCP Riviera Dunes LLC, an affiliate of Convergent Capital Partners, a real estate private-equity firm based in Tampa.

Calls to Convergent were not immediately returned Friday. Zala Forizs, a Tampa attorney for CCP Riviera Dunes, did not return telephone calls to his office last week.

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