

Shutts & Bowen Represents ESJ Capital Partners, LLC in Complex \$60 Million Jungle Island Deal

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It took almost two years to complete, but on Wednesday, April 5, the team at Shutts & Bowen finalized a \$60 million transaction for its client, Aventura-based ESJ Capital Partners, LLC, for the purchase of Jungle Island, an 18 acre interactive waterfront zoological park located on Watson Island between downtown Miami and South Beach. The sellers were Parrot Jungle and Gardens of Watson Island, Inc. and PJG Watson, L.L.C.

This complex transaction required the approval of the Miami City Commission, which is the ground lessor of the park land under a long-term ground lease. The deal also required the approval of the Miami-Dade Board of County Commissioners and U.S. Department of Housing and Urban Development, each of which holds one or more loans on the property. In addition to the complicated government approvals, the deal also required the purchase of the ground lease interest from the existing ground lessee, which was operating the existing theme park. Therefore, the deal required the negotiation and documentation of numerous agreements with multiple parties. Because the theme park is an ongoing business, the transaction required the Shutts team to address many issues in order to ensure a smooth and seamless transition to new ownership at the park without negatively affecting park operations.

The \$60 million transaction included an approximately \$15 million cash payment to the sellers and the assumption of approximately \$45 million in existing debt to a private lender, the City of Miami, Miami-Dade County and the U.S. Department of Housing and Urban Development.

"The tremendous number of moving parts made this a very unique transaction," said [Bryan Wells](#), who assisted longtime client ESJ in managing overall strategy and who is a Partner and Co-Chair of Shutts' Financial Services Practice Group. "There were multiple governmental approvals including federal, county and city, significant land use aspects due to the fact that this is a city leasehold, in addition to a complex business plan for the property moving forward."

The intricate nature of the deal required Shutts & Bowen to assemble a multi-disciplinary team including Partner and member of the firm's Real Estate Practice Group [Alexander I. Tachmes](#), who assisted with overall management and strategy and successfully led and navigated the complex array of land use and governmental approvals at the city and county. "This was a complex transaction involving a signature piece of property in our community, and it required us to be very sensitive to the public considerations that were ever-present," said Tachmes.



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Richard Morgan and [Peter A. Rahaghi](#), who are both Partners and members of the Financial Services Practice Group, spearheaded the closing process. "Getting to this closing involved two sellers, three governmental entities, private parties, and lenders. That is an unusual array of parties in what is fundamentally a real estate transaction," said Morgan. "But the Shutts team wanted to ensure a win-win situation for all parties involved."

[Alfred G. Smith](#), a Partner and the Co-Chair of the Corporate Practice Group, was instrumental on the corporate negotiations with Iconic, which has been the park's day-to-day operator for approximately three years and will be staying on under the new ownerships. "One of the City's goals in leasing this property to a private entity was to improve the local economy through the establishment of a first-class entertainment attraction that would enhance the City's reputation as a tourist destination," said Smith.

About Shutts & Bowen LLP

Established in 1910, Shutts & Bowen is a full-service business law firm with more than 260 lawyers in its Fort Lauderdale, Miami, Orlando, Sarasota, Tallahassee, Tampa and West Palm Beach offices. Learn more about Shutts & Bowen at www.shutts.com.

Professionals

Peter A. Rahaghi

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