



**RETAIL** Property title transferred for 'consideration' of \$26.5 million

## EMBATTLED WOOLBRIGHT SHEDS ANOTHER CENTER

by Eric Kalis  
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A seemingly invincible shopping center owner before the recession, Woolbright Development is paying the price for its aggressive growth strategy.

Facing foreclosure on one of its prime shopping centers, Boynton Beach's Sunshine Square, Woolbright transferred the title of the 14.51-acre property to a South Carolina investor.

The deal closed on June 30 and was recorded by Palm Beach County on Monday.



The transaction consideration was recorded as \$26.5 million, but its likely no money changed hands. Boca Raton-

based Woolbright was hit with a foreclosure suit in March from KeyBank after defaulting on a \$26.5 million loan secured by the retail center.

The consideration in a foreclosure typically is what is considered to be the fair market value of the property. In the case of Sunshine Square, the consideration equals the outstanding balance of the KeyBank loan.

Woolbright paid \$23 million for the 150,738-square-foot shopping center at 501 E. Woolbright Road in January 2007.

A spokeswoman for Woolbright declined comment.

In a statement released by Woolbright in April, the company said it was working on a settlement with KeyBank to resolve the foreclosure actions against Sunshine Square and Boca Raton shopping center Boca Grove.

KeyBank filed a separate foreclosure action against Boca Grove. The lender said Woolbright had defaulted



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Sunshine Square was valued by its new owner for its location off North Federal Highway and its anchor tenant Publix.

on the center's \$21 million loan.

The new owner of Sunshine Square is E&A Sunshine, an affiliate of Columbia, South Carolina-based retail center developer Edens & Avant, according to Palm

SEE WOOLBRIGHT, PAGE A16

## WOOLBRIGHT: Expert said successful company over-reached

### THE DEAL



#### Sunshine Square

**Address:** 501 E. Woolbright Road, Boynton Beach.

**Property type:** 150,738-square-foot shopping center built in 1964 on 14.51 acres

**Tenants:** Publix, Subway, Supercuts

**Seller:** Woolbright Sunshine, associated with Woolbright Development, Duane Stiller, president

**Buyer:** E&A Sunshine, associated with Edens & Avant, Jodie McLean, president

**Consideration value:** \$26.5 million

**Past sale:** \$23 million, January 2007

**Other details:** KeyBank filed foreclosure after Woolbright defaulted on a \$26.5 million loan that matured in January 2010

Beach County records.

A spokesman for Edens & Avant said the company was attracted by the location of Sunshine Square, which has direct access to North Federal Highway, and the presence of Publix as the anchor tenant.

Sunshine Square is 76 percent occupied, according to Edens & Avant. Other tenants include Subway and Supercuts.

The company plans to redevelop the 56-year-old property. Publix will be expanded and its location within the property will be upgraded.

With the addition of Sunshine Square, Edens & Avant owns 11 shopping centers in South Florida, including Oakwood Square in Boynton Beach, Beachway Plaza in Dania Beach and Eureka Plaza in Miami.

### 'THEY OVER-REACHED'

Losing Sunshine Square shows how far Woolbright has fallen in the past year.

When Woolbright sold an eight-property portfolio for \$281.5 million to a partnership of Morgan Stanley and Kitson & Partners in December 2006, the developer was flush with cash and in an enviable position.

"They thought they were unstoppable," said Thomas Godart, managing director of Godart Florida Real Estate Investments in Fort Lauderdale. Godart, whose company invests in commercial real estate and advises other investors, was not involved in



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Thomas Godart of Godart Florida Real Estate Investments said Woolbright was surprised by the downturn like a lot of others: "They thought they were unstoppable," he said.

the Sunshine Square transaction.

"Woolbright got spoiled because they sold their portfolio at an aggressive number and thought they could pay a little more for assets, raise rents and then cash out," Godart said. "They were not the only ones, but they over-reached. Everybody

thought there was no stopping the [commercial] market."

Godart cited Glades Plaza in Boca Raton as a glaring example of Woolbright's failed strategy. Woolbright intended to redevelop the 30-year-old shopping center into a mixed-use project with residences and retail and office space. But the project stalled, and two subcontractors filed lawsuits seeking a combined \$60,000 for renovations completed in 2008.

Woolbright said in April that it hoped to satisfy the subcontractors' claims as part of a proposed settlement with project lender PNC Bank. The case is pending.

"All that retail on Glades Road stretched down to Military Trail," Godart said. "A lot of the real estate there was not easily adaptable" to other uses besides retail.

The company owns 21 centers in Florida, including the Intracoastal Mall in North Miami Beach, according to its website.

In September 2009, Woolbright cut its work force by more than 25 percent, eliminating 25 of 95 positions.

Other major commercial real estate firms could be heading down the same road as Woolbright. About \$1 trillion in commercial real estate debt is due to mature between now and the end of 2013, according to a congressional panel.

"There's a lot more pain ahead," Godart said. "People are really nervous."

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