

## GPI Real Estate wins \$6M settlement over failed Sunny Isles Beach project

*Payout ends bitter personal dispute between developer GPI and the site's seller, Robert Cornfeld*

*Miami / By Lidia Dinkova*



*Infinity project (Kobi Kapp)*

When plans for a hotel and residential project in Sunny Isles Beach hotel fizzled after five years in the works, the site's developer and seller hurled accusations at each other in court. Now, GPI Real Estate Group, which was in line to buy the 1.6 acre lot, has won \$6 million from seller Robert Cornfeld.

The settlement payment comprises the refund of a \$5 million advance GPI Real Estate,

through its affiliate GPI Sunny Isles, made to purchase the development site as well as interest, costs and fees.

GPI envisioned the 15-story, dubbed “Infinity,” with 220 hotel rooms, 120 residential units, 22,560 square feet of retail and 700 parking spaces. It was to be on 1.6 acres at 16700 Collins Avenue, a parking lot owned by Cornfeld’s TNG Holdings.

Under a 2015 contract, GPI was to buy the lot for \$20 million, including the \$5 million advance.

After six closing deadline extensions, TNG pushed to schedule a sale date, but GPI countered that project approval was still pending.

In a **lawsuit last year**, GPI contended that there was no indication the city would allow Infinity to rise 170 feet — a condition of its agreement with TNG. GPI sued Cornfeld and TNG over their failure to return the advance once GPI nixed the deal.

In the suit’s most recent development, Miami-Dade Circuit Judge Michael Hanzman enforced the settlement agreement hammered out in a June email exchange between the parties’ attorneys. The lawyers for the two sides “had a meeting of the minds” and the emails amounted to a settlement, Hanzman wrote in his Aug. 12 order.

In a hearing about a week earlier, Hanzman had indicated that attorneys should make the settlement in their emails official in a formal agreement, setting an Aug. 6 deadline for the two sides to sign it, but Cornfeld refused, the judge said in his order.

In fact, Cornfeld, who changed attorneys twice during the litigation and by August was representing himself, submitted to the court records saying he had signed the settlement but his filings missed parts of the agreement, Hanzman wrote.

This prompted the judge to issue his Aug. 12 order, saying the June emails between the attorneys suffice as a settlement.

Cornfeld tendered payment on Aug. 13, according to GPI’s attorneys.

Alan Kluger, who represented GPI, said the issue in part came down to Cornfeld being “difficult and not an honorable guy.”

“It was one of the worst examples of abuse of an agreement I have ever seen,” he added.

Cornfeld, a retired orthodontist in his 90s, made a second career in real estate through the Hollywood-based Cornfeld Group, owned and operated by his family. The group’s assets include the Newport Beachside Hotel & Resort, across Collins Avenue from the would-

be Infinity site.

Cornfeld told The Real Deal he had his reasons to withhold the \$5 million advance.

Phillip Aginsky, who manages GPI Sunny Isles and is co-founder of GPI Real Estate, had defaulted on “many, many” parts of the purchase contract, Cornfeld said.

Aginsky declined comment through his attorney.

Although the case may seem like it was over \$5 million, it revealed a slew of other tiffs.

### Personal Squabbles

Infinity approval hit a major roadblock in 2019, when **Sunny Isles Beach** imposed a **development moratorium** in the Town Center area where the project was to rise. The halt came amid opposition to proposed city land-use code changes that would have allowed more development in the district between Collins Avenue and the Intracoastal Waterway and 163rd and 172nd Streets.

The area has low-rise shopping plazas, a stark contrast to the glitzy high-rises developed in recent years east of Collins Avenue.

Opponents of the code changes included Miami Heat minority owner **Raanan Katz**, who owns shopping plazas in Town Center. Through his affiliates, he sued Sunny Isles Beach as well as commissioners and some staff members shortly before the moratorium was imposed, claiming the land-use changes were merely a workaround to approve the Infinity project. Katz’s groups dropped the suit last year.

But the GPI-Cornfeld dispute continued. For his part, Cornfeld struck back in a counter-suit against GPI Sunny Isles, several of its affiliates, and Aginsky.

Cornfeld argued he was manipulated by Aginsky, who he alleged over-inflated his real estate acumen by saying he had developed in his native South Africa — but really just tagged along the “coat tails” of his father-in-law — and maneuvered his way to becoming a “close confidante” to Cornfeld.

In this manner, Cornfeld alleged, Aginsky was able to get the extensions to close the deal and proposed a grander project than the one Cornfeld’s TNG had applied for. Yet, Aginsky did not submit a complete application for his vision, Cornfeld claimed.

But the crux of Cornfeld’s suit lies in a change in plans for TNG and GPI to co-invest in a project that was to include an adjacent gas station. A term sheet for the investment, which reduced the lot price to \$17 million and made TNG a co-investor, superseded the

purchase contract, including the \$5 million advance, according to Cornfeld's countersuit. In a February order, Judge Hanzman disagreed, saying nothing in the investment term sheet scrapped the purchase contract and its mandates, adding that the term sheet "does not even mention or refer to the advance note." In April, Hanzman further sided with GPI and granted it final judgment.

Cornfeld's second attorney on the case appealed the next month, but this move was closely followed by the June settlement hammered out in the attorneys' email chain. Court filings show that shortly after Hanzman's most recent order enforcing this settlement, the appeal was dismissed.

The settlement amount was to be confidential, but was revealed when Cornfeld filed parts of the email exchange last month in court while representing himself.

As for Sunny Isles Beach, it still has a development moratorium in the Town Center area. GPI's attorneys said the group is no longer considering development on the site.