

## Don Peebles drops remaining \$160M claims tied to Overtown development lawsuit

*Peebles alleged he was duped out of project by current developer Michael Swerdlow*  
By Lidia Dinkova



Don Peebles dropped his three pending claims for \$160 million, ending his litigation alleging that he was duped out of developing in Miami's Overtown. His decision came after his entity, Overtown Gateway Partners, which had filed the lawsuit last year, lost two counts over the course of the case.

Following Overtown Gateway putting to rest all of its remaining claims, Miami-Dade Circuit Judge Michael Hanzman issued a final judgment last week, officially ending the litigation.

The case centered on two vacant properties, “Block 55” at 249 Northwest Sixth Street and “Block 45” at 152 Northwest Eighth Street. In 2013, Overtown Gateway won a solicitation by Miami’s Southeast Overtown/Park West Community Redevelopment Agency to develop both properties.

In the following years, Overtown Gateway — which is also tied to Peebles’ project joint venture partner and real estate investor Barron Channer — lost its development rights to the land, and the CRA gave developer Michael Swerdlow the blessing to build on one of the lots.

Swerdlow is building his **Sawyer’s Landing** project on “Block 55” with 578 senior affordable apartments, a Target and an Aldi. “Block 45” reverted back to Miami-Dade County under a separate city-county agreement, and it remains vacant.

Overtown Gateway took issue with how it missed out on the opportunity, alleging backdoor dealings between some CRA officials and Swerdlow as well as Swerdlow’s venture partner, Alben Duffie.

In March 2020, Overtown Gateway **sued** Swerdlow, his Downtown Retail Associates affiliate and Duffie. Overtown Gateway alleged in the suit that some in the CRA favored Swerdlow.

In September of that year, Hanzman issued an order striking Overtown Gateway’s \$90 million breach of contract claim.

This August, Hanzman also struck another claim by the entity, for **\$15 million**.

In that count, Overtown Gateway alleged that it felt strong-armed by the CRA to sell its rights to the land to Swerdlow’s Downtown Retail and entered a Membership Interest Purchase and Sale Agreement (MIPSA) in 2016. Downtown Retail was to pay \$15 million for the rights to the land. Overtown Gateway agreed to the deal because it did not want to lose the money and work it had put so far toward planning its development, according to Overtown Gateway’s suit.

At the same time, the CRA was delaying vital project approvals for Overtown Gateway, as a way to pressure it to enter the agreement with Downtown Retail, Overtown Gateway alleged in its suit.

But the agreement had a confidentiality provision banning Swerdlow from discussing the lots with the CRA behind Overtown Gateway's back. Because Swerdlow broke this confidentiality clause, the CRA ended Overtown Gateway's rights to the land, according to the complaint.

Hanzman in his August order disagreed, saying the confidentiality provision said that Overtown Gateway would have a claim if Swerdlow's alleged secret talks were the only reason the CRA ended Overtown Gateway's rights to the lots. Because there were other reasons at play, including Overtown Gateway "voluntarily" signing a termination agreement for "Block 45" with the CRA, Overtown Gateway did not have a claim, Hanzman ruled.

In September, Overtown Gateway dropped its three remaining counts. In turn, Swerdlow and Downtown Retail dropped their counterclaims over how the agreement is interpreted.

Overtown Gateway's attorney and Channer did not respond to a request for comment on why they opted to drop the remaining claims.

Alan Kluger – the attorney for Swerdlow, Duffie and Downtown Retail – hailed the outcome, saying the suit had "no merit from the very beginning."

The case "was brought solely to paralyze the development of Sawyer's Landing," Kluger said in an emailed statement. "With all of Mr. Peebles' claims now dismissed, Swerdlow Group can forge ahead in delivering a direct, positive impact in Overtown in the form of new jobs, new tax revenues, and much-needed affordable housing."

Sawyer's Landing is expected to be completed in 2023.