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Construction of luxury condo just feet away weakened frail Champlain Towers, lawsuit says

By Nicholas Nehamas and Jay Weaver November 17, 2021

The construction of a new luxury condo tower just feet away from Champlain Towers South caused severe damage to the fragile, poorly designed building in Surfside, eventually leading to the collapse that killed nearly 100 people, according to a civil complaint filed late Tuesday in a class-action case.

The 169-page complaint — filed in Miami-Dade Circuit Court on behalf of victims, survivors and their families — alleges that the development team at Eighty Seven Park ignored clear warning signs that its work posed a danger to the 12-story Champlain Towers South and failed to follow industry standards, presenting photographs, emails, internal documents and building plans to buttress its case. The construction took place between 2016 and 2019, several years before the collapse.

"CTS was an older building in need of routine repairs and maintenance, but it was not until excavation and construction began on the luxury high-rise condominium project next door ... that CTS became so badly damaged and destabilized as to be unsafe," the complaint alleges.

Among the complaint's claims:

• Contractors at Eighty Seven Park, just across the city line in Miami Beach, built a walkway between the two properties at a sloped angle that funneled

water into the basement of Champlain Towers, "corroding [the tower's] structural supports."

- Pumping out groundwater during excavation for the neighboring project caused the area's water table to shift, redistributing the soil and putting "excessive and dangerous structural stress" on Champlain Towers.
- Intense sheet pile-driving at Eighty Seven Park shook the neighboring Surfside tower which the Herald has reported suffered from major design and construction errors exceeding "acceptable and safe limits," even though engineers for the developers had suggested alternative techniques that would have been less intrusive but more expensive. The developers also only selectively monitored the vibration levels, the complaint alleges.

The complaint is the first salvo in a complex legal battle that could shed light on the causes of the collapse. It marks the first time the class-action plaintiffs have targeted an entity other than the Champlain Towers condo association — in this case, a deep-pocketed development group. It was filed shortly before midnight Tuesday to meet a court-imposed deadline.

In a statement, the developers said they "categorically" deny the accusations.

Residents at Champlain Towers had complained about the pile-driving taking place on the Eighty Seven Park property, which was located across a 10-foot walkway. In March 2016, Maria Popa wrote to the Eighty Seven Park developers, saying she was "very concerned because of the daily TREMORS we encounter, in our apartments, sitting, standing, laying in bed," according to an email cited in the complaint.

"Today, standing on our balcony we found a crack on the wall," Popa, 79, wrote. "It is not fair.... [that] our building will be damaged, and our residents' lives will be in danger."

She <u>died</u> in the June 24 collapse, along with her husband, Mihai Radulescu, 82.

The husband and wife were among the 98 people killed when the pool deck caved in to the garage area as residents slept, triggering the collapse of the mid- and oceanfront sections of the Surfside condo tower. More than half of the units were immediately destroyed. The rest of the 136-unit building was demolished by local authorities on July 4.

The condo association had started a long-delayed, top-to-bottom, \$15 million renovation of Champlain Towers South to address "major structural damage" that had been highlighted by an engineering firm hired by the board in 2018. The firm's report pointed to extensive water gathering on the pool deck, which then leaked into the garage below, deteriorating the columns that supported the first-floor slab.

The complaint filed Tuesday goes beyond blaming those structural issues for the collapse, saying they were aggravated by the "negligence" of the construction work at Eighty Seven Park.

It names nine entities as defendants, including the developers behind Eighty Seven Park, 8701 Collins Development, led by Miami-based Terra Group, along with general contractors Moriarty & Associates and engineering firms NV5 and DeSimone Consulting Engineers, as well as the Champlain Towers South Condo Association and Morabito Consultants, the engineering firm the association hired to perform its 40-year recertification. Also named: Becker & Poliakoff, the law firm that represented the condo association. The class action had originally been filed in August, naming only the association as a defendant. Still more defendants could be added later.

Terra is helmed by David Martin, one of South Florida's most prominent developers.

"The construction of Eighty Seven Park did not cause or contribute in any way to the tragic events of June 24, 2021, notwithstanding unfounded allegations to the contrary," said David Weinstein, an attorney for the Eighty Seven Park development group. "As numerous media reports have documented, Champlain Towers South was improperly designed, poorly constructed, significantly underfunded, and inadequately maintained and repaired. We expect that a full review of the facts ... will affirm our position."

A spokeswoman for Moriarty, Eighty Seven Park's general contractor, said that: "We are confident that none of the activities at 8701 had any effect on the Champlain Towers Condominium South. ... The collapse of the tower is a terrible tragedy, but the facts speak for themselves. Champlain Towers South suffered from a long history of inherent design flaws, substandard construction methods, and inadequate maintenance."

A spokesman for the engineering firm NV5 said it "provided professional services to a developer on an adjacent project in 2016 — five years prior to the Champlain Tower South collapse. ... [W]e stand behind our professional work product."

Other defendants did not immediately respond to requests for comment or could not be reached. Lawyers for the plaintiffs, led by attorneys Harley Tropin and Rachel Furst, gave a Miami-Dade Circuit Court judge an update Wednesday on the filing of the amended class complaint.

Tropin told Judge Michael Hanzman that the complaint lays significant blame for the collapse of the Champlain Towers on Terra's luxury condo development next door in Miami Beach. Tropin said the developers, general contractor and engineers knew that severe vibrations from pile-driving during the excavation and construction of the Eighty Seven Park project caused structural damage to Champlain Towers and contributed to the "fragile" building's ultimate collapse.

"Terra knew about the risks and proceeded" anyway, Tropin told the judge, saying the developer's negligence was responsible for Champlain Towers' tragedy.

Echoing prior allegations, Tropin added that the Champlain condo association failed to maintain the tower's safety and the board's engineering consultant, Morabito, failed to disclose the "level of danger" the building was in before it collapsed.

Hanzman said he still needed to read the new class-action complaint and did not want to delve into the merits of the case. He only asked Tropin if other defendants might be added to the latest complaint. Tropin said that is a possibility, noting the town of Surfside and city of Miami Beach have been put on notice that they could be sued for negligence like the other nine defendants.

The new complaint was filed as federal investigators with the National Institute of Standards and Technology seek to learn more about what led to one of the deadliest building collapses in U.S. history, <u>although their findings</u> could be years away. Without clear answers, residents up and down South Florida's coast have wondered if their own condo buildings could be next,

with several being <u>evacuated</u> since the shocking accident. In the meantime, the lawsuit could help shed light on what went wrong.

"This is the first step for us to get answers," said Steve Rosenthal, who survived the collapse and was plucked off his seventh-floor balcony by rescue workers operating a cherry picker.

Rosenthal said the <u>vibrations</u> from Eighty Seven Park's construction were a constant problem.

"When I was in the gym on the first floor facing Eighty Seven Park, I almost fell off the treadmill because of the vibrations," he said.

One of the reasons Rosenthal and other residents felt the tremors so intensely was that Eighty Seven Park was built cheek-by-jowl alongside Champlain Towers.

The two properties were originally separated by 87th Terrace in Miami Beach. But Beach commissioners voted to "vacate" the 50-foot road to the developers. The developers in turn made a "voluntary contribution" of \$10.5 million to the city — something the class-action claims is illegal because Florida law does not permit the purchase of public rights-of-way.

The developers then turned the road into a narrow walkway, bringing Eighty Seven Park's property closer to Champlain Towers.

"By acquiring 87th Terrace, the Terra Defendants could add almost a half-acre to the footprint of the 8701 Collins Avenue Property, increase the density, build additional units and square feet, and maximize their profits," the complaint states.

From the beginning of the class-action case, Hanzman has recognized that there will be a limited amount of money to compensate the victims of the Surfside tragedy.

The first pot of money came from the insurers for the Champlain condo association, which immediately agreed to turn over \$30 million in coverage for the property losses and another \$19 million in coverage for the deaths. The second pot of money will come from the sale of the nearly two-acre oceanfront property, which has already fetched a \$120 million bid from a

<u>United Arab Emirates developer</u> who wants to build a luxury condo high-rise. A few other potential bidders from New York, Europe and Mexico have expressed interest in buying the land, and an auction may be held in February.

The third pot of money will come from the class-action claims against the developer and other firms that worked on the Eighty Seven Park project, along with the Champlain condo association's engineer and other defendants.

Hanzman will ultimately be responsible for deciding which parties are liable for the condo tower collapse and how the money will be divided among the hundreds of plaintiffs in the class action.

In-fighting has already <u>broken out</u> over compensation. Many people who lost family members believe they should receive all of the money, while those who lost their condo units think it should go to them.

A mediator, lawyer Bruce Greer, was appointed by the judge. Greer recently acknowledged that he has been struggling to bring the opposing sides together so the judge can compensate them by early spring. The mediation, involving lawyers for the Champlain victims, is still moving forward.

"If there is an agreement reached by [the mediator], it's going to have to be acceptable to the vast majority of the group," Hanzman said Wednesday.

Miami Herald investigative reporter Sarah Blaskey and Herald staff writers Ben Conarck and Aaron Leibowitz contributed to this report.