

Tim Ziss Buying Bankrupt Bay Ridge Office Building

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Tim Ziss to acquire bankrupt office in Bay Ridge

Investor tied to lobbying controversy using \$25M credit bid to buy troubled property



9201 4th Avenue (Loopnet, Getty)

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By

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Tim Ziss, who was involved in a controversy that killed an Adams administration appointment last year, is set to acquire a rare mid-rise office building in Bay Ridge after a bankruptcy auction was canceled at the last minute.

To buy the 100,000-square-foot property at 9201 Fourth Avenue, the Allied Properties founder will use a credit bid that includes \$25.1 million he is owed on the property. The auction was scheduled for April 14, but no other bidder met the requirements, according to a

court filing.

Ziss will now take control of an office property that has been plagued by financial challenges over the past few years and is only 66 percent leased.

“Although we hoped for a better outcome, the years of visible neglect by [building owner] SPL Partners clearly deterred potential bidders,” Ziss said in a statement. “As part of our long-term commitment, our plan is to invest several millions in upgrades to help create the most modern, energy-efficient office building in South Brooklyn.”

One possible reason for the lack of bidders: Ziss hired the broker, Rosewood Realty, late in the bankruptcy, giving the firm only three weeks to find a bidder prior to the auction. Ziss already had the inside track, given its option to put down a credit bid.



Rosewood Realty
Group's Greg Corbin
(Rosewood Realty
Group)

“Whereas we received overwhelming interest, it was not enough time for buyers to get comfortable with the asset and bid ... especially in this lending climate,” said Greg Corbin, president of bankruptcy and restructuring at Rosewood Realty.

The building’s issues began around 2017, when SPL Partners struck a deal with Brooklyn-based property manager Xemex, controlled by Steve and James Pappas. That year, the owners secured a \$16.4 million loan on the property from New York Community Bank.

The owners later claimed they noticed oddities with Xemex’s finances, including that it moved at least \$1.25 million from the building’s accounts into its own coffers as the property fell into disrepair.

SPL also alleges Xemex falsified records, including corporate tax returns. Xemex also allegedly inked a lease with an entity connected to Steve and James Pappas for the seventh floor, which stopped paying rent shortly after signing the deal.

SPL held a special meeting in 2019 and terminated its agreement with Xemex.

In early 2021, New York Community Bank declared the loan on the building in default, accelerated the interest and sold it to Signature Lien Acquisitions, an entity connected to Ziss. The new creditor initiated a foreclosure that May. SPL filed for bankruptcy later that year to stop the foreclosure, blaming the pandemic for the financial problems.

SPL also alleged that Ziss' goal in buying the property was to foreclose on it. Ziss' attorney, meanwhile, said SPL used the pandemic "as a convenient excuse to mask years of mismanagement and misappropriations of funds."

Ziss, whose legal name is Efthimios Zisimopoulos, and his company Allied Properties made headlines in 2019 when he sold the site of a former Nathan's restaurant in Dyker Heights to the New York City School Construction Authority for more than double the \$12.25 million he'd paid for it just six months earlier.

An investigation by The City found that Ziss had been paying New York Building Congress head Carlo Scissura to meet with local leaders and elected officials about the development of five properties in Bay Ridge.

Scissura's ties to the neighborhood date back decades — he served on Community Board 11 and Community School Board 20 in the 1990s — and was later counsel to the Brooklyn borough president. His gig with Ziss was legal but its revelation cost him a high-level appointment with the Adams administration.