

One-time Rebozo Shop Center Fails on 12 SBA Loans

Knight News Service

MIAMI — A dozen businesses in Miami's El Centro Commercial Cubana shopping center have closed after receiving more than \$175,000 in loans from the U.S. Small Business Administration.

The same 25-unit shopping center has produced nearly one-fifth of the entire national total of defaults in the SBA's lease guarantee program.

Charles G. (Bebe) Rebozo and a partner, Miami real estate broker C.V.W. Trice Jr., owned the center when most of the loans and lease guarantees were issued by the government in 1967 and 1968.

Altogether, the government aid came to \$577,000 in loans and \$2.4 million in rent guarantees.

Rebozo and Trice sold the shopping center in 1970 for \$1 million.

El Centro then went through a period of hard times during which there were many failures among its tenants.

El Centro is currently operated by a group of Canadian owners, who consider the shopping center "a fantastic success," according to their Miami agent, Bernardo Benes.

American taxpayers have subsidized that success story but how much of the money has been repaid and how much has been lost through defaults is not known. The SBA has promised such figures — but never produced them.

A probe by the House Committee on Banking and Currency, already is throwing additional light on the operation.

Here's what is known:

From their half-million dollars in government loans, the original tenant businesses were required to buy such basic parts of the shopping center as air conditioning, lighting, floor covering which then became the property of Rebozo and Trice.

Trice denied that there was anything improper about the tenants' using government money to buy the fixtures. And at the end of the 20-year lease period the fixtures probably would be worthless anyway, he said.

From their government loans, the tenants also paid three months' rent. Rebozo and Trice, meanwhile, paid a \$60,000 cash premium for an SBA guarantee that if the tenants didn't pay the scheduled total of \$2.4-million rent over the next 20 years, the government would. This premium was then tacked onto the rent in pro-rated shares paid by each tenant.

Since Rebozo and Trice sold the shopping center after one year, they never collected any rent from the government. The subsequent owners did, however, and it is clear that the government guarantee increased the value of the property when it was sold.

The profit made by Rebozo and Trice has been reported as \$200,000. An observer who was very close to the deal has said privately that the margin was a great deal more than that.

Trice said last week that it was much less. "I don't think it's anybody's business," he said.

There have been more lease guarantee defaults within this single shopping center than in any entire SBA region, according to figures supplied by the SBA to the House Committee.

Nationally, the statistics list 62 such lease defaults, with 12 of them in El Centro.

Says Kirt Prins, chief investigator for the House committee:

"It is damn significant that in one little shopping center there are more defaults than in five or six states."

One of the Cubans loaned \$25,000 was Onelia Padron, operator of a children's shop called Mon Petit. Miss Pad-

ron transferred the loan on the business to della Canteli. Both women are relatives of the wife of Manuel Artime, the Miamian once famous as the "CIA Golden Boy" of the Bay of Pigs invasion.

Artime reportedly had passed secret payments from the White House to the lawyers and families of the four Niamians involved in the Watergate burglary.