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DOWNTOWN MIAMI | MIAMI WORLDCENTER

Project changes to 'open pedestrian-friendly space'

New design feels more like Lincoln Road, developers say

Macy's and Bloomingdale's may drop out

Traditional malls are struggling around the country

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Just months before its scheduled groundbreaking, the developers of Miami Worldcenter say they're ditching the massive enclosed mall at the heart of their \$1.7 billion downtown project — and replacing it with a smaller, open-air shopping center along a Lincoln Road-style promenade.

The move comes at a time when major malls and department store chains around the country are slashing jobs and closing stores.

Macy's and Bloomingdale's signed on as anchor tenants for the Worldcenter project two years ago. But the new design means the retailers may drop out because they typically need the larger "big box" locations found in traditional malls.

"We would love to find a home for them here," said Nitin Motwani, principal of

master developer Miami Worldcenter Associates. "When we started developing, the perception was that you needed strong retail as anchors, even in an urban setting like Miami. But for a lot of different economic reasons that model is changing."

Concerns over the viability of an enclosed mall led the developers to seek a more pedestrian-friendly approach that would fit in better with the rest of downtown, Motwani said.

He said the redesign wouldn't delay completion of the shopping center, still scheduled for fall 2018.

Retail giants Taubman Centers and the Forbes Company are co-developing the project's retail component. They announced the changes in a press release Monday morning. (A report from Goldman Sachs this summer claimed Taubman was getting cold feet about going ahead with the mall.)

The new plan calls for developers to build an

open-air promenade lined with one- and two-story stores running from Northeast Seventh Street to Northeast 10th Street between Northeast First and Northeast Second Avenues.

The original structure would have been a 760,000-square-foot enclosed mall. Macy's and Bloomingdales would have accounted for about 300,000 square feet of that space, meaning the new design will be smaller if the department stores drop out.

"We've shifted the retail from a suburban mall to more of a high-street retail concept like you'd see in Union Square in San Francisco or SoHo in New York or the Design District," Motwani said. "We're taking the roof off and we're going to create a very pedestrian-friendly public space."

Jim Sluzewski, a spokesman for Macy's, said that the company has "been in touch with the [Worldcenter] developers and will weigh our options" about participating in the project.

Motwani said Worldcenter is evaluating its options for weather protection and climate control, a must in South Florida's humid heat. Plenty of shade will be provided, he

said.

A competing project set to open this year, Brickell City Centre, has unveiled a \$30 million "climate ribbon" design to keep its *en plein air* shopping center cool.

TOUGH TIMES FOR SUBURBAN MALLS

Online shopping, the increased urbanization of American cities and the popularity of "fast fashion" stores like Spanish retailer Zara have hurt traditional retail malls.

Tumbling sales at Macy's led the retailer to announce last week it would fire or relocate 3,000 workers and close 40 stores. (None are in South Florida.)

Suburban-style malls can still work well in suburbs such as Kendall and Aventura, said Lyle Stern, president of Miami Beach-based retail leasing company Korniver Stern.

But an indoor mall would have been a waste in downtown Miami because it would have been harder for shoppers to wander in from nearby hotels, condos and entertainment venues including the Adrienne Arsht Center and American Airlines Arena, said Stern, who is not involved in leasing at the World-



MIAMI HERALD FILE, 2015

The Miami Worldcenter project area was cleared in September to make way for the residential and retail space.

center project.

"Going shopping today is as much about socialization and dining as it is about retail," he said. "The more pedestrian and socialized a shopping experience is, the more attractive it will be."

Worldcenter developers will be meeting with city of Miami officials this week to present the changes, although Motwani said he believes the new plan falls within the original zoning.

The 27-acre mixed-use project in downtown Miami's Park West district will include residential, hotel and other components.

A luxury condo tower, Paramount Miami Worldcenter, has already broken ground.

The tower's developer, Daniel Kodsí, said he saw the new design as a "tremendous improvement" on the original plan.

"My sales team and brokers all felt that the mall was a big metal box in the middle of downtown and having this type of high-street development instead would be a lot more vibrant and match the area better,"

Kodsí said. "That's what you want to have in a downtown."

The condo's rooftop amenity deck, which will be built on a parking garage for the shopping center, will not be affected. It includes a soccer field, running trails and a swimming pool.

Also in the works at Worldcenter are rental towers and a hotel and convention center, which is seeking a subsidy deal worth tens of millions of dollars from an Overtown anti-poverty agency.

The mall received subsidies worth as much as \$88 million from the Southeast Overtown/Park West Community Redevelopment Agency in 2014. Motwani said the deal is structured so that the developers don't get the money up front.

That means if the number of construction and permanent jobs created by the project fall short of the original agreement, the developers will get a lower payout.

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