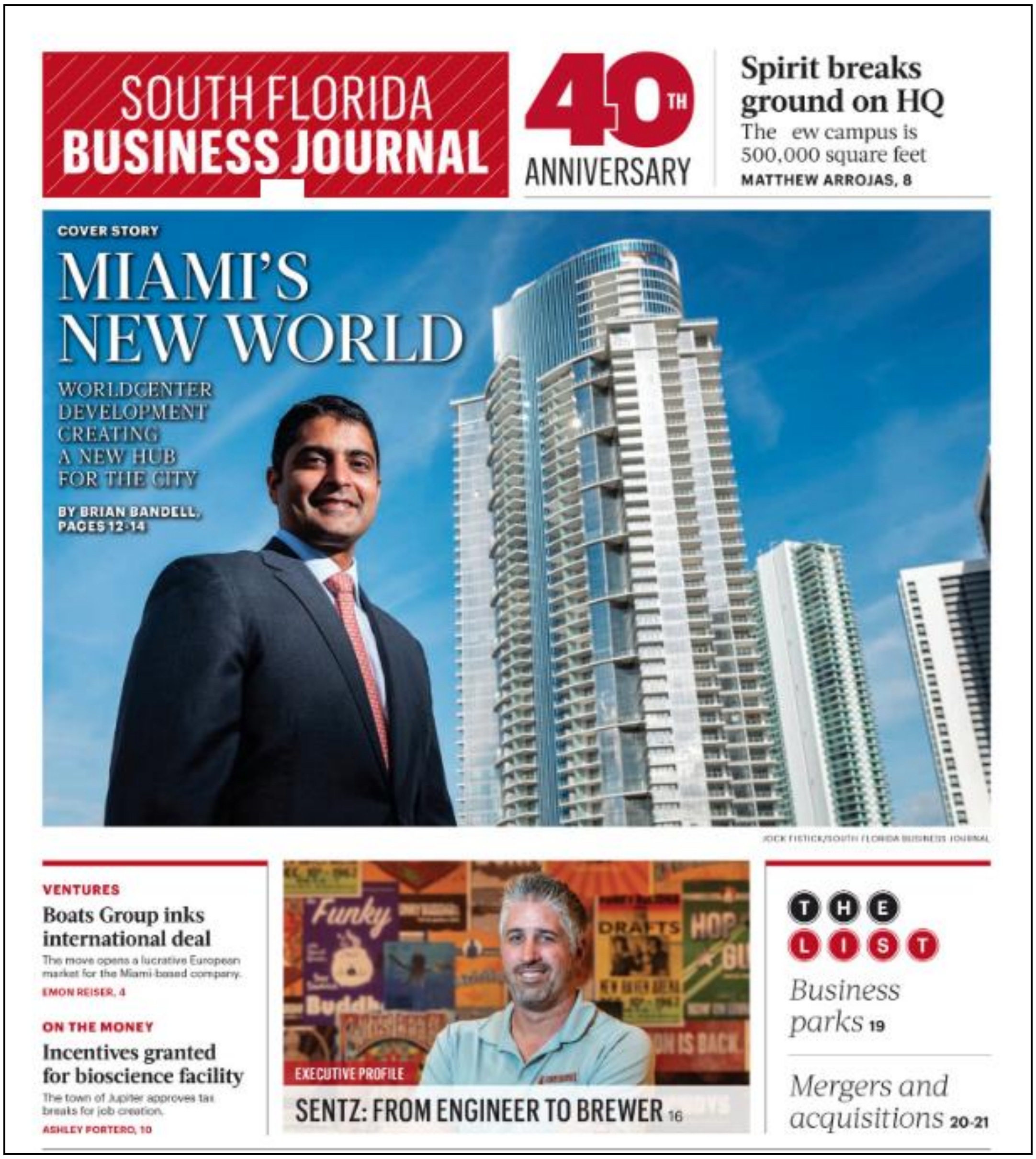
SOUTH FLORIDA BUSINESS JOURNAL

January 17, 2020 **Circulation: 9,242 / UMV: 347,332**



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MAKE WAY FOR MIAMI WORLDCENTER

As a downtown Miami resident, I can attest to the excitement that surrounds Miami Worldcenter.

I moved to Edgewater about 4.5 years ago, just as the $4 billion project was breaking ground.

And the significance of how Miami Worldcenter will revitalize the area isn't lost on local residents or business owners.

This week's cover story illustrates how the 27-acre project, which includes residences, shopping, dining, offic s and a hotel, is expected to transform downtown – and then some. After all, it is the largest urban redevelopment effort underway in South Florida

With two structures already open for business, the Paramount condominium tower and the Caoba apartments, it's easier to see how transformative this project will truly be for the formerly desolate neighborhood.

Miami Worldcenter has already attracted more than $1 billion in development to the city, and its mix of shops, eateries and entertainment will boost foot traffic to the ma y new businesses that will call it home.

Retail and restaurants I can walk to? Sign me up.

– Mel Meléndez

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COVER STORY

WORLDCENTER POISED TO TRANSFORM MIAMI

BY BRIAN BANDELL BBANDELL@BIZJOURNALS.COM 786-533-8215 @SFBJREALESTATE

Few can deny that Brickell has become the jewel of downtown Miami. But, further north, the $4 billion Miami Worldcenter aims to rival Brickell's level of bustling economic activity with a blueprint that's poised to transform the once-desolate area.

The 27-acre mixed-use project is the largest urban redevelopment effort in South Florida. And it's revitalizing an area that a decade ago was a virtual desert for business.

Miami Worldcenter's impact is only starting to become apparent, as two key buildings – the Paramount condominium tower and the Caoba apartments – are just now welcoming residents. But the project has already attracted well over $1 billion in development to the city.

While there are plenty of places in Miami where multifamily projects can be built, Miami Worldcenter has much more to offer: the promise of establishing a hub, similar to Brickell, for shopping dining, offices and hotel stays. Its developers also aim to include entertainment venues and health care providers in the mix. The combination of offerings will create a myriad of opportunities for businesses aiming to lure customers to an emerging area.

Miami Worldcenter will benefit all of downtown because it will generate much-needed pedestrian traffic, which always leads to increased spending at local shops and restaurants, said Mika Mattingly, executive managing director of Colliers International South Florida's Urban Core Division. As of the third quarter of 2019, the retail vacancy rate in downtown Miami was 22.8%, the highest in South Florida, according to Colliers.

"The days of boarded-up, dark streets will be gone in a heartbeat," Mattingly said. "You will see a fl w of pedestrian traffic back and forth from downtown to Miami Worldcenter."

When the initial stages of the project broke ground four years ago, little was known about what would be built on the remaining land. Now, all but 2 acres have specifi site plans and major development partners.

"It was always meant to be a diverse array of products," said Nitin Motwani, managing partner of Miami Worldcenter Associates, the master developer. "We didn't want it to be all residential, even when we were in the midst of the condo boom. We want to touch various price points and have something for everybody."

Some aspects of the project have been slower to come along, such as the convention center hotel and the shopping, which was revised from an indoor mall to street-level retail. Miami Worldcenter faces intense competition from the city's new retail and hospitality projects. Yet, many experts believe the booming population growth and tourism will assure Miami Worldcenter is successful over the long term.

"A lot of the things have taken a little longer, which isn't unusual," said Jeremy Larkin, co-chairman of commercial real estate firm NAI Miami. "It's an up-and-coming area, and a lot of it wasn't developed. By the time Brickell City Centre hit the ground, Brickell was already a 24/7 live-work environment. Downtown Miami isn't there yet."

Once completed, Miami Worldcenter will accelerate that growth.

A landmark building

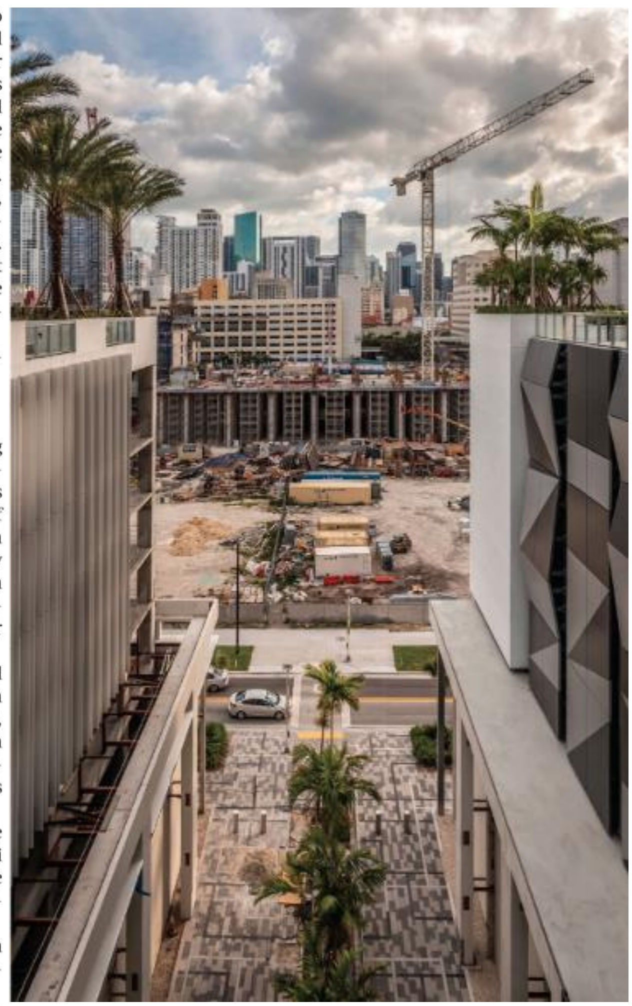
The 700-foot Paramount is the landmark building of Miami Worldcenter – and not just because it towers over the district. The 569-unit condominium has supersized amenities, including a stage worthy of a TEDx presentation, a 4-acre amenity deck with three pools, a private soccer fiel , and a four-story amenity deck on the top floor resembling a yacht in the sky. It boasts some of the best views of downtown Miami and Biscayne Bay, whether poolside or running on a treadmill.

It's no wonder Paramount is over 90% sold and has buyers from 56 countries, including from South America, Europe, the Middle East, Turkey, China, and India, said Daniel Kodsi, head of Royal Palm Cos., which led the condo development. Most of Paramount's residents have yet to move in, but closings are taking place rapidly.

"We sold at prices much higher than most of the market, especially the downtown market," Kodsi added. "We did well because we have a very unique project, and this will be one of the best neighborhoods in Miami."

There were also many domestic buyers from high-tax states who want to stay in an urban environment, Motwani said.

Caoba is 84% leased after opening in March, he added. Both projects already contribute to the growing number of shoppers and diners in the area.



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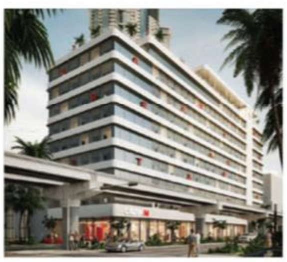
COMPONENTS OF MIAMI WORLDCENTER

1 Paramount Miami Worldcenter
- 851 N.E. First Ave.
- 569 condo units and 65,000 square feet of retail
- Developer: Royal Palm Cos./ Miami Worldcenter Associates

2 Caoba
- 698 N.E. First Ave.
- 444 apartments and 20,000 square feet of retail
- Developer: Miami Worldcenter Associates/CIM Group

3 Caoba Phase 2
- 697 N. Miami Ave.
- 441 apartments and ground-floor retail
- Developer: Miami Worldcenter Associates/CIM Group



GENSLER

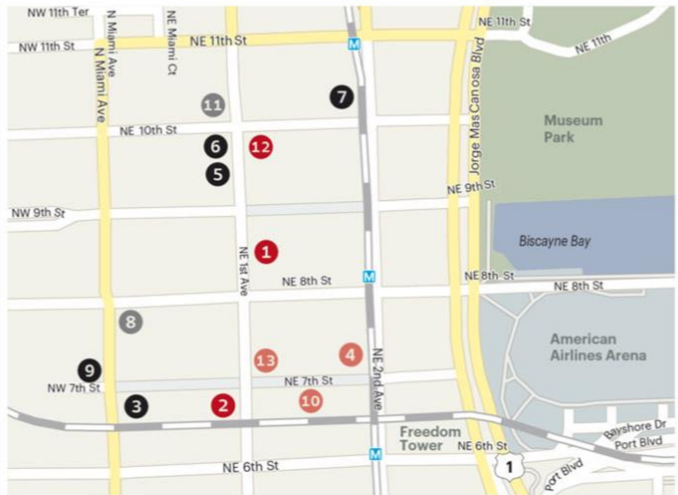
4 CitizenM Hotel
- 700 N.E. Second Ave.
- 351 hotel rooms
- Developer: CitizenM Hotels

KOBI KARP ARCHITECTURE

5 Legacy Hotel & Residences
- 942 N.E. First Ave.
- 278 condo units and 255 hotel rooms
- Developer: Royal Palm Cos.

6 Medical
- 80 N.E. 10th St.
- 50,000 square feet of outpatient medical uses
- Developer: Royal Palm Cos.

Completed · Under construction · Planned · Other



MAPS4NEWS/©SFBJ

7 Kenect Miami
- 1016 N.E. Second Ave.
- 918 apartments and 16,000 square feet of retail in the first phase
- Developer: Akara Partners

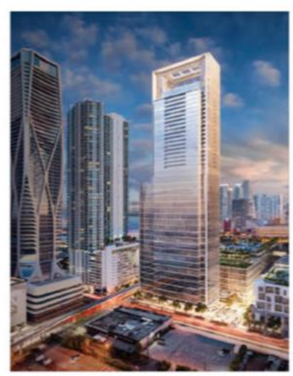
8 Lalezarian
- Southeast corner of Northeast Eighth Street and North Miami Avenue
- Undisclosed (no plans on file)
- Developer: Lalezarian Properties

MDM

9 Marriott Marquis Miami Worldcenter Hotel & Expo Center
- 700 N. Miami Ave.
- 1,723 hotel rooms and 500,000 square feet of meeting and event space
- Developer: MDM Hotel Group

10 Luma
- 150 N.E. Seventh St.
- 434 apartments and 50,000 square feet of retail
- Developer: ZOM Living/ Miami Worldcenter Associates

11 Fifield
- 1001 N.E. First Ave.
- 533 apartments and 15,056 square feet of retail
- Developer: Fifield Cos.
- Status: In flux



HINES

12 One Worldcenter
- 110 N.E. 10th St.
- 600,000-square-foot tower with 350,000 square feet of offic s, plus retail and multifamily
- Developer: Hines

13 World Square
- Northeast corner of Northeast Seventh Street and Northeast First Street
- 20,000-square-foot public park, plus 100,000 square feet of entertainment, restaurants and retail
- Developer: Miami Worldcenter Associates

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Retail coming in 2021

A stroll past Miami Worldcenter shows it has the bones of an attractive shopping district, but all of the storefronts remain empty for the time being. The project has 150,000 square feet of street-level retail space completed and 50,000 square feet under construction. The developer hopes the wide sidewalks with benches, shade trees and fountains will attract pedestrians to the stores when they open.

Motwani said Miami Worldcenter Associates and retail partners Forbes Co. and Taubman Centers are lining up tenants and completing construction of the area, with openings targeted for the second half of 2021. Th re will be too much ongoing construction through 2020 to open a significa t amount of retail.

Some signed tenants won't open this year because they would rather be surrounded by a critical mass of shops than be one of the first few businesses open, Motwani said.

"We want to be like Lincoln Road in its prime, with great national retail tenants and lots of great food and beverage operators," he said.

Many small retailers don't like to commit far in advance because of economic uncertainties, Larkin said. Brickell City Centre has cornered the market on high-end retail, but there may be room at Miami Worldcenter for stores catering to working-class residents and students, he added.

Miami Worldcenter will be a great shopping district because of its central location and walkability, said Michael Comras, president and CEO of Comras Co., which is working with local retail tenants for the project. It will draw not only tourists, but downtown residents, office workers, fans from the nearby American Airlines Arena and the Adrienne Arsht Center for the Performing Arts, and people visiting the project's new convention center. The pedestrian-only promenade on Northeast Seventh Street will attract people walking from the neighboring Virgin Trains USA station east to the arena. Its new parking garage is already busy during arena events, Motwani said.

The World Square public park will include a three-story, 100,000-square-foot building for entertainment and retail technology providers, Comras said. It will feature 25-foot ceilings.

"Th t is our opportunity to bring in larger entertainment uses that drive a lot of pedestrian traffic," he said. "We will have contemporary retailers, but not super high end."

The vision takes shape

Large developers from across the country have inked deals or have pending deals with Miami Worldcenter Associates to develop future phases. In addition to the apartment buildings planned there, other types of development hope to move forward this year.

Miami-based MDM is finalizing the financing package for the Marriott Marquis Miami Worldcenter Hotel & Expo Center, and hopes to break ground in 2020, VP of operations Florencia Tabeni said. The 1,723-room hotel would be the largest in South Florida, and its 500,000 square feet of meeting and event space would be among the largest in the region.

"Th re is a definitive need for a downtown convention services hotel, as noted within a Miami Downtown Development Authority study from a few years ago," Tabeni said. "The Marriott Marquis Miami Worldcenter Hotel & Expo Center will bring that and more, adding a crucial new component to Miami-Dade's existing meetings and convention options – one that will be bringing billions of dollars of economic impact to the urban corridor over time."

Hines plans to close on the site of One Worldcenter by the end of the second quarter, said Carrie L. Martin, a spokeswoman for the Houston-based mega developer. It will break ground once it signs an anchor tenant for the building, which would total 600,000 square feet. More than half of that would be offices, plus retail and multifamily. It will have better access to Interstate 95 and public transit than most office buildings in Brickell, she added.

Hines has had conversations with many Miami-based tenants and tenants new to the area, including those in Hines buildings, Martin said.

"They see clear value in a Hines-sponsored project in a mixed-use urban village that is less than two blocks from the interstate and three blocks from South Florida's major transit hub," she said.

After going luxury at Paramount, Kodsi is after a different market with the Legacy Hotel & Residences. He launched sales of 278 branded condo-hotel units, which will accompany 255 hotel rooms. The units are priced from the $300,000s to the $400,000s, and the building will permit short-term rentals.

"Th re are more buyers at that price point, and they like the flexibility to own something and rent it out," Kodsi said.

He hopes to break ground on Legacy by the end of the year and complete it in 2023.

Meanwhile, Kodsi is speaking with major health care providers about an ambulatory medical center, roughly the size of a large grocery store, that he plans to build and connect to Legacy. It will address the shortage of health services downtown, he said.

It's a lofty plan, but thanks to its great accessibility, scale and mix of uses, Miami Worldcenter will be a little city within a larger city, Comras said.

"Miami has put all the ingredients together over the last 20 years to create the next Brickell."