

# Creating the World's Next Great WATERFRONT CITY

**In the past decade, downtown Miami has been the site of more than \$13 billion in private development as well as of an unprecedented flow of public investment for transportation projects, cultural venues, and parks.**

**ALYCE M. ROBERTSON, MEREDITH J. NATION, AND LEO ZABEZHINSKY**

A DECADE AGO, DOWNTOWN MIAMI WAS FILLED with 9-to-5 office workers and Latin American tourists hunting for bargains, and had little in the way of evening activity or nightlife. Since then, it has been transformed by the most remarkable building boom in the city's history.

Dozens of new residential towers are creating a new urban lifestyle that is highly appealing to young professionals. A recent report by Economic Research Associates estimates that the population of downtown Miami will increase from 20,000 now to 46,000 in 2015 and 70,000 by 2030.

In addition, new cultural and sports projects, such as the \$500 million Arsht Center for the Performing Arts and the American Airlines Arena, home of the NBA's Miami Heat, are bringing new vitality to downtown. Designed by world-renowned architect Cesar Pelli, the Arsht Center includes the 2,400-seat Ziff Ballet Opera House, the 2,200-seat Knight Concert Hall, and a 200-seat black-box Carnival Studio Theatre. "The Arsht Center has served as an economic catalyst to the surrounding area and downtown community as a whole," says Parker D. Thomson, president of the Miami-Dade Performing Arts Center Trust. "Its cultural impact is equally great—a wonderful home for major ballet, symphonic, and opera companies to showcase their performances in Miami."

About 1.9 million square feet (177,000 sq m) of office space is now under construction, including

**Viewed from the Marquis Luxury Residences and Hotel & Spa in downtown Miami, the sidewalk along Biscayne Boulevard features a recently completed colorful paving pattern by Burle Marx. The American Airlines Arena can be seen in the foreground.**



EMERSON CALDERSON

Brickell Financial Centre, the downtown's first high-rise office project precertified under the Leadership in Energy and Environmental Design (LEED) green building rating program. The \$245 million first phase will include 600,000 square feet (56,000 sq m) of Class A space in a 40-story tower, plus ground-level retail. "We have already signed a major lead tenant, and our construction team is moving toward a January 2010 completion," says Loretta Cockrum, chairman and chief executive of Foram Group, the project developer.

Brickell Financial Centre will include a 30,000-square-foot (2,800-sq-m) public plaza designed after the principles of New York City's Rockefeller Center. To be divided into a hardscape and a park with a 300-foot- (90-m-) long, curving water feature, the plaza is designed to serve as a people-friendly oasis and venue for public events. "We felt it was very important for our site to be master planned in the context of the neighborhood, and the plaza is an integral element of our development," says Cockrum.



FORAM GROUP

**Brickell Financial Centre is a LEED precertified Class A office building currently under construction. The two towers will include a 40-story office building and a 68-story mixed-use space.**



MIAMI DDA

**Brickell is Miami's prominent high-rise residential area and center for international banking and commerce.**

Since 2000, several large hotel chains have also invested in downtown, including JW Marriott, Conrad Hilton, Four Seasons, and Mandarin Oriental. Downtown also has recently attracted more than 50 new retailers and restaurants, and the Mary Brickell Village lifestyle center—home to the Oceanaire Seafood Room and Rosa Mexicano restaurant—has opened along the South Miami Avenue corridor.

Although the national slowdown in residential sales, the tight credit market, and the overall economic malaise have slowed many projects, downtown Miami is still filled with cranes and construction crews building the infrastructure for the city's future.

"A city must continually reinvent itself; it must invest in its future," Miami Mayor Manny Diaz, a key architect in the transformation process, said in his 2008 State of the City address. "Today, we have double-digit population growth and full employment. To build on this momentum, we must continue to invest in the people, places, and things that make us who we are."

## A Global Crossroads

In the past century, Miami has grown from a small frontier outpost to one of the world's key trading crossroads. The Port of Miami, located on Dodge Island just east of downtown, is Florida's largest container port and the world's busiest cruise port. The city's trade and visitor industries both had record years in 2007, as Miami-Dade County continues to outperform the state and the nation in hotel room occupancy, average room rate, domestic/international passenger air traffic, average daily shopping expenditures, and cruise passenger traffic.

Like Singapore, New York City, and Hong Kong, the Miami metropolitan area, with 2.3 million people, is a favored connecting point for businesses and leisure travelers from North and South America, Europe, Africa, and Asia. Downtown Miami has the largest collection of domestic and international financial institutions on the East Coast south of New York City,

as well as 40 international consulates, trade offices, and binational chambers of commerce.

"Miami-Dade's journey to becoming a major global business center has now placed our community on the cusp of a golden age," says Frank Nero, president and chief executive of the Beacon Council, Miami-Dade County's public/private economic development partnership. "Miami is truly becoming a top destination for the world's business community and is already home to more than 1,000 multinationals."

Miami is regularly the site of such major events as the recent Inter-American Development Bank annual meeting and the U.S. Conference of Mayors gatherings, demonstrating its ability to bring together world business leaders and trendsetters.

## Billions in New Investments

In the past decade, downtown Miami has been the site of more than \$13 billion in private development, as well as an unprecedented flow of public investment in cultural venues, parks, and transportation projects (see "Miami's Challenge to Develop Transportation Infrastructure," next page).

As a result, downtown Miami "has finally turned the corner," says Miami City Commission chairman Joe Sanchez, who is also chairman of the Miami Downtown Development Authority (DDA), a quasi-public city agency dedicated to strengthening downtown's position as an international center for commerce, culture, and tourism. "The city has created farsighted urban plans to improve transportation, traffic, parks, and the pedestrian environment downtown. The Miami DDA, working together with the city and other agencies, will turn these visionary plans into reality."

The organization has already undertaken a number of initiatives to make the area more livable and walkable, including adding trees, planters, and other landscaping to the city's core. The DDA also launched a grant program to fund exterior improvements in the downtown historic district, creating a more attractive public environment along the Flagler Street retail corridor.

**Developed by the Related Group and completed in 2007, 50 Biscayne includes 528 new residential units in the central business district. The rendering shows the view from Flagler Street and Biscayne Boulevard.**



3-D SPINE

## Miami's Challenge to Develop Transportation Infrastructure

AS IS THE CASE IN MUCH OF SOUTH Florida, significant challenges involving land constraints and prohibitively high real estate values have led to a recent dramatic increase in the number of higher-density residential developments both in Miami's urban core and throughout the city.

Because the state has designated the entire city as a Transportation Concurrence Exception Area (TCEA), these high-density developments have been permitted without having to meet traditional transportation infrastructure requirements, such as widening the roadway or improving intersections to handle increased traffic. The primary purpose of a TCEA is to allow development in urbanized areas where infrastructure already exists, thereby reducing urban sprawl. As a requirement of TCEA designation, alternative modes of transportation, connectivity, land use, urban design, and funding must be adequately addressed.

With a history of inadequate infrastructure funding and planning, the Miami metropolitan area faces the challenge of how best to address the critical need for transportation mobility—including efficient transit options—affecting households at all economic levels.

In its effort to update the city zoning code, Miami is advancing the principles of urban infill and redevelopment by supporting higher-density development around existing premium transit nodes in accordance with the tenets of transit-oriented development. The economic success of any region is reliant on transportation mobility and transit viability. In these times of significant shortfalls in national and local transportation infrastructure funding, only a holistic approach that addresses both public/public and public/



private partnerships will support a cost-feasible local transportation plan.

Miami—in conjunction with Miami-Dade County, the Florida Department of Transportation (FDOT), and the Miami-Dade Expressway Authority—has a comprehensive strategy to address these challenges.

### Electric Streetcar

Currently, Miami—in coordination with the FDOT as a 50/50 funding partner—is proposing to build the Miami Streetcar, an urban transit circulator that would connect downtown Miami to midtown and the Design District, with a proposed east-west connection to Overtown and the Health District complex. The streetcar would be an electric-powered, modern urban transit option that would operate in existing roadways, connecting major activity centers, commercial establishments, and residential communities throughout the project corridor. The streetcar would provide an alternative to the automobile in the densest areas of the city where public

transit options are limited ([www.miamigov.com/miamistreetcar](http://www.miamigov.com/miamistreetcar)).

### Road Tunnel

For nearly 20 years, the Port of Miami Tunnel Project has been discussed as a long-term necessity to secure the viability of the port and remove truck traffic from downtown. Within the past year, the FDOT, in coordination with the city and Miami-Dade County, has secured an innovative public/private agreement under which a private consortium led by French firm Bouygues will design, build, finance, operate, and maintain the \$1.2 billion tunnel over a 30-year period.

With annual distribution payments linked to performance standards, this approach fully leverages limited public resources while shifting to the private sector responsibility for construction cost overruns, ongoing maintenance expenses, and required performance levels. The Port of Miami Tunnel Project will provide direct access to the seaport from the interstate

highway system, supporting urban redevelopment initiatives by removing industrial truck traffic from downtown city streets ([www.portofmiamitunnel.com](http://www.portofmiamitunnel.com)).

### Rail Projects

In the works are two major rail projects that will shape the competitiveness and connectivity of Miami and the south Florida region as a whole—the long-anticipated expansion of the Metrorail system, and conversion of the 60-mile (97-km) Florida East Coast (FEC) railway corridor.

The \$1.4 billion expansion of Metrorail is necessary to connect major business and population centers, but Miami-Dade Transit is facing budget shortfalls. These shortfalls are being reviewed by federal transportation authorities before the U.S. government decides whether to provide additional matching funds.

The potential conversion of the FEC railway—currently used exclusively for freight—to provide both commuter and freight transport is perhaps the most significant transportation initiative for the tricounty region. Currently being studied, the project would provide connectivity to existing mass transit and the three major airports and seaports in Miami-Dade, Broward, and Palm Beach counties ([www.sfccstudy.com](http://www.sfccstudy.com)).

As population growth over the coming decades continues to place stress on an infrastructure system that is already overburdened, bold political leadership will be necessary to move the community forward.

**MARY H. CONWAY**, senior project manager for HNTB Corporation, previously worked for the Florida Department of Transportation and was assistant city manager and director of capital improvements and transportation for Miami.



The \$1 billion mixed-use project Metropolitan Miami will include over 1,000 luxury residential units, a Marriott Marquis hotel, 700,000 square feet (65,000 sq m) of office space, and retail space.

From the city's planning perspective, a new contextual zoning tool known as Miami21 is being proposed to help preserve the character of established neighborhoods while supporting several transformative large-scale mixed-use developments.

The most notable of these mixed-use projects in downtown is Metropolitan Miami, a \$1 billion, multi-phase development under construction in the heart of downtown. Developed by MDM Development Group in partnership with Met Life, the project includes:

- ▷ Met 1, a completed residential tower with 447 luxury units and ground-floor retail space that includes the well-established Manny's Steakhouse from Minneapolis;
- ▷ Met 2, a 47-story tower being built with 700,000 square feet (65,000 sq m) of Class A office space, a 376-room Marriott Marquis hotel, and a signature restaurant from Daniel Boulud;
- ▷ Met 3, a planned 72-story tower with 650 residences, anchored by a Whole Foods Market; and
- ▷ Met Square, a four-story entertainment and retail complex that will include an independent movie theater, high-end boutiques, a fitness center, and a variety of upscale dining.

## Tapping the Mixed-Use Potential of the Miami River

ONCE KNOWN AS DOWNTOWN Miami's "other waterfront," the Miami River is evolving into a vibrant residential, retail, and scenic location while remaining true to its commercial shipping traditions. Through the Miami River Commission (MRC), an 18-member advisory board established in 1998, civic leaders, real estate developers, and marine-related businesses have created a plan for dramatically improving this once-neglected downtown asset and ensuring continued balanced development of different riverfront uses.

The MRC worked with Miami, Miami-Dade County, and the community from 2000 through 2002 to create the Miami River Corridor Urban Infill Plan. In addition to highlighting a series of revitalizing initiatives, the plan analyzed three distinct sections of the river and identified appropriate strategies for each. The three sections are:

- ▷ The Upper River—from the Salinity Dam near Northwest 36th Street to Northwest 22nd Avenue—is the center of the commercial marine industry;
- ▷ The Middle River—from Northwest 22nd Avenue to the Northwest Fifth Street Bridge—is a transitional mixed-use area with historically designated low-density neighborhoods, public parks, recreational boatyards, and the emerging Health District east of the University of Miami/Jackson Medical Center complex; and
- ▷ The Lower River—from the Northwest Fifth Street Bridge in downtown Miami to Biscayne Bay—has high-density mixed-use development, including residential, office, hotel, and river-oriented commercial businesses. Plans for this section include creative approaches to reducing congestion—such as alternative route coordination and water buses—when Brick-

ell Avenue's heavily traveled drawbridge must be raised for river traffic. In 2007, the MRC, in coordination with the Metropolitan Planning Organization (MPO) and the Florida Department of Transportation (FDOT), created the Miami River multi-modal transportation plan to address issues related to growth and congestion.

A key catalyst for revitalizing the Miami River is an \$86 million dredging and environmental restoration project for the 5.5-mile (8.9-km) navigable channel. The U.S. Army Corps of Engineers project, scheduled to be completed next spring, will deepen the channel to its allotted 15-foot (4.6-m) depth so cargo vessels will be able to load to capacity and traverse the river regardless of tidal

conditions. It also will remove decades of contaminated sediments from the river bottom, which will improve conditions for fish and other marine life.

Housing Florida's only shallow-draft facilities, the Miami River port complements the deeper Port of Miami, providing an essential commercial link with more than 50 Caribbean ports that lack the infrastructure to accommodate deep-draft vessels.

According to a 2005 study by environmental engineering firm Hazen & Sawyer for the South Florida Water Management District, the Miami River marine industry generates 6,100 jobs and \$682 million per year in economic output. With the forthcoming completion of the dredging project, those numbers are expected to rise.



The Miami River Corridor Urban Infill Plan analyzed three distinct sections of the river—upper, middle, and lower—and identified appropriate strategies for each.



MIAMI RIVER COMMISSION

The Miami River flows past the Hyatt Regency Miami and the James L. Knight International Center.

Several of the 38 existing marine industrial businesses along the Miami River, as well as several new companies, are already taking advantage of the rapidly improving “working river.” For example, the historic Merrill-Stevens Dry Dock Company recently unveiled a \$55 million expansion plan to modernize its megayacht facility, create an environmentally sensitive boatyard, and boost its workforce from 150 employees to 500. The proposal calls for a marine vocational school and a 2,500-ton lift capable of servicing very large yachts.

“This will be the most advanced, environmentally friendly shipyard in the area,” says Mark Bailey, vice president of external affairs at Merrill-Stevens. “Megayachts up to 250 feet [75 m] in length will travel up the Miami River for their maintenance, repair, and refit needs. Our

plans include a public riverwalk, observation landings, improved parks, a marine trades historical exhibit, and a marine law enforcement facility.”

In addition to this commercial revitalization, the Miami River has become a scenic location for new residential and retail development. Since 2000, more than 4,200 new condominium units have been built on the river, and another 5,215 are under construction. In addition, about 20 new riverfront restaurants have opened or are in various stages of planning and construction.

Also, the Miami River Greenway, an expanding ten-mile (15-km) network of pedestrian paths and promenades along both shores of the river, will have wide sidewalks, shade trees, landscaping, benches, historical markers, wayfinding signs, bike racks, and decorative lighting.

It will help link the residents to restaurants, shops, parks, mass transit stops, and adjacent multicultural neighborhoods. By providing an alternate form of transportation for both pedestrians and bicyclists, the greenway—supported by federal, state, county, city, and private funding—will help reduce traffic congestion and gasoline consumption while improving air quality in the urban core. Riverfront sections of this green network are already open at several residential, hotel, and public-space developments, including One Miami, Brickell on the River, Hyatt Regency, and José Martí Park.

By planning the mixed-use future of this diverse and vital downtown waterway, the Miami River Commission has set the stage for residential towers and ground-floor retail space to share valued riverfront space with public parks, historic neighborhoods, and the commercial shipping industry for the betterment of the entire community.—A.R., M.N., AND L.Z.

## Icon Brickell: A Survivor of Miami's Development Boom

FOUR YEARS AGO, DURING THE FLIP-till-you-drop real estate boom, Icon Brickell was just one of many architectural renderings promising tranquil, ultra-modern luxury living for international jet-setters.

But the three-tower condominium and hotel had a few features going for it that other developments lacked—namely, five restaurants, interior design by European artist Philippe Starck, and a number of amenities: an outdoor fireplace and living room, a pool longer than an Olympic-sized swimming pool, a full-service fitness center and spa, a movie theater, a private dock, views of Miami's skyline and port, a location within walking distance of the financial district, and more.

"When you're selling it, it's almost overwhelming," says Bill Thompson, executive vice president of the locally based Related Group, which teamed up with Miami-based Arquitectonica to build the waterfront project at 495 Brickell Avenue, adjacent to Miami Circle and Brickell Park.

With the first tower "topped off" at 57 stories, and more than 90 percent of all 1,794 units sold, the drawings are now reality, and a reminder that at least a few south Florida real estate developers can actually finish a project that was pitched during the residential development boom of a few years ago.

Tower Two, also standing 57 stories high, is scheduled for completion in November. The 50-story Tower Three will be finished shortly thereafter in January 2009, and will include the Viceroy Hotel with more than 100 resort units across nine floors and occupying 78,300 square feet (7,274 sq m).

Meanwhile, the latest results of the Moody's/REAL Commercial Property Price



European artist Philippe Starck created a cavelike atmosphere for the drop-off area (bottom) to Icon Brickell (top), a three-tower condominium and hotel designed by Arquitectonica.

Index show a decrease of 2.3 percent in March for the all-properties national index, and there is a continued decline in demand by 4.6 percent, the third straight quarterly drop. But this does not discourage Thompson, who has seen his share of ups and downs in the real estate market since he moved to Miami from Pittsburgh in 1981. The high-quality buildings are starting to separate from the pack, he says, in terms of closings and maintaining price, and he puts faith into his former MIT professor's optimistic prediction—voiced at the school's annual spring symposium in June—that a recovery is in the works.

"Professor Wheaton tends to be six months ahead of everyone else," says Thompson. "We hit bottom and now we're working our way up. The projects located on the water in particular, and quality design and engineering will do pretty well in the long run in Miami."

Prices for condos at Icon Brickell range from \$500,000 for a 640- to 720-square-foot (59- to 67-sq-m) studio to \$2 million for a two-bedroom unit with a library. The euro's recent gains on the dollar have helped sales. Buyers of Icon units come from 54 countries, with the majority coming from Europe "perhaps because of Starck's name," Thompson says.

The French interior and product designer, who ordered 100 columns at the base of the project at \$50,000 each, is best known for his work on the private apartments of the French President François Mitterrand in 1982, the Delano Hotel in Miami Beach in 1995, consumer product designs for Target stores in 2002, and consumer goods such as toothbrushes for Alessi and chairs for Italian manufacturer Kartell, among others.

Each column will literally bear Starck's signature, while the rest of the project bears his artistic touch, from the cavelike atmosphere of the drop-off, to the rooftop pool inspired by the Champs-Élysées.

"Philippe Starck has done amazing interiors in the lobby, the spa, the pool that are all really spectacular," says Bernardo Fort-Brescia, principal architect at Arquitectonica. "It will be a real destination. Even the drop-off with columns that look like the ones at Easter Island will be spectacular. We provided the [architectural] designs and then he picked up from there."

Arquitectonica designed 25 different layouts, and made a point to build the three towers at angles that would allow vistas from as many units as possible.

"The three buildings are three parallelograms," says Fort-Brescia. "Each tower is broken into cubes stacked on each other to create a vertical city. It sort of rotates in space, suspended—like antigravity. When the building is completed, this will be a lot more evident."

**KEMILA VELAN** is a Miami-based freelance writer and founder of [BiscayneWriters.com](http://BiscayneWriters.com), which serves as host to writing workshops for aspiring novelists, screenwriters, poets, and lyricists.

Perhaps the most ambitious project—now in the planning stage—is Miami World Center, a joint venture of the Falcone Group and Marc Roberts Companies. This 20-acre (8.1-ha) master-planned city-within-a-city will bring offices, hotels, condominiums, shops, and plazas to the Park West neighborhood west of Biscayne Boulevard. "This development will transform not just downtown, but the region as whole," says Nitin Motwani, principal and managing director of Miami Worldcenter Group LLC.

The project's development team visited cities in Europe, China, Dubai, South America, and the United States to get ideas for urban land use concepts and held a charrette with leading architectural firms. "We also looked at the city's demographics, economy, and strategic location and saw the incredible potential for Miami to become an even more exciting international gateway to the world," he says.



Loft 2 is an innovative, 496-unit workforce housing development built over a Metromover station in downtown Miami.



EMERSON CALDERON

**The Metromover travels past new Biscayne Boulevard development.**

### **Innovative Residential Concepts**

Five years ago, developer Jorge Pérez, chief executive of the Related Group, launched One Miami, the first residential tower to be built north of the Miami River in decades. Since then, roughly 15,000 residential units have been completed in downtown Miami and another 7,000 are under construction. Even in today's slower sales market, the downtown population base will double between 2000 and 2010, according to Economic Research Associates, with young, educated, and affluent professionals accounting for most of the new residents. That growth is already driving retail sales and creating a vibrant, pedestrian-oriented atmosphere.

Meanwhile, Pérez has continued to bring new residential concepts to downtown Miami, focusing on workforce housing opportunities. "We have made a concerted effort to market to buyers making between \$40,000 and \$80,000 per year," says Oscar Rodriguez, senior vice president of the Related Group.

After completing the 200-unit Loft I in 2005, Related developed Loft II, a 496-unit project that takes advantage of air rights over the First Street Station on the county's Metromover line. The elevated trains run through the 496-unit building, creating an eye-catching and practical use of space. "Loft II

was a true collaborative effort between the public and private sector to make workforce housing a reality," says Rodriguez. "It incorporates a transit node with the building, providing a benefit to buyers and increasing public transit ridership."

In accordance with city zoning—which allows for a parking variance for any residential project within 600 feet (185 m) of a premium mass-transit station—the Loft projects incorporate the concept of shared parking. Under a long-term agreement entered into by the developer, residents can use the city's existing Metro Parking Authority garages near the Loft project in the evening while commuters use them during the day, mitigating the cost of building new facilities and thereby reducing purchase prices. "Building near transit stations reduces dependency on the automobile and makes the downtown economy more sustainable in the long run," Rodriguez points out.

### **Rediscovering Its Waterfronts**

It is safe to say that without water, there would be no Miami. When founded in 1896, the city was a small trading village on Biscayne Bay at the mouth of the Miami River, a convenient transportation artery to the Everglades. In fact, Miami's name means "sweet water," referring to the freshwater of the river.

When railroad magnate Henry Flagler built the city's first tourist facility, the Royal Palm Hotel, he made certain that wealthy northern visitors had panoramic views of the river. By the 1920s, Miami had a bustling downtown and a thriving port just north of the river. Passengers could take steamers to Havana, South America, and Europe, while cargoes were shipped to more southerly destinations—a trading pattern that continues today.

But over the decades, downtown developed without much attention to its waterfront assets: Biscayne Boulevard (U.S. Route 1) and underused public parks separated downtown office buildings from the bay, while the riverfront became an industrial corridor dominated by commercial shipping facilities.

Today, downtown Miami is rediscovering the waterfront as an asset essential to its revitalization within four distinct subdistricts: Brickell, the central business district, Park West, and the media and entertainment district. Soaring condominiums are rising along the water, with linkages to riverfront



3-D SPINE



GENERAL GROWTH PROPERTIES

MIAMI DDA



Today, downtown Miami is rediscovering the waterfront as an asset essential to its revitalization. Top: rendering of a new Biscayne Boulevard. Left: Bayfront Park. Above: shopping at Bayside.

## Flagstone's Residences at Island Gardens on Watson Island

DURING RUSH HOUR AND ON WEEKENDS, traffic on the six-lane MacArthur Causeway connecting Miami and Miami Beach moves at a turtle's pace—nothing like the Don Johnson speeds of the old *Miami Vice* days. Along the causeway is the 86-acre (34-ha) Watson Island created by land reclamation in 1926 with material dredged from the ship channel for the Port of Miami.

In 1947, the state deeded the island to Miami with the condition that it never be sold, no matter the price offered. It was also stated that if development ever occurred, it should be done with a public purpose in mind. Current attractions on the island include Parrot Jungle and the Miami Children's Museum. Also, the Florida Department of Transportation (FDOT) has been planning to construct a tunnel from the Port of Miami on Dodge Island under the main shipping channel to the MacArthur Causeway on Watson Island.

The city and Mehmet Bayraktar, principal of Flagstone Property Group, also have plans for the island: Island Gardens, a \$426 million retail/hotel/marina project slated for completion in 2011. The project is to have two hotels—a luxury 43-story, 150-room Shangri-La hotel and a 29-story business hotel/resort; 100 luxury one- to four-bedroom fractional residences located on the upper floors of the Shangri-La; a resort spa; 221,000 square feet (19,500 sq m) of high-end shops; restaurants; a waterfront promenade; a fish market; and gardens. The fractional properties at the Shangri-La will be sold in seven parcels, allowing buyers to live in the unit about 45 days per year. The 50-slip marina is being designed exclusively for megayachts—those longer than 100 feet (30 m)—and gigayachts, those longer than 400 feet (122 m).

The prospect of increased congestion caused by construction vehicles on the

causeway during the simultaneous work on Island Gardens and the FDOT tunnel has stirred up controversy among Miami Beach residents, politicians, and business owners.

"The state has to approve the development of regional impact [DRI] study, but there has been no response to our letter," said Miami Beach city manager Jorge Gonzalez, who wrote in a letter to the South Florida Regional Planning Council that the project threatens his city's future sustainability. "We're the economic engine of the entire county, and if [the beach] becomes harder to get to, it becomes less attractive."

The project site is located within three to five minutes of South Beach, downtown Miami, the Adrienne Arsht Center for the Performing Arts, and the soon-to-open Museum Park.

According to Bayraktar, preliminary work on the site is scheduled to begin

in November. "We have banks doing the financing for construction," he says. "We will announce banks and four-star hotels and various retail tenants that will be part of the shops during the next few months."

It has been seven years since Flagstone began work on the project. "The roadblocks are more or less typical, but it didn't help having a very special piece of property owned by a major city," says Bayraktar, who has been building mixed-use marina projects in Turkey and other locales in the Mediterranean for 20 years. Miami, the Miami-Dade County Department of Environmental Resource Management (DERM), the U.S. Coast Guard, and the Florida Fish and Wildlife Conservation Commission all required environmental impact studies of the manmade island before the project could move ahead.

DERM set guidelines for Flagstone to restore some of the underwater life that had





been destroyed by previous projects. For example, Flagstone plans to fill two holes in the bottom of the bay left over from the construction of Interstate 95 back in 1950s. “We are going to fill those and replant all the sea grass that we are taking out,” he says. “We are doing 3.5 times more mitigation [than required by DERM and other agency guidelines].” Flagstone has committed to taking care of 13 acres (5.3 ha) of underwater sea life for seven years, Bayraktar says.

Besides the environmental details of the project, the mixed-use components added to the challenge of the project, he says.

So how did such a high-end project end up on an island meant for public use? In 1997, Miami conducted a land use study and hired an outside company to do a marina market study that determined there were 1,450 megayachts in the world and more than 500 on order at the time. The island, in Biscayne Bay between downtown Miami and Miami Beach, has about 10.8 acres (4.4 ha) of dry land and 13.4 acres (5.4 ha) of submerged land available. The city thought it was the perfect location for a marina catering to these boats and

decided to rezone it for commercial use in order to open a request for proposals (RFP) to developers.

Bayraktar, who was splitting time between his residence in Miami and his office in Istanbul, gathered a global team to formulate a proposal, including Eric Kuhne, owner and founder of London-based Eric Kuhne & Associates. Flagstone’s proposal for the site was selected from among 40 applicants.

Inspired by Mediterranean marinas, where yacht culture attracts people of all ages and income, Bayraktar envisioned something similar for Miami, considered one of the major boating capitals of the world. “When [yachts are] anchored, many people come in and want to hang around the boats,” he says. “The yachts come in and people get off and spend time and money at shops, boutiques . . . and then residences are built up around it. That’s what happened in these Mediterranean villages. We proposed a project that would cater to everyone.”

Flagstone won approval for its plan in September 2001. Under the agreement,

Flagstone will hold a 45-year lease with options for two 15-year renewals, and pay the city \$2 million per year. The base payment is followed by an additional upside 1 percent of gross revenues paid to the city after three years of operation. Flagstone will also pay \$1 million for each year of construction, which could take up to four years. The city also will receive 2.5 percent of gross revenues from licenses issued to occupy timeshare units.

“It will create its own critical mass,” city commissioner Johnny Winton said of the yacht facility at the time, according to the *Miami Herald*. In November 2001, Miami residents voted 68 percent in favor of the waterfront project, and from 2003 to 2004, Flagstone applied for and then awaited its land permit, which was extended another two years this past June because of the delays.

The high-end amenities at the project will pay for the public purpose requirement of the RFP, Bayraktar says. “Without profits, we cannot sustain ourselves and turn it around to the community, because then there is nothing to give,” he says.

The Historic Museum of Southern Florida will have a location on the island that will include a gallery and an archive of historical documents of the maritime history of south Florida. Bayraktar also plans to engage in cross-branding and marketing with Fairchild Tropical Botanic Gardens of Coral Gables, and plans to buy some of the gardens’ plants species for use in landscaping of the development. Also, three local artists—José Bedia, Michele Oka Doner, and María Martínez-Cañas—will create civic art pieces for the project.—K.V.

and bayfront walkways and other public spaces (see “Tapping the Mixed-Use Potential of the Miami River,” page 124). Special events—such as the annual ING Miami Marathon, the Fourth of July fireworks, and various cultural festivals—bring thousands of people to downtown’s waterfront venues.

Along Biscayne Bay, the city is investing in underused Bicentennial Park in the Park West subdistrict to create a new Museum Park, designed to emulate the success of downtown Chicago’s Millennium and Grant parks. Overlooking the bay will be two world-class cultural institutions—the Miami Art Museum (MAM), designed by Swiss architecture firm Herzog & de Meuron, and the Miami Science Museum (MiaSci), designed by London-based Grimshaw Architects and encompassing the Historical Museum of Southern Florida.

Meanwhile, in the central business district, downtown’s rapidly rising residential population is bringing new energy to Bayside, a festival marketplace developed by the Rouse Company in the 1980s that has traditionally served many tourist and cruise passengers. Residential growth is also bringing active community programming to adjacent Bayfront Park, including a children’s playground, a farmers’ market, and free yoga classes. “We are activating the waterfront and creating compelling reasons for people to come downtown for concerts and special events,” says Tim Schmand, executive director of Bayfront Park Management Trust, a limited city agency that manages the Bayfront and Bicentennial parks. “We see the waterfront as Miami’s public plaza—the most unique and valuable resource for the city.”

Also capitalizing on a prime waterfront location, Mehmet Bayraktar, chairman and chief executive of Flagstone Property Group, is preparing to break ground on Island Gardens, a mixed-use development on Watson Island just east of downtown (see “Flagstone’s Residences at Island Gardens on Watson Island,” page 130). Island Gardens will have a 50-slip marina serving megayachts longer than 300 feet (90 m), more than 220,000 square feet (20,400 sq m) of retail and restaurant space, a 150-room Shangri-La Hotel, and a 23-story fractional ownership residential component. A water taxi is envisioned to connect Watson Island with downtown Miami and Miami Beach.

“Island Gardens will draw visitors from around the world,” says Bayraktar. “With our waterfront restau-

rants and shops, we will provide a high-end experience catering to the international and south Florida market. Ultimately, this project—and downtown as well—is all about connecting people with the water through unique design.”

## A Window on the Sea

As Miami looks to the future, downtown is ideally positioned to become a new “window on the sea,” according to architect and planner Bernard Zyscovich, principal of Zyscovich Architects, Miami. “We are located on a beautiful bay with clean air and warm breezes. As downtown grows with new residents and attracts more visitors, the waterfront offers a natural opportunity for our city.”

Zyscovich helped articulate a vision for the city center in the downtown master plan commissioned by the DDA in 2005. “Our approach was to establish areas of character while encouraging linkages and walkability,” he says. “This master plan is a working document that can be taken piece by piece to build a cohesive vision of downtown.”

A key component of the master plan is creating a more active integrated waterfront district that supports new residential, retail, and commercial development. Zyscovich points to Barcelona as an example of how transforming a waterfront can revitalize a city. As host of the 1992 Summer Olympics, Barcelona tore down its industrial waterfront and focused on recreation—changing the economic base and public perceptions of the city.

Now, Miami has a similar opportunity to continue its transformation into one of the world’s true international waterfront cities. As Sanchez has said, “A great city needs a great vision and active projects. We have the vision of Miami’s destiny as a great world city—and we will achieve that goal.” **UL**

**ALYCE M. ROBERTSON** is the executive director and **MEREDITH J. NATION** is the deputy director of the Miami Downtown Development Authority. **LEO ZABEZHINSKY** is the head of economic development for the organization.