

MIAMI TODAY

June 5, 2008

Circulation: 75,000

Downtown authority sees retail, restaurant upswing on horizon

By RISA POLANSKY

As residents start moving into newly completed condo buildings and government entities continue putting resources into area beautification and laws such as a recently passed anti-panhandling measure, downtown Miami is becoming more appealing to retailers and restaurateurs on the lookout for new locales.

"Whether it be a retailer or a business or a corporation, everybody has options. They look at a community, they look at what they key stakeholders are doing, what the city's doing to support business and business expansions," said Leo Zabezhinsky, economic development director for the Miami Downtown Development Authority. "It's a work in progress. We've had some great successes. Downtown for the first time has these major national franchisees and retailers and restaurants that are looking at the market."

Jimmy John's Gourmet Sand-

wiches plans multiple restaurants downtown and is committed to opening two in the coming year, he said.

The eatery recently made its foray into Greater Miami with a franchise opening on Miracle Mile.

"Interest continues to be strong, even in this economy," Mr. Zabezhinsky said. "Miami presents a new opportunity with a new downtown, a market that really has not been defined... it's not your typical strip center."

But it will take work to solidify this interest into deals.

"The sentiment that I get from a lot of these companies, the national companies we'd like to see in downtown, is it's not a matter of if but when they're going to make that decision to come to Miami," he said.

Authority staffers, along with downtown commercial brokers and other players, last month attended the International Council of Shopping Centers' retail exposition—billed as the world's largest retailer expo—to pitch

downtown Miami to prospective businesses.

Close to 100 cities and other public-sector groups exhibited at the Las Vegas convention, and about 50,000 retailers, real estate professionals, investors and developers attended.

"Instead of sending letters, this is face time," Mr. Zabezhinsky said. "Our goal is to initiate... really help them recognize the potential that exists in the market."

It does exist, said Jeremy Green of Apex Development & Management Group, a force behind One Flagler, a downtown office and retail building undergoing major renovations.

Representatives at the Las Vegas retailer convention "got tremendous response," Mr. Green said, and their attendance resulted in a half-dozen upcoming meetings with prospective tenants.

"We recently signed a letter of intent with a high-profile bakery/café from Miami Beach," he added, though he could not say which.

The same goes for a recent 6,000-square-foot deal with a law firm, Mr. Green said.

But the deals illustrate the interest in there.

"Miami as a destination has increased in desirability over the past couple of years," agreed Tony Cho, president of commercial real estate brokerage Metro 1 Properties. But "there's a lot of work to be done."

Permitting hassles, high costs and a lack of nighttime traffic, along with streets that, though improved, could be cleaner and safer are causing business to hesitate, he said. "We have to strip some of those barriers in the short term to really bring life" to downtown.

A possible fix: "incentives are



Photos by Maxine Usdan

The Downtown Development Authority is seeking to remove the barriers that keep storefronts in the shopping district from filling up.

certainly one way to do it," Mr. Cho said.

Jose Goyanes of downtown-based Metro Beauty, La Loggia Restaurant and Churchill's Barber Shop said the same.

"The days of people paying for keys—those days are gone. Landlords in some of these older buildings need to be a bit more aggressive in terms of what they can offer," he said. It's "the only way you're going to entice somebody."

Some new buildings are, providing build-out breaks and other enticements to tenants, he said.

The development authority offers a tenant improvement grant program that reimburses qualified tenants for improvements or build-out up to \$23 a square foot after the city issues a certificate of occupancy.

With about 1.5 million square feet of retail available for gross leasing downtown, according to CB Richard Ellis, and the sprouting of ground-floor retail components in new residential and office projects, opportuni-

ties to fill gaps in downtown offerings are abound.

"I think there's a core group of businesses that are missing from downtown that would thrive in a downtown economy," Mr. Goyanes said, such as a video store, dry cleaner or doughnut shop. "There are lots of businesses missing that you would find in a neighborhood."

Mr. Goyanes, also a development authority board member,

concedes "these types of businesses need residents to survive" but said he is confident that "five years down the road, downtown is going to have a captive, 24-hour-a-day audience."

Retailers are beginning to envision the same.

"There's a strong desire of retailers to get in now," Mr. Green said. "There's an opportunity to do good business with the existing customer base, and they recognize the growth potential as the residential units get filled up."

