

## Plans for a Publix boost onetime 'ghost town'

*A proposed Publix on Miami's Biscayne Boulevard would provide needed services for new residents. Others hope it would serve as a catalyst for future commercial development.*

BY ELAINE WALKER

If a grocery store is what it takes to make a neighborhood complete, then Miami's Omni area is about to arrive.

Miami's Urban Development Review Board reviewed plans last week for a proposed Publix at 1776 Biscayne Blvd. -- a site that has stood vacant for years. Several projects failed to materialize, including a high-rise condo during the real estate boom and a plan for a Miami Chinatown in the 1990s.

Now, Fort Lauderdale Developer Stiles Corp.'s plans call for an urban Publix with two floors of parking above and other small retail shops on the site. The goal is to break ground in November with an opening a year later.

"It used to be a ghost town," said Franky Arriola, 29, who moved into a Biscayne Boulevard condo in 2007.

"It's getting better day by day."

Shortly after Arriola moved in, he witnessed a stabbing victim carried off the basketball court at Margaret Pace Park. Now he plays basketball there regularly and walks his dogs along Biscayne.

"Now, there's a pulse," Arriola said. "It shows that there are signs of life if Publix is willing to invest. I can't wait for other things to be built."

Alyce Robertson, executive director of the Miami Downtown Development Authority, said the new Publix is "a wonderful signal to the rest of the businesses in the area that we've really turned the corner. This is a good anchor for the area. It has the potential to be a catalytic thing."

A recent DDA study shows there are a lot more potential customers in the area. Some 74 percent of the 22,079 urban condominium units built since 2003 are occupied. They stretch from the Brickell district south of downtown Miami north to State Road 112.

Developer Terry Stiles said the proposed retailer has done its homework. "These guys don't move unless the demographics are right," he said. "They are good at hitting the curve. We've got Class A retailers confident that these buildings are filling up and the whole area is taking on a different complexion."

Publix had been searching for several years for a new location in the Biscayne Boulevard corridor north of downtown and south of 36th Street. The proposed Omni Publix would fill a void for the supermarket chain between its Baypoint store at 4870 Biscayne Blvd. and its three Brickell Avenue stores.

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Publix spokeswoman Kim Jaeger declined to discuss any potential location, citing the retailer's policy of not commenting about proposed developments. "We continue looking to grow our business in communities where it makes good business sense," she said.

Industry experts said the grocery chain is one of many retailers that were hesitant to pull the trigger during the boom. The problem: skyrocketing real estate costs made numbers tough to justify. Plus, the logistics of urban projects are challenging for retailers who have to be convinced it's worth deviating from traditional formats.

The current proposal calls for a Publix store facing Biscayne Boulevard and taking up the majority of a city block between NE 17th Terrace and NE 18th Street.

But city officials say the proposed design doesn't include enough windows and interaction with Biscayne Boulevard. The Urban Development board last week deferred a vote.

"Our goal is to have a more urban prototype that's more appealing from the street level," said Luciana Gonzalez, assistant to the Miami planning director.

There's mixed opinion about what Publix's arrival would mean for development in the Omni area.

Some think it's a small sign that the retail market is starting to gain momentum after a year when most retailers weren't signing new deals. The area has already seen an increasing number of small independents ranging from wine bars to bike shops.

"Publix's arrival on the Boulevard will open many national and local retailers' eyes and give them the comfort that the Boulevard has attained a new level," said Alan Esquenazi, senior vice president of Continental Real Estate Cos. "I think you will see more retailers follow Publix's lead."

But others said it's too soon to expect other big box retailers to jump on board.

"Publix will do great, but I don't see that signaling the beginning of anything," said Mickey Finkle, managing director of Koniver Stern. "South Florida is still at the tail end of the recovery."

Industry experts said there's no sign that any of the other large-scale projects proposed in the area are any closer to reality. Developers for big-box projects Bayview Market and City Square did not return calls.

McClatchy, the parent of The Miami Herald Media Co., has already collected \$16 million from City Square developer Mark Siffin for development of a site in front of the newspaper building. Siffin would owe another \$7 million if the deal doesn't close by January 2011.

McClatchy Chairman and Chief Executive Officer Gary Pruitt declined to comment on any potential

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negotiations to lower the \$190 million purchase price.

“Real estate markets weaken and strengthen,” Pruitt said on a recent visit to Miami. “But a deal is a deal. Right now, we are hopeful that the deal will close; part of that hope is that the real estate market will improve.”

Down the street at the former Omni Mall, the owners are slowly bringing in new office tenants. The U.S. Passport Agency opened last year and the U.S. Department of State's Bureau of Diplomatic Security recently signed a 25,000-square-foot deal. The office is scheduled to open in late summer. Together that brings more than 200 employees to the area.

Owner Mark Teitelbaum still wants to use the northern portion of the mall for big box retail. “The capital markets are not there for us to execute the plan. It's going to take longer than we thought.”

Teitelbaum said he had discussions with Publix and opted not to pursue a deal. But he's pleased where it landed. “It's really the best scenario for us,” he said. “It's close enough that there's some synergy.”

A Publix would be a lifesaver for Scoot Skate & Bike Co. across the Boulevard. Owner Darren Venditti opened his shop in November 2006 because he saw the potential, but his business is down about 25 percent from its high in 2007. The latest problem: Biscayne Boulevard construction.

“Publix is the best news I've heard,” Venditti said. “I couldn't think of anything that would bring more people. I've just got to find a way to survive for the next year.”