



REAL ESTATE NEWS

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How schools, trains and concerts are building up Miami's neighborhoods

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On Thursday, school's out for summer at the Downtown Doral Charter Elementary, and its report card is packed with A's. In only its second year of operation, the school is already topping county-wide honor rolls — and helping to fuel Doral's thriving real estate market.

In the post-recession building boom, developers promoted sweeping waterfront views and luxury bonuses like car elevators, bowling alleys, plunge pools and private chefs to wealthy buyers. But in recent months, while sales in the luxury condo market have stalled amid a slowdown in Latin America, developers are starting to reap the benefits from master plans that incorporate long-term, community-building amenities.

The Downtown Doral Charter Elementary School is one gamble that has paid off. The Florida Department of

Education ranked the school tops among Miami-Dade elementaries for total achievement in English and math in 2015-2016. In November, Principal Jeanette Acevedo-Isenberg won the Council for Educational Change's annual Leonard Miller Principal Leadership Award — the first time a charter school won the honor.

The school is also proving to be a formidable draw for homebuyers. While any child who lives in Miami can apply to attend, residents of the new Downtown Doral development are given preference. According to a report by Gridics.com, Doral had 167 sale closings in the first quarter of 2017 — the fifth-highest of any neighborhood in Miami-Dade County.

Codina Partners CEO Ana Codina Barlick, who has overseen the metamorphosis of Downtown Doral from drab offices into a thriving work/live/play community, said an elementary school offering top-notch education was always a critical part of the master plan. A high school is scheduled to break ground in 2018.

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“Our business is real estate, not education,” Codina said. “We don’t make a penny off the school. We just wanted it to be great, because the better it is, the more people would want to live in this community.”

In addition to that massive, 120-acre development, which cost more than \$1 billion, Codina Partners also gave Doral a new city hall and the three-acre Downtown Doral Park. But the elementary school takes developer-led community facilities to a new level.

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The Downtown Doral Charter Elementary School is the first charter school built in a public-private partnership between the Miami-Dade School Board and a developer. Codina Partners donated the \$3.5 million plot of land where the school sits. The school is a 501 (c)(3) nonprofit corporation with its own board. That board leased the land back from the county school board and issued \$20 million in bonds to construct the building.

The nonprofit board pays the Miami-Dade School Board a fee to manage the Doral operation. But the nonprofit board hires the principal and sets the direction of the school. Reflecting Doral's high percentage of Hispanic residents, 60 percent of all classes are taught in English; the other 40 percent are in either Spanish or Portuguese. Teachers at the school work under one-year contracts.

“It wasn’t just about providing a school,” Codina said. “That’s really easy. You can call a charter school company and they will put a school here and you don’t have to think about it. We wanted to go beyond that.”

The investment is working. An analysis of U.S. census data by Florida International University's Metropolitan Center reveals Doral is the fastest-growing big city in Florida and the 11th fastest in the U.S., with 58,000 residents in 2016 — a 26.1 percent increase since 2016. The median price of homes currently listed in Doral is \$398,000; the median rent is \$2,300. The median income of Doral households was \$72,933 in 2015 — almost 60 percent higher than the Miami-Dade County median of \$43,129.

“One of the big things that drives property values up is having good education nearby,” Codina said. “We wanted to sell something more than walls, a roof, a floor and some nice appliances. We offer a much bigger value to people by telling them if you move here, you have a school for your kids through high school.”

Quality-of-life perks

Doral isn't alone in focusing on education: The Related Urban Development Group is currently negotiating with the Miami-Dade School Board to include a secondary school at its Gallery at West Brickell affordable and workforce housing project at 201 SW 10th St. Other developers are pinpointing facilities most important to their own potential buyers, including transit stations, places of worship, cultural events and infrastructure designed to serve full-time Miami residents and improve their quality of life.

“Real estate has started to transition away from just brick-and-mortar investment and more into creating a sense of place and being part of the fabric of their community,” said Steven Hurwitz, a partner at the Florida real estate firm CREC.

“It's not a purely altruistic move, but developers who have done it successfully are seeing it equates to a more successful investment overall,” Hurwitz said. “Miami neighborhoods are starting to develop individual identities. The projects being presented in them are often playing a role in servicing that demographic and delivering more of an experience.” Some of those projects are relatively small in scale and cater to a niche demographic. But their impact on their respective communities can be significant.



Developer Verzasca Group will donate a Mikvah — a bath used by Jewish men and women for ritual immersion — to the Chabad Lubavitch of Sunny Isles Beach as part of their 61-residence luxury condo tower Aurora at 17550 Collins Ave. Groundbreaking is scheduled for July.
Chabad Lubavitch of Sunny Isles Beach

As part of its 17-floor, 61-unit luxury condo project Aurora, at 17550 Collins Ave., developer Verzasca Group is donating a 2,000 square-foot mikvah — a bath used by Jewish men and women for ritual immersion — to the Chabad Lubavitch of Sunny Isles Beach. The mikvah, to be delivered upon completion of the building, will have a separate entrance and will be available for use by anyone in the community, not just residents of the tower.

“As a fairly new developer in town, we started to do community outreach and meet with the neighbors to understand who lives in the area,” said Verzasca managing director Tim Lobanov. “We knew we would need to get approval from the city commissioners for this project. We met with Rabbi Yisrael Baron of the community center across the street and he told us about the need. Among the Jewish people in the area, we are already known as the building that’s going to have a mikvah in it.”

On Miami’s Upper East Side, Global City Development and the Midtown Group are teaming up on a mixed-use development named Legions West that would initially bring 237 rental apartments and a new 15,000 square-foot American Legion facility overlooking Biscayne Bay at 6445 NE Seventh Ave. in Miami.



Architectural rendering of the new \$4 million Harvey W. Seeds American Legion Post 29 headquarters and campus planned by Global City Development and Midtown Group as part of its five-story, 237-unit Legions West mixed-use apartment complex at 6445 NE Seventh Ave. in Miami.

Stantec

“We’re trying to update what the American Legion has been in the past — a place for older veterans to come have a drink and talk — and attract younger veterans from Afghanistan and Iraq who have young families and want to participate in activities that are more relevant for them,” said Brian Pearl, principal and co-founder of Global City Development. “We’ve organized our whole business around socially impactful real estate development. There’s a benefit to having more integrated communities that will pay off in the long run.”

Pearl said that even though his company won’t make any money from the American Legion facility, doing something positive for the community helps people feel more comfortable with new development.

Global’s desire to incorporate a swath of Legion Memorial Park into its eventual 1.2 million square-foot complex has already met with resistance. That kind of controversy is bound to arise when locals don’t entirely agree with the developer’s vision.

“Businessmen will always be businessmen,” said Doug Jones, managing partner of JAG Insurance Group. “Gentrification is the genesis of people trying to make money. No one thinks developers are doing these things out of the goodness of their hearts. But at the end of the day, you can’t stop a lot of this from happening, so it becomes about what you can get out of it. A lot of developers end up making positive changes in communities by doing what they have to do in order to get their deals done.”

Changing the city

Other developers are taking a big-picture approach with amenities needed to help Miami fulfill its destiny as a major metropolis — with all the accompanying infrastructure that implies.

In traffic-challenged Miami-Dade, nearly a dozen mixed-use residential projects are planned along U.S. 1 and in Hialeah, close to Metrorail. The trend was spurred by Brickell City Centre, Swire Properties' mammoth 5.4 million square-foot mixed-use complex that opened in 2016.

When Swire announced its ambitious plan in 2011, Miami was still in the grip of the Great Recession. Brickell was a ghost town of unlit condos. Metrorail and Metromover's grungy stations reflected county funding shortages. The idea of an upscale city-within-a-city that would lure shoppers, diners, residents and office workers arriving by public transit seemed like a pipe dream.

But long before the designer shops, condos, offices and eateries opened, developer Swire Properties spent \$10 million refurbishing the Eighth Street Metromover Station, with a design by Arquitectonica, that would fit functionally and aesthetically into the project's finished structure. As part of the station's redesign, Swire is under contract to maintain the facility until 2025, with an option to renew the agreement every 10 years after that, up to 99 years.



Developer Swire Properties refurbished the Eighth Street Metromover station in Oct. 2015 and incorporated it into the third level of the Brickell City Centre's retail portion.

Golden Dusk Photography

"All our mixed-use developments in Hong Kong and China sit on top of major transport nodes," said Kieran Bowers, president of Swire Properties. "In Miami, there's only the Metrorail and Metromover to choose from. But we'll always integrate public transport into the project."

Swire and Arquitectonica paid special heed to the station's design and its role in the overall plan. "It would have been easy for us to have made changes but left a municipal style of architecture design. But we wanted you to feel a difference when you arrive at Brickell Centre," Bowers said.

Florida East Coast Industries (FECI) is putting the transit concept on steroids. The \$3 billion, 235-mile Brightline inter-city express train service will be the first to connect South Florida in early fall via a rail system. Passengers will be able to travel from Miami to Fort Lauderdale in less than 30 minutes at a speed of up to 79 miles per hour. The train will reach up to 125 miles per hour on the eventual extension connecting West Palm Beach to Orlando.

All aboard

The project, a privately owned venture by FECI subsidiary Brightline, is expected to alleviate South Florida traffic woes, removing an estimated three million cars from clogged highways such as I-95 and U.S. 1.

One key element: a vertical neighborhood created around the rail's Miami hub.

In downtown, FECI is developing the 11-acre MiamiCentral on Northwest First Avenue between Northwest Third and Eighth streets. The station will connect to Metrorail, Metromover and the Tri-rail and feature three buildings offering 800 rental apartments, nearly 200,000 square feet of retail space, and 300,000 square feet of Class-A office space.

Tere Blanca, founder and CEO of Blanca Real Estate, which is handling commercial leasing, says MiamiCentral will offer grocery stores, food and beverage options at all price ranges, a fitness center, an elevated jogging track, and loads of shopping. Service between Fort Lauderdale and West Palm Beach is to begin in July, with Miami service launching this fall.

"The Brightline group is moving their offices there this summer," Blanca said. "Several leases are already underway, and the office building is delivering at the end of June and should be leased out before the end of the year. It's an exciting project that is driving tremendous investment around it."