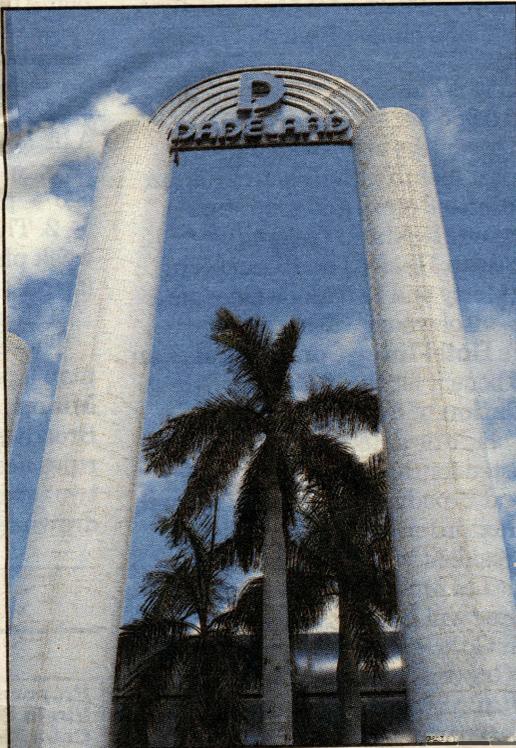


Downturn at Dadeland Mall



Dadeland Mall (above) has halted a \$100 million expansion while Dadeland Station moves forward.

Only one of three major projects are on track

By CHERYL KANE HEIMLICH

MIAMI — Dadeland Station, the vertical mall that broke ground last year amid the prospect of stiff competition, has emerged this fall as the only Dadeland-area project with a finish line in sight.

Dadeland Mall, at the intersection of U.S. 1 and Kendall Drive, has postponed indefinitely its plans for a \$100 million expansion. Dadeland Pavilion, the retail/hotel complex that was supposed to have been built across the street from the mall, is still in limbo a year after its projected groundbreaking.

Meanwhile, Dadeland Station — which will be anchored by Best Buy, Bed Bath & Beyond, Target and Sports Authority — is nearing completion at a former Metrorail parking lot just east of Dadeland Mall.

A fifth anchor, Michael's Arts & ... please see page 20A

PHOTO BY ANDREW DUANY

New Dadeland Station opening next month

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Crafts, will not be finished until spring. But the first four stores will be ready for shoppers "on or about Oct. 29," said developer Jeffrey Berkowitz, who is building the 320,000-square-foot center in a partnership with the Green Cos. and Metro-Dade County.

In addition to his success at luring national retailers whose stores are too big for Dadeland Mall, Berkowitz has signed several local tenants, including Optical Elements, Koffie Koffie and La Tossa, a Mexican bakery.

Still in limbo

If things had worked out as planned, Dadeland Station might have been competing for tenants with Dadeland Pavilion, a five-story retail/hotel complex that was scheduled to open this summer on the south side of Kendall Drive.

Office Depot, which owns the 6.5-acre site across the street from Dadeland Mall, said Dadeland Pavilion is still on track despite the company's pending merger with Massachusetts-based rival Staples Inc. However, no timetable has been set.

"We have not chosen a developer yet, but we are still going to do a multi-use facility there," said Gary Schweikhart, spokesman for the Delray Beach-based office supply retailer. "If there are any changes, it will just be that our own store

(inside Dadeland Pavilion) would be called 'Staples The Office Depot.'"

The Dadeland Pavilion site was once home to Burger King's corporate headquarters, which were demolished earlier this year. Office Depot bought the land in 1993 for \$9 million, announcing plans to open a 50,000-square-foot store there.

Two years later, with the store still unbuilt, those plans had expanded to include 335,000 square feet of national retailers with restaurants, a 20-screen movie theater and a 98-room hotel. The center was to have been built by Homart Development Co., a division of Chicago-based Sears, Roebuck & Co., with groundbreaking scheduled for the fall of 1995.

But Homart subsequently was broken up and sold, and the firm that bought its shopping center division opted out of Dadeland Pavilion.

Berkowitz, who has built several retail projects in the Kendall area, said it was "unfortunate" that Office Depot never approached him about the site.

"We both started our projects at about the same time," Berkowitz said. "But Office Depot paid quite a bit for that land, and they haven't done anything with it for a number of years."

Dadeland Mall on the block

It's also been years since Dadeland Mall announced plans for its \$100 million expansion, which was

to include a second floor with specialty retailers, a 24- to 30-screen movie theater and another anchor department store. Dadeland, already one of the most successful malls in the country, was supposed to have started the project by mid-1994 and completed it this past summer.

But Dadeland Mall, along with six other malls owned by Atlanta-based Equitable Life Assurance, is now on the block. And analysts say it's unlikely a new owner would rush to carry out any expansion plans.

"The buyer would want to make sure they're making a good return on their investment before they make an additional investment that would cost almost as much as the mall itself," said Herbert Leeds, president of Leeds Business Consulting in Miami.

Leeds said he also is watching developments at The Greenery shopping center, just west of Dadeland Mall on the opposite side of Kendall Drive. The Greenery, which includes a Barnes & Noble bookstore and a Circuit City electronics store, recently lured one of the first South Florida locations for California-based Guitar Center. And The Greenery is expected to sign another major national retailer that will front Kendall Drive, Leeds said.

"The Dadeland area is a very upper-middle class, family-oriented area," Leeds said. "There are going to be a lot of good things happening there." □