

Developers, lenders liked untested Dadeland Station concept

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MIAMI — Jeff Berkowitz is going where no retail developer has gone before in Miami — up — with a three-story power center worth more than \$40 million, in one of South Florida's highest density markets.

Contractors are putting the finishing touches on Dadeland Station, scheduled to open by the end of October, capping nearly three years of negotiations and impressing lenders enough to finance a "previously untested retail" concept, Berkowitz said.

When it opens, the 315,047-square foot Dadeland Station will house five national brand name retailers, including:

■ Sports Authority, with 45,339 square feet.

■ Bed Bath & Beyond, with 60,000 square feet.

■ Target, with 123,112 square feet.

■ Best Buy, with 58,000 square feet.

■ Michael's Crafts, with 19,096 square feet.

An additional 9,500 square feet is reserved for local tenants.

Berkowitz, head of Miami-based Berkowitz Development Group Inc., experienced a coup of sorts when he pieced together some seven acres across the street from Dadeland Mall in what could be considered the ultimate in private-public partnership.

"It's a joint venture with Dade County," Berkowitz said. "I've taken a surplus vacant parcel the county owned and turned it into something that will earn the county in excess of \$60 million over the terms of the deal."

Interestingly enough, Berkowitz pieced together Dadeland Station with minimal equity, said Tom Duncan, executive vice president with Aztec Group of Miami, the project's mortgage broker.

Those points — the concept, the financing and the public-private partnership agreement — helped secure Dadeland Station the Best New Development award in the retail category for the E&Y Kenneth Leventhal/South Florida Business Journal Real Estate Deals of the Year contest.

"It will set a precedent," Duncan said. "It's unusual for in-fill locations where you can't get enough land for a power center, and the unusual configuration made it difficult from a lender's perspective."

Other multi-level power centers feature surface parking. But Dadeland Station is sporting a six-level, 1,460-space parking structure integrated into the retail complex. Shoppers will be able to walk off one of its three huge elevators, large enough to accommodate nine shopping carts, and roll their carts straight to their cars, Duncan said.

Duncan and colleagues at Aztec Group were instrumental in securing an equity construction lender, SouthTrust of Birmingham, to the tune of \$35 million. A permanent loan is expected to close with New York Life next month.

The deal comes to life nearly 14 years after Dade County issued a request for proposals for nine acres on the corner of Southwest 70th Avenue near Snapper Creek Canal, across the street from Dadeland Mall. When the county put out the request in 1982, only Hank Green Cos. responded with

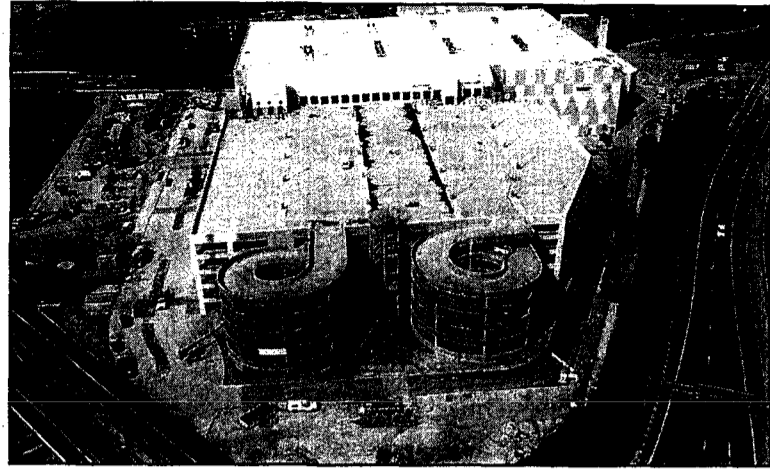
an office project.

In February 1994, the county was preparing to suspend lease negotiations after nearly a decade and a half, and Green was threatening to litigate, when

Berkowitz stepped in. Within 30 days, he had negotiated the rights to develop part of the tract.

"It's going to be a model for future development all over the country," Berkowitz said, adding that the concept of a vertical power center has never before been done.

"It represents the future of retail," he said. "What we face as developers is increased land-use restrictions and a shortage of prime urban locations." □



Developers say Dadeland Station may be the retail concept of the future.