

Metropolitan Miami to house Whole Foods Market

By Oscar Musibay

Downtown Miami may finally be on its way to securing the amenities many say are key to more residents living in the urban community. Developer MDM Development is to start construction in November at Metropolitan Miami, at 200 S.E. Second St., on an 11-level pedestal that will house a 37,000-square-foot Whole Foods Market on the ground floor, topped by 10 levels of parking. The plan is to open the supermarket by the fourth quarter of 2013, MDM Development VP Tim Weller told the Business Journal.

Topping the 1,400 parking spaces will be 17 floors of 440 rental apartment units in an L-shaped design. The construction cost for the entire project is about \$110 million. Financing for the project will be finalized by no later than October, Weller said.

Construction of the apartment portion of the project is significant because it would be the first new residences to break ground in the downtown area since the residential boom stalled. And, rentals are in high demand. An independent study on residential closings and occupancy, commissioned by the **Miami Downtown Development Authority**, shows that 85 percent of the 23,628 condominium and apartment units constructed in the downtown/Brickell Avenue area since 2003 are now occupied, reflecting a 31 percent increase since June 2009.

The new tower also is the second-to-last component of Metropolitan Miami, a multibillion-dollar mixed-use project that also includes a 447-unit condominium tower, the 750,000-square-foot Wells Fargo Center office tower, and the JW Marriott Marquis Miami and Hotel Beaux Arts. The entertainment block, which is the last piece of the Met Miami project, will feature two restaurants and a 12-screen boutique theater with high-end amenities.

The key to Whole Foods' success will be its proximity to a large pool of customers. During the day, Whole Foods hopes it will be a hotspot for professionals who populate downtown. After hours, it will become a favorite for the tens of thousands of new residents who now call downtown home, said Lyle Stern of the Koniver Stern Group, which is handling retail leasing for Metropolitan Miami and representing Whole Foods locally. Stern said that the high-end grocer's entry will hopefully be a catalyst for other retailers to make a similar commitment to the downtown area.

In late 2008, the Business Journal reported Whole Foods had pulled out of the project, partly due to changes in the construction schedule. Some real estate experts speculated Whole Foods likely wanted to renegotiate its lease terms, which were finalized at the height of the real estate boom, to get a better deal, and then opted out. In late 2010, Whole Foods again negotiated with MDM to lease space at the same location.

Philip Spiegelman, a principal with International Sales Group and Related ISG, is responsible for sales of condominiums at the two-tower Viscayne project, north of the future Whole Foods. Related ISG is now creating its sales strategy for a some new condo projects that its partner, The Related Group, will develop, two of which are planned for the Brickell Avenue area. Brickell has two Publix Super Markets within a few blocks of more than a dozen residential towers built during the boom.

Commercial broker Tom Godart said Whole Foods' arrival is monumental, especially with the growth of the downtown populace and the local focus on outdoor art. It makes the downtown area sustainable. The Business Journal reported Oct. 15 how grocery stores, a port tunnel project and revitalized bayfront parks are adding to the portrait of a maturing downtown Miami.