

Retail center pegged for collection of Potamkin tracts

BY ALEXIS MUELLNER

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A blighted industrial block at the Fifth Street gateway to Miami Beach may soon sprout a Publix supermarket, upscale bookstore and other retail shops.

Publix has a letter of intent for a market on the site, according to two sources familiar with the negotiations. Publix spokeswoman Maria Rodamis would not confirm or deny the deal.

The three-acre site was pieced together and held for decades by auto seller Potamkin Cos. Potamkin's long-time partner, Berkowitz Development Group of Miami, is the developer. The property is getting a lot of attention from the city and residents are concerned about what eventually goes there.

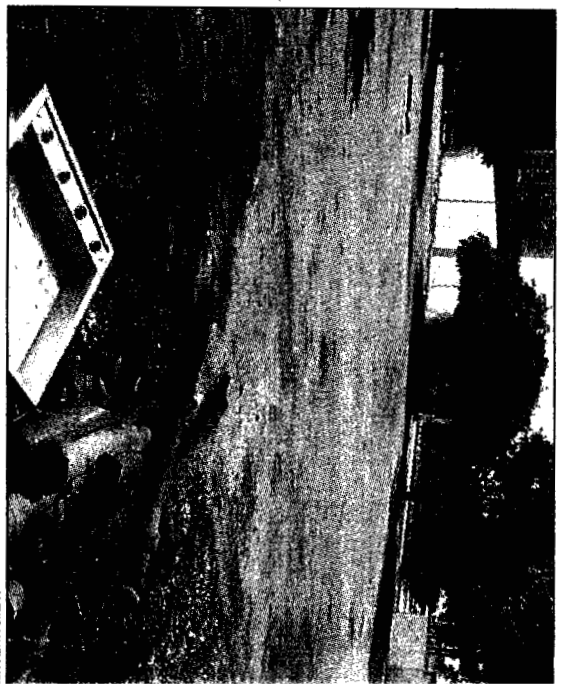
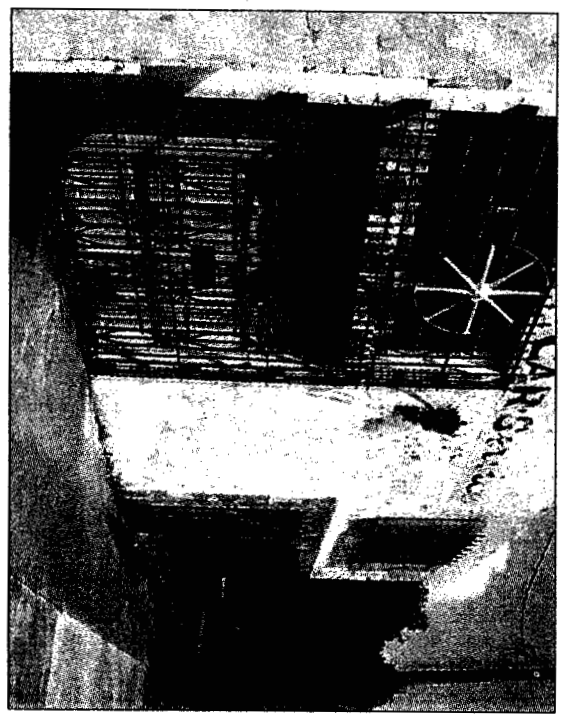
With the loss a few years ago of a Hyde Park market a few blocks east, two city commissioners said a grocery store is in high demand for residents at the southwest end of Miami Beach. The property is the largest undeveloped commercial parcel in the city. It is also Miami Beach's only designated brownfield site.

The U.S. Environmental Protection Agency designates property as brownfields when use might be complicated by hazardous substances, pollutants or contaminants. The Miami Beach site has petroleum contamination, the developer said.

The designation means the need for a cleanup could free a range of state and federal incentives, bonuses and credits to both the developers and tenants that create jobs.

The city-block-size property is bordered by Fifth Street on the south, Lenox Avenue on the east, Alton Road on the west and Sixth Street on the north. It has been the site of many things, including a school for nuns, auto parts stores, a historic post office, and a Potamkin Chevrolet dealership.

"It was a pretty modern building in 1961 when I moved there," Miami Beach Commissioner Luis Garcia said. "I remember seeing the Corvair lemons in the showroom." The site is an amalgamation of 16 properties Potamkin pulled together over the years. Assessed land values in the area are at nearly \$100 a square foot, said Kevin Crowder,



The three-acre site is an amalgamation of 16 properties that auto seller Potamkin Cos. pulled together and once housed a school for nuns.

Miami Beach's economic and business development director. With land values skyrocketing on Miami Beach, the tract is now assessed at more than \$13 million.

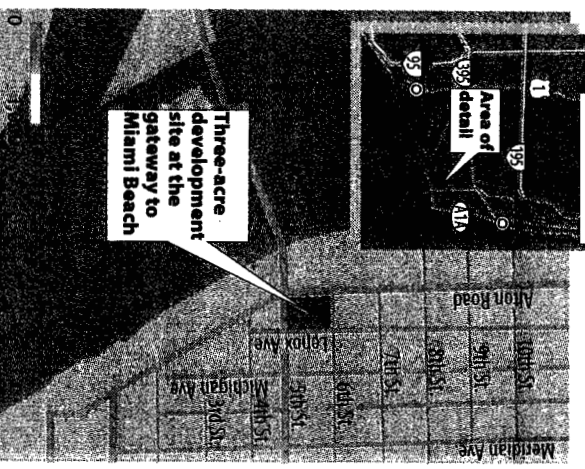
Berkowitz and car dealers Alan and Robert Potamkin became friends more than two decades ago. Early on, they tried a joint venture for a 10-showroom car dealer, "autopark" in western Kendall, but that didn't materialize.

There have been successes since then. The team recently developed a 37-acre, 354,000-square-foot retail complex west of Florida's Turnpike in Kendall that houses a Gap Kids, Old Navy and Bahama Breeze restaurant.

Berkowitz is known for developing the \$35 million Dadeland Station in Kendall. It was considered a pioneer project in terms of its vertical design that stacks five big-box retailers. That history raised Miami Beach residents' concerns that the Fifth Street site might be considered for the same concept.

"That design would not be appropriate at the gateway to Miami Beach," Berkowitz said. "We're taking our design very seriously." Discussions with city staff have been ongoing for more than a year to address as many issues as humanly possible," he said.

"It's a marvelous opportunity to do a signature building there," Berkowitz said. Up to 240,000 square feet can be developed on the site, but plans now call for 170,000



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square feet, Crowder said. That is down from published projections a year ago of 226,339 square feet of retail spread over four levels.

"They've been encouraged not to max out the density and they have responded and worked quite a bit on this before even going to the [review] boards," he said. The design process is fluid and what exists

now in renderings may still change, Berkowitz said. He declined to get more specific.

Miami Beach Commissioner Simon Cruz saw some early drawings last week.

"It looked like a nice combination of glass and steel that, for the entrance to the beach, mirrors other buildings near it," he said.

Parking is a key issue along Fifth Street, Cruz said. The developers have shown a commitment to address the parking issue, he said.

Publix is generally a low-rent, high-volume user. That means, to make the economics work for the developer, it will need to attract high-end shops.

"There are enough small to mid-size tenants who don't exist on the beach and that these people don't have access to unless they are prepared to drive 45 minutes," Berkowitz said.

The project is still weeks away from the first city review process, which will be a joint meeting of the Design Review Board and the Historical Preservation Board. That's because the property is bifurcated between the city's historical district and a redevelopment district. There is one building at the southeast corner of the parcel Berkowitz said he plans to save.

"We have a photo it from 1926 and it's really a great old building."

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