

Genting set to reveal Miami plans today

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Since a Genting Group affiliate turned heads in South Florida with its \$236 million purchase of the Miami Herald's downtown Miami headquarters, speculation about the company's plans and how redevelopment of the site could transform the Omni area has run rampant.

Prognostication should give way to concrete analysis today when Genting finally unveils the master plan for its \$3 billion Resorts World Miami project.

But even as Genting executives spell out their vision for the project, key issues remain.

For example, Genting has made no secret of its goal to include a gambling component if Florida relaxes laws that limit gambling. That could set up a contentious battle in Tallahassee next spring.

Also, it is unclear how the moribund Omni Center — adjacent to the Herald property — figures into Genting's development scheme. The company last month acquired the smaller of two notes secured by the mixed-use property.

And Genting's Omni area land-buying spree does not appear to be slowing down. The company acquired nearly two blocks of land within walking distance of the Herald site last month.

Genting, through a company spokesman, declined comment in advance of today's announcement.

Time Warner Center

However the project plays out, Resorts World Miami, with its proximity to the Adrienne Arsht Center for the Performing Arts, could have the same impact in

Miami as the Time Warner Center had in New York, according to real estate attorney Jonathan Cohen, partner and chair of the real estate group at **Weiss Serota Helfman Pastoriza Cole & Boniske in** Coral Gables.

Genting's latest deals tie "a lot of the pieces together that have been developed in the last several years in Miami," Cohen said.

The Related Cos. and Apollo Real Estate demolished the New York Coliseum in 2000 and replaced it with a massive mixed-use complex with high-end retail.

The Time Warner Center project "anchored Central Park with the Lincoln Center [for the Performing Arts]," Cohen said. For Resorts World Miami, "the Arsht is our Lincoln Center."

Jobs Factor

Miami-based Arquitectonica was hired in June to produce a master plan for the project, which is expected to include nearly 7 million square feet of hotel, convention, retail, restaurant and office space on the 13.9-acre Herald site.

Genting, which owns 50 percent of Miami-based Norwegian Cruise Line and is the largest owner and developer of destination resorts in Southeast Asia, has indicated that its projects in the Far East, which usually feature casinos, will serve as models for Resorts World Miami.

When Genting makes its pitch to the state Legislature to operate a casino, it will likely point to gambling as a jobs generator. Miami-Dade's unemployment rate is 12.5 percent, compared with a national average of 10.7 percent.

And a development like Resorts World Miami could create construction jobs comparable to a major public infrastructure project, some experts predict.

Christian Goode, senior vice president for development at Genting subsidiary Resorts World, told the Daily Business Review in July that with or without gambling the construction of the project would create tens of thousands of direct and indirect jobs and generate hundreds of millions of dollars in economic activity.

"While gaming would allow us to accelerate our construction timeline, those jobs and dollars are coming to Florida regardless," Goode said at the time.

Lobbying Team

Two state lawmakers, Rep. Erik Fresen, R-Miami, and Sen. Ellyn Bogdanoff, R-Fort Lauderdale, say they will introduce legislation that would give Genting a chance to compete for a gaming license.

To take advantage of a potentially softening legislative stance on gambling, Genting is assembling a dream team of lobbyists. According to the state's lobbying directory, the company has brought in Jonathan Kilman from Foley & Lardner, prominent Republican fundraiser Brian Ballard, Tallahassee lobbyist Chip Case, former U.S. Rep. Lincoln Diaz-Balart, Miami consultant Carlos Curbelo and Orlando attorney Harkley Thornton.

The viability of a proposed gaming component at Resorts World Miami would depend on what other companies are awarded casino licenses and what games Genting is permitted to operate, according to land-use and real estate attorney Dennis Mele, a shareholder at Ruden McClosky in Fort Lauderdale.

"Certainly if they are able to get [gambling] allowed, it would be a positive for the property," Mele said. But Genting would have to "compete with the unregulated gaming enjoyed by the Miccosukee and Seminole tribes."

Without gaming, Genting could struggle to produce a viable development at the Resorts World Miami site, Cohen predicted.

"If they are going to make it a destination, then there has to be a 'wow' factor," he said. "It needs that extra piece to ensure sufficient revenue and traffic. It may succeed without gambling, but it would run the risk of becoming another Omni Center."

Omni Note

The Omni Center, that potential worse-case scenario, could become a component of Resorts World Miami if Genting becomes the ultimate owner of the struggling complex.

The company last month confirmed its purchase of the smaller of two bank notes secured by the Omni Center, which has about 1.5 million square feet of office, retail and hotel space as well as a 2,700-space parking garage. The property on Biscayne Boulevard is home to the 527-room Hilton Miami Downtown.

In May, the larger \$161 million note secured by the complex was acquired by a joint venture including The Related Group, Tate Capital Real Estate Solutions and ROK Acquisitions.

The owner of the Omni Center, Argent Ventures, is fighting a foreclosure lawsuit filed in June by Capmark Finance.

Tate Capital chief executive James Tate told the Review on Tuesday that the joint venture would be content to either have Genting buy out its stake in the larger note or end up owning the property once the foreclosure case is resolved.

"As I have been saying all along, when we bought Note A, we basically became the lender; so we need to follow the protocols of a lender," Tate said. Tate declined to discuss whether the group has had any



J. ALBERT DIAZ
An affiliate of Genting Group plans to build 7 million square feet of hotel, convention, retail, restaurant and office space — and perhaps a casino — on the 13.9-acre Miami Herald property.

discussions with Genting executives about a potential deal.

Additional Acquisitions

Shortly before the Omni Center note purchase, Genting expanded its Omni area footprint with the \$20.2 million acquisition of 3.6 acres of mostly vacant land near the Herald site.

In one transaction, Genting bought a 17,500-square-foot parcel for \$1.25 million from former Sony Music executive Tommy Mottola.

So far, Genting has assembled most of the block on the west side of Biscayne Boulevard between 15th and 16th streets and between Miami Place and First Avenue. In addition to the Mottola parcel, Genting bought half a block from West Biscayne Holdings, led by Miami attorney Eduardo J. Garcia. Genting paid \$2.7 million for the 35,500 square feet of contiguous parcels.

Several real estate experts predict Genting would likely use the properties for parking garages for Resorts World Miami visitors.

Picking up as many Omni area properties as possible, Mele said, gives Genting a chance to "control its own destiny" for Resorts World Miami.

"If properties at your doorstep are not doing well it could negatively affect your plans," he said.

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