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# Wynwood *gets serious*



New  
office  
projects  
are coming  
to the artsy  
neighborhood

# As new offices come to Wynwood, can the area's character survive?

Four major new office developments are under construction in the trendy Wynwood neighborhood. Can the area retain its hip factor?

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Over the years, Wynwood has lured a parade of widely different denizens: Industrial workers. Manufacturers. Artists. Foodies. Techies. Beer makers. Graffiti artists.

Now, a new kind of persona is set to join the eclectic district: Nine-to-fivers.

Much like Coconut Grove, Wynwood is about to become the unlikely home of a slew of new

offices, built by developers who want to capitalize on the neighborhood that was recently named one of the hippest in America by TripAdvisor.

The hope is that the new office spaces — with amenities such as 12-foot ceiling heights, open floor plans, artsy facades and proximity to Panther Coffee and The Salty Donut — will attract more of the young creatives and professionals who already work at the 400+ businesses located within the 50-block dis-

trict.

New office spaces would boost Wynwood's daytime population and attract potential tenants to the three apartment rental projects under construction in the neighborhood.

"Wynwood now is like Williamsburg was in the early days, when it was beginning its transition to residential use," said Jonathan Miller, president of the New York-based real estate consulting firm Miller Samuel Inc., referring to a now-hot corner of Brooklyn.

"When you see all this office space coming in, that's the first step in the balanced development of a new market," Miller said. "It's driving a stake in the ground for future residential development, because residential and office

feed off each other."

Four projects currently under construction, when finished, will add nearly 400,000 square feet of offices to the neighborhood:

- The Wynwood Garage, at 301 NW 26th St., will be an eight-story structure that will add the first 428 public, 24-hour parking spaces to Wynwood. The eighth floor will bring

30,000 square feet of offices and the ground floor will feature 20,500 square feet of retail. Construction is due to be com-

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Visitors get pictures of the colorful murals at the Wynwood Walls, which are adjacent to some ongoing construction just to the south of the complex.

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pleted in October. The developer is Goldman Properties, whose founder Tony Goldman was one of the pioneers of Wynwood's rebirth.

- **Cube Wynwd**, at 222 NW 24th St., will offer 77,242 square feet of offices and 11,500 square feet of ground-floor retail and restaurant space. The eight-story project, developed by RedSky Capital, is scheduled to be completed by the end of 2018. The shared-office company Spaces, a competitor to WeWork, has already pre-leased 27 percent of the building.

- **Wynwood Annex**, a joint venture between The Related Group and East End Capital, will add 60,000 square feet of offices and 5,000 square feet of retail space on eight floors. The building is scheduled to be completed in mid-2019. The two developers are also partnering on the adjacent Wynwood 25, a 289-unit apartment building that will feature micro-units and is expected to be finished around the same time.

- **The Gateway at Wynwood**, currently under construction at 2916 N. Miami Ave., will add another 200,000 square feet of offices and 25,940 square feet of retail space. The New York-based developer R&B Realty projects a late-2019 delivery date for the 12-story building.

The new office spaces could also attract higher-end tenants that are not a good fit for the former warehouses that currently house many restaurants and businesses in Wynwood, such as the camera maker GoPro and the media company Scripps Network.

Yet to be determined: The rents the new offices will be asking. According to the 2018 second quarter office research report by Marcus & Millichap, the square-foot rate for high-end offices in nearby Brickell is at \$44.30, a 2.6 percent spike year-over-year.

"Those converted warehouse spaces are great when you need 20-foot high ceilings and a lot of light coming in," said Steven Wernick, a partner and land use at-

torney at the law firm Akerman. "Many of the area's creative businesses, such as the local craft breweries, have been successful and created a sense of community here. But there hasn't really been any Class-A office space in Wynwood until now."

Wernick worked with the Wynwood Business Improvement District (BID), which was formed in 2013, to change the neighborhood's zoning from industrial to general commercial. The city of Miami approved the Wynwood Neighborhood Revitalization District (NRD) in 2015, which opened the door for new residential and office projects of different sizes and price points.

"Wynwood is in its infancy in its evolution," said Ben Bernstein, co-founder and principal of Brook-

lyn-based RedSky Capital, which owns nearly five acres throughout Wynwood. "It is nowhere near mature. Brickell is mature. South of Fifth Street [on Miami Beach] is mature. Wynwood is barely in its first inning. It needs to eventually become self-sustaining and that requires everything: Hospitality, retail, office and multi-family."

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### A GRADUAL PROGRESSION

The Wynwood Arts District spans 50 city blocks, from Northwest 29th Street south to 21st Street and Northwest Fifth Avenue east to the FEC rail line. In 2013, the Wynwood Business Improvement District (BID) was formed to help the area's transformation

from industrial district to urban neighborhood. According to the BID, Wynwood drew 1.3 million out-of-town visitors in 2016, who spent an estimated \$308 million here.

In 2015, the city of Miami also gave the Wynwood Development Review Board approval power over large projects, so new construction would be kept under check and development would not spiral out of control.

"Wynwood is on the same path that the Grove went through in the 1990s, but they've prepared themselves pre-emptively for it," said Manny Gonzalez, who joined the Wynwood BID as executive director in 2017 after serving at the Coconut Grove BID for eight years.

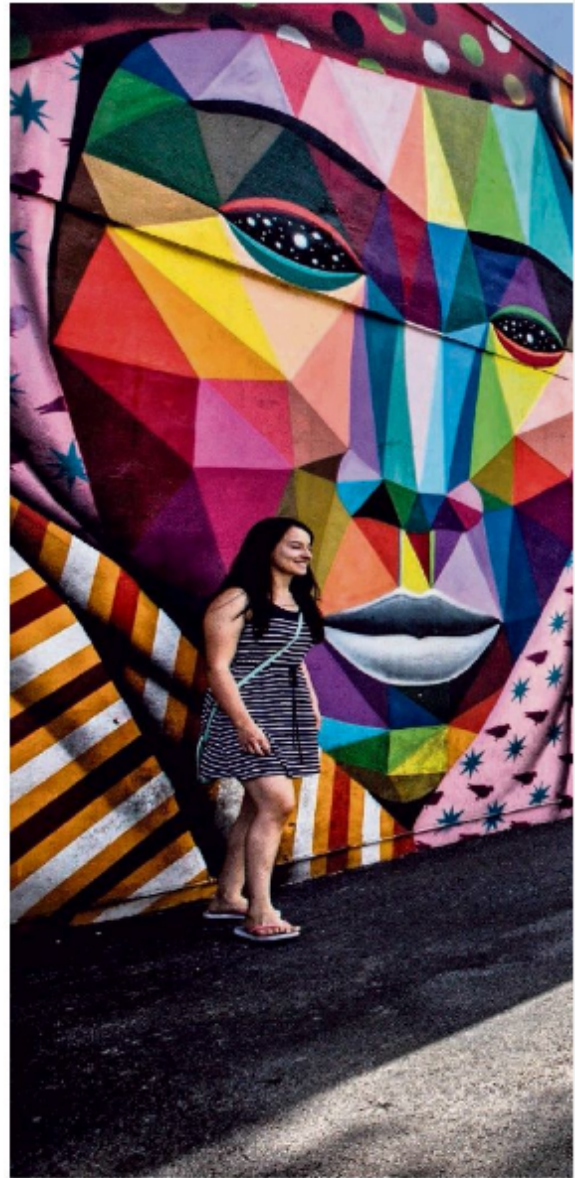
"They've been able to catch the identity of the neighborhood and find ways to preserve it," Gonzalez said. "The Grove blew it with Cocowalk, which was out of scale and didn't fit the neighborhood. Here, things are coming in at the perfect time."

The BID puts the current number of Wynwood residents at 300 and counts more than 400 businesses generating 5,000 jobs in the district. The new wave of office and residential developments, when completed, would presumably boost those numbers dramatically.

"Every neighborhood has its own identity, and Wynwood has an urban vibe that doesn't exist in any other part of Miami," said Jonathon Yormak, founder and managing partner of New York-based East End Capital, which is a co-developer on the Annex and Wynwood 25 projects. "That quality — the graffiti, the nightlife — speaks to creative-driven tenants."

Yormak said that thus far, the primary interest has been in leasing Wynwood office spaces from companies that are already based in Miami and are looking to expand.

But Wynwood is also attracting another kind of smaller, home-grown business. David B. Haber, founder of the law firm Haber Slade, is relocating his office from its longtime location in downtown



SEE WYNWOOD, 146 Visitors get pictures of the colorful murals at the Wynwood Walls. Just south



of the complex, construction continues on the Wynwood Annex office building and Wynwood 25 apartments.

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Miami to a 7,400 square-foot building at 251 NE 23rd St. he purchased in 2017 for \$6.5 million. The property had previously sold in 2014 for \$2.5 million.

Haber said moving to Wynwood will give a boost to his 23 employees, who can partake of the nearby restaurants and bars, and the clients who dreaded navigating Biscayne Boulevard during rush-hour traffic.

But Haber admits the new location also made sense as a financial investment.

"We're directly across from Wynwood Lofts and Moishe Mana's property, which is going to be an exciting place," Haber said. "So it's a financial bet as well as a bet that our employees will be happier and stay with the firm longer."

### THE MANA FACTOR

Mana, the billionaire entrepreneur who has spent more than \$350 million snapping up large swaths of real estate in Miami-Dade, owns 40 contiguous city blocks in Wynwood. They include the former free-trade zone buildings, which he converted into the six-acre event space Mana Wynwood, located at 318 NW 23rd St.

Mana wants to build a massive trade hub between Asia and Latin America in Wynwood, although progress on the development has been slow. In July, he obtained a \$20 million loan from Centennial Bank for the project.

"We are in the process of replatting all the land, and that is a process," Mana said about the delay. "At the same time, we've been talking to China to find out how to conduct their [trade] business out of Miami. Of course our friend [President Donald] Trump is not helping with the instability he's causing in our relationship with China. But the project is ongoing."

Some developers are responding to the surging property values of the neighborhood. Ophir Sternberg, CEO of Lion-



Goldman Properties

The Wynwood Garage, at 3016 NW 26th Street, will offer 24-hour parking along with 30,000 square feet of office spaces.



Architectonika

A rendering for Wynwood Gateway, a proposed mixed-use project being developed by Metro 1 at NW Second Ave. and 29th Street.



MKDA/HORNOH

A rendering of the new Haber Slade Attorneys at Law building, at 251 NW 23rd St. The firm is moving to Wynwood from downtown Miami.



Kobi Kap Architecture

A rendering of The Annex, a joint venture between East End Capital and The Related Group at NW Second Avenue and 24th Street.

heart Capital, said he acquired the Miami Art Space building at 244 NW 35th St. In 2016 for \$1.1 million with the intention of moving his company's office into the facility, which features 5,000 square feet of interior gallery spaces along with a walled courtyard and a bamboo garden.

But instead of moving in, Sternberg decided his staff had outgrown the facility and put the property on the market at an asking price of \$3.9 million.

"It's a perfect space for a user

like we intended to be — for someone who doesn't want traditional office space and is looking for something more creative that is indoor-outdoor in a compound-like setting," Sternberg said. "It used to be an event space and could be turned into a restaurant or lounge or art gallery. We're already getting a lot of interest from that kind of buyer."

Other developers have bigger ambitions. Tony Cho, CEO and president of the real estate bro-

kerage/development firm Metro 1, is seeking a joint venture partner for a mixed-use project to be developed on the current site of the Wynwood Gateway that would include up to 400,000 square feet of hotel rooms, apartments, condos, and retail and office space.

The proposed project would be located at a one-acre assemblage at Northwest Second Avenue and 29th Street that Metro 1 owns. The site currently houses a retail building with tenants that in-

clude the Ducati Miami motorcycle shop; the nationally-acclaimed Chinese restaurant Palmar; the hybrid retail/co-working space Selina Brawlers; and the Boxelder Craft Beer Market.

"The development of Wynwood has been about responsible developers and owners doing the right thing and reflecting the ethos of the neighborhood," Cho said. "I'm hoping the same thing happens with hospitality. I'm looking for individual hospitality



PHOTOS BY PEDRO PORTAL pportal@miamiherald.com

Tony Cho, founder and CEO of Metro 1, above, in front of a mural by artist @golden305. Cho's company owns the Wynwood Gateway building at Northwest 29th Street and Second Avenue, which houses the hybrid retail/co-working space Selina Brawlers, right.



companies that are doing their own thing. I don't want cookie-cutter because that's not what Wynwood wants. I've never been involved in another neighborhood that had such a cohesive and aligned vision."

#### THE TOLL OF GENTRIFICATION

Naturally, all the new development will inevitably lead to higher rents, which is bound to set off another wave of gentrification in Wynwood.

Evolution has been the neighborhood's ongoing story for the past two decades. The eloquent 2014 documentary "Right to Wynwood," directed by Camila Alvarez and Natalie Edgar, depicted the evolution of "the old brow-beaten warehouse district" into a mecca for artists and clubs while chronicling the displacement of the largely Puerto Rican, working-class community who lived

there.

Today, a lot of those same artists and bars have already been squeezed out. The owners of Electric Pickle, the popular dance club that had become a Wynwood fixture since opening in 2009, announced via Facebook that after "much emotional deliberation," they would not be renewing their lease at 2826 N. Miami Ave. when it expires in June 2019.

No explanation was given for the decision, but public records show that the building was sold in 2013 for \$2 million — an increase of almost 500 percent over the previous sales price of \$400,000 in 2011.

In a move that some people consider symbolic, the Rubell Family Collection is in the process of relocating to a new museum in Allapattah after 24 years in Wynwood.

The rent increases have

hit small business especially hard. Photographer Bridges Aderhold opened his first studio/gallery in Wynwood in 2008 and relocated to several locations in the neighborhood, including a 5,500-square-foot space in 2012 inside a warehouse at 225 NW 26th St., where he paid \$10,000 a month on a year-to-year lease.

When the building was sold for \$25.5 million in 2016, Aderhold said the new landlord raised his rent to \$45,000, forcing him to vacate the premises. In March 2017, he briefly set up shop at a new space at 124 NW 25th St. before deciding to close his studio altogether and focus on raising his baby daughter.

"It's amazing to see what has happened in Wynwood," said Aderhold, who is now concentrating on commercial work in New York. "The galleries that

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opened and the artists who came through there were very good. Maybe they weren't the best businessmen, but a lot of artists aren't. Wynwood sparked a fire in Miami's art scene and a lot of people have made a lot of money from that. Unfortunately it wasn't the artists. It's a tough road. But I think those artists will spawn other neighborhoods now."

Christi Tasker is one of the co-founders of Casa Wynwood, the event venue/gallery/co-working space formerly located at 120 NW 25th St. Tasker said she was forced to move out of the space in 2017 after her landlord declined to renew her

lease. She is currently searching for a new location for the business.

"The new multi-story buildings and high-rises have disrupted too much of the outdoor gallery that once made Wynwood," Tasker said. "While glass storefronts bring clarity and transparency to what's inside, it was the unknown and urge to be inquisitive that once peaked a patron's interest in Wynwood retail stores. Now, not only can most start-ups and small brands not afford their rent, but Wynwood consumers are ultimately the ones paying the price."

But proponents of Wynwood's new vision say change is part of the dis-

trict's history. Wynwood BID board vice chairman Albert Garcia is especially familiar with the neighborhood's ups and downs, since his parents owned and operated Mega Shoes, a footwear manufacturing business in Wynwood, in the 1960s.

"We look at the next two to five years as that real transition point where Wynwood 2.0 comes into play with offices and residents," Garcia said.

"Wynwood has always been a work in progress. That's what it was in the 1960s, that's what it was in the 2010s, that's what it still is today and what it will be in the future. It will always be a place that's reinventing itself. It's always slightly ahead of Miami but it's a nice litmus test of where we're going as a community and as a market."