

Convention center bidder sees \$600-million-plus project

BY SCOTT BLAKE

A leader of the top-ranked contender to develop a Miami Beach Convention Center District says his group envisions a project worth \$600 million to \$900 million, dwarfing previous expenditures to improve the city-owned, 56-year-old complex.

The Portman CMC group estimates that upgrades to the convention center would cost \$200 million to \$300 million and says that that portion of the project would come from county and city monies, such as tourist tax dollars and bonds.

The rest of Portman's plan — a hotel with 800 to 1,000 rooms, housing, retail space, and an entertainment venue, among other features — would cost \$400 million to \$600 million that would come from private monies from the group and potential financiers or partners.

In an interview with Miami Today, Jack Portman said his group doesn't anticipate the financing being as large an issue as dealing with the building height restrictions on the 52-acre site.

Still, Mr. Portman said his group anticipates settling the details of its plan through public meetings and input from city officials in coming months.

"We need to be sympathetic to the constituents," said Mr. Portman, vice chairman of Atlanta-based Portman Holdings LLC.

Mr. Portman joined his group in Miami Beach last week for a tour of the convention center. The second-ranked team, South Beach ACE, led by New York-based Tishman Hotel & Realty, also toured the facility.

In return for its investment, Mr. Portman said, his group and its partners would own all of the privately-financed pieces of the project.

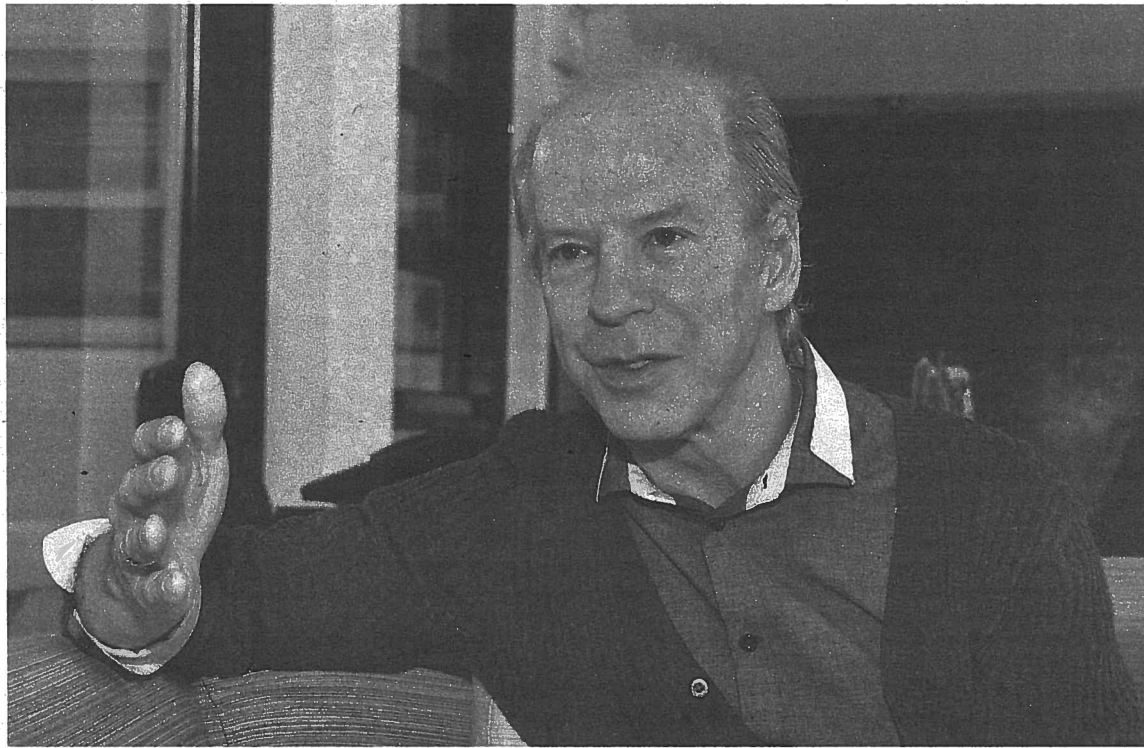


Photo by Maxine Usdan

Jack Portman seeks \$200 million to \$300 million from government, his team owning all but convention site.

Some or all of the private parts of the project would involve a long-term city property lease, which would require approval from local voters.

As he sees it, Mr. Portman said, the convention center's current footprint would be expanded somewhat, but most of the work would be to improve what is already there. That includes modernizing the building and creating a ballroom.

The idea would be to draw more groups of affluent professionals and other trade associations that might overlook Miami Beach now in favor of a city with a better convention center.

"We want a ballroom and more meetings rooms," he said. "We want to bring [the building] technologically into the 21st Century.... We're working with a shell of a space that will take some careful thought about how we can get the biggest bang for our buck."

The next major component

would be a hotel that is attached to or the near convention center. Mr. Portman said the hotel would have at least 800 rooms.

Today, he said, "every convention center has an adjacent headquarters hotel.... We're starting to determine how many rooms it should be [in Miami Beach]. But it wouldn't be more than 100 to 200 rooms more" than 800.

Portman Holdings is a global real estate development and investment firm with a portfolio that includes hotels. Mr. Portman also serves as chief executive officer for John Portman & Associates, the architectural and engineering firm affiliated with Portman Holdings.

Mr. Portman said his company and Tishman have competed for large projects before.

The Portman group includes Whitman Lazenby Properties, a group affiliated with the Bal Harbour Shops, a longtime upscale open-air shopping mall on

Collins Avenue in Bal Harbour.

Mr. Portman said Whitman Lazenby would represent the retail component of the project, but it would be different than retailers on nearby Lincoln Road and would be designed to complement them.

"What we want to do is not Lincoln Road," Mr. Portman said. "There's no way to compete with that."

The group also includes Miami condominium developer Ugo Colombo, who would represent the housing component.

Mr. Portman said the city's 100-foot to 150-foot height restrictions on the site could become an issue with the housing, especially if a tower is proposed. He expects the city might be flexible on the height restrictions.

"We're looking at horizontal and vertical solutions," he said about the housing. "If it is a tower, it will be elegantly done." Montreal-based Cirque du

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Soleil would represent the entertainment part of the project.

"They know about entertainment," Mr. Portman said. "They want to do something different than the static offering."

Regarding the city-owned Jackie Gleason/Fillmore Theater now on the site, Mr. Portman said: "I think it will go." Instead, a venue or theater possibly with 600 to 1,000 seats would be built somewhere on the site, he said.

"We want to capitalize on what makes Miami Beach" a destination, he added about the entertainment component. "We want to do something that will have day and night uses."

Built in 1957, the Miami Beach Convention Center originally encompassed 108,000 square feet. Another 130,500 feet of exhibit space was added in 1968, followed by more support facilities in 1974, according to the city.

In the late 1980s, as demand for exhibit space grew, the center underwent a \$92 million renovation and doubled in size, opening in 1989 with its current footprint of about 1.2 million square feet. Since then, the city said, the center has received more than \$50 million in upgrades.

Last year, however, Miami Beach officials moved ahead with plans for the most extensive makeover yet for the building and surrounding properties. Among five remaining teams vying for the project, city officials selected two — the Portman and Tishman groups — to compete for it.

The city's timetable calls for selecting a development team in October and putting any proposed city leases to voters late this year or next year.