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Miami-Dade stretches to accommodate American Dream Miami, North America's largest mall

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American Dream Miami wouldn't just be the largest mall in North America; it would be unlike almost any attraction in the world for its scope of activities and potential economic impact.

That vision for this mega mall, slated to open in northwest Miami-Dade County in 2020, has inspired both anticipation and trepidation.

It's sure to create thousands of jobs, lure more tourists and generate major tax revenue - an estimated \$48.5 million locally and \$93.6 million for the state. But the project could exacerbate an already difficult traffic problem, and the majority of its jobs would pay less than \$25,000 a year.

Triple Five Group, the owner of the Mall of America in Bloomington, Minnesota, plans to build the 6.2 million-square-foot retail and entertainment complex with 2,000 hotel rooms at the southwest corner of Florida's Turnpike and Interstate 75. The \$3.2 billion project is under county review for a comprehensive development plan amendment, along with the Graham Cos.'s proposal on a neighboring 309-acre site for 2,000 multifamily rental units, 1 million square feet of retail and a 3 million-square-foot business park. The first county commission vote in May is expected to trigger a state review.

Coming together quickly

Plans for American Dream Miami first came to light in March, and have been moving at a rapid pace with the strong backing of Miami-Dade Mayor Carlos Gimenez. He helped Triple Five acquire part of the site in a purchase from Miami-Dade County Public Schools, and county staff is working closely with the developer to usher the project through the process.

The initial renderings of the mall from Triple Five are conceptual. More

specific designs and features should be revealed as the project advances. Triple Five has developed marketing material for retailers, but it's too early to sign leases. The company, which declined to comment, generally handles leasing in-house.

The project would attract more than 30 million visitors a year, more than half of them tourists, and over \$1.5 billion in sales revenue, according to a study submitted to the county by Miami Economic Associates. For perspective, the Magic Kingdom at Walt Disney World, the nation's most-visited theme park, draws about 19 million visitors a year.

The Mall of America attracts more than 40 million visitors to its often-chilly locale. Triple Five's marketing team reaches out to customers in South America, Europe and Asia with package travel deals to visit the mall, and provides shuttle service from the airport and nearby hotels. That strategy could be even more effective in South Florida, with its warm weather, upscale hotels and many attractions.

Not only are there two busy international airports nearby, but there are two cruise ports, as well.

"We are ready for them to start the groundbreaking and develop it because this is going to be major," said William D. Talbert III, president and CEO of the Greater Miami Convention & Visitors Bureau.

He said American Dream Miami should bring new visitors here and encourage the more frequent tourists to stay longer. It would finally put Miami in the theme park game after years of failed attempts. It would have South Florida's only major water park south of West Palm Beach, and the second indoor ski slope in North America. (Triple Five is building one in New Jersey.)

Dennis Speigel, president of Cincinnati-based consulting firm International Theme Park Services, said the 370,000 square feet dedicated to the amusement park at American Dream Miami is large enough to build several dozen rides, including big, looping roller coasters and vertical drop rides. The amusement park could also have a marketing theme. DreamWorks branded American Dream Meadowlands with its characters.

At similar projects like Mall of America and the Lotte World recreation complex in South Korea, the entertainment venues will draw patrons for the retail and keep them on-site longer, Speigel said.

"It's big, it's expensive and, by anybody's stretch, it's very aggressive," he said. "This isn't a Florida project; this is an international tourist ... project."

The 75,000-square-foot indoor sports complex at American Dream Miami could fill a void in the market, as there's a lack of large venues for major tournaments for basketball, volleyball, fencing and other indoor sports, said Jose Sotolongo, executive director of the Miami-Dade Sports Commission.

Youth tournaments can generate millions of dollars in economic impact because whole families often book hotels when they travel to watch the kids compete, he said.

"A venue like American Dream and its sports complex would allow us to bid on different events like the 20-team basketball or volleyball tournament," he said.

While Miami might seem a curious location for winter sports, Sotolongo said it has one of the nation's largest ski clubs.

Another eye-popping aspect of American Dream Miami is the 3.5 million square feet of retail – larger than anything in North America. In a market that already has an abundance of retail construction, could there really be room for more?

Paco Diaz, senior VP of retail services with CBRE, said yes.

"At first when I heard about it, I thought, 'Oh my god, this is crazy.' Then I met with them in New York City at the ICSC [International Council of Shopping Centers], and I've been reading up on it and it's beginning to make sense."

Many department stores are downsizing as consumers buy goods online, but Diaz said American Dream Miami could counter that trend by drawing millennials and families to its entertainment features, and keeping them there for shopping and dining.

Diaz said the Dolphin Mall, Sawgrass Mills and Pembroke Lakes Mall are the most likely to be impacted by competition from American Dream Miami because they don't have the entertainment options.

"It attracts everybody because they will have so many different things to offer," Diaz said. "Retailers go where the traffic is."

Neighbors and commuters concerned about traffic

The traffic from the mega mall and the neighboring Graham Cos. project isn't being received so fondly by many who take the busy highways.

According to the traffic study by Leftwich Consulting, by its opening in 2020, American Dream Miami would generate 61,862 trips on the average day, with

4,690 trips in the afternoon rush hour. It would be busier on the weekends, with 93,560 new trips.

That analysis is not counting an estimated 10,071 daily trips by commuters who would normally use the roads – for instance, someone stopping at American Dream Miami on the way home from work. The traffic impact at rush hour wouldn't be as bad as with a typical retail project, the developer's

traffic study projects, because it's anticipated that most visitors would purposely avoid the worst traffic.

For its first phase in 2020, the Graham Cos. project would generate 10,460 external trips on the average day. By buildout in 2040, the project would generate 61,857 daily trips.

“I don't believe that anyone truly knows what kind of effect this will have on traffic, infrastructure, water and sewer usage, first responders, home values and the quality of life in the town of Miami Lakes,” said Michael Mut, a Miami Lakes resident and public relations professional. “I don't think some hokey indoor ski facility will be worth the hassle. Plus, has anyone considered how the rise of online shopping will affect traditional retail centers?”

The developer's traffic study gives part of Miami Gardens Drive a failing grade for handling the projected demand by 2020. Upon buildout of the Graham Cos. project in 2040, the failing grades would spread to parts of I-75 and Florida's Turnpike.

Triple Five hopes to mitigate those failing traffic grades by recommending improvements, such as widening roads, creating new highway interchanges designed to capture traffic within the project.

Some county and city planners have questioned the methodology of Triple Five's traffic study, and have asked for additional reports. The developer measured the traffic per square foot of leased space at the Mall of America, and applied that same ratio to American Dream Miami, with a few adjustments.

After reviewing the traffic report, **Pathman Lewis land use and zoning attorney David Sacks** said there's likely a workable solution. There's going to be some back and forth between Triple Five and government agencies over the type of traffic mitigation needed and who should pay for it, he said. Sacks said the developer could request that some of its impact fees be directed to pay for the roadway improvements. Triple Five's study forecasts it would pay more than \$110 million in road impact fees.

Miami Lakes Town Council member Manny Cid said he's waiting for real traffic numbers from American Dream. The developer's study failed to measure the impact within the nearby town. Major thoroughfares like Northwest 87th Avenue and Northwest 67th Avenue could become congested and, if mitigation is needed, the county should include it in its deal with Triple Five, Cid said.

"It's not in the town of Miami Lakes, per se, but it will have an impact. And we want to know what that impact will be, and we don't know so far," he said.

"Once development is up and traffic hasn't been mitigated, what else can we do?"

Cid is also concerned about the compound impact of the multiple developments in the northwest corridor along I-75. Four development projects in Miami Lakes and Hialeah would have a total of 2,979 homes.

Jobs would flourish, with lower wages

American Dream Miami would create 23,023 jobs during construction and 14,530 full-time-equivalent jobs upon completion, according to the developer's application. However, 9,240 of those permanent jobs would pay less than \$25,000 a year, while 1,088 would pay more than \$40,000 a year. Most of those jobs would be in the retail and hospitality fields, with a considerable amount of them part-time work.

"Those menial jobs numbers are unimpressive," Mut said. "Most positions are not stable and do not offer any good benefits to speak of. Rents are relatively high in Miami Lakes."

William Hardin, director of the Hollo School of Real Estate at Florida International University, said there's already higher demand in Miami for retail and hospitality workers than the supply of willing workers can meet – at least at the salaries being offered. People have realized they can earn equal or better salaries in cities that are less expensive than Miami, he said.

"The real question is, when someone is getting a minimum-wage job in retail, at what point must Miami employers pay \$10, \$12 or \$14 per hour?" Hardin said. "If Miami stays expensive, people will have to pay more money to get quality employees who stay."

American Dream Miami would add thousands of job openings to that dynamic.

The real high-wage jobs could come at the Graham Cos. project. Its study

projects 9,955 full-time-equivalent jobs at buildout, with 6,908 of them paying more than \$40,000.

“I don’t think the traffic is going to stop this project,” Hardin said. “I think whatever accommodation is needed will be done.”

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