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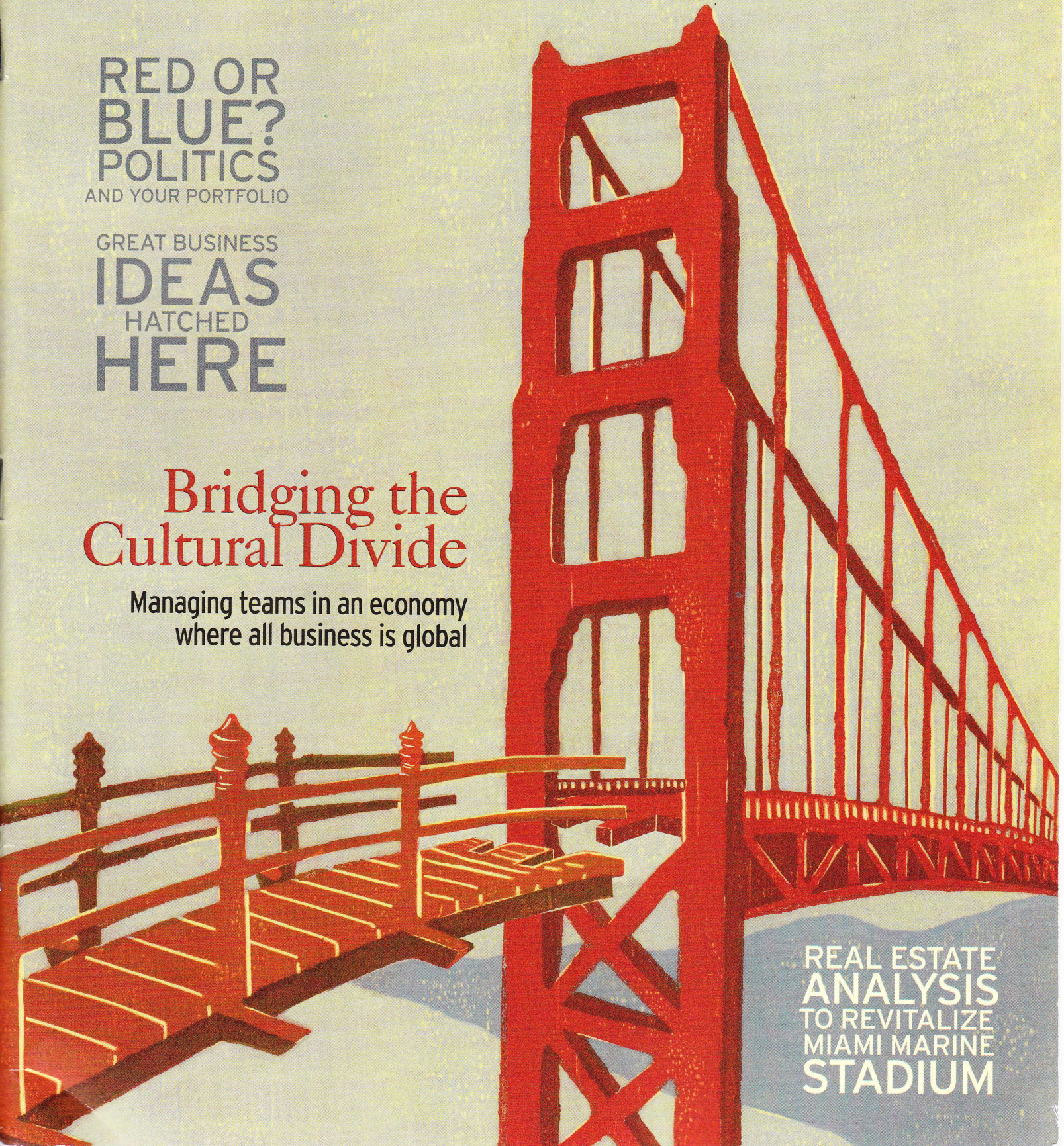
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POLITICS
AND YOUR PORTFOLIO

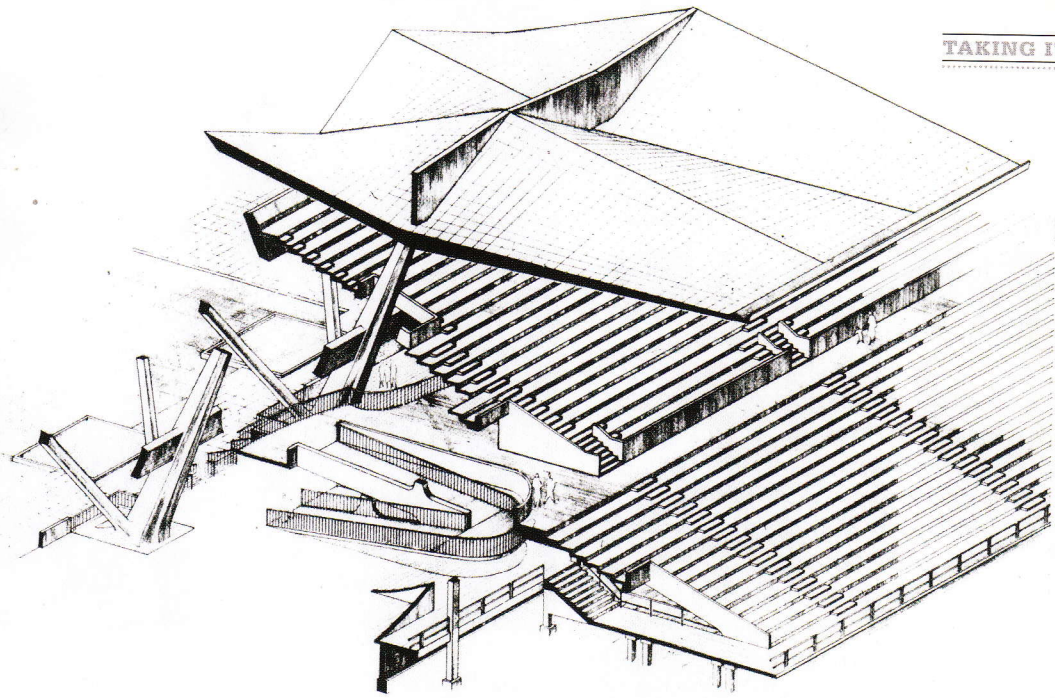
GREAT BUSINESS
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REAL ESTATE
ANALYSIS
TO REVITALIZE
MIAMI MARINE
STADIUM





MONUMENTAL DEVELOPMENTS

Student teams present options to city planners for revitalizing an endangered South Florida landmark.

BY RICHARD WESTLUND

THE ANALYSTS Graduate students Lek Jani, Jessica Staple, Daniel Chilgren, Bill Wilson and Chris Coutin (below, left to right) were among those who worked on proposals for renovating Miami Marine Stadium and developing the area around it. Above; Hilario Candela's original rendering of the 1963 project.



JESSICA STAPLE believes Miami Marine Stadium can be brought back to life after 18 years of neglect. By adding a specialty retail center to the outdoor landmark, Staple (MBA '10) and the other members of her student team hope to revitalize one of Miami's prime waterfront sites.

"We want to find viable uses to support the stadium," says Staple, who also holds a bachelor's degree in architecture and worked in historic preservation before enrolling in the School's MBA program.

Designed by the Cuban-American architect Hilario Candela, the 6,566-seat stadium was the first purpose-built venue for powerboat racing in the U.S. The concrete open-air facility hosted concerts, political gatherings and other events for nearly 30 years until it was closed after Hurricane Andrew in 1992.

Last spring, graduate students in one of the School's real estate finance courses analyzed three development strategies intended to bring people back to the historic site on Virginia Key near downtown Miami: a marine retail center, a marine business center and a marine museum. Undergraduate students evaluated their proposals. At the same time, an architecture class led by Jorge Hernandez and Candela examined how the stadium fits into Miami's overall plans for Virginia Key. They were aided by city officials, local developers, members of Friends of Marine Stadium (a coalition to preserve and revive the stadium) and a leader from the World Monuments Fund, all of whom shared with the students the details of the site and the challenges facing any renewal project.

"This course provides a real opportunity for our finance students, who tend to be detail-oriented, to work with architectural students, who are more visual," says Anuj Mehrotra, vice dean of Graduate Business Programs and professor of management science. "The result has been a

collaborative approach that combines vision with practicality, developing plans that can actually work.”

The success of any of the plans depends on the students’ understanding of the local real estate market, notes Andrea Heuson, the finance professor who teaches the class. “That nitty-gritty analysis is crucial for any successful development,” she says. “We believe that the student plans will help generate private development opportunities. In five years, we hope to be able to drive out to Virginia Key and see their work.”

If that happens, the students’ work will have helped revive a site with local, national and international significance. Last year, the World Monuments Fund placed the Commodore Ralph Middleton Munroe Miami Marine Stadium on its “2010 Watch List,” calling it “both a South Florida landmark and an icon of modern design.” “This building is important to the history of Miami and to its future as well,” says Staples’ teammate Lek Jani, a second-year student in the Masters in Real Estate Development and Urbanism program in the University’s School of Architecture.

Joining the Public Process

Options for the 240-acre Miami Marine Stadium site, which includes a stadium, basin and marina, originated with proposals from local preservationists and developers. City planners reviewed the concepts — and the students’ numbers — this summer in developing recommendations for the master plan for Virginia Key. “All three student presentations are part of the public process,” says Don Worth, co-founder of Friends of Marine Stadium. “In effect, they are consultants who are providing solid information to the city.”

In April, Enrique Nuñez, chief of the urban design section of the city’s planning department, and Perla Gonzalez, a planner, attended Heuson’s class to see the three student presentations in



This proposed maritime museum “would need to have incredible architecture to stand out from the competition.”

— MBA student Rita Cabases

person. “The students’ real estate finance work is extremely important and complements the architectural design proposals,” Nuñez says.

While the students gave city planners three different proposals, Heuson notes that some of the development concepts could be combined or adjusted in scope. “While [the marine museum] is a stand-alone commercial development, the retail-only scenario could also incorporate the Miami maritime museum in a future phase,” she says. “In any case, the students have helped to move the project forward while learning from each other. These pro-forma financial projections and site plans are valuable personal assets they will be able to take on job interviews in the future.”

Along with input from the Friends of Marine Stadium and other marine and environmental groups, the city’s planning department studied the student proposals in formulating its recommendations for the site. “Based on the information we are receiving, the Miami Marine Stadium area offers a great opportunity to generate money to operate the city’s marinas and support some of the ... recreation amenities on the island,” Nuñez says.

Options Capitalize on Prime Location

Jani, Staple and fellow team members Daniel Chilgren, Bill Wilson and Chris Coutin made the development of a specialty retail center with an emphasis on outdoor recreation the focus of their proposal. “Virginia Key is a

prime location for active-lifestyle and environment-based retail businesses,” Coutin says. “This would be oriented toward residents and visitors who enjoy the outdoors.”

Under their proposal, the site would be revitalized with 59,550 square feet of retail space just west of the stadium, while other areas would accommodate social and water-oriented recreational activities. The students estimate the single-story project would cost around \$7.78 million, including building to Leadership in Energy and Environmental Design (LEED) Silver certification.

A second scenario envisions the creation of the Miami Marine Industry Center of America (MICOTA), a \$37 million, 160,000-square-foot mixed-use facility that would provide exhibition, showroom and office space to manufacturers, builders and distributors of marine products, as well as a marine workforce training program and marine-related retail.

That concept comes from Manuel Alonso-Poch, founder of the Academy of Hearts and Minds in Coconut Grove, Fla., and a potential private developer. “We feel this could be a very good match with the marine stadium,” Alonso-Poch told the students. “It epitomizes the connection between people, water and business.”

In their presentation, business and architecture graduate students Alex Buznego, Beck Daniel, Justin Guerra, Robert Siebken and Marina Sanchez McEvoy said the success of boat shows

in Florida indicates a strong market for a permanent marine industry trade center in a convenient, central location. "This would generate revenue for the city, strengthen the marine industry, create jobs, preserve a local historic landmark and develop within this environmental context," Buznego said.

Taking a third approach, Rita Cabases, Juan Castro, Melissa Harrison, Olivia Ramos, Caroline Sand and Dipti Sharadendu analyzed the prospects for a maritime museum, a \$150 million project suggested by the owner of a European marine manufacturer.

"Together, the museum and the Miami Marine Stadium will act as cultural anchors in establishing Virginia Key as an international waterfront destination," the students said in their presentation.

The museum would showcase the history of boating through indoor and outdoor exhibitions. While Florida has 10 maritime museums, there are none in Miami-Dade County. With an appeal that would stretch far beyond South Florida, Cabases said the museum

"would need to have incredible architecture to stand out from the competition. Otherwise, it might not work."

Harrison pointed to the importance of an individual donor to jump-start a community fundraising campaign. The team estimated fundraising would take seven years, followed by three years of design and construction prior to opening. "It's very hard to create a pro-forma financial projection for a museum," noted Heuson. "There is no textbook or model to follow."

Moving Ahead

On July 22, the Miami City Commission unanimously approved the master plan for Virginia Key, which includes the Miami Marine Stadium and Basin, as well as UM's Rosenstiel School of Marine and Atmospheric Science and Miami Seaquarium. The plan, which has been under development for more than four years, points toward the creation of a multipurpose Miami Maritime Exhibition and Island Orientation Center, leaving open the options for

potential development of that space.

As for the stadium itself, a study co-sponsored by the World Monuments Fund puts the cost of repairs at \$5.5 to \$8.5 million — well below initial estimates. That's because its basic structure is sound, according to architect Candela. "When you look at the stadium, what you see is structural concrete combined with steel to create a sail-like sculpture that echoes the ripples of the water," he explained to students in Heuson's class. "It's like the bones of your body — and those bones are still in good shape."

Miami-Dade County has already set aside \$3 million from a historic preservation bond fund to provide a matching grant toward renovation. Miami Mayor Tomás Regalado has made restoration of the stadium a priority for his administration. As Worth says, "While we still have a long way to go, there is excellent momentum for the stadium project." ■



More details on the projects the students reviewed:
bus.miami.edu/businessmiami

WORLD MONUMENTS FUND REACHES OUT TO UM BUSINESS STUDENTS

AFTER SIFTING THROUGH hundreds of nominations of global historic sites at risk of disappearing, the World Monuments Fund identified the Miami Marine Stadium as one of its top priorities, placing the abandoned facility on its "2010 Watch List."

On Feb. 2, Amy Freitag, U.S. program director for the WMF, flew to Miami for discussions with civic leaders about reviving the waterfront stadium, which has been closed since 1992. She also visited Professor Andrea Heuson's real estate finance class, where she told students,

"By putting the stadium on our watch list, we generate attention and help build momentum for restoring an endangered

site. It's also a way to bring the site to the attention of funders who might want to provide financial assistance."



WMF's Amy Freitag with Professor Jorge Hernandez of the School of Architecture

Freitag explained how the students' research and analysis of development options will help shape the stadium's future. "It's not just a matter of saving the architecture. You have to have a plan that will make the stadium viable again. Otherwise, the outcome is likely to be further deterioration, or what we call demolition by neglect."

Around the world, the WMF's projects have included the Taj Mahal in India, portions of China's Forbidden City and more than two dozen historic

building restorations in Venice, Italy.

In the United States, the fund assisted in salvaging the World Trade Center's "survivors staircase" after the Sept. 11, 2001, terrorist attacks and is still helping homeowners in New Orleans' Ninth Ward rebuild after Hurricane Katrina in 2005. "It's not just a matter of repairing damage," Freitag said. "We also help to develop scenarios to make historic places meaningful and relevant. That's exactly what's needed with Miami Marine Stadium." — R.W.