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In suburban Doral, developers bank on an urban future

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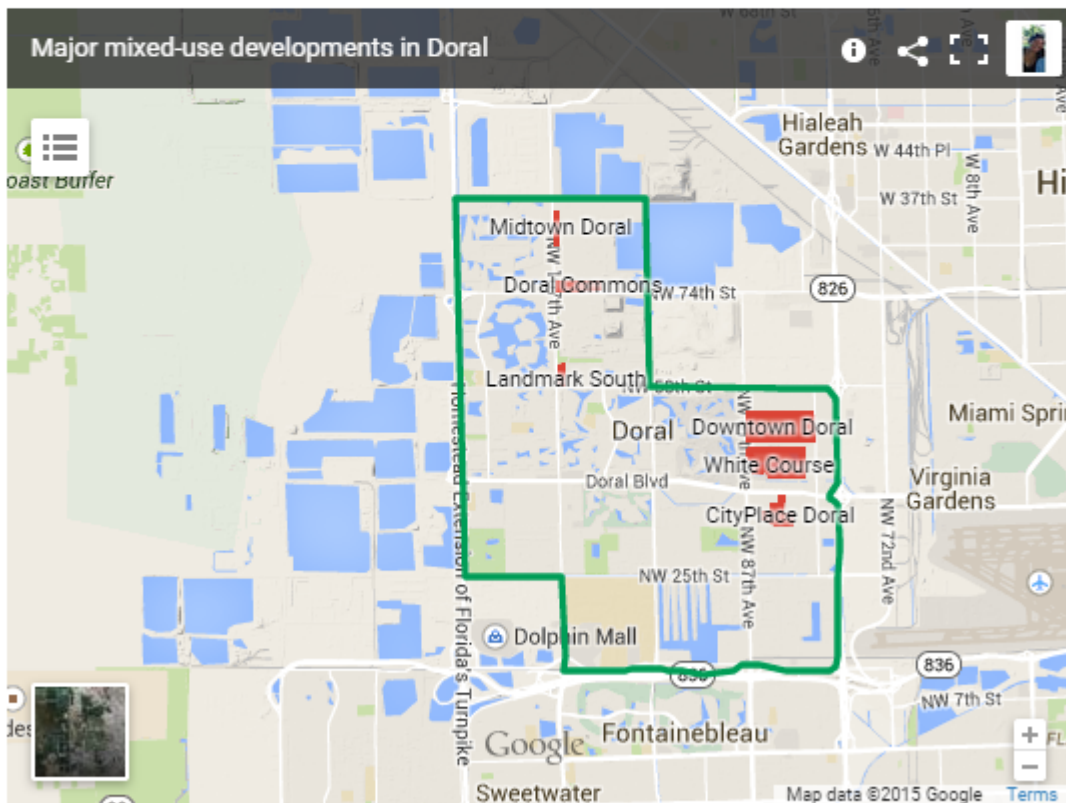
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Jorge Pérez chairman and CEO of Related Group, left, with Steve Patterson, president of Related Development, at the sales center for CityPlace Doral. AL DIAZ / MIAMI HERALD STAFF

Life in Doral is getting a major update: Prominent local developers are building mixed-use projects they say will help turn this industrial, traffic-clogged suburb in west Miami-Dade into a walkable, shop-able city.

Over the next several years, developers say their pedestrian-friendly, retail-centric projects will bring nearly 5,600 luxury residential units – largely priced between \$300 and \$400 per square foot – and 1.75 million square feet of restaurants, shops and office space to Doral (pop. 50,213).



Downtown Doral, a more than \$1 billion project by Coral Gables-based Codina Partners, is the closest to unveiling its first stage.

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A rendering of the retail complex at CityPlace Doral. | Related Group

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250,000 square feet of retail including a supermarket, bowling alley, movie theater and more than 20 restaurants.

Related plans to open its centerpiece dining-and-shopping area at the end of 2016.

“We are creating a central space for Doral,” Pérez said as he stood on the site of the 55-acre project. “We want this to be the town center where you can come to shop, to have fun with your kids, to have a nice dinner, to stay out late at a bar. We are putting all this together in one place.”

The project, designed by Arquitectonica, will be completed in stages. Tenants are already filling an apartment building with nearly 400 units. And Related’s partner, Shoma Group, is wrapping construction on several of its 150 planned single-family homes, which start at an asking price of \$1 million.

Midtown Doral (Century Homebuilders Group and Optimus Developers) and Doral Commons (Terra), both in the northwestern part of the city, are also getting ready to open.

Now one of South Florida’s biggest players, Jorge Pérez, has announced he is getting in on the action, too.

Pérez and the Related Group are planning an \$800 million project at 8300 Doral Blvd. — called CityPlace Doral — that will include more than 1,200 luxury condos, apartments and single-family homes, paired with

The suburbs might not seem like a natural home for condos and rentals.

But Pérez said the large number of major employers in Doral and its proximity to the airport and major highways make this city – which was incorporated in 2003 and has become extremely popular with Latin American immigrants – a “perfect environment” for urban development.

“To be honest, I find many parts of Doral aesthetically displeasing,” Pérez said. “It is a fairly ugly collection of retail and never-ending strip malls with all the cars parked out front and the stores in back.”

“We are designing something new for Doral where the parking will be hidden, the retail will be out front and the apartments placed on top,” Pérez continued.

People who spend time in Doral say the change is long overdue.

While Doral’s median household income (\$70,446) is higher than Miami-Dade County’s (\$43,100), the city lacks upscale shopping options.

Viola Sanchez has worked in Doral for more than 10 years. An executive at PS Business Parks, Sanchez runs the 3.5 million square-foot Miami International Commerce Center near the intersection of the Palmetto and Dolphin expressways.

But she never seriously considered living in Doral and instead chose to commute from Broward.

“When I first came here, there was no downtown to speak of, no small-town feel,” Sanchez said. “There wasn’t a focal point where people could gather and go after work to shop and have restaurants and feel like they had a community center tying the place together. But I think we’ll get there with all the new projects.”

Doral's mixed-use future is part of a wider trend in South Florida, which was largely designed at a time when urban planners tried to separate residential, commercial and industrial into distinct districts. That led to the traffic jams all too familiar for those who work in downtown Miami but live west, north or south of the city.

Developers are now touting "live, work, play" projects as an antidote to congestion and suburban sprawl.

"There's a movement for urbanization happening across Miami-Dade," said Michael Fay, principal at the commercial real estate firm Avison Young. "Doral is a snapshot of what's happening."

In downtown Miami, Swire Properties is planning a more than \$1 billion development called Brickell City Centre that will include two residential towers, a hotel, office space and high-end retail including Saks Fifth Avenue.

The 27-acre Miami World Center in the less fashionable Park West district will also include luxury residential towers and shops. In Broward, Miramar Town Center now houses city hall, a library and a college campus, as well as apartments, offices and restaurants.

And CityPlace Doral is based on a similar Related project called CityPlace in West Palm Beach, which opened in 2000 and counts a Macy's and an IMAX movie theater among its commercial tenants.

Steve Patterson, president and CEO of Related Development, said that CityPlace had helped lead to an urban revival in downtown West Palm Beach and he expected the new project would have a similar effect on Doral.

“The notion of walkability is something foreign for many people here,” Patterson said. “We are creating a city-within-a-city and it’s going to be a sea change for Doral.”

But the project that started the shift in Doral was Codina Partners’ 120-acre [Downtown Doral](#).

Downtown Doral’s retail and dining component, built in partnership with Lennar Commercial, will open at the end of this year, along with a 20-story condo tower. A K-5 charter school with room for 378 students will be ready for the coming academic year. Two apartment buildings are already fully leased, the first of which opened in 2010.

All told, Codina CEO Ana Codina Barlick said the project will have 2,840 residential units, 200,000 square feet of retail and dining and 1 million square feet of office space.

“This is transformational for Doral,” Codina Barlick said. “How often do we get the chance to help shape the identity of a new municipality?”

Doral has long had a reputation as a Venezuelan stronghold. Its mayor, Luigi Boria, was born in Caracas and many of the city’s residents chose to immigrate to Doral rather than live under the regime of Hugo Chávez. Import-export companies thrive in the area.

But Colombians, Brazilians and Argentinians are starting to make an impact, too.

Despite a general Latin American currency crisis, sales at Downtown Doral have been strong, said Philip Spiegelman, principal of ISG World, which is handling sales at the project.

"Miami is able to attract investment from Latin America in good times and bad," Spiegelman said. "It's true that buyers there are having to adjust to the fact that it's going to cost them more money in real terms to buy U.S. real estate. But many of them already have assets in U.S. dollars and those who don't know that their money at home will probably continue to depreciate in value if they don't get it out."

Codina and Lennar also have their eyes on the neighboring White Course, a golf course zoned for extensive mixed-used development.

The property fell into bankruptcy and is now owned by the investment arm of the government of Singapore.

"We would love to be the ones to develop the White Course," Codina Barlick said, although she said she could not comment further on ongoing negotiations.

But all the buildings going up and residents moving in mean more cars on the roads. Rush-hour traffic is already a nightmare across the city.

"Traffic is a real challenge in Doral," said Jack Lowell, a longtime South Florida commercial broker who is now an executive vice president at Pointe Group Advisers. "Now the good thing about mixed-use development is that it encourages people to walk instead of drive. But Doral will need to provide more alternatives to that one-person, one-car lifestyle, whether that's bike paths, more trolleys, or encouraging services like Uber."

Doral city manager Edward Rojas said the area is suffering "growing pains" because of congestion.

"It's a matter of getting the infrastructure to catch up with the development right now," Rojas said.

Rojas said the city is working with county and state agencies to improve access to major highways and redirect truck traffic off commuter roads.

He also pointed to Doral's public trolley system, which started in 2008, as a major improvement. (Related recently donated a new trolley to the city.)

"We're very excited about seeing this new kind of development come to Doral," Rojas said. "Luxury condos next to retail and restaurants next to office space will create a more urban, pedestrian and bike-friendly setting."

In recent years, Donald Trump has helped boost Doral's international profile.

Trump has poured more than \$250 million into his signature golf resort, Trump National Doral Miami, which hosts an annual PGA tour event. In recognition of his efforts, Trump recently received a [key to the city](#) — although he also filed a lawsuit, quickly withdrawn, claiming that Doral's noise ordinance was [unconstitutional](#).

Last year he brought the Miss Universe pageant to neighboring Florida International University.

"Our sales went way up after the pageant and then the PGA," said Masoud Shojaee, president of Shoma Group and Related's partner on the single-family home development at CityPlace Doral, which is called Oasis Park Square. "That kind of worldwide advertising benefited us tremendously."

As Doral's prominence grows, banks are turning their eyes to the city as well.

"We've done a lot of projects on the east side of town," said Steven Cohen, executive vice president for commercial real estate at Sabadell United Bank. "Now we're looking at opportunities in the western part of the county."

Cohen said that Sabadell – which closed a total of \$460 million in new commitments for commercial real estate projects last year – could invest up to \$50 million in Doral this year.

“There’s so much activity in Miami right now downtown and on the beach that as a commercial bank we want to make sure that we balance our portfolio and don’t get too heavily concentrated in one market or the other,” Cohen said.

Prices in Doral aren’t going to hit Miami Beach or downtown levels anytime soon.

The residential units at the new mixed-use developments are generally in the range of \$300 to \$400 per square foot. Although that’s significantly higher than existing inventory in Doral, which comes in under \$200 per square foot, new condos go for more than \$600 per square foot in the Brickell area and nearly \$870 on the beach.

The rising price of land and escalating construction costs make further mixed-used projects in Doral unlikely by all but the largest and most well-capitalized developers until the next cycle.

“We could sell this property for four times what we paid for it, not that we ever would,” said Pérez, whose Related Group bought its share of the CityPlace Doral parcel in 2012. “If I had to buy the land today, it would be prohibitively expensive. I couldn’t do it and build this development.”

A BRIEF HISTORY OF DORAL

Most longtime South Floridians will know this story of how Doral came to be:

The city is named after its two founders, Doris and Alfred Kaskel (Dor + Al = Doral), a husband-and-wife team who in 1962 built a golf course and resort on what was then swampland and began hosting the annual Doral Open. For many years, the surrounding area was not much more than cow pastures and woods.

Then, in the 1970s, developer Ira Kroger began building a series of commercial suburban parks (some of them on the site of what is now Downtown Doral). Lennar Homes entered Doral in the early 1980s, building suburban developments and jump-starting the market for single-family homes.

Fortune 500 companies and smaller businesses began relocating to the unincorporated suburb, taking advantage of Doral's location near the airport and its access to major highways that connected it to downtown and the port of Miami. The city, sometimes jokingly referred to as "Doralzuela," proved particularly attractive for Venezuelans, especially those opposed to the rule of Hugo Chávez.

In 2003, after years of agitation, Doral residents voted to incorporate into a city. Doral's first elected mayor, J.C. Bermudez, made it a priority to attract businesses to the new city by cutting red tape and easing zoning regulations. Today, Doral is one of the fastest growing cities in Florida.

DORAL'S GROWING POPULATION

Population in 2004: 30,285

Population in 2013: 50,213

Source: Doral city manager's office.

MAJOR EMPLOYERS

Carnival Cruise Lines: 1,300 employees

Trump Endeavor 12 LLC: 900 employees

O&M International Corporation: 890 employees

Univision Network LTD Partnership: 800 employees

Miami Herald Media Company: 635 employees

Source: Doral city manager's office.

HOW CONDO PRICES COMPARE

Doral: \$184 per square foot

Aventura: \$383 per square foot

Coral Gables: \$386 per square foot

Downtown Miami: \$431 per square foot

Miami Beach: \$869 per square foot.

Source: Integra Realty Resources. All data is for 2014.

MORE RESIDENTIAL UNITS HIT THE MARKET

Number of new residential units in 2014: 3,282

Projected for 2015: 4,000

Source: Doral city manager's office.

CITYPLACE DORAL

Developers Related Group and Shoma Group are building a new \$800 million project on 55 acres in the heart of Doral. The development will be centered on 250,000 square feet of retail with a movie theater, bowling alley, supermarket and restaurants. It will also offer 358 luxury condos, 701 apartments and 150 single-family homes. The shopping-and-dining complex is scheduled to open in December 2016.