

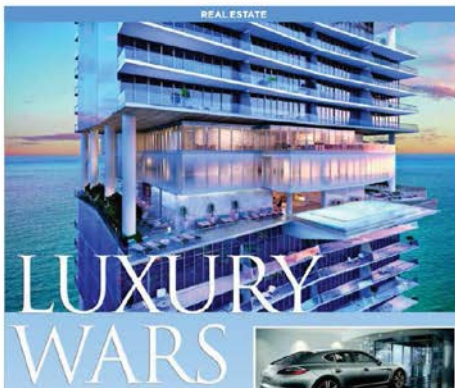
April 10, 2015

KENNY CHESNEY HEADLINES TORTUGA FESTIVAL WEEKEND

HEAT IN DEEP HOLE AFTER LOSS TO BULLS

Miami Herald

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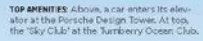
LUXURY WARS

Eye-catching, luxury amenities are the bait that developers hope will attract the ultra-rich.

BY NICHOLAS MIKHAHAS

Real estate is war — and for residential developers in Miami, luxury is the weapon of choice. Today's condo towers aren't just offering the high ceilings, rooftop pools and European appliances of building cycles past. Instead, their amenities are the stuff of whimsy: tennis and accessible movie theaters, dog walkers and monumental sculptures by Jeff Koons. Glass between the kitchen and living room that turns opaque when you entertain and

want to shield your guests from the unseemly commotion of cooking. An elevator for your Bentley. The trend kicked off as developers racing out of the crash realized one thing: To avoid getting burned in the next bust, they needed to determine that buyers not down more money before closing. To justify the 10 percent deposits that became standard, the new projects would need eye-catching, over-the-top amenities that would make the extra investment seem worth it to the



TOP AMENITIES: Above, a car enters its elevator at the Porsche Design Tower. At top, the 'Sky Club' at the Turnberry Ocean Club.



SO STORES: The Viceroy tower will have a mall and sports complex next door.



IN-HOUSE SERVICES: Carlos Castro chats with resident Paula Hernandez at the Coriana Cay. In the background is by prominent Brazilian artist Beatriz Milhazes.

Gambling gets boost, but hurdles still remain

Lawmakers agreed to end the live-racing mandate at greyhound tracks, but also to possibly expand slots in Lee and Palm Beach counties.

BY MARY ELLEN KEAS

TALLAHASSEE — Florida legislators moved closer to ending the five-year stalemate over gambling this week as House and Senate committees approved legislation to end the requirement that greyhound tracks race dogs, and opened the door to the expansion of slot machines with the Senate's 10-6 vote on Thursday. The House on Thursday moved the debate on a local referendum, would have to be conducted by Dec. 3, in time to being the county commission also voted to require Miami-

Dade and Broward counties to conduct a local vote to determine whether legislators should authorize slot-machine resort casinos there. The local vote is intended to give cover to reluctant lawmakers to approve the plan to bring Las Vegas-style resort casinos into South Florida to compete with the Seminole Tribe's Hard Rock resort in Hollywood. The vote, of either the county commission or a local referendum, would have to be conducted by Dec. 3, in time to being the county commission also voted to require Miami-

TURN TO GAMING, 2A

Proposal to limit testing awaits Gov. Scott's pen

A bill that won support in the state House and Senate would eliminate an 11th-grade English test and limit the number of hours students can spend testing.

BY KATHLEEN MCGRODY

TALLAHASSEE — A proposal that would reduce the testing requirements for Florida schoolchildren and delay the release of school grades until annual independent agency reviews the new assessments — is headed to Gov. Rick Scott's desk. The Florida House passed the high-profile bill (HB 7009) in a 105-0 vote Thursday. It is one of only a handful of legislative proposals to win support this session in

the House and Senate. The two chambers are gridlocked over a plan to expand healthcare coverage, and have failed to reach a consensus on most other issues. The unexpected agreement Thursday came just days before students statewide resume online testing. Miami-Dade School Superintendent Alberto Carvalho called the final product a "reasonable approach" to addressing parent and teacher concerns over the new Florida Standards. As

TURN TO TESTING, 1A

Obama: Decision on Cuba status close

President Barack Obama landed in Panama for a hemispheric summit, where the U.S. relationship with Cuba and Venezuela will feature prominently.

BY TIM JOHNSON

PANAMA CITY — President Barack Obama said Thursday that the State Department has made its long-awaited recommendation on whether to remove Cuba from the U.S. list of state sponsors of terrorism, but he gave no hint of what he had been recommended or on when a decision would be made. The recommendation was still subject to an inter-agency review. The recommendation is critical to the Obama administration's hopes of reestablishing diplomatic relations with Cuba, according to U.S. executives in Havana for this week's Summit of the Americas

say they hope will also lead soon to the lifting of the U.S. trade embargo imposed after the two nations severed ties in 1960. Cuba has made the lifting of the trade designation a key demand in negotiations to establish embassies in Havana and Washington. U.S. sanctions put Cuba on the state terror sponsor list in 1982, when it is joined today by Iran, Syria

TURN TO DESIGNATION, 1A



VIEWS LINING UP: President Barack Obama reacts to comments made by Jamaican Prime Minister Portia Simpson Miller during their bilateral meeting at the Jamaica House on Thursday in Kingston, Jamaica. Story, 10A

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REAL ESTATE

Developers sell over-the-top luxury

• PERKS, FROM A
ultra-rich.
"The goal is to stand out," said Philip Gutman, vice president of sales at the national real-estate broker Douglas Elliman. "Developers are trying to get onto the radar of all the local agents to make sure that their project is the first one being shown. The more bells and whistles these projects have, the more of a show they're becoming."

Despite high prices — well into the millions — and high maintenance fees — well into the thousands per month — buyers accustomed to such New York/Los Angeles-style luxuries have responded well, Gutman said.

Building concierges — who make dinner reservations and walk the dog — and 24-hour security have become almost standard for the highest-end projects. At the One Thousand Museum tower on Biscayne Boulevard, each unit will come with a safety deposit box in a bank-style vault next to the building's security room.

"We've seen people focusing more on the lifestyle that comes with living in one of these buildings than on the actual unit," Gutman said. "We have a lot of New York buyers looking for second and third homes down here, and they're pretty much demanding the same level of service they'd get up there."

One way to satisfy that need: full-service, resort-style living contained within the building.

At the 54-story Turnberry Ocean Club in Sunny Isles Beach, Turnberry Associates plans to devote three full stories to amenities. The "Sky Club" will feature a restaurant, two bars, a yoga studio, a nail and blow-dry salon, as well as concierge and "sunrise" and "sunset" pools that jut out from the building on its ocean and bayfront sides.

"We're not trying to create a bunch of gimmicky add-ons," said Dan Kowalski, president of residential development at Turnberry. "We're asking ourselves: If you lived here, what would you actually use three to four times a week?"

That project is expected to be ready in 2008. Prices start at \$4 million for units with three bedrooms and 2,900 square feet of space. At the Ritz-Carlton Residences Miami Beach, which will open Fortune International Realty and the Chateau Group are offering services similar to those of a South Beach hotel, including a restaurant, bar and pool lounge connected to the beach, a dog-walking and pet-grooming center, and a private yacht available for charter.

"The buyer today wants total service and refuses to compromise on that aspect," said Edgardo Defortuna, president of Fortune International Realty.

For many projects, entertainment is also a part of the drive.

Residents of the two towers at the Estates at Acqualina in Sunny Isles will be able to lower elevators, play virtual golf and drive a Formula One race via simulator all elements of a 45,000-square-foot complex devoted solely to amenities. Developer Jules Trump has dubbed one of its floors the "Circus Maximus."

At Palazzo del Sol on exclusive Fisher Island, where a penthouse recently sold for \$35 million, residents will be able to take advantage of private massage rooms, an on-call butler and fur storage.

"We have affluent buyers that travel from ski resorts and winter vacations, so it's convenient to have a concierge to have a car for their furs," said Doris Puig, the project's director of sales.

Other developers are drawing attention to their security amenities. The team behind Riscayne Beach Residences, between 20th St. and 20th St. on Biscayne Boulevard in Edgewater, has created a man-made, sandy beach on 144 feet of beachfront.

At Farasouna Miami Worldcenter, a 50-story tower going up alongside the \$1.04 billion Miami Worldcenter mall in the Park West district of downtown, developers will plant a six-acre athletic complex on the mall's roof. The outdoor space — situated on top of the air — will include a soccer field, two tennis courts and a running trail.

"In this new cycle, everyone is trying to keep up with the buyers," said Daniel Kozel, the tower's developer. "The driving force is what the market demands."

In the digital age, advanced technology is also making its way into Miami's ultra-luxury condos.

"We're talking about things as basic as an iPad that controls your lights and shades and also controls all the way up to pressing an app on your phone that calls your car for a robotic parking garage," said Ryan Shear of the Property Markets Group, which is developing Echo Brickell in the financial district (starting at \$2,600 per square foot) and Muse in Sunny Isles (starting at \$1,674 per square foot).

Brickell House, being developed by Henry Hernandez, debuted its own robotic parking system in November. Residents simply drive in, park their car and soon a keypad before an automated lift whisks their car away to a parking space.

"This way, people don't have to drive up several stories looking for parking," Hernandez said. "I gave us great exposure during sales. A lot of buyers said the parking was a great attraction."

Buyers can expect to pay



SPACE IN THE SKY: A rendering of the penthouse decks at the Ritz-Carlton Residences in Sunny Isles Beach.



MODERN LIVING: A family room at one of the 'smart homes' at the Echo Brickell.



WHAT'S YOUR GAME?: A vision of the bowling alley at the Estates at Acqualina.

luxury maintenance fees for the amenities, as well as the 1/2% security that has become standard. Monthly fees for larger units at the highest-end projects can run more than \$8,000 per month.

But Craig Stuchlicky, a principal at the real-estate sales and marketing firm ISG, said most developers have learned that buyers don't want to pay high maintenance fees for amenities they don't use on a regular basis.

"They're generally not adding amenities to best-up a sales brochure," Stuchlicky said. "That doesn't get you anything."

Fastly service amenities add to the star power that

has long been part of the South Florida lure since early in this development cycle: brand names, star architects and high-quality contemporary art.

In addition to Ritz-Carlton, developers are building the Armani/Casa tower, the Fendi Chateau Residences and the Porsche Design Tower, which won national headlines for a car elevator that will allow residents to park in a clear "sky garage" next to their apartments — and show off their luxury automobiles to guests. The Armani and Porsche towers are by Dezer Development.

Miami is also attracting world-renowned architects to design its towers.

Increasingly referred to as "starchitects" in press releases from developers, they include Ren Koolhaas and Renzo Piano in Miami Beach, Bjarke Ingels in Coconut Grove, and Zaha Hadid in downtown.

Art is a big driver, too. The Related Group has placed a sculpture by Fernando Botero outside its SIS Lux Brickell. Related — whose president Jorge Pérez founded the Pérez Art Museum Miami — uses contemporary art in nearly all its projects and keeps an art consultant on staff.

And at the Oceana Bal Harbor, which will open early 2009, the Argentine developer and art collector

Eduardo Costantini paid about \$6 million for two monumental sculptures by Jeff Koons that will adorn the tower's outdoor spaces. Buyers will become part-owners of the Koons.

Another already-built Coastal project, Ocean Key Biscayne, features a mural by the Brazilian artist Beatriz Milhazes behind the desk of a concierge who can order a car service, handle your dry cleaning, reserve theater tickets and take care of your apartment when you're away.

The abundance of luxury amenities also means developers may need a new way to lure their buyers.

The digital design firm AnX Solutions — which has offices in Coral Gables, New York and Buenos Aires — is one of several companies around the globe using 3D, interactive architectural renderings.

Using a phone, tablet, TV screen or even the virtual reality headgear called Oculus Rift, AnX technology allows prospective buyers to feel like they are walking through condo units and seeing what they can also customize furnishings and decor with the click of a button.

"The projects are becoming so complex that it can really help to give people a more realistic experience," said Patrick Martin Navarro, the firm's U.S. president. "This helps them visualize exactly what they are buying."

All that luxury may feel like a sick in the eye to many locals. Miami is one of the least affordable housing markets in the country.

"We're seeing a lot of international money, so a lot of the folks who live here are not participating as much in the boom," especially in Miami Beach, said Aaron Drucker, managing broker at the real-estate firm Redfin. "The locals are moving inland."

But even some wealthy buyers — especially the foreigners the Miami market depends on — likely won't make good on their contracts, says a local banker.

"The last three outs are the hardest, and that's closing the sale on people who are not participating as much in the boom," especially in Miami Beach, said Aaron Drucker, managing broker at the real-estate firm Redfin. "The locals are moving inland."

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LEGISLATURE 2015

Lawmakers offer to extend gaming; hurdles remain

• GAMING, FROM A

issue back to the Legislature when it meets in regular session starting January.

But steep hurdles remain. Both bills must receive approval from additional committees, and the House proposal also would require the state to either abandon the \$250 million in annual payments the tribe now sends the state or renegotiate the gaming compact with the tribe.

The portion of that agreement that gives the Seminole Tribe the exclusive right to operate blackjack and other card games expires July 5. While the governor is responsible for negotiating the compact, the Legislature must ratify it, and talks between them have broken down.

"As we sit here today, there is nothing taking place in the House in regard to that issue," said Bill Young, Speaker Steve Crisafulli, R-

Merritt Island, on Thursday. Despite the obstacles, the similarities between the proposals were a sign that both chambers may have reached an accord on the traditionally controversial issues.

The Senate Regulated Industries Committee voted 14-4 for preliminary approval to its bill, SB 7088, on Wednesday and looked it up with new gaming provisions, including ending the racing requirement for not just dog tracks but horse tracks and jai alai frontons. And the House Regulated Industries Committee voted 14-4 for HR 1238 on Thursday, after it was amended from a narrowly identified proposal to remove the mandate for dog racing at greyhound tracks to include new slot machines at two additional counties.

Both bills include:

- Allowing dog tracks at the Palm Beach Kennel

Club and the Naples/Fort Myers Greyhound Track in Bonita Springs to convert their operations into slots casinos. Both of those communities approved separate ballot referendums in 2002 seeking voter approval for the games.

• Keeping 30 percent of the net revenue collected from the slots operations in Palm Beach and Lee counties to subsidize purses for horse racing at Tampa Bay Downs. (The Senate proposal also gives the remaining 90 percent of the revenue to the Seminole Tribe as an enhancement for them to agree to the added games as part of the compact.)

• Ending the requirement that the remaining 12 active greyhound tracks conduct live racing in order to operate the more lucrative poker rooms or slot machines.

The House bill, by Rep. Dale Young, R-Tampa, also attempts to end the passive

expansion of gambling that has occurred under current law by terminating "dormant" and "revocable" permitted permits and imposing a moratorium on the issuance of any new permits.

Several members of the traditionally anti-gambling House justified their vote in favor of the bill by explaining that bringing slot machines to two additional counties was not an expansion of gambling in Florida but an extension of the existing law. Currently, slot machines are authorized only at the eight parimutuel facilities in Miami-Dade and Broward counties.

"There is already a footprint of gaming," said Rep. Ritch Workman, R-Melbourne, who sponsored the amendment. "We are not authorizing new gaming. We are authorizing them to compete with facilities right under the street."

However, Workman did not mention that it is 47

miles between the Palm Beach Kennel Club and the nearest slots casino, the Idle Casino at Pompano Park, and it is 127 miles between the Bonita Springs race track and its closest competitor, the Mandalay Casino in Hollywood.

Workman's reasoning was echoed by Crisafulli and Young. "I do not support the expansion of gambling law in my beloved state of Florida," Young told the committee. "This bill does not do that. This bill contains gaming."

Opponents argued that the bill not only expands gaming in the state, it violates the constitutional requirement that any "lottery" must receive statewide voter approval.

The Constitution applies to the entire state of Florida. It doesn't pick counties it applies to," argued Sen. John Woelke, R-Winter Haven. "To change

the Constitution requires the approval of the entire electorate of the state."

But even among gaming lobbyists, adding slot machines outside of Miami-Dade and Broward is considered expanded gambling.

Sen. Joe Abruzzo, D-West Palm Beach, realized that the bill not only expands gaming in the state, it offers a similar amendment to Workman's and insisted it "does not expand gaming." The room, packed with lobbyists, erupted into laughter.

"I really do not believe it does, and I'll tell you why," Abruzzo replied. "This does not authorize any new locations that do not currently have games." Palm Beach Kennel Club and the Naples/Fort Myers Greyhound track currently operate poker rooms.

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