



MIAMI-DADE COUNTY

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Big development at Grove Metrorail station wins support

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A deal for a new commercial complex built around the Coconut Grove Metrorail station moved forward Tuesday when Miami-Dade commissioners gave preliminary approval for a no-bid development agreement tied to settling a lawsuit over the prime real estate off U.S. 1.

Grass River Holdings, the development firm that bought into the CocoWalk shopping center in a Grove buying spree, secured the Metrorail deal by negotiating a settlement over litigation tied to a failed project on the site that was launched 15 years ago.

To settle the suit, Miami-Dade officials agreed to negotiate a new 90-year lease with Grass River to both improve the station and construct a \$196-million project with a hotel, retail, apartments and offices on the adjoining parking lot.

“We’re big believers in transit-oriented development,” said Peter LaPointe, a Grass River partner. “The congestion on U.S. 1 continues to get worse.”

LaPointe and county lawyers said while the contract is technically a new deal, it followed the same framework as the 2000 agreement between Miami-Dade and Coconut Grove Station Development to build a similar complex at the Grove station. That venture fizzled, and the county won a \$1.8 million judgment it considers worthless given the entity went bust, according to a county summary.

First Citizens Bank sued Miami-Dade for \$6.5 million over a loan it advanced to the developer. Grass River essentially bought that loan and won the original development deal as part of the settlement.

The arrangement prompted one commissioner to question whether Miami-Dade could insert additional provisions in the deal to encourage development of below-market housing options on the county site. “Why are we rushing this agreement?” Commissioner Daniella Levine Cava asked during the county commission’s strategic planning committee meeting. A county lawyer said the settlement with the bank includes a Jan. 1 deadline.

Labor organizers urged commissioners to block Grass River from securing the deal without having to bid on it in a competitive process. Leaders of a local SEIU chapter accused Grass River of dismissing union janitors when the company took over the Sunset Place mall in South Miami.

Olga Zelaya said she was able to manage her thyroid cancer while working on Sunset’s cleaning staff but now isn’t getting the treatment she needs. “We had a union,” she said through a Spanish interpreter. “And therefore we had good salaries and excellent health insurance.”

Grass River denied the allegations, which are the subject of an unfair-labor complaint against the company’s janitorial vendor. The proposed Coconut Grove deal won unanimous backing at the meeting, and now moves to final approval before the 13-member commission.

Miami-Dade’s zoning rules encourage development at rail stations by allowing denser construction, and the county has offered Metrorail hubs to developers in the past for affordable-housing projects and other commercial ventures. In October, commissioners approved another legal settlement to clear a long-delayed development at the South Miami Metrorail station, and the county has invited builders to bid on ventures for the Douglas

Road and Omni transit stations.

At Coconut Grove, Grass River plans 40,000 square feet of retail, 180 hotel rooms, an 850-space garage, 180,000 square feet of offices and 250 rental apartments for what is a five-acre surface parking lot with 204 spaces. Grass River would pay Miami-Dade \$500,000 upfront, and eventually \$450,000 a year or 3 percent of revenues.

The deal also requires Grass River to spend about \$5 million upgrading the Metrorail station itself with upgraded escalators and elevators, a new bus terminal and other improvements. It also must reserve 204 spaces for transit users.

“We’re trying to improve the experience of the user,” said Alice Bravo, Miami-Dade’s transportation director. “If we improve the user’s experience inside the station, more people are likely to use it.”



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