

## THE INSIDER

**HIGH ASPIRATIONS:** Miami-Dade public schools will increase their high school graduation rate to 90% by 2014, shortly before his contract runs out in 2015. Superintendent **Alberto Carvalho** pledged to members of the Greater Miami Chamber of Commerce at their trustees lunch last week. That would be a substantial increase from the 77.7% achieved in 2010-11, which itself was a record high, jumping from 72.1% the prior year. Mr. Carvalho also told the chamber that the school system will be seeking profit-generating opportunities, looking for fundraising uses for school buildings and buses at off hours.



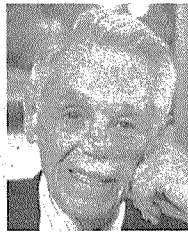
Alberto Carvalho

**CLIMBING THE LADDER:** Add major accounting firm head **Tony Argiz** to the chairmanship ladder of the Greater Miami Chamber of Commerce. He was announced as incoming first vice chairman last week, meaning he's to head the chamber in just over two years. **Phillis Oeters** takes over from **Penny Shaffer** as chairman June 1 at the chamber's goals conference, to be followed by **Alberto Dosal** in 2013 and Mr. Argiz in 2014. Mr. Argiz is chairman and CEO of CPA firm Morrison, Brown, Argiz & Farra; Ms. Oeters is vice president of governmental relations for Baptist Health South Florida; Ms Shaffer is market president of BlueCross BlueShield of Florida; and Mr. Dosal is president and CEO of Compuquip Technologies.



Tony Argiz

**ENTREPRENEUR OF YEAR:** Florida International University's College of Business honored developer **Tibor Hollo** as the South Florida entrepreneur of the year last week in ceremonies at the Adrienne Arsht Center. The chairman and president of Florida East Coast Realty was recognized for his vision for Miami, where he built his first high-rise more than 60 years ago. The business school recently announced its expanded presence in a Brickell Avenue building that Mr. Hollo owns.



Tibor Hollo

**BOND BOARDS:** The Miami-Dade County Commission is to hear May 15 an item that would create a construction bonding taskforce composed of bonding representatives and disbursement agents. The taskforce would review the processes small businesses use to obtain construction bonding and identify any obstacles in obtaining financing. If approved, the taskforce would disband after 180 days.

**PINK SLIME:** In a move toward a healthier Miami-Dade, the Public Health & Safety Committee forwarded Tuesday to the full county commission an item directing Jackson Health System's Public Health Trust to forgo contracts for food services unless the contractor agrees not to use meat products containing "pink slime." According to county documents, the low-grade beef trimmings "come from the parts of the cow most likely to harbor pathogen" and was once used in dog food and cooking oil.

**COLLINS AVENUE HOTEL:** Newmark Grubb Knight Frank's Capital Group in Miami has arranged a \$26.5 million refinancing of the National Hotel with a fixed-rate, ten-year conduit mortgage facility from a global investment banking firm. The historic 1939 art deco hotel at 1677 Collins Ave. was purchased by **Delphine Dray** in 2007 and has undergone major renovations in the past several years. Between 2009 and 2011, approximately \$5 million was invested in renovations and another \$5 million in work is being done this year. Ms. Dray and her family are real estate owners, developers and investors in France and South Florida.

**ELDERLY HOUSING:** Elderly Housing Development & Operations Corp., which provides quality affordable housing for senior citizens, held its grand opening of the Mildred and Claude Pepper Towers Senior Housing Community Tuesday. Located at 2359 NW 54th St. in Liberty City, the \$9 million rehabilitation consists of 150 one-bedroom units for low and very-low income elderly residents.

**TECHNOLOGY LEADER:** Foram Group, developer of 600 Brickell at Brickell World Plaza, received the Greater Miami Chamber of Commerce's Technology Leader Award for Best Project. The awards recognize individuals and organizations that guide the effective use of information technology to improve business performance and have had a positive impact in the community. The building was designed to stay ahead of tenants' technological applications for years to come, offering infrastructure designed to meet present and future technology needs.

**CENTER CUT:** Land and Sea Emporium, which specializes in selling beef, meats and select seafood products, has signed a five-year lease for 1,400 square feet at the Dadeland North Shopping Plaza at 6650 S Dixie Highway. Kerdyk Real Estate represented the tenant. The vendor will offer butcher service and special recipes to clientele matched with seasonal product offerings.

**INDUSTRIAL ACTION:** Miami-based brokerage and advisory firm State Street Realty announced it completed 117,000 square feet of office and industrial lease transactions in April in the Miami Airport market valued at over \$6.59 million. The firm reported strong leasing activity for class A industrial space in the area. Noteworthy deals included 3PD Inc. leasing 79,705 square feet of industrial warehouse space at Prologis Beacon Lakes, MSI Miami Corp. renewing its 14,384-square-foot lease at the Prologis Beacon Centre and Sigma International Service Inc. renewing its 8,000-square-foot lease of industrial warehouse space at the Prologis Beacon Centre.

**WAREHOUSE GAINS:** Half a million square feet of warehouse space was absorbed over the past three months, raising leasing rates while the vacancy rate decreased in Miami to 7.5%, according to the first quarter report of 2012 of ComReal Miami Industrial Real Estate. The national vacancy is still almost two percentage points higher at 9.3%.

**CORRECTION:** A May 3 article should have stated that Navarro Discount Pharmacy's annual sales last year totaled \$320 million.

# \$1.68 million in Marlins spending on county's ballpark list to dispute

By Ashley Hopkins

As Miami-Dade County prepares to audit \$38 million worth of expenses that the Miami Marlins are claiming toward their share of its \$515 million baseball stadium, officials with the Internal Services Department report that the county has so far identified about \$1.68 million that may not fit within the contract's purview.

Contracts that led to stadium construction provided that Miami-Dade was to put \$347.5 million into construction, while the City of Miami was to provide \$13.5 million plus the parking.

The Marlins were to pay the rest through a combination of their annual stadium rent payments, starting at \$2.3 million per year and rising 2% annually, plus any team expenditures that contributed to development of the stadium. It is those team expenditures that the county will audit to be certain that they contributed directly to the stadium's development.

The Marlins' original share was to be \$154 million for construction and \$1 million for the design of public infrastructure.

However, the county's 2009 bond sale fell \$6.2 million short and the Marlins agreed to cover the shortfall, reducing the county share to \$341.3 million and raising the Marlins' to \$160.2 million.

Beyond their annual payments and out-of-pocket expenses, the team agreed to pay \$750,000 a year into the capital reserve fund once the stadium is complete, said Jose Galan, program legislation chief for the county's Internal Services Department.

According to Mr. Galan, the Marlins are to put \$125.2 million into the project, plus \$35 million the county is advancing them, bringing the team's total contribution to \$160.2 million.

## Veteran broker departs from Transwestern job

By Marilyn Bowden

Veteran office broker Peter Harrison announced his resignation from Transwestern South Florida, where he spent the past eight years as senior vice president.

"Transwestern is a good platform and has a good reputation nationally," he said. The firm lists 30 offices across the country. "But I plan on working another five or six years, and I'm looking for the right environment to carry me through to the end of my career."

Mr. Harrison, who spent the first 26 years of his career at Cushman & Wakefield, has transacted numerous lease deals as both tenant advisor and agency broker, as well as many investment and land sales in Miami-Dade and Broward counties.

While at Cushman &

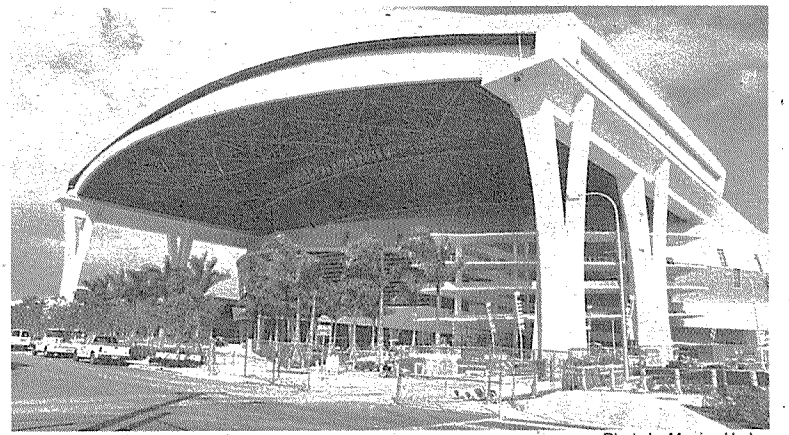


Photo by Maxine Usdan

The Marlins have listed \$38 million in spending to construct stadium.

In the Marlins' 14-page listing of that \$38 million share of the Little Havana ballpark's cost they've provided to the county, larger figures are:

■ More than \$15.253 million to HOK Sports Facilities, the ballpark's architect.

■ More than \$13.706 million to Populous, the team's architect of record, composed of former HOK representatives following the company's split.

■ More than \$2.740 million to the Owners Perspective, the Marlins' outside consulting group, for professional representation through the construction contract. Consultants with the Owners Perspective received travel, lodging, rental vehicle and salary allowances for their work on the deal. Accommodation allowances ranged from \$2,500 to \$5,000.

■ About \$914,001 to Proskauer Rose, an international firm specializing in corporate finance, mergers and acquisitions, for legal services related to ballpark contracts.

■ About \$840,214 to Holland & Knight for legal services related to the ballpark's master use special permit.

■ About \$725,193 to Project Management Consultants for legal services related to insurance and general contract conditions.

■ About \$650,000 to Sports

& the Arts, which is collaborating with the Marlins on an art, photography and graphics package at the ballpark.

■ About \$323,608 to S20 Consultants, market development representatives, for services related to the ballpark's concession areas.

■ About \$264,784 to AEI Affiliated Engineers for engineering and construction services.

■ About \$259,059 to A2 Group Inc., a Miami-based engineering and construction management organization, for construction management services at the ballpark's marketing center.

Since the team will be responsible for overruns, the county continues to review and verify the funds the team lists as having been spent for the project, Mr. Galan said.

According to county documents, the county intends to dispute:

■ Payments of \$42,431, \$50,392, \$76,081 and \$90,153 payment to A2 Group.

■ A \$30,333 and a \$10,000 payment to SME INC., a national branding organization based in New York.

■ A \$27,610 and a \$27,159 payment to Hollywood Woodwork, 2951 Pembroke Rd., Hollywood.

The county's share of the ballpark was financed primarily with three major bond issues that together will require principal and interest payments totaling more than \$2.5 billion over the next three decades.

City of Miami costs, including stadium parking bond costs, are not included in that total, nor is public spending on public infrastructure or the value of the city land, the former Orange Bowl site.

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Peter Harrison seeks new option.

Wakefield, he brokered the sale of the nine-acre Miami Center site north of the Brickell Bridge.

A Miami native, Mr. Harrison holds a bachelor's degree in business from Ohio's Denison University and a master's in business administration from the University of Miami.

He said he's looking forward to the opportunity to expand his horizons. "I'm going to take my time," he said, "and explore the options that come my way."