

PROPERTY REPORT

Miami Neighborhood Gets a High-Tech Makeover

Developers building \$1 billion Magic City project as hub for innovators, entrepreneurs



Dubbed "Innovation District," the project will be developed in multiple phases over several years on 15 acres. A rendering of the Magic City development *PHOTO: ARQUITECTONICA*

By **ESTHER FUNG**

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A pair of private developers are looking to build a technology and cultural hub in a faded manufacturing neighborhood in Miami.

South Florida-based commercial real-estate brokerage and developer Metro 1 is working with private investment firm Dragon Global to develop a 15-acre mixed-use project, called Magic City, in Miami's Upper East Side.

The goal is to attract a community of innovators and entrepreneurs to live, work and play in a walkable campuslike neighborhood that attracts technology companies and retailers, said Metro 1 President and Chief Executive Tony Cho.

The project is currently self-funded but over time the developers will look for long-term debt and equity partners, they said.

The \$1 billion project, which the developers are dubbing “Innovation District,” will be developed in multiple phases over several years with the initial one focused on repurposing existing dilapidated factory space.

The developers are taking a leaf from Industry City in Brooklyn, a waterfront industrial area that is being revitalized for office and retail offerings. Miami has become a popular location for companies to base their South American operations.

The developers started work on Magic City over the past four years, renovating some of the old warehouse buildings that will open this week, including a sculpture garden and studios that could host concerts.

In all, about 170,000 square feet of industrial space would be repurposed for commercial and retail use, and there are plans to build an office tower that would house an innovation center, an amphitheater and residential units, said Mr. Cho.

In technology hubs such as New York City, San Francisco and Silicon Valley, employers often look for locations that are walkable, said Bob Zangrillo, CEO of Dragon Global, which has focused on internet and technology investments in social networking, e-commerce and entertainment media.



The initial phase of the project is focused on repurposing existing dilapidated factory space. A rendering of Magic City *PHOTO: ICRAVE*

Building smaller apartments without having to build “behemoth garage space” will make the residential units more affordable for workers, Mr. Cho said, noting that ride-hailing apps will help to fill residents’ transportation needs.

Developers face the danger of overbuilding in Miami and other parts of Southeast Florida, which is especially vulnerable to volatility in the global economy because foreign buyers such as South Americans, Canadians, Russians and Europeans make up a significant portion of demand.

While the area has enjoyed population growth, “the multifamily sector is now faced with an elevated number of new units under construction. The Southeast Florida markets will need to see if demand will remain strong enough to absorb new units coming to market,” said nonprofit researcher Urban Land Institute in a recent report.

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