



\$1B Magic City Innovation District clears final hurdle

Developers can now begin the process of obtaining building permits for the mixed-use project in Little Haiti

By [Francisco Alvarado](#) | June 28, 2019 01:30PM



From left: Rendering of Magic City Innovation District with Guy Laliberte, Neil Fairman and Tony Cho

It took five public hearings in front of the Miami City Commission, featuring vociferous opposition, but the developers of the Magic City Innovation District received approval for their \$1 billion mixed-use project in Little Haiti.

At about 1 a.m. on Friday morning, the commission approved the project after a late-night reading during another heated discussion that began late Thursday.

Amid a parade of residents pleading with commissioners Keor to reject Magic City, one of the project's original partners, Tony boon for Little Haiti's population, of which close to half lives in
"The original mission and intention of Magic City was to create a community project," Cho said. "I am committed to seeing the area are working with a group of well-intentioned developers."



In 2016, Cho joined forces with Silicon Valley entrepreneur [Robert Zangrillo](#) to create Magic City, which would entail a 30,000-square-foot studio, a 15,000-square-foot innovation center for start-ups and co-working tenants, retail spaces, and 2,670 apartments in buildings up to 25 stories tall. The mixed-use project would be built on 15 acres between Northeast 60th and 64th streets and Northeast Second Avenue to the railroad tracks.

Magic City is named after a former mobile home park that was located on some of the land. Last month, the owner of Magic City Casino filed a trademark lawsuit over the naming rights of Magic City.

In the three years since, the development team has gone through a radical transformation. In 2017, Cirque du Soleil partner [Guy Laliberte](#) came on board as a minority partner, as well as to oversee the creation of a pop-up experience with local retail and food and beverage tenants. Shortly after, Neil Fairman's Plaza Equity Partners joined the partnership to manage the development through the rezoning, permitting and construction process. Laliberte and Plaza each own a 25 percent stake in Magic City, according to an ownership matrix. Cho owns 15 percent.

Zangrillo formed MCD Dragon Miami, an entity that owns 35 percent of the project. But in late March, he [removed himself](#) as manager of MCD Dragon, another shell company that owns 54.2 percent of MCD Dragon Miami, in the wake of his federal indictment for conspiracy to commit mail fraud and honest services mail fraud – charges that are unrelated to Magic City. Zangrillo was ensnared in a nationwide [college admissions scandal](#) in which he allegedly paid \$250,000 in bribes to get one of his daughters accepted into the University of Southern California.

New York developer Zachary Vella, whose companies have built a dozen mixed-use and condo projects in Tribeca and the Lower East Side, as well as in Southern California, replaced Zangrillo as manager of MCD Dragon, according to letters sent to city commissioners.

To accomplish their vision, Magic City's developers submitted a proposed special area plan that would change the zoning on more than 70 percent of the development site from industrial to commercial uses, as well as allow 25-story buildings. During Thursday's meeting, Miami Planning Director Francisco Garcia

said under the current zoning, developers could only build industrial warehouses roughly 10 stories tall. “While Miami was an area with thriving industrial uses, that reality no longer exists,” Garcia said.

Still, the project faced a major hurdle in overcoming organized opposition by Little Haiti activists, preservationists and residents who fear Magic City, along with other proposed major projects in Little Haiti, will gentrify the neighborhood and displace its immigrant community.

Along the way, the developers acquiesced to demands from Hardemon, the commissioner whose district includes Magic City, to contribute \$31 million to the newly created Little Haiti Revitalization Trust for community improvements and affordable housing in the neighborhood. Magic City’s principals also agreed to provide \$250,000 for a college scholarship fund benefitting Little Haiti residents.

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