

MIAMI TODAY

WEEK OF THURSDAY, NOVEMBER 27, 2008

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ART BASEL

Satellite fairs draw on popularity of Basel, pg. 12

Even with food, art still the star in Wynwood, pg. 14



LIFTING THE CONE: A move to kill the cone of silence, Miami-Dade's lobbyist-control measure, dodged its first bullet last week, garnering enough votes at a commission meeting to move forward. It's to be heard at the Budget and Finance Committee Dec. 9 and from there could head to the full commission for a final vote. Commissioners created the cone in 1998 to reduce outside influence on procurement.

Bruno Barreiro, who co-sponsored the measure 10 years ago, is leading the charge to remove it. As is customary for preliminary votes, initial approval last week came with no discussion. **Rebeca Sosa, Audrey Edmonson, Sally Heyman** and **Javier Souto** voted against. **Joe Martinez** and **Dennis Moss** were absent.

FIU OUTGROWING MACY'S: Florida International University's downtown campus is outgrowing its classroom space, **Joyce Elam**, executive dean of business administration, told the Downtown Development Authority board. The authority made a donation to market the program, which proves to be working. This year more than 200 students enrolled in business classes at the center on the sixth floor of Macy's, 22 E. Flagler St. But Ms. Elam said enrollment for 2009-2010 could grow 28%, which the space might not accommodate. She said the program faces a size challenge that leaves FIU with two options: squeeze another classroom onto Macy's sixth floor or cut enrollment. In August, FIU extended its lease with Macy's for two more years.

PAPER PRESERVATION: Saving your Election Day newspapers, buttons or bumper stickers to show the grandkids? Don't keep them in plastic bags, advises **Becky Smith**, curator of research materials for the Historical Museum of Southern Florida. "The problem with plastic in this climate is it creates a [moist, humid] microclimate" inside the bag, she said. "The last thing you want to do is put it in plastic." Instead, store in an acid-free paper folder or box in a dark, air-conditioned atmosphere. "Newspapers are made to literally last one day, so you don't want to keep it in the Florida room where it's going to get direct sunlight," she said. "If you keep it out of the light and don't handle it too much - we've got newspapers in the collection that are 100 years old."

MURALS MAY LIVE ON: A pilot program allowing some mural advertisements in the City of Miami that was set to sunset next year may live on. County commissioners voted with no discussion last week to remove the pre-set, county-imposed repeal date, led by sponsor **Bruno Barreiro, Sally Heyman, Rebeca Sosa, Katy Sorenson** and **Javier Souto** voted against. The measure is set for hearing Jan. 13.

THE ACHIEVER



Photo by Marlene Quaroni

Estrellita S. Sibila
Green advocacy as a legal calling

The profile is on Page 4

Rule would halt selling of houses out of code

BY RISA POLANSKY

Miami-Dade home sellers, including banks unloading foreclosed properties, would have to show the dwellings are up to code before transferring ownership, ordinances under county review says.

The proposals by Commissioner Natacha Seijas are aimed at protecting buyers from surprise costs during a period in which properties are being bought and sold under distressed conditions. The measure received approval from the Governmental Operations and Environment Committee this month.

Commissioners also OK'd at the meeting another proposal that, if passed by the full commission, would make anyone who filed to foreclose on a mortgaged home responsible for upkeep of the property.

It would also require registering with the county all single-family units under foreclosure action.

The measure is a joint effort of commissioners Seijas and Carlos Gimenez.

The code compliance law would forbid sale of any residence until the homeowner named on the title obtained a certificate of use from the county.

The certificate would serve to determine that the residence complies with applicable building and zoning codes.

The idea is to protect unknowing buyers from inheriting costly code enforcement problems.

Code violations should not be buyers' responsibility, Ms. Seijas said at the meeting.

The other measure, which would force lenders to maintain their foreclosed-upon properties, comes from a similar school of thought.

"If you hold the title, you're responsible to maintain the property," Ms. Seijas said.

Co-sponsor Mr. Gimenez said the measure should help whole neighborhoods.

Law would force compliance on sale of foreclosed homes, pg. 2

Builders despair over early call in of loans

BY YUDISLAIDY FERNANDEZ

Local and state homebuilders are demanding a timeout from banks calling in construction and land loans.

Some builders and developers are finding themselves at a crossroads, with banks changing terms of their loans based on reappraisals of the properties, said Ashley Bosch, new president of the Builders Association of South Florida. They are taking their timeout demands to Washington to try to persuade regulators to ease up on rules that force the stringent actions by banks.

Mr. Bosch said the calling in of loans is becoming a growing problem as banks, driven by regulators, are lowering loan values and asking builders to pay back the difference between the loan and the new appraised value. This is also occurring with loan holders who ask for extensions on loans.

Alex Sanchez, president and CEO of the Florida Bankers Association, said he could not give specifics on what would prompt banks to call in loans, saying "Every loan is different."

Banks are facing greater scrutiny from

the Federal Deposit Insurance Corp., Federal Reserve System and state banking regulators, he said.

"They (regulators) are scrutinizing our loans because it is very important to keep the banking system safe and sound," he said.

Plus, he said, Florida is overbuilt and there is too much supply in the real estate market for the current demand, which he called another blow to loan values.

Mr. Bosch, managing director of Blok Urban Development, said his company, like others locally, is feeling the stress.

"We are not asking for a bailout but a timeout," he said. "We are asking that the Fed ease on the regulatory pressures because it is causing a spiral-down effect."

Mr. Bosch said the banks' actions are hurting the construction industry while allowing banks to regain liquidity and reduce their risk exposure.

If a lack of financing drives developers to halt or abandon projects, he said, the local construction industry, which employs more than 100,000, would suffer layoffs.

The delegation to Washington is pushing

for regulators to soften their tactics because "they are only exacerbating the situation, not improving it," Mr. Bosch said.

Another delegation of builders, developers and contractors is planning a second visit to Washington next week to follow up on their demands, he said.

Both Mr. Bosch and Mr. Sanchez say they don't blame each other and value their close business partnership.

Mr. Sanchez said banks are planning to meet with builders and regulating agencies to resolve some of the issues.

Both agree most immediate is getting regulators to understand their strict rules are impeding the two from conducting business. Mr. Sanchez said some regulators and examiners are practically living at the banks and closely inspecting their loan portfolios.

Mr. Bosch said he hopes a solution doesn't come too late.

If banks continue to reduce the loans of builders and developers and ask them to pay back the shortfall, Mr. Bosch said, it could drive some to "turn in the keys" to avoid losing more money.

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Lawyer, green advocate Estrellita Sibila seizing opportunity...

A rising star in the growing green-building movement, attorney Estrellita Sibila's name is rather fitting—Estrellita means "little star" in Spanish.

Ms. Sibila was Miami-Dade's first attorney to earn U.S. Green Building Council Leadership in Energy and Environmental Design professional accreditation, certifying her as a building professional with a thorough understanding of green practices. She now works with both local governments and developers to help incorporate green principles into operations and plans.

"It was another way for me to be able to serve our clients and have them understand that the way you've done it forever may not be the best way," Ms. Sibila says. She predicts today's green trend will become "the norm," and both building users and even new generations in the workforce will demand environmentally friendly facilities and practices. "It's going to be the way people do business," Ms. Sibila says.

She was interviewed in Weiss Serota's Coral Gables offices by Miami Today staff writer Risa Polansky.

Q: What is your area of specialization?

A: I specialize in real estate, land use, as well as green and sustainable buildings.

Q: Who are your clients?

A: I wear an interesting hat, because my clients are in both the private and public sectors. At Weiss Serota, we represent more than 30 municipalities and public entities. In some jurisdictions, I serve as a consultant for their sustainability plan, but the majority of my work is representing private developers.

Q: Is there ever a conflict there?

A: No; I don't represent developers where we represent cities. If you look at a map of Miami-Dade County, it's kind of a hodge-podge of where I can represent developers, and then where we represent cities.

Q: How has the tumult in the housing and financial markets affected your clients?

A: We've had a lot of projects that have already received approval come back to modify the types of uses; they've changed the development program to more commercial. Some residential projects have gone to hotel, some to office space. We're doing big industrial projects now for some reason.

It's steering away from residential; most of the residential we're doing now is for our affordable housing developer. That's going to continue, because there's great demand in the City of Miami and in the county for that.

Though we're in a slow real estate time, it's a good time for both the developers and the municipalities to regroup and say, "The game has changed. We're not going to get everything we want approved. How are we going to make a better product to fit with the environment that we're trying to build in?" Once people start thinking in those terms, we'll get better building, better design, better products.

I also think that, during this two- to three-year lull, municipalities need to



Photo by Marlene Quaroni

Coral Gables attorney Estrellita Sibila is helping to lead developers and municipal clients toward incorporating environmental sustainability elements into projects and policies.

The Achiever

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create their plans on sustainability, on incorporating it into their practices, what they can look for, how they can incorporate things into their zoning codes. It's a nice time to sit down and analyze it from both the private side and the public side. It's very clear from any angle that the demand is growing, that it's not going to just fizzle away.

Q: Have the clients changed?

A: Yes. The industrial project we're doing is for a worldwide developer. It's a green building. They just got the highest LEED gold certification for an industrial project. They're going to do green buildings for industrial uses all over the world.

Q: Where is it?

A: The building is on Northwest 97th Avenue and Northwest 170th Street.

Q: Has it been approved?

A: No; we're working on the entitlement. It's 67 acres; more than 1 million square feet of industrial park space, warehouses and flex space.

Q: What other changes have you seen?

A: Everything is more difficult from the money side, from the city approval side. The concepts architects propose that would have gotten approval two or

four years ago now won't be as well-received from the planning departments or the zoning boards we go before.

Q: Just residential projects, or in general?

A: In general. Now people are being pickier. Before, there was not the intense scrutiny. Now everybody wants to know how many parking spaces, how many jobs, whether it's green, what you are doing to save water, whether it's a brownfields site. People now know more buzzwords.

The unfortunate part is that the majority of projects that have been approved were not required to be as stringent or incorporate such interesting features. Depending on the project, those approvals are good for a number of years. It could be another four years before they even break ground, and they still have all their approvals.

Q: How has the credit crunch affected developers?

A: Now the municipalities are looking at how they can provide relief for developers and property owners who have gotten entitlements but now, because of the credit problems, haven't been able to get their building permits issued.

After you get an approval, you have a year or two to get your building permit, to get your construction drawings reviewed by all of the departments, which typically takes six to nine months. You can get extensions, and the municipalities understand that you can't get construction funding because the banks aren't lending. There's a great understanding that that's the biggest problem right now.

Each municipality is different. In Miami-Dade County, you get an approved site plan that runs with the land; you can build on it 20 years later. With Miami Beach and City of Miami, Surfside, Sunny Isles Beach, they have a time period in which the permit is valid, so some of those cities are looking at extending the validity time for the permit and some are looking at a time period in which you need to obtain the final building permit.

Q: Are municipalities more amenable now to changes in use?

A: Yes. Some approved projects aren't

viable at this point in terms of return on investment. They might not even be close to breaking even on their investment. If they build their pro forma on being able to get \$350,000 per unit and now they can only get \$260,000, they're never going to get bank financing for the whole construction cost.

Typically, a construction loan will stipulate that a number of units have to be sold before they release the money to construct. So people are in that situation. They have not sold enough contracts, they have people backing out of contracts, they can't get financing, and now more people are backing out of contracts because construction hasn't started.

If they're an end user, people have a mental timeframe of when they expected to be in their unit. If they haven't gotten construction financing, that's where a lot of people are. They're not going to get the deposits they need to meet the construction loan. It's circular.

Q: What can end that cycle?

A: Developers have to look at alternative financing, tax credit financing, investing in sites where you can apply for new-market tax credits. They have to get more creative in finding financing that's not backed by a traditional lending institution. There are still people lending, but it's mezzanine financing, which is much more expensive. That's not who you want as your primary lending for the whole project.

Q: Are we headed for a glut of commercial uses as projects' uses change?

A: The first big commercial boom was almost 10 years ago, so those leases all end in two to three years. Met I and II, 600 Brickell and some other big projects coming on line are taking advantage of all those 10-year leases that are about to expire.

Those cutting-edge buildings coming on line within one to three years are going to attract those big law firms and accounting firms. The question is, what's going to happen to the older buildings? Are we going to see giant retro-fit projects to bring new tenants in or keep tenants?

Q: Could we end up with too many hotels or office buildings?

A: I don't think we'll ever have too many, but the price point per square foot is going to vary much more. Today's class A buildings may be categorized as a B or a C. Some of the older buildings might be converted to a school use by a Miami-Dade or a Keiser College. There's a lot you can do in an existing building to take advantage of its location.

I was at the Miami International Book Fair the other night. It was amazing. I was in the middle of downtown, on the Wolfson Campus, with condos all around that are a little empty now but in a couple of years will be occupied.

Downtown is going to be spectacular. That's what people are looking for. In my generation, everyone lived in a house while they were growing up. There's been a shift. My generation is more the apartment-dwelling, new urbanist type of professional.

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might be the way to live. It's a paradigm shift in the way we accept housing here, away from the single-family home. We see where you live as also near where you work, where you eat, and enjoy cultural activities and play and live. Most cities are trying to propel that way. You see it throughout the county, in Downtown Dadeland, in the Perrine Community Development Center, viable downtown areas to reduce cross-county commuting.

Miami-Dade County is pretty new in the grand scheme of things. Other cities have their own cultural tone and it's really interesting now. We're probably going to feel it most in five or six years, when we've come to grips with more people living downtown and we know it's not weird that you live right next to Bayside.

If you're a young professional working in the financial industry or in a law firm, we tend to look in Brickell because that's close to where you work. It's going to be the norm soon.

Q: There's also a move to extend the urban development boundary. What does the county face if it continues to do so?

A: The problem with moving the UDB is that it requires additional infrastructure as you move out when there are areas within the UDB that don't have public sewer service or public water. The idea is, move your development closer to the infrastructure we already have, or build new infrastructure to support the development you're proposing.

A lot of times, developers develop in remote areas, still within the UDB, that haven't seen as regular a pattern of development as other areas. They're forced to put in the water and sewer lines, the street lights, the roads. It's millions of dollars in capital improvements.

I would not want to represent somebody proposing a change to the UDB. I'm very respectful of the line, and I think there's still a lot of property avail-

able for redevelopment or new development before we move the UDB. We need to focus on our water issues; we're very much taking it for granted. The building code changes for water usage that go into effect in January will help, and hopefully if they retrofit projects, end users will have the niceties of making these things a reality in their buildings.

Q: How will the county's water issues impact development?

A: We don't want to have a building moratorium like Atlanta has because they don't have sufficient water service. The South Florida Water Management District has now granted us a 20-year consumption permit. We don't know what our growth rate and consumption rate is going to be in 20 years. The smartest way to address it is to create mechanisms to use less and less water, or re-use water, or collect water for non-potable use.

When I got involved in the green building movement and started learning about this, I thought, "Why don't we already do this? The technology exists."

I needed to go see [Miami-Dade Water and Sewer Director] John Renfrow, and the Miami-Dade Water and Sewer Authority, to see how they were going to implement these strategies. They already have the showerhead exchange program, the water cistern project and a Web site that explains the projects. They're increasing the awareness.

The key is educating people.

Q: You are the first attorney in Miami-Dade to get professional LEED accreditation. What does that involve?

A: LEED is the national benchmark for green buildings. It was developed by the US Green Building Council. It's been around about 10 years, but it's caught the ear and the buzz for the past two to three years, and now a day doesn't go by that we don't hear something about green or LEED or a gold level certification that someone is seeking or has earned.

I dived into it because I love to learn. If I could go back to school and become an architect and an engineer, I would, but I have three degrees and no one's supporting my continuing education.

Q: How has your career changed since accreditation?

A: On our municipal side, I've been consulting with cities that ask what they can do in their codes, or their landscape ordinance, or their operations, to be more green.

With all of the property tax cuts, the cities are feeling the pinch of having less money to operate their day-to-day business. It's become a good thing to do from a public relations standpoint, but at the same time it's self-serving because if they are able to reduce their operating costs, to recapture some of the money they've made in their improvements, they're offsetting some of their operating costs in the long run and it's less money out of pocket.

Q: What is the value proposition with green building?

A: There is a difference between retrofitting a building and constructing from scratch. In new construction, your concrete, cement and steel cost the same, regardless. If you're building a green building, you're trying to capture the synergies between the components of the building. You could buy the same two things at the same price point, but a green building is going to function better.

Retrofit is a little different, because the biggest cost comes in heating, ventilation and air conditioning systems. They're usually outdated. They don't run efficiently.

That type of retrofit would help the lighting systems, if you're able to change to LED lights that are more energy efficient or if you can change to the CFB [compact fluorescent] bulbs. We've had somebody come in to talk about putting a mirroring on the top of our lamps, so that the light reflects off the mirror and you don't need two bulbs. It's creative ways of figuring out how to get the

same results for less energy.

Q: What do you see as the future of green building?

A: It's going to be the norm. New buildings are going to come in seeking LEED certification or its equivalent. There will be basic green, and existing buildings will go through a retrofit stage. It's going to be the way people do business.

The tenant market is going to demand being in that type of product. It's a matter of developers being ahead of the trend and being able to deliver the product or it's going to be like Brickell Financial [Centre]. Their leasing is through the roof and they've already leased out the majority of the building. You see them lease out faster. On the demand side, the corporations who are trying to focus on being sustainable, they're going to shift to these types of buildings.

Q: How did you get into this area of law?

A: It was a way to have an impact on my community and to be able to make a tangible, substantial difference. To walk by a building I helped get through the process - it's kind of a trophy. When I thought of my options as an attorney, I thought, "Do I want to argue over a gas spill off the coast of Alaska, or do I want to do something that I can touch, feel, see and experience?"

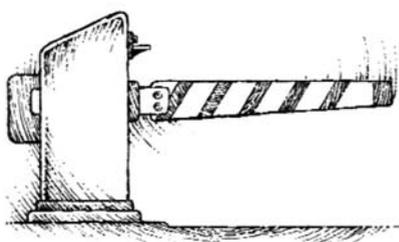
Q: What is your community involvement?

A: I've been on the executive board of the United Way of Miami-Dade for three or four years. I like to walk among all the different people and get a feel for what's going on. Sometimes it's good to go beyond your comfort zone.

I'm a participant of Leadership Miami, 30th anniversary class. I'm on the estate and gift tax board for the Archdiocese of Miami. I'm on the City of Miami Green Commission.

Q: Any hobbies?

A: I like to spend time with my dog. I like to go out to dinner, get together with friends and do the art scene.



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