



WATERFRONT WISH LIST \$500 MILLION WATERFRONT PROPOSAL WOULD REMAKE BAHIA MAR

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Fort Lauderdale's waterfront oasis Bahia Mar would be reborn as a Waldorf-Astoria hotel surrounded by new luxury condominiums and shops, under a \$500 million development plan submitted to the city Thursday.

In addition to a new four-acre waterside park, the plan from developer LXR Luxury Resorts & Hotels would maintain a permanent home for the annual fall boat show.

The project could bring welcome revenue to the city, according to LXR, quadrupling the government's take from lease payments and real estate taxes to almost \$10 million annually. And it would further remake Fort Lauderdale beach as an upscale strip, one that already includes new St. Regis and Trump hotels.

"It's sort of the exclamation point at the end of the word luxury when you talk about Fort Lauderdale," said Nicki Grossman, president of the Greater Fort Lauderdale Convention & Visitors Bureau.

Key to the plan is a 20-foot-tall parking structure as big as a football field that would be topped by trees and grass and open to the public. The structure would sit on the west side of Bahia Mar, softening the view of the 16-acre property from the city's Idlewyld neighborhood across the Intracoastal Waterway.

The park would be covered by exhibition tents during the boat show, and other exhibits would be located in the parking area. The wiring, duct work and other infrastructure for the show would be built-in during construction.

"I would never have developed this plan but for the boat show," said LXR Vice President Peter J. Henn.

To get to the park, residents would stroll on a paved promenade LXR plans to build along the waterfront north to Las Olas Boulevard.

City officials will now have to look hard at the future of Bahia Mar, especially in light of voter resistance to big new buildings at the beach. The Palazzo Las Olas mixed-use project, which was on public land, and The Sails hotel and marina, both failed to survive the permitting process.



"This has Palazzo written all over it again," said Vice Mayor Charlotte Rodstrom, who doesn't want residential towers on the city-owned site. "I'm not for it at all."

Two buildings of 19 and 17 stories would flank the park. The 2,000-square-foot units would start at more than \$1 million, giving the developers almost \$200 million upfront to fund the project.

Each tower would be angled at 45 degrees to the beach to maximize views. The south tower would have 84 units and the north one 96 units. They are described by LXR as interests in a cooperative.

A public workshop scheduled for 10:30 a.m. on Tuesday at City Hall will provide the first detailed exploration of LXR's plans.

If the plans are approved, by the third quarter of 2010, LXR hopes to open the initial phase of the project, a pair of elite waterside restaurants of 10,000 and 8,000 square feet along Seabreeze Boulevard on the site's north end. The existing 15-story hotel tower would be updated and marketed by Hilton Hotels Corp.

The 256-room Waldorf-Astoria, designed in a starkly modern style, would rise in place of a four-story hotel building on the property's south side. Although its exterior would look nothing like the 1931 Art Deco original on New York's Park Avenue, the interior would include that hotel's famed "Peacock Alley" promenade.

Once unique, the Waldorf name has been applied since 2006 to a "collection" of hotels by parent company Hilton. Other Waldorf hotels are in the works in Sarasota and Orlando. Last year Hilton was acquired by Blackstone Group, the New York parent of LXR Hotels, for \$26 billion.

Bahia Mar Beach Resort and Yachting Center dates to 1949 when the city acquired title after a financial dispute and built a marina. In 1962, it was leased to a tenant who added a hotel in 1966.

Today most of the land at the marina is paved parking, unused except for the boat show. Henn said it could become a retail and office center for the yacht industry if the city rejects LXR's hotel plans.

Fort Lauderdale residents will likely be vocal about the future of the property.

Sadler James, a retiree and beach resident, requested detailed financial information about Bahia Mar from the city, and said he hopes any new lease gives the city a larger cut of the revenues, currently 4 percent.

"The city always does better when they think somebody's watching," he said.

LXR and Blackstone control the Boca Raton Resort & Club, the Pier 66 Resort & Marina,



and the Fort Lauderdale Grande, formerly the Marina Marriott. They have spent \$70 million on the Grande and \$30 million on Pier 66 since Hurricane Wilma damaged both hotels three years ago.

Their proposed overhaul of a former Holiday Inn on Fort Lauderdale beach into Stay Social, a trendy boutique hotel, has been stalled by parking issues, however.

LXR wants the city to extend its current lease of Bahia Mar, which expires in 2062, by 45 years to keep the co-ops from losing value as the expiration nears. As the private leaseholder, LXR also wants to control the hours the public would be admitted to the Bahia Mar park, Henn said.

Scott Berman, a Miami-based lodging analyst at PricewaterhouseCoopers, called the park idea very innovative. "It certainly makes it different from its competition," he said.

While some buyers seeking cachet might frown on living above a public park, Berman noted pet owners would welcome the proximity. And he said the city could get more value from its lease of the acreage, which currently yields about \$1.2 million a year.

"That is an excellent address in Fort Lauderdale. Anybody with any real estate expertise knows there's a lot of upside," he said. "It's not enough to be a three-star hotel. Which is what it is today."

Staff Writer Brittany Wallman contributed to this report.

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Credit: By Tom Stieghorst Staff Writer Staff Writer Brittany Wallman contributed to this report.

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