

## The Walk at University

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**Coral Springs, Florida**

Project Type: **Mixed-Use/Multi-Use**

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### PROJECT TYPE

The Walk at University is a multiphase, mixed-use, pedestrian-friendly renovation and major expansion that has transformed two city blocks of aging office and retail buildings and vacant land in suburban Coral Springs, Florida, into a thriving “Main Street” property. The 18-acre (7.2-hectare), 240,000-square-foot (22,296-square-meter) project effects a sense of place along University Drive, a heavily traveled thoroughfare. It includes almost 110,000 square feet (10,219 square meters) of office space and more than 130,000 square feet (1,207 square meters) of retail and restaurant space, with Barnes & Noble and 11 restaurants and outdoor cafés serving as entertainment anchors. The Walk’s architecture and streetscape weave together two new, three-story office/retail buildings with three renovated existing structures, including two office/retail buildings and a retail arcade. While the existing buildings were rarely more than 70 percent leased, The Walk is now 95 percent leased. The city of Coral Springs has named Amera Corporation as master developer in a public/private partnership to create a 3.3 million-square-foot (306,570-square-meter) livable downtown district just north of The Walk.

### SPECIAL FEATURES

- infill development
- redevelopment/renovation
- pedestrian friendly

### DEVELOPER

The Amera Corporation in conjunction with Barron Commercial Development, Inc.

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### ARCHITECT

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## LANDSCAPE ARCHITECT

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## GENERAL DESCRIPTION

The Walk at University is a multiphase, mixed-use redevelopment project located in the heart of Coral Springs, Florida. It has transformed two blocks of aging office and retail buildings and vacant land along a heavily traveled major thoroughfare into a pedestrian-friendly destination where people come to work, shop, and dine. The project includes 140,000 square feet (13,006 square meters) of retail and restaurant space and 100,000 square feet (9,290 square meters) of office space.

The Walk has attracted a new caliber of tenants and shoppers to Coral Springs by offering a taste of city life in a cohesive, upscale suburban setting. Restaurants and cafés include national chains such as Longhorn Steakhouse, Hops Grill & Bar, Baja Fresh, Quiznos, and Starbucks, as well as local eateries such as Café Amalfi, TooJays, and the Gold Coast Grill. Commercial tenants include Prudential Securities, Inc.; Coldwell Banker Real Estate, Inc.; and HealthSouth Corporation. Retailers include Barnes & Noble, Pearl Vision, and many others.

The Walk was developed by Amera Corporation—a family-owned, full-service commercial real estate company founded in 1979 by George Rahael following his arrival in south Florida from Trinidad & Tobago—in conjunction with Barron Commercial Development, Inc., a commercial real estate development and leasing company. Amera and Barron—along with architect Vander Ploeg & Associates, Inc.—have worked together on many other commercial projects, and continue to collaborate on upcoming projects, most notably the Downtown Coral Springs initiative.

## THE SITE

Located 30 minutes west of the Atlantic Ocean, midway between Miami and West Palm Beach, Coral Springs is a rapidly growing, family-oriented suburban community. The Walk at University covers two contiguous city blocks along the western side of the city's main artery, University Drive, between Royal Palm Boulevard and Sample Road. To the north, south, and east are a series of nondescript, 1960s-era retail and medical/professional office complexes; to the west is a neighborhood of single-family houses. Although the intersection of Sample Road and University Drive (just north of the project) is the natural center of Coral Springs, an intersection farther south, at Atlantic Boulevard, has been the perceived center of the city for many years, because a regional mall is located there.

When Amera bought the property in the early 1990s, the Coral Springs Trade Center—two 40,000-square-foot (3,716-square-meter) mirror-image office/retail buildings flanking a 35,000-square-foot (3,241-square-meter) retail and restaurant arcade—stood on the northern part of the site. Amera purchased the Coral Springs Trade Center in 1991. The remaining land south of these edifices was vacant and was acquired in two parts, the southern half in 1994 and the northern half in 1995.

## PLANNING PROCESS

Developers Rahael and Charles Ladd, president of Barron Commercial Development, Inc., had a long-term vision: to create an appealing, pedestrian-friendly mixed-use retail, restaurant, and office project that people would visit because they wanted to, not because they had to. From the start they saw the property as a single, large-scale property. Because the office market was very weak during the early 1990s, however, they realized that the project would have to be developed incrementally, in a series of small steps. They therefore chose to develop the property one section at a time, using the income generated by each phase to help finance future phases. Work on each new phase began only after the viability of earlier phases had been proved. Rahael and Ladd summarize their development strategy as “plan and wait,” and liken the project to a snail crawling to grow at the same pace as the community and the economy. The site work for all of the vacant land was done during the first phase. They began each additional phase by putting in sidewalks and lush landscaping, to keep The Walk attractive and appealing from the street.

## DESIGN AND DEVELOPMENT PROCESS

In the early to mid-1990s, Coral Springs had too much retail but too few restaurants. Rahael and Ladd therefore decided to begin by adding two new restaurants at the southern end of the site. They leased building pads to national chains Hops Grill & Bar and Longhorn Steakhouse, which completed construction in 1996. At the same time, the developers started to design and implement a pedestrian-friendly parking, circulation, and landscaping plan that would tie the two restaurants to the existing office and retail structures at the northern end of the site. As each phase was completed, they installed brick-paver sidewalks that run the entire length of the site and enhance landscaping in the parking areas.

The developers' next goal was to attract a major retailer to serve as an “entertainment” anchor for the project. While Walgreen's drugstore was ready and eager to relocate from a smaller facility a few blocks away, Rahael and Ladd knew they needed a different type of retailer to draw to the property people who would then stay to visit its other shops and restaurants. Though they were able to lure national bookseller Barnes & Noble, they were not happy with the firm's original design prototype for what would be the first new retail structure in the project. Mansard roofs and a blank facade made the proposed building look smaller than it actually would be, whereas the developers wanted it to look larger and more prominent. They therefore invested in expensive renderings and, along with architect Derek Vander Ploeg, spent a significant amount of time negotiating with the firm's national headquarters to convince the bookseller to commit, at the developers' expense, to a more expensive building facade covered with large windows that showcase the store and draw passersby inside.

With the 27,000-square-foot (2,508-square-meter) Barnes & Noble store at the corner of University Drive and N.W. 28th Street completed in 1997, the developers were ready to move on to another part of the project. They originally planned to build the new, upscale office and retail structures at 2700 University Drive next, but when their early marketing efforts met with little success, they decided the time was not yet right, and looked instead to fix the existing structures to the north, across N.W. 28th Street. The office/retail complex at 2800 and 2900 University Drive originally known as the Coral Springs Trade Center still housed a range of retail, restaurant, and office tenants. Even with an occupancy rate that ranged from only 50 to 70 percent, it was bringing in enough income to help finance new development, but it sorely needed upgrading. Its original design—which included dark tinted windows, narrow (18-inch/45-centimeter-high) sign bands, and second-story office windows angled sharply back over a canopy that effectively hid the storefronts—presented huge challenges for the developers. Worst of all, the massing of the complicated, two-story buildings was all wrong. Their solution—which they decided on only after rejecting a series of smaller-scale, less-expensive options—was to rip off the canopies and make the buildings six feet (1.8 meters) taller, by essentially building a new steel frame-supported facade around each structure—a building around the existing buildings.

Working around existing tenants, the developers slowly gutted the ground-floor retail space and rebuilt the structures piece by piece. After construction began, they discovered that the quality of the original construction was not up to commercial standards (the project had been built by a homebuilder), and that the as-built drawings did not match the actual structure they were working on. In some places where the drawings showed concrete boundary walls, they found only studs and stucco. This meant they had to spend at least \$500,000 more than planned on building steel and concrete bearing walls to meet engineering and safety standards. As they replaced

the facades, roofs, awnings, and signage, they also renovated the courtyards at either side of the retail arcade, replacing white concrete pavement with brick pavers and inset planters; adding two low, rectangular fountains; and planting low shade trees, bushes, and potted plants to further soften the hardscape. At the same time, they rebuilt the front parking lot, moving some tall royal palm trees from the courtyard closer to University Drive and replacing them with lower Washingtonian palms.

Leasing the renovated retail space to new tenants also was a slow, deliberate process. Two national chains—Kinko's and Starbucks—vied for the southern corner location at 2800 University. Although the Kinko's deal appeared to make more sense financially, Rahael and Ladd saw Starbucks as a "magic" tenant, one that would attract people to the project by its very presence. They built out a courtyard in front of the corner shop to provide outdoor seating, a Starbucks trend that was just beginning at the time. The Starbucks at 2800 University was one of the first in south Florida, and is now one of the coffee retailer's highest-grossing stores in Broward County.

The developers leased the northernmost courtyard retail space to food service shops such as Wiseguys Pizza, Quiznos, TooJays, and Baja Fresh, thus creating a food court-like atmosphere with seating both inside the shops and in the outdoor courtyard. A southern courtyard includes additional food service shops such as Jamba Juice, Café Amalfi, and Roly Poly Sandwiches. Other new retail tenants in the renovated buildings include Kings Pharmacy, BC Surf & Sport, and In 2 Lighting, a visually interesting store that recently relocated from next to Starbucks to a larger space two doors down.

Keeping the existing tenants happy while encouraging them to upgrade their premises has been just as important as attracting new retailers. Peking Tokyo restaurant has remained in the project since its early days, as have Coldwell Banker Real Estate, Holly Cleaners, and Pearl Vision.

With the renovation of 2800 and 2900 University Drive nearly complete (the second-story executive office space will be renovated in the near future), the developers began work on the centerpiece of The Walk—known as 2700 On the Walk—in 1999. The challenge was how to attract Class A office users to a suburban setting with little existing Class A space. Rahael, Ladd, and Vander Ploeg decided to use expensive finishes, appealing lighting, and upscale retailers to give the new buildings a more urban look and feel. A large, circular fountain in front of and between the two buildings serves as a focal point at the main entrance to the project. Varied sloped and solid barrel tile roofs; ornamental cupolas, molded stone capitals, and metalwork; and vibrantly colored canvas awnings accent the outside of the buildings. Inside, marble and mahogany finishes lend an air of elegance and prestige, while office ceiling heights up to ten feet (three meters) and floor-to-ceiling windows enhance the sense of openness. The finishes are carried through in the lobbies and hallways (where even the fire extinguisher box is framed by mahogany molding), as well as in the restrooms, which feature granite countertops and mahogany stall doors.

The two new three-story buildings are linked by open-air second- and third-floor bridges, which also serve as outdoor smoking areas at each level. Because each building's elevator lobby is quite small (185.83 square feet/17.26 square meters), Vander Ploeg cut out a small courtyard at the base of each building, below the bridges and just outside the lobbies, which effectively extends the lobbies into the outdoors. A circular fountain in each courtyard echoes the larger courtyard at the front of the building, reinforcing the project's image.

Although 2700 On the Walk was the developers' first "from scratch" office building, Ladd had little trouble attracting office tenants, and the first building was completed just in time for the first major office tenant, Prudential Securities, to occupy the space in September 2000. The new office space was more than 90 percent occupied within a year.

Bringing in the right retailers proved to be the biggest challenge for this part of the project. The developers wanted to attract exciting, interesting shops and restaurants that would feel more like those found on Fort Lauderdale's upscale Las Olas Boulevard than the stores and eateries in a typical suburban strip shopping center. Yet the curved cutouts at the front of the buildings—which reflect the circular fountain in front and provide seating areas for outdoor dining—resulted in awkwardly sized and shaped layouts for the restaurants and some of the retail spaces. This small frontage actually works to the advantage of the buildings' first restaurant, Gold Coast Grill, by providing it with a small entry/bar area that is visible from the courtyard and a much larger, more private rear dining room. Although they have been approached by several restaurateurs interested in the second restaurant space, the developers are holding this space open for just the right tenant, one that they hope will add to the project's

identity as a special place. Two of 2700 On the Walk's most prominent retailers are Grains of Olde, an upscale bakery, and Kilwin's, a Michigan-based chocolate, fudge, and ice cream chain that already had shops on Las Olas Boulevard and in Delray Beach. Other retailers in this part of The Walk include an upscale jewelry store, a women's clothing boutique, and a beauty salon and day spa.

## FINANCING

Using \$1.1 million in cash and a \$1.8 million purchase mortgage, Amera bought the first part of the property from Comerica Bank in 1991 for \$2.9 million. In 1994 and 1995, the firm purchased the remaining two five-acre (two-hectare) parcels, one with cash and the other on terms from the seller. Conventional financing and land leases were used to develop the two restaurants and the Barnes & Noble store.

The remodeling of the 2800/2900 University Drive buildings was financed with a traditional loan. Although the existing cash flow from the project provided sufficient income to invest in the remodeling effort, it was difficult to justify spending a large amount of money to renovate the property without adding any additional GLA. The developers understood that they would have to raise retail and restaurant rents significantly to justify the project, and tested the market by building a smaller project across the street, where they demonstrated that they could bring in rents of \$20 per square foot (\$215 per square meter). By justifying their proposed expenditures economically, they were able to convince City National Bank to make a \$7 million loan on the existing buildings, which has since been paid off and refinanced with a \$14.5 million conduit loan, serviced at a 1:4 debt/service ratio, a very comfortable loan for the lender, Bank of America.

Far more risk was involved in financing the new buildings at 2700 On the Walk. But the developers' track record with the rest of the property—and its ability to attract two credit tenants, Prudential Securities, Inc., and Prudential Florida WCI Realty, early on—gave Mellon United National Bank the confidence necessary to make the construction loan. Amera originally borrowed \$11 million, then went back to the bank for an additional \$1.5 million, bumping the construction loan up to \$12.5 million. Rahael had substantial equity in the project, and personally guaranteed the loans.

## APPROVALS

Deed restrictions limited parking in front of and behind the buildings. More than half of the parking was to be provided behind the structures, and the city's master parking scheme restricted parking to three rows along the front of the property on University Drive. These requirements limited the buildable area to a ribbon of land between the two parking areas. The developers designed the project to allow easy access between the front and rear parking lots, and obtained permission to add a fourth row of parking in the front part of the property, which had never before been done on University Drive in Coral Springs.

Signage was another major issue, as the mayor of Coral Springs had a personal interest in signs and the existing code allowed only one monument sign (with no tenant names) for each project. The developers had to obtain a variance—and the mayor's approval—for six small but elegant monument signs, one on either side of each entrance to the project.

The Walk's color palette also was an issue: none of the colors currently seen on the building exteriors conformed with city of Coral Springs standards at the time the project was built. The developers brought the city's architectural review committee to the site, where its members were able to view and approve large color panels. The Walk's pioneering color scheme has changed the city's entire approach to color; it now recognizes the value of diverse color schemes.

## MANAGEMENT

The developers' relationships with the existing tenants at 2800/2900 University Drive were an important element in the renovation process, since the cash flow from this property was used to finance both new construction and the renovation of the existing buildings. As mentioned previously, keeping existing retail and office tenants in place and happy throughout the renovation process was just as important as attracting new ones. The developers built

tunnels to provide access to shops during the construction process and added temporary signage. Rahael and Ladd believe that the fact that they themselves are tenants in the project's office space helped them empathize with their tenants, since they were facing the same day-to-day challenges, and their tenants realized this.

One of Rahael and Ladd's ongoing goals is to create and maintain synergy among retail tenants, by clustering tenants that attract a similar clientele. For example, a real estate agent, a title service company, and a mortgage company are clustered in one part of the renovated 2800/2900 University property, while a day spa/hair salon and a soon-to-open specialty soap and lotion store are located next to each other in one of the new On the Walk buildings.

Managing the often-competing parking needs of office, retail, and restaurant users in a mixed-use project is always challenging. The Walk's developers addressed this issue in two ways: first, by adding a clause to office leases that requires office tenants to park behind the buildings, leaving the bulk of the spaces in front open for retail and restaurant customers; and second, by placing the entrances to the 2700 On the Walk office space at the back of the buildings, thus making it more convenient for office tenants to park there. They further encouraged office tenants to park in the rear by adding two sections of covered, reserved parking spaces there. Landscaping, awnings, and windows on all four sides of each building help make the structures feel like they have no real "back" side: the side facing away from the street has become the "front" for office tenants, while the side closer to the street is the public face of the project and its retail and restaurant space.

The developers partnered with the city to create a monthly event known as The Walk on Wednesday, which features street performers, strolling musicians, and other special activities, bringing in new customers and keeping the experience fresh.

The Walk has served as a laboratory for the next step in the development of downtown Coral Springs. The city has chosen Amera Corporation as the master developer in a public/private partnership that will undertake the development of a 3.3 million-square-foot (306,570-square-meter) livable, pedestrian-friendly town center district at the intersection of Sample Road and University Drive. That project will encompass residential, institutional, retail, and office space as well as a municipal complex, and will connect to The Walk.

## EXPERIENCE GAINED

- Getting the tenant mix right takes time. What looked like an ideal combination—a camera shop next to Starbucks—proved disastrous when the camera shop operator closed the shop at 5:00 every evening and failed to replace its tinted windows, making it a "black hole" in the midst of an otherwise bustling streetscape.
- Keeping up with the latest trends in the retail and food service industries helps a property stay new and exciting. Rahael and Ladd first saw Jamba Juice—a smoothie and juice drink vendor with bright, appealing storefronts—in California several years ago, and therefore were ready to say "yes" immediately when its representatives began exploring locations for the chain's expansion into Florida.
- Taking a chance on a retailer that may not immediately appear to be a winner can pay off. King Pharmacy, a small, independent drugstore, is at the leading edge of a new trend away from large drugstore chains. It offers personal services not found at other stores, including delivery to offices at The Walk, and has proven to be a valuable amenity for the project.
- Placing retailers in the appropriate locations is just as important as selecting the right retailers. Locating a mortgage company office between two restaurants helped to ease the demand for parking in one part of the project. Knowing when to "break" the retail energy flow is just as important as maintaining it.
- Heavily used areas need strong, stress-resistant finishes. The renovated columns, planters, and fountains at 2800/2900 University already are showing their age, and the developers plan to upgrade or replace them, possibly by adding stone bases that will be more resistant to wear and tear.
- "Clutter"—planters, benches, trash receptacles, even ash urns—is all part of the "show"; it helps to make a project a "people place" rather than a sterile, static, unfriendly environment.
- A project like The Walk is never complete. Commercial property owners need to do more than add a fresh coat of paint every five years; keeping a property looking fresh is an ongoing challenge that requires constant reinvestment.

**PROJECT DATA****LAND USE INFORMATION**

Site area (acres/hectares): 18.16/7.34  
 Parking: 1,218 spaces  
 Floor/area ratio: 0.32

**GROSS BUILDING AREA (GBA)**

Use	Existing (Square Feet/Square Meters)
Office	123,789/11,500
Retail	74,827/6,951
Restaurant	60,713/5,640
Total GBA	259,329/24,092

**LEASABLE AREA**

Use	Existing (Square Feet/Square Meters)
Office (net rentable area)	107,643/10,000
Retail (gross leasable area)	71,949/6,684
Restaurants	58,378/4,959
Total	237,970/22,107

**LAND USE PLAN**

Use	Acres/Hectares	Percentage of Site
Buildings	3.12/1.2	17.2
Streets/surface parking	8.86/3.6	48.8
Landscaping/open space	4.01/1.6	22.1
Other (sidewalks, etc.)	2.17/0.87	11.9
Total	18.16/7.34	100.0

**OFFICE INFORMATION**

Occupancy rate: 95 percent  
 Number of tenants: 31  
 Average tenant size (square feet/square meters): 2,200/204  
 Average rent (per square foot/square meter): \$16.30/\$175.26  
 Average length of lease: 4 years

**RETAIL INFORMATION**

Tenant Classification	Number of Stores	Total GLA (Square Feet/Square Meters)
Food service	16	59,871/5,562
Clothing/accessories	2	5,182/481
Shoes	1	2,400/223
Home furnishings	1	4,000/371
Hobby/special interest	1	27,035/2,511
Jewelry	1	1,958/182
Drugs	1	1,373/127.5
Personal services	5	8,522/792
Financial	1	1,186/110

Other	9	18,800/1,746
Total	38	130,327/12,107

GLA occupied: 90 percent  
Annual rents (per square foot/square meter): approximately \$20 to \$40/\$215 to \$430  
Average length of lease: 5 years

#### DEVELOPMENT COST INFORMATION

Site acquisition cost: \$5,429,132.42 (includes three existing buildings totaling 113,332 square feet/10,528 square meters)

##### Site Improvement Costs

Excavation/grading: \$15,862.50  
Paving/curbs/sidewalks: \$211,670.93  
Landscaping/irrigation: \$399,902.84  
Fees/general conditions: \$36,165.40  
Other (various, including fountains): \$1,806,015.81  
Total: \$2,469,617.48

Construction costs: \$14,417,859.95

##### Soft Costs

Architecture/engineering: \$221,934.80  
Project management: \$460,441.22  
Marketing: \$26,106.11  
Legal/accounting: \$31,509.67  
Construction interest and fees: \$717,772.45  
Other: \$136,308.23  
Total: \$1,594,072.48

Tenancing cost: \$1,054,655.54  
Total development cost: \$24,965,337.87  
Total development cost at completion: \$25,787,940.82

#### DEVELOPMENT SCHEDULE

Development Phase	Trade Center	Hops Grill/ Longhorn Steakhouse	Barnes & Noble	Three-Story Twin Buildings
Site purchased	1991	1994	1995	1995
Planning started	1994	1994	1994	1994
Construction started	1998	1995	1996	1999
Sales/leasing started	1991	1994	1994	1999
Completed	2000	1996	1997	2001

#### DIRECTIONS

*From Fort Lauderdale/Hollywood International Airport:* Take I-95 North to Copans Road west to University Drive. Head north approximately two blocks. The Walk is located on the west side of University Drive between N.W. 27th and 29th streets.

*Driving time:* Approximately 45 minutes in nonpeak traffic.

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This Development Case Study is intended as a resource for subscribers in improving the quality of future projects. Data contained herein were made available by the project's development team and constitute a report on, not an endorsement of, the project by ULI—the Urban Land Institute.

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