

# MIZNER PARK

## BOCA RATON, FLORIDA

### PROJECT TYPE

A mixed-use project surrounding a linear public park. The first phase includes four buildings containing 156,000 square feet of specialty retail—including six restaurants and an eightplex cinema—106,000 square feet of office, and 136 apartments. The project has become an "instant downtown" for Boca Raton and a popular gathering place throughout the day and evening.

### SPECIAL FEATURES

- Housing over retail
- Town-center configuration
- Street front retail
- Oriented around public park
- Neotraditional plan



*The project includes balconied, mid-rise residential space located over retail. Parking is available on the street.*

### OWNER/DEVELOPER

Crocker & Company/ Teachers Insurance & Annuity Company  
5355 Town Center Road, Suite 300  
Boca Raton, Florida 33486  
407-395-9666

### ARCHITECT

Cooper Carry & Associates  
1520 New Hampshire Avenue, N.W., Suite 406  
Washington, D.C.  
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### GENERAL DESCRIPTION

Mizner Park is a 398,000-square-foot, mixed-use development configured as a neotraditional downtown center for Boca Raton, Florida. The project's first phase includes four principal mixed-use buildings surrounding a public park and containing 156,000 square feet of specialty retail space—with six restaurants and an eightplex cinema, 106,000 square feet of rentable office space, 136 over-the-shop rental apartments, a performing arts amphitheater, and sites for cultural users, including the proposed International Museum of Cartoon Art. Later phases call for a Jacobson

department store, an additional 136 apartments, an office building, and new parking structures.

The project is especially noteworthy because of its careful attention to urban design issues and to the creation of a sense of place; its mix of uses and town-center configuration, and especially its restaurants and streetfront retail bordering a central public park, have stimulated a vibrant, around-the-clock mosaic of activity that brings new life to the city's downtown core.

## **SITE AND BACKGROUND**

The Boca Raton Community Redevelopment Agency (CRA), established in 1980, provided the impetus for the project, uniting business leaders, private citizens, and cultural groups in creating a master plan for downtown revitalization. The CRA later designated the site and its vicinity as blighted and engaged in a redevelopment plan for the entire area. The first steps the agency took toward redevelopment were to approve a \$50 million program to update downtown infrastructure and to obtain state approval for a downtown-wide development of regional impact (DRI) plan in 1986.

The 30-acre Mizner Park site is located on Route 1 at the heart of the downtown redevelopment area. It was originally occupied by a failing 15-year old, 420,000-square-foot regional shopping center called Boca Raton Mall. Laid out in a dumbbell configuration with two anchors, this center was suffering from very high vacancy rates.

Mizner Park is approximately three miles from the 1.3 million-square-foot mall called Town Center at Boca Raton and about one-half mile to the north of another open-air specialty center on Route 1. Boca Raton—both a noted resort city and an active year-round community—is a relatively high-income area that offers several prestigious golf communities, high-priced condominiums, and a fast-growing employment base.

## **DEVELOPMENT STRATEGY AND FINANCING.**

After inviting input from numerous consultants, the CRA recommended in 1987 that the city council seek to redevelop the 15-year-old Boca Raton Mall and replace it with a mixed-use complex. Crocker & Company, aware of the CRA's desire to redevelop the site, bought the mall site in June 1988, with the intention either of 1) renovating and repositioning the mall, 2) redeveloping the site on Crocker's own terms, or 3) potentially working with the city on a redevelopment plan. Crocker & Company's purchase of the mall was undertaken independently and before a deal had been made with the city.

Crocker & Company and the CRA subsequently entered into negotiations involving a ground-lease deal and redevelopment plan for the site. The CRA was to purchase the land through a \$58 million bond issue that would be paid back through tax increment financing, that is, through the increased tax revenues derived from higher property values in the area. Twelve acres of the land, on which the new buildings now stand, was to be leased back to Crocker & Company for \$280,000 annually for the first 10 years. The city also was to provide \$3.4 million to the developer for clearing the land.

A small but vocal group of citizens began opposing the redevelopment concept. Thus, in January 1989, Crocker & Company requested and the city held a referendum to determine whether the community supported the Mizner Park concept. When the referendum indicated an overwhelmingly positive reaction, a contract was signed in February, using the major deal points outlined above. Two years later, in mid-January 1991, the project opened.

Crocker & Company is a family-run firm, founded in 1910, that is a major player in the Boca Raton area, having developed many office and high-rise residential buildings. Crocker's financial partner in the deal was Teachers Insurance & Annuity, and the project was entirely financed with equity.

Unlike many redevelopment projects, which are phased in over several years, all of Mizner Park's major components—with the exception of cultural uses—came on line at the same time. Additional phases are planned.

## **PLANNING AND DESIGN**

The project is configured as a "village-within-the-city," encompassing two city blocks on either side of a grand central public park/open space. Conceived as a traditional downtown, the project involves four main mixed-use buildings facing each other across the park and public space and creating a visually uninterrupted ambiance that visitors often compare to that of a charming European city. No single-use, stand-alone buildings are planned; any use that can be placed on an upper floor—such as offices, housing, or cinemas—has been located there; all ground-floor space is used either for retail or for entrances.

Initially, the project concept resembled that of a previous project by the developers called Crocker Center in Boca Raton. This project involved a more conventional approach, grouping different freestanding uses around a central plaza, with each use housed in its own building. The concept worked well for that project, but the city and its consultants had different ideas about what they wanted in Mizner Park, and the site lent itself to a more inventive conceptual approach. The innovative design that was chosen, however, involved an arduous planning process, as well as a good deal of risk because of its relatively new town-center idea.

The developers and their architects looked to many other models, old and new, in developing the concept, including East Hampton on Long Island, Old Town Alexandria, Virginia, Worth Avenue in Palm Beach, South Street Seaport in New York, and Cross Keys in Baltimore.

The central space for the project contains two public streets designed with pavers and plaza details to provide vehicular access, over-the-curb parking, and pedestrian access. In this way, the needed circulation elements are combined with open space amenities, furthering the traditional Main Street atmosphere. One of the key advantages of the park's being surrounded by two streets is that this configuration affords ample on-street parking in front of the stores and restaurants, as cars can be parked on both sides of both streets. Additional parking may be found outside the project—behind each of the four buildings—both in well-landscaped parking structures and on surface parking lots (to be converted into structures in later phases).

In fact, the parking requirements were key determinants in the overall sizing of the project, with the mix affording the advantages of a shared parking scheme. The parking structures are located to maximize the shared parking potential for future cultural users, in a move that should reduce the number of cars required to be parked by more than 25 percent.

Two-thirds of the site is devoted to public areas—the amphitheater, broad arcade walkways, and the park/village green, which is dotted with gazebos, benches, and fountains. Outdoor dining plazas and apartment balconies overlooking the activities below contribute to a buzz of activity that delights area residents and visitors alike. The grand central public space is well on its way to becoming the community center or "living room" of Boca Raton.

The architecture reflects a strong, highly appropriate style and sense of place, building as it does on Boca Raton's well-known design traditions and adapting the fanciful, highly articulated style of 1920s architect Addison Mizner to the demands of the 1990s.

Construction, which was fast-tracked over just eight months, entailed a steel structure for the offices and poured-in-place concrete for the apartments.

## **MARKETING, TENANTS, AND MANAGEMENT**

The project's retail component (44 spaces) was more than 90 percent leased before the grand opening, and as of this writing only two vacant retail spaces remain in the project. Though initial per-square-foot retail rents were \$21 net, current rents exceed \$27 net per square foot. During the first few weeks after opening, shops sold out of inventory and restaurants ran out of food. Retailers continue to report unprecedented numbers, with average sales per square foot topping \$400.

The developer's retail leasing approach was to start by targeting local tenants, then to move on to regional and then national prospects. Most of the tenants secured had locations elsewhere, although they were not national chains; some also relocated existing businesses into the project, while a few are new businesses. Five tenants were carried over from the previous mall—a bookstore, a deli, a movie theater, and two office tenants. In choosing retail tenants, the developer focused especially on high-end specialty retailers, primarily fashion stores and art galleries drawn from the Palm Beach/Broward County area. Currently, tenants are coming to Mizner Park, and there is little need to canvass the market for new prospects.

The retail component is anchored by entertainment facilities and restaurants, rather than a department store or fashion retailers, although a Jacobson department store anchor is planned as an addition. The six restaurants represent three levels of pricing and appeal to a broad range of markets. Generally, the restaurants were the first spaces to be leased. AMC Theaters' eightplex cinema and the L&N Seafood and Ruby Tuesday restaurants are among the top-grossing outlets in their national chains.

At present, the office space is 80 percent leased. Tenants include two local law firms, La Salle National Bank (11,000 square feet), Pantry Pride Grocery Company (12,500 square feet), and Bear Sterns Investment Banking. Rents are \$12.50 net. All leasing was handled in house, as the firm enjoys a considerable presence in the office leasing market of Boca Raton.

Half of the 136 apartments were rented before construction—even before furnished models were available for tours—and all of the apartments were leased before opening day. This was largely accomplished with little marketing effort, as the press generated not only by the redevelopment effort but also by the referendum vote gave the residential units tremendous visibility in the marketplace. To answer continuing demand, a second-phase, 136-unit apartment building will soon be added.

The grand opening drew 20,000 people. Since then the project has hosted many community events, including an annual arts festival, symphonic and jazz concerts, and a circus. Current marketing materials use the phrase "Mizner Park: A Village within a City."

The city-owned park, whose management follows the rules and regulations of other parks in the city, has become a significant gathering place for retirees and other community residents.

## **EXPERIENCE GAINED**

- Using a neotraditional town-center design was a risky approach, as it broke numerous rules for individual uses. In defiance of conventional wisdom, the retail faces inward, with no visibility from the adjacent arterial; the residential component lacks a swimming pool and is located above the retail stores; and the office space has no separate or monumentally distinct identity. However, the project proves the theorem that a well-conceived mixed-use project can amount to more than the sum of its parts. The sense of place that has been created helps the project overcome the downside risks of its novel approach, and the result is a pleasantly surprising impression on most users-tenants and visitors alike.
- Crocker & Company's early strategy was to emphasize the cultural aspect as a means of selling the project concept—a cultural/commercial village—to the public. The cultural elements have been slow to develop, however, as they have depended on arts institutions' ability to finance their own components. Because this situation has led to some disappointment, the developers have concluded that they oversold this element and should have focused more on the project as a redevelopment initiative.
- In retrospect, more apartments could and should have been built in the first phase, as the market has been surprisingly strong for this use.

## **PROJECT DATA**

### **LAND USE INFORMATION**

**Site Area:** 28.7 acres

#### ***Existing/Planned Gross Building Area (GBA)***

Retail: 156,000/236,000 square feet<sup>1</sup>

Residential: 136,000/272,000 square feet

Office: 106,000/262,000 square feet

**Existing/Planned Gross Leasable Area (GLA)**

Retail: 156,000/156,000 square feet

Office: 100,000/200,000 square feet

**Existing/Planned Residential Units: 136/272****Existing/Planned Total Parking Spaces: 1,456/2,400**

Surface spaces: 954/492

Structured spaces: 223/2,177

**RETAIL INFORMATION**

<i>Classification</i>	<i>Number of Stores</i>	<i>Percent of Total</i>	<i>Total GLA (Square Feet)</i>	<i>Percent of GLA</i>
General merchandise	5	11.3%	12,714	8.15%
Food service	8	18.1	36,414	23.34
Clothing and accessories	10	22.7	23,916	15.33
Shoes	4	9.1	8,258	5.29
Gifts/specialty	6	13.6	10,044	6.43
Jewelry	3	6.8	4,092	2.62
Other retail	5	11.3	52,699	33.78 <sup>2</sup>
Personal services	1	2.3	2,910	1.87
Financial	1	2.3	3,653	2.34
Offices (other than financial)	<u>1</u>	<u>2.3</u>	<u>1,300</u>	<u>0.83</u>
Total	44	100.0%	156,000	100.00%

**Annual Rents:** Approximately \$24 to \$30 per square foot, triple net**Average Sales:** Approximately \$400 per square foot**Average Length of Lease:** 5 to 15 years**OFFICE INFORMATION****Average Tenant Size:** 3,000 square feet**Range of Tenant Size:** 1,500 to 12,000 square feet**Annual Rents:** Approximately \$12 to \$14 per square foot, triple net**Average Length of Lease:** 3 to 10 years.**RESIDENTIAL UNIT INFORMATION**

<i>Unit Type</i>	<i>Floor Area(Square Feet)</i>	<i>Number Built</i>	<i>Monthly Rent</i>
A 1BR/1BA	995	48	\$745-850
B 1BR/1BA	785	0	NA
C 1BR/1BA/Loft	985	0	NA
D 2BR/2BA	1,030	0	NA
E 2BR/1BA	1,145	16	800-875
F 2BR/2BA/Loft	1,200	56	850-995
G 3BR/2BA	1,690	<u>16</u>	1,400-1,400
Total		136	

#### **DEVELOPMENT COST INFORMATION**

***Land Acquisition Cost:*** \$0

***Site Improvement Costs (on- and off-site):***

Excavation/demolition/utilities	\$1,133,309
Amenities/graphics	1,023,474
Sewer/water/drainage	640,324
Paving	1,076,841
Curbs/sidewalks	85,498
Landscaping/irrigation	801,988
Fees/general conditions	1,034,985
Other-base building/amphitheater	<u>693,632</u>
Total	\$6,490,051

***Construction Costs:***

Office	\$1,113,970
Retail	6,867,590
AMC theater	2,606,194

General contractor	<u>22,499,636</u>
Total	\$33,087,390

***Soft Costs:***

Architecture/engineering	\$ 3,822,894
Project management	1,852,350
Leasing/marketing	2,071,564
Legal/accounting	1,903,968
Taxes/insurance	587,609
Title fees	395,115
Construction interest and fees	2,615,497
Other-tenant buyouts	<u>6,717,606</u>
Total	\$19,966,603

***Total Development Cost:*** \$59,544,044

***Notes:***

<sup>1</sup>Includes 80,000-square-foot Jacobson's store.

<sup>2</sup>Includes 30,000-square-foot movie theater.

**DEVELOPMENT SCHEDULE**

***Land Purchased:*** June 1988

***Planning Started:*** December 1987

***Approvals Obtained:*** 1989

***Construction Started:*** October 1989

***Leasing Started:*** November 1989

***Phase I Completed:*** December 1990 (residential: April 1991)

***Phase II Completion Projected:*** August 1993

***Phase III Completion Projected:*** August 1996

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.