

Dezer Plan for the Intracoastal Mall Draws Fire

Written by Erik Bojnansky, BT Senior Writer
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NMB and Sunny Isles point to inconsistencies, want concessions



our months ago, Dezer Development submitted its plans to replace the Intracoastal Mall in North Miami Beach's Eastern Shores with 2000 residential units, around 400,000 square feet of retail, some 200,000 square feet of office space, and a 175-room hotel.

Those plans, designed by Miami's Zyscovich Architects, include the creation of a new canal for use by boaters and water taxis, a park on top of a three-story parking garage, and buildings ranging between three and 48 stories tall.

"The conceptual master plan is truly place making," wrote Tracy Slavens, a Holland & Knight attorney representing Dezer Development, in a July 31 letter to Justin Proffitt, community development director for the City of North Miami Beach.

"The plan was designed to provide primary orientation of all uses toward the waterfront and has created an extraordinary new waterfront environment," the letter continued. "The conceptual master plan provides extensive open space, which includes urban greenways, baywalks, waterfront promenades, plazas, and active pedestrian paths, as well as private open spaces for residents of the project."

But Dezer Development won't be building new high-rises any time soon at Intracoastal Mall, located at 3881 NE 163rd St., adjacent to the Intracoastal Waterway. A meeting with City of North Miami Beach administrators September 13 resulted in 26 pages of concerns, demands, and requests. The City of Sunny Isles Beach, located just east of the Intracoastal Mall, weighed in with its own criticisms and recommendations.

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“Their next step is to respond to the comments by making revisions to the application and master development plan,” Proffitt explains in an e-mail to the *BT*.

A representative of Dezer Development, who declined to reveal his or her identity, confirms that the project won’t move forward until the plans are approved by the city. Dezer Development will also seek input from the adjacent affluent neighborhood of Eastern Shores.

“The [City of North Miami Beach] review process is very thorough,” the Dezer Development representative states via e-mail. “It’s hard to tell when the plans will be ready for the Planning and Zoning [Board] or City Commission.” The developer also intends to solicit comments from the community before submitting plans to Planning and Zoning, according to the e-mail.



Gaining support from residents of Eastern Shores -- an upscale neighborhood of waterfront homes and low-rise multifamily buildings -- will likely be an uphill battle. Diane Hayhurst, president of the Eastern Shores Property Owners Association, says most of her neighbors are against the project.

“We have not been in favor of this from the beginning because of the [increased] volume of traffic,” Hayhurst says. The only way in and out of Eastern Shores is NE 35th Avenue, which has two lanes heading into the neighborhood and two heading out toward NE 163rd Street. One of the Intracoastal Mall’s two access points is NE 35th Avenue.

The potential for more traffic, and its impact on NE 35th Avenue, was the primary reason Eastern Shores dwellers successfully opposed two separate high-rise projects proposed on the 31-acre lot prior to the construction of Intracoastal Mall in 1987. Many residents there also

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opposed the 234,000-square-foot Intracoastal Mall itself, until the project's developer, Stanley Baumann, agreed to widen NE 35th Avenue from two lanes to four.

But those earlier developers weren't Dezer Development. Run by father-and-son Michael and Gil Dezertsov (their last names are usually shortened to "Dezer" in media reports and promotional materials), Dezer Development have built nine luxury high-rises in Sunny Isles Beach alone, six of which are named after Donald Trump. A tenth Dezer Development tower, the 694-foot-tall Residences by Armani/Casa, is slated to be completed later this year.

In December 2013, Michael Dezer and his wife, Noemi, paid \$63.5 million for the Intracoastal Mall. Back then, the zoning allowed 717 residential units in buildings 15 stories tall. But in the summer of 2015, the mall was one of eight areas that received a dramatic zoning increase as part of Mayor George Vallejo's drive to increase NMB's tax base. The mayor, an Eastern Shores resident, was later forced to resign for campaign violations as part of a plea deal with the Miami-Dade State Attorney's Office. Among the revelations uncovered by the investigation was that Vallejo's wife worked for Michael Dezer's Miami Car Museum. (See "[City in Chaos](#)," August 2018.)

The zoning increase bestowed on Intracoastal Mall enables 2.5 million square feet of commercial and up to 2000 residential units. However, Dezer Development's application sought to rework the massing of those buildings. For example, the Dezers want to increase the size of the "Core Sub-Area," located on the east side of the property by the waterfront and which currently allows high-rises up to 495 feet tall. They also want to increase the maximum number of floors for those buildings from 40 to 48. And they want to increase the height for future buildings in other areas of the property. Another desired change: shrinking the minimum required size of future dwelling units from 550 to 400 square feet.

The Dezers also presented plans to dig a channel from an existing canal at the mall's northern border and have it flow into the center of the property. That depiction perplexed NMB staffers, since it would need to be permitted by the county, state, and federal government. So the city is now insisting that the Dezers provide all information exchanged with county, state, and federal agencies relating to the proposed canal extension.

In addition, NMB administrators are asking that the Dezers build a new city police substation, a new county fire station, a six-acre public park with a tot lot, a public community room or library, and various other infrastructure improvements. They also want the developers to attract a

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“high-quality hotel brand.”

Attorney Slavens’s letter to the city claimed that the Dezers’ project would “exceed the open-space requirements” outlined in the city’s zoning codes. But Andrew Plotkin, director of NMB’s parks and recreation department, noted that the plans didn’t include a tot lot, nor was it clear if there were any public bathrooms, or if the public recreational spaces were dog friendly.

Plotkin also questioned the rooftop park idea. “How is the rooftop park [accessible] for the general public? How do you get to the park?” Plotkin asked in a September 9 memo.

Planners with the City of Sunny Isles Beach recommended that the project become a multi-modal transit hub that included in busses, water taxis, rideshare, and “other types of vehicular transport.” They also want a study of its impact on the sewer system, as well as the school system. “Are there any other interlocal agreements needed between the City of North Miami Beach, the applicant, and MDC [Miami-Dade County] School Board to satisfy school capacity?” asked Claudia Hasbun, Sunny Isles Beach’s planning and zoning director, in a September 11 report.

There was confusion over the ASA building, too. The Dezers own 26 acres of the 31-acre Intracoastal Mall property. Alex Shchegol, president of the Brooklyn-headquartered ASA College, owns 1.3 acres of the northeast corner, including a three-story office building. In the Dezers’ site plan, the canal extension runs through part of Shchegol’s property. It also shows a residential building where the ASA building now stands.

The Dezers and Shchegol have tangled in the past, leading to litigation that the Dezers ultimately won, as well as the shutdown of a branch of ASA College -- a controversial for-profit college -- that once operated within the office building.

(See “ [City Yanks Back Its Welcome Mat](#) ,” August 2017.)

Shchegol has claimed to the *BT* in the past that the Dezers are trying to strong-arm him into selling his property, but for this article he did not return messages by deadline.

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In response to a *BT* question about the ASA building, the Dezer Development representative replied: “We cannot comment on pending transactions.”

With respect to traffic concerns, the site plan states that the project will generate an additional 756 trips a day during peak hours. But NMB administrators argue that the developers didn’t have a clear traffic mitigation plan.

The Dezers’ projected traffic count may also be off. In their August 28 report to the city, Edward Ng and Vanessa Spatafora of the Corradino Group consultancy note there were inconsistencies in the Dezers’ materials. For example, the Dezers, in their letter to NMB’s development director, claim they are building 380,000 square feet of retail space, but their actual plans show 400,000 square feet of retail plus a 25,000-square-foot gym. The 175-room hotel included in the Dezers’ plans wasn’t even mentioned in the letter or factored into the traffic report.

Dealing with future traffic flow will be essential. The mixed-use zoning code that allows for increased density on the property comes with the requirement that road improvements to accommodate increased traffic must be made *before* any major development takes place. It was a regulation that the neighborhood demanded, says Eastern Shores association president Hayhurst.

Aside from the traffic issues, such a project at the Intracoastal Mall site is economically viable, says Jay Phillip Parker, CEO of Douglas Elliman’s Florida brokerage.

Right now, adjacent Sunny Isles Beach is a prime location for Russian and Canadian second-home buyers, Parker says. More generally, he adds, all of South Florida will continue to be a prime destination for retirees from across the nation. Florida’s low-tax status is already attracting many wealthy individuals from states with high tax rates on income and property, like New York and California.

Another plus: there aren’t any tall buildings surrounding the Intracoastal Mall. “There are going to be some really nice views,” Parker says.

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Hayhurst admits that the prospect of such a large project being built next door to Eastern Shores is unnerving, but she's determined to negotiate, and fight, for a more manageable development.

"I'm not naive," she says. "I don't honestly believe we can stop it, but we need to steer it toward something more acceptable to local residents."

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