

MIAMI

PART I Journey to America's city of the future

Looking past the image of the non-stop dance floor movement to Latin rhythms in the bars on Calle Ocho, Miami is a destination that is open to the world, a cosmopolitan city in constant mutation. Amazon has chosen it as one of the 20 cities from which it will decide where to install its second headquarters; a good indication of the demographic and economic boom that the city is experiencing

Spain in Miami

More than 300 Spanish companies are registered in South Florida

MAURICI LLADÓ, MANAGING DIRECTOR OF BANCO SABADELL MIAMI BRANCH

“Twenty-five years later we are still committed to Miami”

Education

MDC, an institution that's forged Miami's leadership, is supported by industry and its influential alumni

DR. EDUARDO J. PADRÓN, PRESIDENT, MIAMI DADE COLLEGE

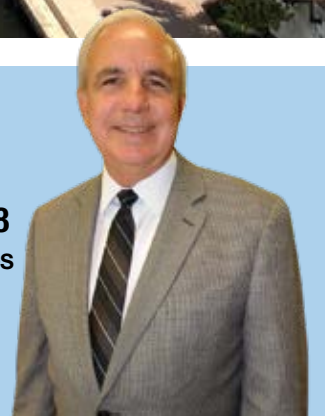
“Ana Patricia Botín has been an angel”

Economy

Employment in the technology sector has risen 40% between 2012 and 2018

MIAMI-DADE COUNTY MAYOR, **CARLOS A. GIMÉNEZ**

“We want the next Amazon and the next Facebook to be created in Miami”



TEXT: EVA MARTÍN GÓMEZ

The sum of so many parts

Miami-Dade County, the gateway for Spanish companies entering the United States, is embarking on an economic and demographic journey of global ambition. The Hispanic population continues to grow and has taken its space amongst the powerful elites.

There is nothing like the simplicity of a good story. On the morning of July 25, the feast of St. James in Spain, Miami baseball team's stadium, Marlins Park, hosted the annual celebration of One Community One Goal, an event aimed at weighing up the current state of Miami-Dade County, the most prominent of the 68 counties in Florida and one of the main contributors to the state's GDP of \$1 trillion: "If this state were a country, we would be the 17th biggest world economy," was repeated like a mantra. Twentysomethings with cheerleaders' pom poms greeted the audience and among the speakers, Alberto M. Carvalho, the popular superintendent of the county's Public Schools, told the story of the day: on a recent visit to a third-grade class, a child had approached him and asked why they were taking photos. "To document your work", answered Carvalho. But the kid replied incredulously: "Nooooo. I think it's because you are here. Who are you?" Pondering how to explain it to him, Carvalho replied that he was the head of the heads of Public Schools. Now even more incredulous, the boy took stock of the situation: "Wait a minute! I think you are the superintendent. Do you have a business card?"

Marlins vs Yankees

The story went down well, all the more so as this educator with Portuguese roots had recently turned down an appointment as head of New York public schools, a position Mayor Bill de Blasio had granted him after having confirmed his initial acceptance. "It is far better to speak from Marlins Park than Yankee Stadium," Carvalho said, and his audience surrendered to his charm, the way a crowd gives itself up to a bull-fighter. With an unemployment rate of 3.6% and a population set to reach 26 million in 2030, Florida will need to bring in 1.7 million new workers. Education is therefore a key focus of the county's authorities, given the need to continue ironing out the wrinkles of a student community that stems from 160 countries, speaking 56 languages and which is the fourth largest in the United States.

The size of the Spanish region of Cantabria, Miami-Dade County is home to 2.7 million people with per capita GDP standing at



A view of Brickell, Miami's financial center located in Downtown

With an unemployment rate of 3.6% and a growing population, Florida will need to bring in 1.7 million new workers.

\$41,883 dollars – tax free – and more than 1,000 multinationals. The mayor holds the maximum executive power. The county is made up of 34 municipalities, each with its own local mayor at the helm. Miami is the biggest, but it is such a well-known brand that the name of the county is often cut short to just Miami. María José and I flew in this summer to spend two months working in the "capital of the Americas", the place favored by Spanish companies as a base from which to enter the United States and/or to manage their operations in Latin America.

Barbecue under mango trees

We quickly expunge the movie-induced images of vice and crime from our subconscious. "Sweethearts, film production is a big thing, but CSI Miami is not even made here – they do it in Los Angeles," said Luz Helena,

a Colombian who swapped New York for Miami Beach more than three decades ago, as she prepared a July 4 barbecue with Louisiana sausages and Texan beef in her yard under the shade of two huge mango trees. Piqued by an innocent remark I made about the size of the county, she decided to show us by car; from Aventura, Bal Harbour and Sunny Isles – a new millionaires' ghetto popular with "many Russians, so they say, but also Chinese" – down to Doral, Homestead and Key Biscayne (or Key 'Byspain' due to its great population of Spaniards), passing through Kendall and the chic Coconut Grove and Coral Gables, as well as the more humble Hialeah. Driving through the latter – the fifth-largest city in the state with a 95% Hispanic population – seeing the locals on their porches as evening falls, it is impossible not to think of Néstor Camacho, the policeman of Cuban descent, from Back to Blood, Tom Wolfe's 2011 novel about Hispanic immigration, set in Miami.

Miami-Dade has been a safe haven welcoming citizens of the world – one where 51.1% of the population was born abroad. Spaniards receive a warm welcome just for the fact of being Spanish. In the 1960s it was the Cuban refugees – who have since become the county's political and economic elite – followed

The size of the Spanish region of Cantabria, Miami-Dade County is home to 2.7 million people with per capita GDP standing at \$41,883 dollars – tax free – and more than 1,000 multinationals.

by Haitians, Colombians, Central Americans, Argentinians, Venezuelans and, now, Nicaraguans once again... Rich and poor, they come. More than 45% of the population is Hispanic. "They have enormous emotional ties with their country of origin and that ensures that the first generation and part of the second one reads us," explained Nelson Mezerhane, vice-president of Grupo Mezerhane, the owner of the Diario de las Américas newspaper since 2013. The Spanish-language paper was founded last century by a Nicaraguan.

Vargas Llosa and Brickell Avenue

The vicissitudes of Latin America are Miami's daily bread. For decades this city, the sanctuary

of immigrants, has guarded the funds hidden from dictatorships, bank freezes, kidnappings and crises of all kinds. "How lucky to spend three days in Miami, away from all this," Marisa says to her friend Chabela in the Mario Vargas Llosa novel, Cinco Esquinas. Set in the Fujimori era, the two friends travel from Lima to stay "in one of the buildings of Brickell Avenue, overlooking the sea". The Latin American upper class has been, and remains, a buyer of luxury properties in Miami, injecting money into a buoyant sector that, even with its ups and downs, is guaranteed to provide the lion's share of the county's annual tax revenues. Every time a country goes to the dogs, the money seeks refuge in Miami's international private banking sector. According to various sources, Venezuelan funds today represent up to 30% of the business of many entities.

The authorities have gone out to sell the county, and it is not the beach they put on the table, but the global access on offer. As a case in point, the Network Access Point of the Americas, the data-processing center through which most of the internet information of Central and South America travels, is in Miami. Indeed, in the last six years, the technology sector has been the fastest growing in terms of employment (40%), followed by trade, logistics and aviation (both on 24%). Another example is the airport – one of the few certified by IATA as a global pharmaceutical hub. The life sciences and healthcare industry is second in terms of the number of employees with 141,205, having grown by 13%.

This supplement project, which kicked off with a meeting with the president of AmChamSpain, Jaime Malet, at Madrid's Palace Hotel in May, was rounded off by last week's visit to Toledo by Miami-Dade's head of Economic Development and International Trade, Manny González, a Cuban-American with Galician grandparents: "Call us missionaries, call us idealists, but our goal is to leave a better future for Miami. Our government is transparent; if you bring a good project and we like it, we buy it. You don't need a recommendation from anyone. Just you and your idea."

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CARLOS A. GIMÉNEZ, MAYOR OF MIAMI-DADE COUNTY

“We are turning into one of the great US cities”

The county mayor believes that when people at the end of this century talk about the three main American cities, they will mention New York, Los Angeles and Miami.

Carlos A. Giménez's office contains clues as to his past as a fireman and chief of the City of Miami Fire Department, a profession beloved by this man of Basque roots, born in Cuba in 1954 and who emigrated to the United States as a boy. Married with three children, there are also photographs of his wife, to whom he says he has been inseparably bound since university. He cut his political teeth as Miami's city manager – the highest executive position in the city with the biggest population in the county – where he developed his reputation as an enemy of taxation. In his present job he confirmed this tendency, implementing the biggest tax cut in Miami-Dade's history: “I have saved the taxpayers \$2 billion”, he declares. Keeping a promise is his watchword, even though it is sometimes painful – like his decision to maintain free access to the *MetroMover* transport system, something even his closest colleagues have criticized. He is the ultimate authority over the port and airport, the county's twin economic motors. In the absence of scandals, his rivals blame him for insufficiencies in public transportation and tailbacks. “There is one thing worse than traffic, and that's not having any”, he shoots back. The Republican's tenure, stretching back to 2011, will end in 2020, but he has already racked up 40 years of public service.

QUESTION: Some 50,000 expatriate Spaniards live in Miami-Dade, second in the world only to London. But most of the foreign direct investment from Spain to the US goes to other states. Why is this? How could you promote the county better?

ANSWER: Spaniards already know what many companies do

“Spaniards already know what many companies do not. One of our advantages is the absence of income tax, both in the state of Florida and in this county”

not. One of our advantages is the absence of income tax, both in the state of Florida and in this county. It is the best place if you're looking to do business with the US and South America. Our airport is the first in the country for imported cargo and the port is in the top three, located on the east coast and able to deal with Post-Panamax category ships. It is also connected to a train that can access 70% of the population east of the Mississippi in less than four days. We speak your language. We are becoming one of the great cities of the USA and I think that at the end of the century, when they talk about the three major US cities, they will talk about New York, Los Angeles and Miami.

Q: How important is Spain for Miami-Dade?

A: For us, Spain is the mother country, just as England is for Anglo-Saxon Americans. I came from Cuba. Here we have Nicaraguans, Colombians, Venezuelans, people from all over South and Central America and our roots are in Spain, not in England or Germany. Where else in the US will you be able to speak in Spanish with a mayor who represents almost three million people? We are bilingual natives. I think companies just follow the historical

inertia of investing in traditional places like New York and Los Angeles, but do you know which American city has the most start-ups?

Q: Miami?

A: Bingo.

Q: As well as that, another striking fact was published recently: between 2012 and 2018, the local sector driving employment the most is technology.

A: That is part of my legacy. In 2011 we were too dependent on tourism and the real estate sector. We needed to diversify. We want the next Amazon and the next Facebook to be created in Miami. Jeff Bezos was not born here, but he was educated here and had to go elsewhere to look for opportunities. Our strategy is to create an industrial fabric that retains talent, so that our children and grandchildren do not have to leave, and we are a point of interchange with the world, and not only with Latin America. Sometimes I say that the best thing about Miami-Dade is that we speak the language, we have the laws and we are joined with the United States.

Q: It is said that you don't believe in trains or high-speed rail for the county. Is this true?

A: I like the train, but we'd need to request funds from the federal government and this is a process that can take eight to 10 years. That's why I'm not looking toward Washington. I think we are on the verge of a technological revolution in transportation. I do not want to be the last to buy a flip phone, but rather the first to have the most advanced smartphone. I do not want to make multimillion-dollar investments in tech-

nology that will become obsolete tomorrow.

Q: First for flying taxis, then?

A: Or autonomous cars. We are deploying Ford technology and mapping the streets of Miami-Dade for when they become available. I know something is coming. In three to five years we will see many things, but in the meantime, let's use the existing technology. For example, the 'rapid-transit' bus system and smart traffic lights, which we are already installing in the county. Whatever we do to increase public transportation, we believe that 95% of people will continue to drive.

Q: Is Miami ready to have a non-Hispanic mayor?

A: Yes. Take the example of Dennis Moss, who is the commissioner of District 9 with 100,000 voters, of whom only 30,000 are African-Americans like him. I was chosen by a combination of Hispanics, whites and African-Americans, and although I am a Republican, many Democrats voted for me. This is a non-partisan post. Part of our strength is our diversity of ethnicities, languages... 60% of the people who live here were not born here, and nobody feels foreign. Apart from our problems, we get along quite well, while in other parts of the US this can create tension. I'm proud of this community.

MIAMI-DADE BEACON COUNCIL

#AdvantageMiami:
Where Café Cubano Meets Coding.

Miami has the advantage your business needs to achieve growth and prosperity on a global scale.

HOLA 53% of Miami's Population is Bilingual	\$923.6M Total Trade Between Spain and Miami-Dade
0% Local Corporate and State Income Tax	#2 U.S. City for International Banking
2.7 Million Person Workforce	100+ Foreign Consulates, Foreign Trade Offices and Bi-National Chambers of Commerce
#2 in Foreign-Born Residents with an Advanced Degree	1,400 Multinational Businesses Thrive in the Region

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FRANCIS SUÁREZ, CITY OF MIAMI MAYOR

The spiritual mayor

Elected by an overwhelming majority, the first Miami-born mayor believes technology will play an important role in overcoming inequality

for the Sovereign Fund of Qatar was in this office,” Suarez told us on the day of this interview in early August. “What does this mean? That investors trust us. That we are a safe destination for investment and that we have an open government that invites them to come. Fifteen years ago, the city started growing at a fast pace supported by Latin American investment, as well as from New York and other parts of the United States, which revitalized the area, boosting the growth of the real estate sector. We had two waves; a very alternative and funky one, that can be seen in new neighborhoods like Wynwood, and another one where the best architects of the world came

Miami, others began noticing and we started seeing more investment from places like China, Turkey, Israel, etc.” According to Suarez, people from around the world wanted to be part of “the experience of being Miamian. They were drawn by all the cultural, sports and tourist options offered by the city. We have grown 60% in six years. In 2009 we had a budget of around 500 million dollars. This year, we will approve a budget of 1 billion.”

Poor city, rich city

In Miami, with 27% of the population living below the poverty line, the mayor is aware of the fact that what has been good for some has negatively impacted others. “We are a poor city and the cost of living has continued to rise. No city is perfect, but we have a moral obligation and we are allocating our resources to improve the quality of life of all sectors of our community,” Suarez said. Thus his support of affordable housing and a level of education that allows all Miami residents to be part of the intellectual capital that can be used in the economy of tomorrow, especially through technology. “I

believe that there is no industry in this world that has not been dramatically affected by technology. As mayor, I want our residents’ talent to stay here and welcome everyone who wants to come to our city, so we can develop an industry with high-paying salaries that keeps us connected to the world.”

Spanish connexion

The most repeated adjective known to describe Francis Suarez is “spiritual.” Son of a mayor, married to a Spaniard of Cuban origin like him, and father of two children. He is friends with many in the community, including celebrities like Alejandro Sanz, as well as Rene and Sergio Ramos, judging by the dedicated shirt that hangs outside his office. In the hallway to the mayor’s office, the place of focus is occupied by the image of Mother Teresa of Calcutta with an inspiring quote under it.

Last July, the day that the City of Miami turned 122, its mayor Francis Suarez celebrated with a photo, looking like George Clooney with a Cuban coffee in hand, and cheering ‘this one is for you’. From the mayor’s office, where he arrived last November supported by almost 86% of the electorate, you can see the blue sea and the green palm trees of Biscayne Bay. His office looks like the cozy living room of a holiday home, a perfect match to the city where he was

born and that has placed its trust in him to lead it towards a global future that does not exclude anyone, and in which he believes that technology will affect everything. The mayor’s position is 100% political, since in this city - unlike what happens in the county - the executive power falls on its administrator. Currently, the veteran Emilio González. Miami is experiencing a unique moment because of its power to attract international investors. “Yesterday, the managing director

“We have grown 60% in six years”

to design museums, hotels, skyscrapers... With their arrival there was an exponential phenomenon ‘if they are investing there, I should too.’ Once the big investors from around the world started to come to



JUAN CARLOS PEREIRA, EXECUTIVE DIRECTOR AT THE SPAIN-US CHAMBER OF COMMERCE

“The US market is a sweet dream for European companies”

Four months ago, Juan Carlos Pereira started as the new Executive Director for the Spain-US Chamber of Commerce in Miami, where he has been living for the last 9 years. His job? To develop and strengthen ties between companies and professionals focused on the US, Spain and LATAM markets.

“Upon arriving in Florida we strongly recommend the companies to visit us and learn about our services, programs and activities. One of the main reasons to become a member is the access to a network of contacts from day one, that may help you with your business and with your personal life. The US market is a sweet dream for European companies but its 300 million consumers are distributed into 50 very differ-

ent states that, while perceived from the outside as homogeneous, compete against each other and are anything but that”, says Mr. Pereira. From the standpoint of the economic growth, some of them are more like emerging countries while others are economic powerhouses. Thus he warns that the US market requires “hard and good work, patience and a bit of luck”.

Mr. Pereira calls the first couple of years of a foreign company in the US “crossing the desert” and points out that sometimes it’s a good idea to partner with local companies, since the US market has many entry barriers and you need to have a deep knowledge of it, including local, state and federal regulations that may affect your business.



JAIME MALET, CHAIRMAN OF THE AMERICAN CHAMBER OF COMMERCE IN SPAIN

“There is a city that is our friend in the world’s leading market”

the third largest population and is the fourth largest in terms of territory, with per capita GDP €20,000 above the European average. These circumstances must be taken into account because it is a market with a high degree of specialization”. In this context, “Miami undeniably fulfills the function of being the link between the United States, the Caribbean and a good part of Latin America, as well as being - together with Madrid - one of the great capitals of the Hispanic realm”.

Malet does not know of a single businessperson or executive who has come away with complaints about their reception from the business community or the standard of living in Miami. “The authorities are doing an exceptional job. Everything that has been built around art and culture, or, for example, the continuing development of the seafont, makes it a hugely interesting and attractive city”.

“In 15 years, Spain has jumped from 36th to 11th among global investors in the US”

Jaime Malet, a businessman and lawyer, has chaired the American Chamber of Commerce in Spain for the past 16 years. But since 1993, not a single year has passed in which he has not traveled to Miami at least once, with his last visit taking place seven months ago. Malet believes Spanish companies and their owners should know that there is a Hispanic city in the US that is tremendously close to Spanish culture and with a shared mindset. “There is a city that is our friend in the world’s leading market,” he says.

During the period 2016-2017, the US was the foremost destination for Spanish direct investment, which reached a volume of \$7.89 billion. The accumulated stock stands at \$68 billion. “In 15 years, Spain has jumped from 36th to 11th among global investors in the US, but to think of the country in conventional terms would be a mistake. It is the world’s biggest economy, with 20% of global GDP,

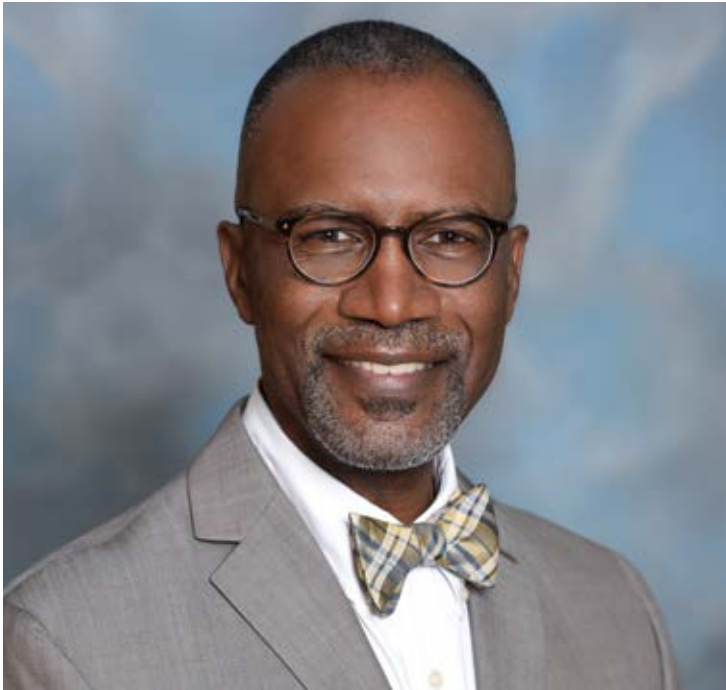
THE MIAMI-DADE BEACON COUNCIL

When Amazon comes knocking

The Miami-Dade Beacon Council, the county’s economic development organization led by Michael A. Finney, is leveraging its status as one of 20 cities competing to host the second headquarters of the logistics giant. Five billion dollars are at stake

No other recent news has provided a bigger boost to Miami’s image as a business destination than having been selected as one of 20 cities – out of an initial 238 – from which Amazon will install its second headquarters. To provide a context for the effervescent climate this ranking is driving: Since 1985, The Miami-Dade Beacon Council, the official public-private partnership for the county’s economic development, has helped close to 1,000 companies move in, bringing in \$4.7billion in new capital investments. Amazon, all by itself, plans to invest \$5 billion.

With these numbers on the table, what does the president and CEO of The Beacon Council, Michael A. Finney, have to say about the chances of beating out competition from the likes of New York and Washington DC? “As an organization, we have chosen not to dismiss our chance of winning just because others may be doing so. I love competing and being chal-



lenged, and this is the biggest challenge we have: to deliver the best possible proposal that showcases what Miami has to offer to one of the most iconic companies in the world. So far

they have acknowledged that Miami is an attractive place.”

Finney describes himself as a born optimist. “If you aren’t, you quickly become demoralized because most times you don’t win. With Amazon, we started with a 0.2% chance; now it’s 5%.” Miami’s cultural environment, location, and sea and air accessibility to the more than one billion consumers in Latin America bring opportunities the President believes no rival city can easily match. It also counts on a workforce and talent from Miami-Dade, Fort Lauderdale and Palm Beach, capitals of the neighboring South Florida counties to the north. “Our human capital stretches across that whole area because commuting is easy thanks to Brightline, the connecting train. But of the thousand people who move in here each week, 600 choose Miami-Dade.”

Cool Miami
Finney is among those arrivals.

He and his wife left the snows of Michigan to enjoy Advantage Miami, the slogan used by The Beacon Council to promote Miami-Dade’s benefits and its One Community One Goal strategic economic development plan. “In that kind of family decision, my wife has as much say as I do. ‘Mike, Miami is a pretty cool place,’ is what she said. We who devote ourselves to economic development know how to explore the pros and cons of a community, and the macro and micro reports produced by The Beacon Council are exceptional in this regard. One of the things that attracted me was Miami’s diversity, where minorities – Hispanics, Blacks and Asians – form a majority and make up the state of Florida’s economic powerhouse. You won’t find that anywhere else in the US. It’s a unique opportunity for me to live in this incredible world.” Finney walks from his new home to the office, but he still keeps his 1971 Corvette in the garage.



ALYCE ROBERTSON, EXECUTIVE DIRECTOR OF THE MIAMI DOWNTOWN DEVELOPMENT AUTHORITY

“People will continue to need to socialize in public spaces”

“Young people, who have emigrated from urban areas like Madrid or Sao Paulo, are attracted more to skyscrapers than to single family homes in the suburbs”, says Alyce Robertson, Executive Director of the Miami DDA (Downtown Development Authority), the economic development agency for Downtown Miami. It is the city’s bustling epicenter, spanning the modern neighborhood of Brickell to the south and new “hot spots” like Edgewater and Wynwood to the north. Flanked by the Miami River to the west and picturesque Biscayne Bay to the east, it is a melting pot of the old and new.

Finance, real estate, tourism and commerce are the traditional industry sectors, but technology companies are also growing. With a population of approximately 90,000 residents -half of them between 25 and 44 years old- Downtown is so diverse that sometimes it resembles Havana, New York, Dubai or Madrid. Since the year 2000, the residential population has grown by 150% and in five years is expected to reach 120,000. The Miami DDA promotes the development of a strong economy by attracting new businesses and

local investment, including well-known names like Amancio Ortega. One of the areas most exciting projects, Brickell City Centre, opened in 2016 and has brought dozens of unique brands like Zara and Adolfo Domínguez, to the neighborhood, along with hip restaurants, a luxury movie theater, a WeWork co-working space, offices and condos.

According to DDA, a total of \$4.6 billion in retail sales were conducted in Greater Downtown and the overall magnitude of sales in 2015 remained an impressive \$492 per square feet on average. In the next three years, an additional 1.3 million square feet of retail space will come onto the market. But, Robertson is not worried about the tendency of the millennial generation to buy on the internet: “people will continue to need to socialize in public spaces and Brickell is fabulous for that purpose, with spectacular architecture, and overflowing shops and restaurants. We spend a lot of time creating urban spaces where people can mingle and walk.”



Spain’s aircraft carrier in Miami-Dade

The Miami-Dade Beacon Council is a regular contact for Spain in a relationship that will surely grow. Mario Sacasa, senior vice-president, International Economic Development, remembers his first representative trade mission to Spain in

1998, and that it was responded to in early 2000 by a Spanish mission to Miami, held in the legendary Biltmore Hotel in Coral Gables. “That made us realize how interested the Spanish government and private companies are in internationalization. Historically, 53% of completed projects belong to companies from other US states. Among the remainder, Spain constitutes one third, with 112 companies present and an initial investment of \$225 million. We are your aircraft carrier in America, and we have helped SMEs, leading banks and even Telefónica disembark here. Right now, we have 10 projects on the go in finance, logistics, trade and creative design.”

Spanish investments assisted by The Miami-Dade Beacon Council 2016-2017

Company	Capital investment committed	Direct jobs created
Ackermann Beaumont Group	200,000 \$	10
Auxadi	300,000 \$	4
Cosentino	1,100,000 \$	85
Etixart & Panno (EP Spain LLC)	500,000 \$	10
IMABE US	350,000 \$	10
Total:	2,450,000 \$	119

* Source: The Miami-Dade Beacon Council, U.S. Census Data

10 years after the epicenter of the great recession

According to Ilona Vega, responsible for business development at the DDA, “Downtown Miami was the epicenter of the real estate bust in 2008 and since then has received more than \$10 billion in investments and projects that are transforming the city into a global city center. “We receive in-

vestors from all over the world; for example, earlier this year we received a delegation of Qatari businessmen, comprised of more than 100 delegates. You could see Qatari sheiks walking along Downtown streets. I had never seen anything like this before”.

MIAMI'S AIRPORT AND SEAPORT GENERATE AN ANNUAL COMBINED ECONOMIC IMPACT OF 74.4 MILLION DOLLARS PER YEAR. SINCE 2014, THEY HAVE BEEN LINKED BY A STATE-OF-THE-ART TUNNEL THAT RUNS THROUGH THE CITY, CONNECTING THEM IN JUST 20 MINUTES. THEY ARE THE LEADING CRUISE PORT IN THE WORLD AND THE LEADING U.S. AIRPORT FOR FLIGHTS TO THE AMERICAS – BOTH FEEDING INTO THE OTHER.

JUAN KURLA, CEO OF PORT MIAMI

Port of plenty

Cruise liners generate 60% of Port Miami's income, but the management also has plans to double the current volume of cargo



It is impossible to cross MacArthur Causeway, the bridge between Miami and South Miami Beach, without turning toward Dodge Island. Six gigantic Carnival and Norwegian cruise liners, towered over by gleaming white cranes make for a spectacular view. At the far end another liner, this time a Royal Caribbean craft, glides into view. This is clearly a major port. CEO Juan Kurla has been working at Port Miami for 20 years, and speaks with contagious emotion. From a bird's eye view, the island resembles a giant cockpit. On a large-format photograph, Kurla points to a container terminal: "In five years, with an investment of \$40 million, it will be renewed and will have RTG technology to streamline processing and double its capacity, which now stands at 80-85%".

The economic impact of Port Miami amounts to \$43.4 billion, generating 334,500 jobs. The estimates are that it will continue to grow, having completed a massive investment program in dredging and expansion, and acquiring new cranes that can handle gigantic Post Panamax category ships. In addition, a direct tunnel to the interstate highway network has removed 400,000 trucks from the city center. According to Kurla, "the re-opening of the Panama Canal has been a success for Miami. We have been receiving three or four Post Panamax ships each week. We just closed our financial year in September, and the provisional figures show record growth of 5%, surpassing forecasts. We are the number one cruise port in the world with 5.5 million passengers and we also shift 1.07 million TEUs".

Wrong side of the 39th parallel

Almost 50% of merchandise entering Florida does so through external ports, such as Savannah and Charleston. "That will always bother me! We have been working with the shipping companies and the percentage has gone down, but not enough. We are talking to the Mexican railroad group that bought FEC (Florida East Coast Railway) to divert the cargo that arrives at the west coast or that which enters on trucks crossing the Mexican border. It is faster to bring it to Florida and dispatch it to the north-west and south-Atlantic. Federal legislation also harms Miami and its main merchandise, perishables, by prohibiting certain products that legally require a 'curing period' from being unloaded south of the 39th parallel (which runs through Philadelphia). We have made progress; we can now bring in grapes, blueberries and citrus fruit. We are working with the US Department of Agriculture to reduce inspections and alter these approaches that hurt Florida", explains Kurla.

No matter what happens, Kurla would like to have boats around the "entire" port. His recommendation to the authorities is to create more docks for 1,050-foot ships, but to do so he would need to continue widening the channel. "F terminal can dock liners with 5,000 passengers and thanks to a \$200 million investment, Royal Caribbean is opening another one with a capacity of one million passengers in November. Other are still under construction. In 2019 we will reach 6.6 million passengers. It's what a port does, reinvest and reinvent itself", he concludes.

LESTER SOLA, DIRECTOR AND CEO OF THE MIAMI-DADE AVIATION DEPARTMENT

Terminal at the airport

It will take some 4 billion dollars to redesign facilities at MIA and expand its retail and passenger facilities, as estimated by its department head



At dusk, the glass tower of the Four Seasons Hotel in the upscale neighborhood of Brickell provides a picturesque view of airplanes departing to the horizon over the ocean. They fly so low that it seems you could touch them, but no. By law, the skyscrapers that Miami's developers dream of cannot exceed 1,049 feet (319.73 m) in height. Miami International Airport (MIA), one of Miami-Dade County's two economic engines, is the busiest international hub in Florida. Almost 271,000 people work directly or indirectly at MIA, generating 31 million dollars a year, according to data from Miami-Dade County.

MIA moves 44 million passengers per year, half in business travel through Central and South America, the Caribbean and Europe. "The current runway capacity is nearly 80 million passengers, but the terminal is 50 million. We are looking at how to redesign it to expand it, including providing more space for air cargo. 63% of perishable products that enter the US do so through MIA," says Lester Sola, Director and CEO of the Miami-Dade Aviation Department. "My goal is to define how we will look in 5-10 years and in

15-20 years from now. A lot has already been invested in building the new north and south terminal. Now it's time for the largest, the central one."

Bidding in sight

It's not something trivial. It is a project that will cost 4 billion dollars, and may be financed with public-private funding. "There is a lot of interest in this type of development in the US; before bidding we have been talking with international companies, including Spanish ones." Nothing new for Sola, who has been responsible for infrastructure projects in excess of \$13 billion, when he ran the County's Water and Sewer Department. This is the fourth time in 26 years that he works at MIA. He knows the intricacies of the airport well, and wants the renovations to free up space in the central and south terminal areas for future bidders of 10-, 15- and 20-year contracts, to build and operate their businesses there. A recent and controversial law will also force them to pay a new minimum salary. "We have more than 200 concessions, and we know that we bill three times more than any other Florida airport, but we do not think it will have a negative impact on sales," he says.

"We hope to increase service to Tenerife and Barcelona"

The task of Sola and his team is also to continue expanding direct global routes. "We manage an average of 1,000 daily flights by 105 airlines to 153 destinations. We are growing in Europe. Air Italy was the most recent carrier to arrive. In Europe, London is the number one destination, while Madrid is ninth. We hope to increase service to Tenerife and Barcelona. And we are betting very strong on Asia. They told us that we would never have enough cargo and we said 'let's try a weekly flight with China Airlines.' We already have four airlines from China and Japan doing weekly cargo flights. We want them to also bring passengers, because we know that there are some 300,000 people who arrive in Atlanta, New York, Los Angeles and San Francisco to go to South America via Miami. It would be better if they had direct flights to MIA."



Cargo weight

"We have the largest center for the fumigation of perishables in the United States and 45,000 m2 of cold rooms," says Emir Pineda, Director of Commercial Aviation and Logistics. MIA was the first airport that IATA certified as a pharmaceutical hub in the US. The transportation of flowers from Bogotá, where Atlas flies

twice daily, and with Alsmeer (Holland), where Martinair flies, is very prosperous. During the two weeks before Valentine's Day, they move 9 MT of flowers. Fedex occupies a large area and wants to duplicate it. Another example of Miami's appeal is EL AL. The airline required having its own decompression system to discard any explosives in its cargo. The facility cost 1 million dollars and may go unnoticed, but it helped to win a new client."

Hispanic hub: 300 Spanish companies operate out of Miami-Dade

More than 53,000 Spaniards are registered with the Spanish Consulate General in Miami

If the state of Florida was a country, its GDP would make it the 17th biggest economy in the world, and Miami-Dade would be its chief contributor. Located in South Florida, the county acts as a powerful magnet for Spanish businesses. Of the more than 300 companies registered in the state with ICEX (Spain's export and international business investment arm) as of mid-2018, the vast majority are based in Miami and the surrounding area. Cultural factors play a large part. In fact, according to Inmaculada Gutiérrez Carrizo, the economic and trade attachée for the US southeast to the Spanish Embassy, "Miami is where Spain is most and best known in the whole US".

Traditionally, Spanish direct investment in Miami-Dade went into banking: Banco Santander, BBVA Compass and Banco Sabadell have all been in the county for decades. Telefónica has also operated there for several years. According to a lawyer and former employee of the multinational, Apple chose one of the operator's Spanish engineers in Miami to test out a secret product, delivered to him stealthily and guarded by several people. It was the first iP-

hone, which went onto the market only after he and a small group of brilliant engineers around the world spent 10 days testing it and passing on their impressions to the maker.

Indra Sistemas, Amadeus, the biotech company Igenomix and infrastructure and civil engineering companies such as Acciona and Blumaq are among the Spanish presence in Miami-Dade. In a county where image, design and architecture speak volumes, there is also a cluster based on Spanish ceramics with an excellent reputation; Porcelanosa, Cosentino, Dune Cerámica, Cuéllar Arquitectura de Mármol have all made their mark. Besides channeling investment into the county, this sector also contributes to the maritime trade surplus that Spain runs with Miami-Dade. According to PortMiami's 2017-18 report, Spain ranks 15th in its global maritime traffic with 13,623 TEUs a year, making it eighth in terms of imports worth a total of \$321.85 million, and 25th for exports (\$48.93m). While these figures are unarguably light years away from those of the port's biggest global market – China, with 184,175 TEUs and \$4.806 billion – among

"Miami is where Spain is most and best known in the whole US"

European nations, only Italy and the Netherlands are above Spain. That is a situation that inevitably attracts specialists in logistics, such as Raminatrans.

Companies from Spain's services, media and marketing sectors abound, including EFE, Hispano Post, Llorente y Cuenca, Atravia and Avante Américas. The latter is domiciled in Coral Gables, the city in Miami-Dade that most resembles Spain, also playing host to the bustle of Spain's Consulate General – in the same building as the Economic and Trade Office. Sources from the Consulate say that "an average of 500 Spaniards register every month. The total is now 53,000, most of whom live in South Florida. Bilingual teaching is growing more popular, and there are now seven public schools with primary and secondary education in Spanish and English, and more than 50 teachers from Spain. According



A cargo ship coming from Port Miami sails at the mouth of Miami River

to experts, being bilingual leads to a 15% average increase in salary".

Mario Buisán, who was until June general director of Industry and SMEs, believes that with the right management, any business can be successful in the US. However, he

adds, this requires, among other things, "having a long-term vision, a well-defined strategy, a feasibility study, good lawyers and an understanding that with less than \$500,000 a year it will be difficult to support a basic business structure".

Heard in Miami

"Ten years ago we were seen as a hemisphere city and you would say that Miami was the trade hub of the Americas. Today it has changed since commerce with Asia, specially with China, keeps growing, and we have a feeling in our DNA that we are a global city and that's the way we will be seen. One of our advantages is that we are very well connected with the

Charlotte Gallogly, President, World Trade Center Miami

world. For WTC Miami, Spain is one of the top 10 most important markets where we will continue growing. For instance, its food and beverage industry is a traditional exhibitor at the American Food and Beverage Show, celebrated early this week, an event attracting 12,000 companies from 90 countries where the Spanish presence is always relevant"



"It was Florida before it was America so Spaniards are not new to this area, they are just coming back to where they once were. Spanish companies are perfectly aware that there are 700 million people awaiting them south of Miami, a market with a great growth potential, and another 300 mil-

lion north of this city that should not be ignored. Wherever trade happens, banks will be there to support it. When I was chairman of FIBA (Florida International Bankers Association) there were already 40 international banks with over \$400 billion deposits located here"

Roberto R. Muñoz, Commercial Banking Team Leader, FCB, Florida Community Bank, and incoming President, World Trade Center Miami

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IN MIAMI-DADE THERE ARE MORE THAN 250,000 UNIVERSITY STUDENTS SPREAD ACROSS PRIVATE AND PUBLIC INSTITUTIONS. LEADERS FROM MDC, MIAMI BUSINESS SCHOOL AND THE NEW ARRIVAL BABSON COLLEGE OFFER THEIR VIEWS ON EDUCATION IN SOUTH FLORIDA

DR. EDUARDO PADRÓN, PRESIDENT OF MIAMI DADE COLLEGE (MDC)

“I spend a lot of time making friends”

Obama called the MDC “a dream factory.” Founded in Miami in 1960, more Hispanic and black students graduate from Miami Dade than any other U.S. college. A fair proportion of the political and economic elites of Miami-Dade County have passed through the classrooms of the College, presided over since 1995 by a Cuban-American who passionately defends the right to education.

No one who cares about education should ignore Dr. Eduardo Padrón, president of Miami Dade College (MDC), one of the U.S.’s largest higher-education institutions, which he calls a “social elevator.” With more than 160,000 students hailing from all over the world, it is known as ‘democracy’s college.’ An economist and educator, Dr. Padrón is also a philosopher, determined that all talent – “something that is universal” – should be harnessed. This interview was conducted on August 15 at MDC’s Wolfson Campus. The president was mindful of all the niceties, welcoming us in a large hall with great views – to him of “the most beautiful building on the inside in all Miami, the college’s historic Dyer Courthouse,” and serving croissants and coffee. Something of a dandy, he is an elegant man, with a classic sense of style, but with modern red-framed glasses balanced on his nose lending him an Unamuno-like air. His considerate way of speaking, of conveying ideas and, above all, his genuinely welcoming manner make their mark. Of Spanish descent, he thinks of Spain as “*un poquito*” his country. Among his many decorations, he is a member of the Order of Isabella the Catholic and of Juan Ponce de León, as well as having been awarded the U.S. Presidential Medal of Freedom.

QUESTION: What future do you see for MDC given the current changes in technology?

ANSWER: This institution is more needed today than ever. Cities compete on the basis of talent. Talent is universal but the opportunity to develop it is not. In the United States, more than two-thirds of jobs require post-secondary education and there are six million positions left unfilled. Unemployment affects those who do not have higher education. The universities do not produce the necessary number of graduates that certain technological sectors require. This prevents more agile progress. Yes, technology is advancing by leaps and bounds,

but that creates opportunities. Augmented reality, artificial intelligence, the advent of data analytics, cybersecurity... all these fields in which five years ago there were no courses are now the most popular. Institutions like MDC are the great North American invention when it comes to education.

Q: What is different about MDC?

A: It is not elitist. Universities have always boasted about how many students they exclude, not how many they include. They are very expensive and demand the best grades. To me, those students are going to succeed despite the university, not because of it. But what about the vast majority who did not have the opportunity to go to exclusive elementary and high schools? Who is offering them a place? Miami Dade College. We have proven that talent, when given an opportunity, surges and rises up like foam. This institution opened its doors to immigrants, to the poor, to everyone. The vast majority of the ruling class today in Miami, starting with this guy here [pointing to himself] are products of MDC, which has been a catalyst for hope and a demonstration of what immigrants can do for a city like Miami. Because Miami was made by immigrants. Most of the founders were black people from the Bahamas, and then Miami integrated. This was a place where not much was happening; it was a dull town until the 1960s and 1970s, when Cubans and others began to stir things up and create wonderful things that attracted others. Miami is what it is today thanks to the vision, determination and great work of all immigrants.

Q: You were one of them yourself. What do you think of federal government’s immigration policies?

A: Oh my God! It’s like a bad dream, a nightmare... The American people are humble and generous, however, the view of them that is shown now in Spain, in Europe, everywhere, is terrible. Current migration policy is not consistent with the principles of our nation,



“Many parents send their children to MDC as a passport to go on to the best universities”



Picture above, Dr. Eduardo Padrón. Below, the “most beautiful building on the inside in all Miami, the College’s historic Dyer Courthouse”, that will host the School of Architecture and other art oriented programs, once the renovation is completed.

founded by immigrants. Nor is it appropriate for the 21st century. Congress has not been able to make progress on this sensitive issue.

Q: Are workers from the 20th century being recycled and retrained?

A: A growing percentage of our student body are people who realize they have to change and acquire new skills if they want to keep their jobs or have access to the new jobs springing up on a daily basis. These new jobs require university degrees

or specialized training, and Miami Dade College and other institutions have adjusted their goals to provide the necessary training.

Q: Yesterday I had a pop-up ad appear in front of me about MDC’s cybersecurity program.

A: We are creating the most advanced cybersecurity center in the nation. We have a waiting list of banks who want to send their employees. It will be open 15 hours a day, seven days a week. There is a huge demand.

Q: And how do you attract the right teachers? You really need the best to teach that subject.

A: Yes, you do. And they are expensive. Industry comes along and offers them double. You have to look for people who are very good and who also have a vocation. We have companies that work with us constantly. The United States has two unique things; one is that companies collaborate with educational institutions and give us some help to compensate the salary of those individuals; they allow their executives to teach, and then many of the teachers work in those companies to retrain. The other is the alumni concept. The conscience of former students is developed so that they owe a debt of gratitude to the institution that trained them. Spanish and Latin American rectors ask me: “How do you do that? Because here the alumni do not give a penny!” My answer is that here, if it were not for them, we would not have enough resources for cutting-edge programs. If we depended only on the state, we would not have enough. That is one of the great cultural blessings of this country. Now we are working with a major foundation that has expressed its intent to donate \$20 million to us. There is another that has already given us more than \$150 million.

Q: Don’t they ask for anything in return?

A: Love, and that has to be worked on! The money often comes without us asking for it, because the donor recognizes the work of the institution. But I always say that before you ask for money, you have to create friends. I spend a lot of time making friends.

Q: What reaction have you had from Spanish companies in Miami? Have you made friends there?

A: Many, but neither in Spain, in particular, nor in Europe, in general, does this tradition exist. There are wonderful exceptions, for example, Banco Santander. Patricia (Continues on page 9)

SNIPPETS FROM THE CONVERSATION WITH DR. PADRÓN

To return to Cuba or not to return. That’s the question...

“I have returned. It was important to renew ties with relatives. This is a very difficult issue for Cubans outside of Cuba. The country always calls to us. It is the land that bore us. We cannot

lose hope that one day the Cuban people can enjoy all of the freedoms that democracy guarantees.”

On To Kill a Mockingbird, his favorite novel

“It showed the cruelty that was inflicted on black people in this country, a situation that is still pretty bad. And it made me think about what I wanted to be, about my life and my role in defending human rights.”

How a crazy man started a book fair...

“Once, when I was traveling in Barcelona, I saw so many people queuing up and so I went to see what was happening. There were tons of books and more books. A few weeks later in Buenos Aires, I saw the same thing. Why couldn’t we create a Book Fair here and bring in authors? People thought I was crazy. Even the newspaper editors said I was deranged; who was going to come to downtown Miami, which in

1983 was a desert, to see books and authors? Noooooobody! But I managed to get booksellers and a few others involved and we set up a colloquium (jelengue!) – and 25,000 people showed up! Today the event gets around 400,000. We also organize the Miami Film Festival. Figures such as Almodóvar and Banderas became known in the US that way.”

Miami, the city where Hispanics feel first rate...

“We fit in here in Miami.

As Hispanics, we don’t feel third class. In fact, sadly, we feel more first-rate than the rest. In other U.S. cities, Hispanics are usually considered third-class citizens. Here, in just a few months, they become part of the community and can be leaders in every sense of the word. That does not happen in New York, Boston or in Chicago, where things are tightly controlled and you cannot penetrate the realms of power.”

"We have proven that talent, when given an opportunity, surges and rises up like foam. This institution opened its doors to immigrants, to the poor, to everyone."

[Ana Patricia Botín, the bank's chief executive] has been an angel.

Q: Would a student from Harvard have better opportunities than one from the University of Miami or MDC?

A: A study, initiated in Stanford, has just been published evaluating institutions on their ability to lift people out of poverty. MDC ranks first. Harvard is a great institution, but it is beyond the reach of the vast majority of students. Who can afford it? If we are talking about opportunity, I firmly believe that talent is universal, but opportunity is not. Success is defined by the contribution and dedication of the individual, of that person who, upon receiving the opportunity to progress, makes the most of it and studies to reach their goals. This is why institutions like MDC exist, places where the doors to opportunity and success are open to ALL. If you look at the people who become leaders in both the public and business sectors of our city, the vast majority were educated in the classrooms of Miami Dade College. When it comes to providing social and economic mobility, no one has done a better job than Miami Dade College.

Q: How much does it cost to study at MDC?

A: A year will cost you \$3,000 but that does not include books, which are almost as expensive as tuition. You cannot imagine how many people do not have \$3,000 just to enter! Many parents send their children to MDC as a passport to go on to the best universities: Harvard, Yale, Princeton... Their reputation is incredible and those institutions are under a lot of pressure to give opportunities to minorities and the less advantaged. We have more Hispanic and black graduates than any other institution. Then they come and take the brightest. The social contribution of being a gateway to opportunity is the true role of the 21st century university. MDC is called democracy's college for that reason.

Q: And Obama awarded you the Presidential Medal of Freedom in 2016.

A: And I got so emotional. If you think about the fact that I came to this country on July 21, 1961 – I will never forget! A teenager without a penny, responsible for a younger brother, making me his father from the day I set foot in the U.S. without knowing the language, without knowing the culture, without having anyone here... After having washed a lot of dishes, having cleaned many toilets, having done all kinds of jobs in this great country – which, in spite of all its defects, is a land of opportunity – to be able to get where I am and receive the greatest honor for a civilian given by the U.S. government, well, the tears poured out of me. I do not think it would have happened in any other country in the world.



Learning entrepreneurship

One in five entrepreneurs in Miami do it out of necessity

for Babson. Now it also focuses on women's entrepreneurship and leadership: "We are the only business school in the US with a center for women and it's been three years now since we brought the WINLAB (Women Innovating Now) to Miami, a free of charge business accelerator, which is sponsored by the Knight Foundation, Fedex and Akerman. "Only 3% of venture capital investments go to women. This year we've received twice as many applications than in 2017." The last pillar is social innovation, "millennials don't just want to know how much money you're making, they want to know how you make it. So, it would be surprising to see them investing in tobacco companies," concludes Trindade.

"Only 3% of venture capital investments go to women"



JOHN A. QUELCH, DEAN, MIAMI BUSINESS SCHOOL

A Midas in Miami

The Brit who exchanged old America for the new promise that by 2025, Miami Business School will be among the top 25 in the US

He left his position as professor in Harvard to turn around the Business School at the University of Miami and the first thing he did was invert the name to capitalize the Brand. Educated at Oxford, Wharton and Harvard, John Quelch arrived a year and a half ago with an outstanding reputation. Between 2011 and 2013 he increased revenues at CEIBS (China Europe International Business School) by 25%, topping 100 million dollars, and raised its position in the international rankings. In 35 years, his case studies in marketing have sold more than 4 million copies. His opinions:

Leaving Harvard for Miami

"I exchanged Old America for New America. The demographic epicenter of the United States is quickly shifting towards the south: Texas, California and Florida. The northeast is weak-

ening. Florida is a microcosm of what America will look like in the future".

Challenges of the City

"Miami is associated with tourism and its beaches. Its intellectual capital is underestimated. In the field of higher education, it is not internationally recognized as an important destination. The University of Miami is one of the fifty most important universities in the United States and a research institution with global stature. If you draw a straight line between Rice University in Houston and Emory in Atlanta, there is no better research university south of that line in the hemisphere than the University of Miami. We have an enormous opportunity to capitalize that".

His Formula for Achieving '25 in 25'

"I call them the 4 F's (Faculty,



With a 3.7% unemployment rate, the market moves very fast in Florida. "Searching for candidates is not a process but an art. Not only does it consist of finding good candidates, but of finding a way to build a close relationship with them to convince them to 'buy' the project you put on the table, something which requires high doses of empathy and the ability to influence and persuade," says Begoña González-Blanch, managing partner of Ackermann International Miami.

Finding a professional in the U.S. takes twice as much time as in Spain. "Finding the perfect candidate requires contacting between 100 and 150 professionals, we must make it easy for them to participate in the process and save them the maximum time with tools such as video inter-

The Art of Hiring

The experience in Miami of a Spanish headhunter

views. And when you find the right professional, you have to send the contract quickly, because the competition for talent is very high.

A talent that costs more than in Spain. "Here a new graduate asks you for \$50,000 a year for their first job, while a Spanish company wants you to look for a country manager for \$120,000. In the U.S., for a company that has an annual turnover of around \$100 million dollars, that position typically pays \$300,000 dollars per year, similarly one that produces \$50 million dollars annually, offers around \$200-220,000 dollars".

"Here a new graduate asks you for \$50,000 a year for their first job"

this, you will not attract brilliant students nor will you attract exceptional companies to hire them. It is a virtuous circle. This year enrollment in our graduate programs increased by 12% to almost 600 students; among the strongest upturns among business schools worldwide".

Miami Business School's strong point

"The Master of Science in Business Analytics. Almost 100 students enrolled this year. We expect to be among the top 10 in the world. The ratio of applications to admissions is strong and there is also a high demand for our students by companies".



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SPANISH SECTOR FOCUSES ON PRIVATE BANKING IN MIAMI

Three entities now operate out of South Florida: Santander, Sabadell and BBVA Compass

Spanish banking's first incursion into Miami took place more than two decades ago, when the Spanish market was concluding its own domestic consolidation process. Entities such as Santander managed their international private banking business from Florida, with a focus on Latin America. After all, "the Latin American client has always liked having their money in a very safe jurisdiction and in US dollars," says a banker who works in Miami. All in all, choosing this city was a good bet.

That early period also saw the arrival of Banco Sabadell and BBVA. The second wave of Spanish entities occurred between 1999 and 2007, during which time the savings banks that landed on American soil moved into financing real estate projects in the US and Latin America, starting from scratch. "These were complicated operations that not even the big Spanish banks had dared to tackle, and which were now designed in Miami offices and executed in Latin American territory. The crisis swept them all aside, and even led to their disappearance from Spain in some cases," recalls another professional from the sector.

At the same time, the domestic American market was going through its own consolidation process. According to data from the Federal Deposit Insurance Corporation (FDIC), a public-private entity that guarantees up to \$250,000 per account, there were 8,315 commercial banks in the US in the year 2000. These ran the whole gamut in terms of size, but there was a predominance of very small or medium-sized entities, which were eligible for purchase by big banks desirous of integrating them in order to grow and take over part of the business. This is what Banco Sabadell did, for example, managing the growth of its commercial banking arm through Sabadell United Bank – until it was sold to Iberiabank in 2017.

Bank consolidation in the US continues. As of June 2018, 4,833 commercial banking entities were in existence, but a bank closes every day. This year more than 185 have shut down and at least 112 have merged, but no Spanish commercial bank remains. Only three banks continue to operate out of Miami: Banco Santander, Banco Sabadell and BBVA Compass, with their main source of income still coming from private banking.

MAURICI LLADÓ, MANAGING DIRECTOR OF BANCO SABADELL MIAMI BRANCH AND SUBDIRECTOR GENERAL OF BANCO SABADELL

"This will be a record year in terms of business volume"

The fourth banking group in Spain manages all of its private and corporate banking business for America from Miami, excluding the Mexico business book.

Sabadell has been in the US for 25 years and currently has the largest international branch in the State of Florida. From Miami, Sabadell manages a private and corporate banking hybrid business that yields excellent results serving the US and Latin American market. Even though the private banking clientele is Latin American, corporate banking is made up of 65 percent US corporate entities, the remaining being Latin American. "Our location is key: 80 percent of the markets that interest us are three hours away at the most, our clients like Miami and here we have access to truly bilingual personnel," said Maurici Lladó, Managing Director of Banco Sabadell Miami Branch since 2017. That year, Banco Sabadell, where he is a *Subdirector General*, sold its commercial banking subsidiary, Sabadell United Bank, to Iberiabank for \$1.025 Bn.

Lladó, who has been in the city for 19 years, anticipates that 2018 will be a record year for Sabadell Miami. He believes that the open question in the short-term is the American stock market. "There is debate regarding whether it is overvalued. Undoubtedly, the behavior of the American economy has a strong impact on all of the region. However, the Latin American clients who think and save in US dollars will keep trusting the international banks based in the United States as a safe haven against economic and personal insecurity from their respective countries."

Q: Why do clients choose Sabadell over so many other competitors in Miami?

A: Firstly, because even though we are a large, top bank, we offer a boutique service model with much more proximity and customer service. Secondly, because in Miami we are the only regional banking platform that combines private and corporate banking. Our private banking client is usually an entrepreneur, and private banks normally services said clients, but not their firms or their most strategic projects because they do not possess the technical capabilities to do so. Sabadell Miami has a different model, with two complementary and well-coordinated teams, providing substantial value-add to generate client loyalty.

P: Which results do you expect for the closing of the year?

A: This year we will reach a record in terms of business volume and results in general. We expect both our total AUMs in private banking as well as the corporate loan portfolios to have double-digit annual growth. Our excellent results will allow us to invest around \$15 million in the



"We are developing a \$15 million three-year investment project to modernize our technological platform"

next three years toward the modernization of our technological platform, allowing us to keep growing in the future. After 25 years, we remain committed to Miami.

Q: Historically, private banking services clients with a minimum balance of \$2 million dollars. What is Sabadell's lower limit?

A: The increase of regulatory costs associated to the banking business, especially given how expensive a strong compliance team is, makes small clients unprofitable, limiting the international-banking industry's inter-

est in taking them on as clients. Private banking is no exception. Our hybrid model allows us to be more flexible. We like families and companies who look for a personal relationship and to which we can add value through both of our business lines, private and corporate banking. In the US we offer our services to clients with a business relationship of \$1 million and growth potential.

Q: Part of the banking industry has asked the American Government to ease regulatory pressure, have you done so as well?

A: When it comes to money laundering, there cannot be regulatory easing, it is the cost of doing business in the US. The system ensures the quality of our assets and protects us against reputational risk, guaranteeing our long-term continuity. Even though there will always be some markets that are more permissive that can capture those clients that do not qualify in the US, we feel comfortable with the *status quo*.

Q: Do you reject many account openings for regulatory reasons?

A: There are many stages in the approval process of a new client that include, among others, interviews with the banker, database searches and other analyses of our compliance team. The great majority of prospective clients that do not qualify will be discarded during this rigorous selection process. The percentage that makes it to the final decision stage and is rejected is immaterial.

Q: What about firms doing business with the government?

A: Without a doubt, it is necessary to abstain from PEPs (Politically Exposed Persons). We are extremely prudent with companies or firms that are related to governments of countries with a high level of corruption.

Q: What are Miami's highlights?

A: The transformation that has taken place during the last 19 years has been incredible, especially in Brickell, the financial district, as well as all of the seashore and bay. Art Basel has been the best move the city has made in a long time. Along with being a consolidated vacation destination, it is now a business destination as well. Miami is now a cosmopolitan, multicultural, and an excellent city to have a family. I think the authorities have done the right thing; go out with determination to sell Miami and gain access to both the tourist and investor global demand.

That is the right direction and the proof is in our presence in the city.



Picture above, Maurici Lladó. Picture below, facade of the headquarters of Bank Sabadell Miami Branch.

Notice : Do your homework before coming to Miami

Spearheading the Spanish section of Banesco USA is José Ramón Purroy, Vice President of Business Development, an Aragonese who advises Spanish companies on their business pursuit in South Florida

At Banesco USA we understand the idiosyncrasies of the international client. It is not easy for an American bank to be able or willing to understand the culture, expectations and needs of this type of client," says José Ramón Purroy, Vice President of Business Development at Banesco USA. "Our attention is totally personalized. We are focused on the client, innovating and applying technological changes. These aspects are key. We have achieved a sustained growth and a profitability above the average of the local market, with a solvency position that has allowed us to undertake important investments to boost the digital transformation. This position permits us to continue improving both the experience and the services we offer our customers."

Technological advances and the entry of Fintechs have forced



changes in the financial sector that seeks to adapt to digital transformation. This is a threatening reality for many of the community banks in South Florida; however, Banesco USA is preparing to take

the lead. "Miami is ideal for a medium-sized Spanish company that does not have much international experience," says Purroy. "For it, entering the US through Miami is always much easier and from

here, we serve companies that do business in the rest of the country, as well as in Latin America."

According to this banker, this market is very competitive and you have to arrive having completed your due diligence. "In the Spanish post-financial crisis, many entrepreneurs arrived who tried to start business here. Without a good business plan, without financial resources and without a defined migration status, it is very difficult to succeed. This is not a market where one can come to improvise. Fortunately, we see that the companies arriving lately are more and more prepared and professionalized. It is very important to take good advice and choose the right partners. The success of a Spanish company in its internationalization process can lead to the creation of jobs both in origin and destination."

"Miami is ideal for a medium-sized Spanish company that does not have a lot of international experience. For it, entering the US through Miami is always much easier"

What does Miami offer? "The legal security, speed and ease in the procedures to create a company. This society is a pro-business. Miami also is a logistic reference center that adds to the already great economic influence. It is a great platform for doing business in and with Latin America."

Sounds from the sector

Private banking and the preferred investment vehicles of the Latin American client

"A high-net-worth Latin American individual is no different to one from Europe or the United States. They have varied portfolios, but with one peculiarity

that sets them apart; the asset location is different as there tends to be more fixed income in emerging markets. Their perception of risk in their country of origin does not match that of the banks. For example, for a Mexican, investing in Mexico is very safe, but the US banking sector sees it as an emerging country"

9/11 and regulations to prevent funds from financing terrorism or criminal activities

"Fifteen years ago US standards seemed very rigorous but, with the passage of time, other countries have ended up copying the American regulatory requirements. The US leads the way in the world and banking is no

exception to that. Today no jurisdiction can afford not to have high standards of money laundering prevention"

The Treasury Department and "the world's policeman"

"Banks are forced to be 'the world's policeman', although

now this requirement is also being made of title insurance companies. This is a conversation that has gone on between the banking sector and the regulators. The reality is that it is the government that gives out visas for an individual to enter the US, not the banks. We're doing all we can and all we have to do, and it costs us a fortune"

Francisco J. García-Nieto has experienced the busy arrival and departure of much of the Spanish banking institutions that have operated and continue to do so in South Florida. Today, only three of the entities that started conducting business more than two decades ago remain: Banco Santander, Sabadell Miami Branch, and BBVA Compass. "Acquiring a bank is easy. The difficult part is to implement a technological system in the United States, as cutting edge and innovative as the one used by the Spanish industry, lacking the extensive client base needed to make it profitable. The regulation,

FRANCISCO J. GARCÍA-NIETO, SENIOR VICE-PRESIDENT, BUSINESS DEVELOPMENT, BCI SECURITIES

"This market has big importance for private and investment banking clients"

product and guidelines are so different that millions in investments are required to start from scratch in a market where most of the banks are very small. This needs acquisitions and a relatively rapid organic growth without sacrificing credit quality." This approach is implemented by a bank like City National Bank, the third largest bank in Florida with more than

\$13 billion in assets and a member firm of BCI Financial Group in Chile that recently purchased TotalBank from Banco Santander after Banco Popular was acquired by Banco Santander.

From the perspective of this Ávila-born Spaniard, Miami's financial industry is now much more relevant than it was ten years ago,

but in his opinion "it lacks an additional catalyst for example, an official national market; like soft commodities, raw materials other than metals, or other securities. It is not easy or likely, but just as Chicago has the Commodities and Derivatives market and New York has the NY Stock Exchange or Nasdaq, if Miami were to achieve its own, it would propel its financial image

on a global scale. Be it as it may, this is an important market for private banking and investment. Florida closely trails New York in being the state with more high-net-worth individuals with liquid assets exceeding 30 million dollars".

"Florida closely trails New York in being the state with more high-net-worth individuals with liquid assets exceeding 30 million dollars"

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NOT WITHOUT MY ATTORNEY. AS VIEWERS OF THE SERIES THE GOOD WIFE KNOW ALL TOO WELL, AMERICANS SUE AND DO IT FREQUENTLY, AND LAW FIRMS ARE EXPENSIVE, BUT IT IS EVEN MORE EXPENSIVE NOT TO HAVE THEM. HUNTON ANDREWS KURTH, GREENBERG TRAURIG AND HOLLAND & KNIGHT ARE PART OF THIS AMERICAN PROFESSION THAT ONE CANNOT DO WITHOUT.



REBECCA LEON, PARTNER AT HOLLAND & KNIGHT

On rules, standards and regulations

The United States is a country predisposed to litigation, it is advantageous to take precautions

We are a very litigious country; you can always find a way to sue and there are many different ways to do it. You only need to think about the number of laws and regulations that we have at the federal and state level to understand that businesses require the help of a good attorney,” says Rebecca Leon, a New York attorney who left her city to immerse herself in the Miami financial sector, an industry in which she is an expert. She has worked for the private sector and also for regulators, for example, the Regional Office of the U.S. Securities and Exchange Commission in New York.

Her clients (securities broker-dealers, investment fund managers, investment advisers) come from a sector that feels especial-

ly scrutinized. “Sometimes, when foreign companies open their offices here they do not understand the level of detail that our legislation entails, nor what the regulators are going to inspect and analyze, and they must be familiar with the entire spectrum of complications that can arise. If you do things correctly, by investing a little money in legal work at the beginning you may avoid a lot of litigation, penalties and fines.” Leon explains that “although these issues do exist, the U.S. market continues to be attractive for international financial institutions and investors, and one can implement precautions to avoid making mistakes and to protect oneself. We are here to help our clients’ businesses grow in compliance with U.S. laws.”



In the picture above, Miami Dade Courthouse



FERNANDO C. ALONSO, A PARTNER WITH HUNTON ANDREWS KURTH

The Ibex at your feet

Several companies of the Spanish Stock Exchange Index share this law firm in Miami

For over twenty-five years, the biggest banks in Spain have been clients of Fernando C. Alonso. In some cases, he has represented the banks through the majority of their trajectory in the United States. Additionally, along the years, many important Ibex 35 companies have come to Alonso’s law firm and had him as their legal adviser. An American of Cuban origin, he is the head of the Latin American and Iberian practice group at Hunton Andrews Kurth, a law firm resulting from the merger that took place earlier this year between two preeminent firms, each more than a century old. Hunton Andrews Kurth, which is home to over one-thousand lawyers on staff, is one of the largest ones among its American peers.

“Take for example the whole development process for one of the Spanish banks in the U.S.; it has been very interesting, from the push to create a very successful commercial banking entity to its eventual sale and the great surplus value obtained as a result of that timely and strategic momentum,” Alonso says. Now he continues to guide and support that bank to foster the growth of its corporate banking operations, including through loans to sectors such as infrastructure, an industry in which Alonso has also historically advised large Spanish groups and their construction, concessions and services subsidiaries. According to him, the perception is that there is a renewed interest in the U.S. among Spanish companies and that a new wave of investors is on their way, showing their commitment to the U.S. market and their capacity to carry out PPP and infrastructure projects. Alonso believes that “the advantage that Hunton has

with regards to Spain is the language and the breadth of knowledge in regards to the type of transactions carried out by its companies.”

An expert in mergers, acquisitions, joint-ventures and cross-border operations, Alonso is also the Secretary of the Board of Directors of the official Spain-US Chamber of Commerce. A good communicator, he always preferred history but ended up studying Law at Yale, “for lack of imagination.” He has a long list of awards, though none of which motivates him as much as “that burst of emotion you feel when a project that forces you to think comes through the door. We are not dedicated to simple operations, but instead to the more complicated cases that require sophisticated analysis.” “Yes!” he has sometimes lost sleep over clients: “it is part of the burden that you endure to make sure that you represent clients correctly.” For those that ask about his fees, one hour of his advice costs about \$895-\$900 dollars, but he believes that it is not appropriate to reach conclusions based on that fact alone, because “it gives a false idea of the total cost efficiency of a project where a team of junior associates also participates. We look to provide clients one-hundred-percent satisfaction in transactions and establish long-term relationships, and I will do whatever it takes to assemble the optimum team for their needs.”

**HUNTON
ANDREWS KURTH**



YOSBEL IBARRA, GREENBERG TRAURIG MIAMI OFFICE CO-MANAGING SHAREHOLDER, AND ANTONIO PEÑA, SHAREHOLDER IN THE MIAMI OFFICE OF GREENBERG TRAURIG

Bye bye, New York! Hello, Miami!

Greenberg Traurig attorneys believe that the South Florida market is gaining interest from private capital investors from The Big Apple

Some investors say that Miami has turned into the sixth New York borough: with a growing number of financial service companies moving to South Florida. It seems that Miami is now more in style than ever before.

“We just finished representing an investment fund with assets of between \$20 -30 billion that has just relocated to Miami. After the latest tax reform, New York has grown increasingly expensive and many investors see an opportunity to take advantage of the benefits of the state of Florida’s laws, which do not tax individual income and provide additional benefits like protecting an individual’s primary residence from creditors (homestead exemption),” said Yosbel Ibarra. “We recently helped a U.S.-based bank from New York to identify South Florida businesses that may need capital. There are many that are growing, like the technology sector for example. The interest in investing in technology is increasing and South Florida has one of the largest repositories of wealth that is increasingly being redirected in this area, along with institutional funds that are relocating or expanding here. In addition, access to this capital is far more open than is the case in areas such as Silicon Valley. Companies also say that they have been able to tap into a strong workforce here and that is particularly attractive when comparing the cost

of retention. The future is here,” Ibarra said.

His counterpart, Antonio Peña, who is also president of the Inter-American Chapter of the U.S.-Mexico Chamber of Commerce agrees. “One of our clients made a very exhaustive comparison between the east and west coasts of the U.S. to determine the technology market’s level of maturity. The results indicate that the sector has grown exorbitantly in South Florida.” It is no coincidence that in 2017 Miami was the city with the highest level of startups in the U.S., according to the Kauffman index. This sector continues to see an influx of capital, just like the companies that continue to enter the U.S. market through Miami, including some Spanish companies. “The cliché that this city is the gateway into Latin America remains true. Much of the work we do consists of representing Latin American and Spanish companies that initially entered the U.S. market through Miami and later completed transactions outside of South Florida, be it in another part of the U.S. or in Latin America. They feel comfortable here, can communicate in their native Spanish language and have access to a very sophisticated Hispanic community that helps them integrate and transition into this market in a smoother and easier way than perhaps other parts of the U.S.



CARLOS A. MIGOYA, PRESIDENT AND CEO OF JACKSON HEALTH SYSTEM

“100% of Israel’s trauma surgeons are trained here at Ryder Trauma Center”

A banker has changed the fortunes of one of the largest public health groups in the United States. It graduates more than 300 medical residents each year, including traumatologists for the US Army.

He is punctual, with a handkerchief in his jacket pocket, silver bicycle cufflinks, an impeccable white shirt and manicured hands. And he is bald. Do you like the hair? He is funny, as well as smart. The grandson of Asturians who married Catalans and emigrated to Cuba – “don’t ask me how it worked, but it worked” – he ended up in Miami aged 11. He studied at MDC, played in a band and then he went to Europe to drive in Formula 3. Back in Miami, he graduated in Business Administration, and went on to join the board of directors at

AutoNation, the US’s largest vehicle distribution company, and worked as a banker for 40 years. When he was considering retirement, he agreed to become Miami City Manager on a pro bono basis, a post he filled for the calendar year of 2010. Then he decided to stay on at Jackson Health System in order to stem hemorrhaging losses of \$450 million. Since his first year there, the numbers have remained black. In 2013 voters passed a bond issuance to invest \$830 million in modernizing the facilities and infrastructure at Jackson. “Quite a

victory; here we don’t like to pay taxes”, he says. The modernization program, begun with that capital and complemented by the reinvestment of cash obtained by Jackson, will propel forward a state-of-the-art healthcare system with a total investment of \$1.5 billion in the construction of new facilities and updated structures and technology. At Jackson Memorial Hospital, the group’s flagship, Migoya’s son was born 38 years ago, weighing in at just 680 grams of pure miracle; it was thought either the mother or the son would survive. Both did so. He always speaks of the hospital in the plural, although front pages of the Miami Herald crediting him with the institution’s achievements hang on the wall of an office which is otherwise rather spartan, but packed with personality.

Sanitary soundbites:

Accounts in order

“We are a public, university and research hospital. We have an annual income of \$2 billion and make a \$30 million profit. We

are more than 12,000 employees, including about 1,100 residents; each year we graduate more than 300 resident physicians in different specialties and pay their tuition fees to the University of Miami so they can do their internships here”.

Busting a myth

“By law, any hospital in the US attends emergencies. While the obligation of a private clinic is to stabilize the patient, ours is to discharge them 100% healthy, whether they have insurance or not – as long as they are a Miami-Dade resident”.

Miami miracles

“The Miami Transplant Institute performs the third-highest number of transplants in the country, and is number one in liver and multi-organ operations. In the past, a liver transplant could take 11 hours; now it is less than three. The patient spends one day in the ICU instead of three”.

A proud pediatric tradition

“Holtz Children’s Hospital is among the best in the country, ac-

cording to the US News & World Report ranking. It is one of the largest children’s hospitals in the US southeast. We are known the world over for our team of pediatric specialists with experience in the treatment of children with all kinds of illnesses. We also train a greater percentage of pediatricians than in any other medical center in the southeastern United States”.

Top traumatologists

“Our resident team looks like the UN. A lot of them will return to their countries, but they keep in touch. We are especially good at traumatology; 100% of the trauma surgeons in Israel are trained here at the Ryder Trauma Center, as are 100% of US Army traumatologists”.

An eye on disease

“The US sees Miami as a gateway for diseases from abroad. We monitor infectious ones very closely. The exhaustive research by the University of Miami in this hospital is beyond what any other US institution is doing”.



Quality Healthcare Without Insurance

ValueDOC.com, startup founded in 2013, brings together the interests of patients and doctors

In a country where medical insurance averages around \$500 a month, Camilo Padrón, a Miami entrepreneur and marketing expert, manages ValueDOC.com, a prepaid portal for health services

where the user registers for free and chooses treatments at competitive prices, without having to disburse a monthly amount to an insurer. “We have more than 150 doctors on board,” he says.

An urgent care visit costs up to 75% less than the average charged by the market, and for an annual checkup it offers prices starting from \$90 versus \$195. The doctor receives the payment in 24 hours. The platform currently offers over 35 different treatments. “In six years, we have witnessed in Miami an important movement in the startup eco-system of tech innovative technologies that’s steadily growing and our community leaders are creating a major footprint”. For example, Manny Medina, founder of

eMerge Americas, a reknown B2B technology marketplace event and previous founder of Terremark, sold to Verizon for \$2 billion. Venture capital funds such as 500 Startups are already in Miami. Padrón – who also collaborates with Spain’s Welever, a company that measures the social impact of people and institutions – believes that “it is only a matter of time before Miami becomes a respected Silicon 305”, in reference to the Miami telephone code. “We want to create more success stories.”

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That shiny object of desire

Miami real estate is still in vogue with property developers. Here, some of the sector's legends recount the city's path from rags to riches

Miami attracts. At the beginning of the 20th century, the Chicago businessman James Deering traveled by ship to Europe with his artistic director looking for inspiration in the French and Italian manor houses and furniture for his future residence on the shores of the Biscayne Bay. He called it Vizcaya. They say it was "the most complex and sophisticated private residence in Florida". Thousands have followed in his footsteps. Until the 1960s, the city was a haven for artists, it fell silent after the founding of Las Vegas. The developer Michael Maxwell says that when he came to Florida, no one went to Miami Beach, except for old people, who went to die. "You saw them sitting in the sun on their porches. It was depressing; there were no restaurants, no shops. Nothing! And now look at all those \$400-a-night boutique hotels".

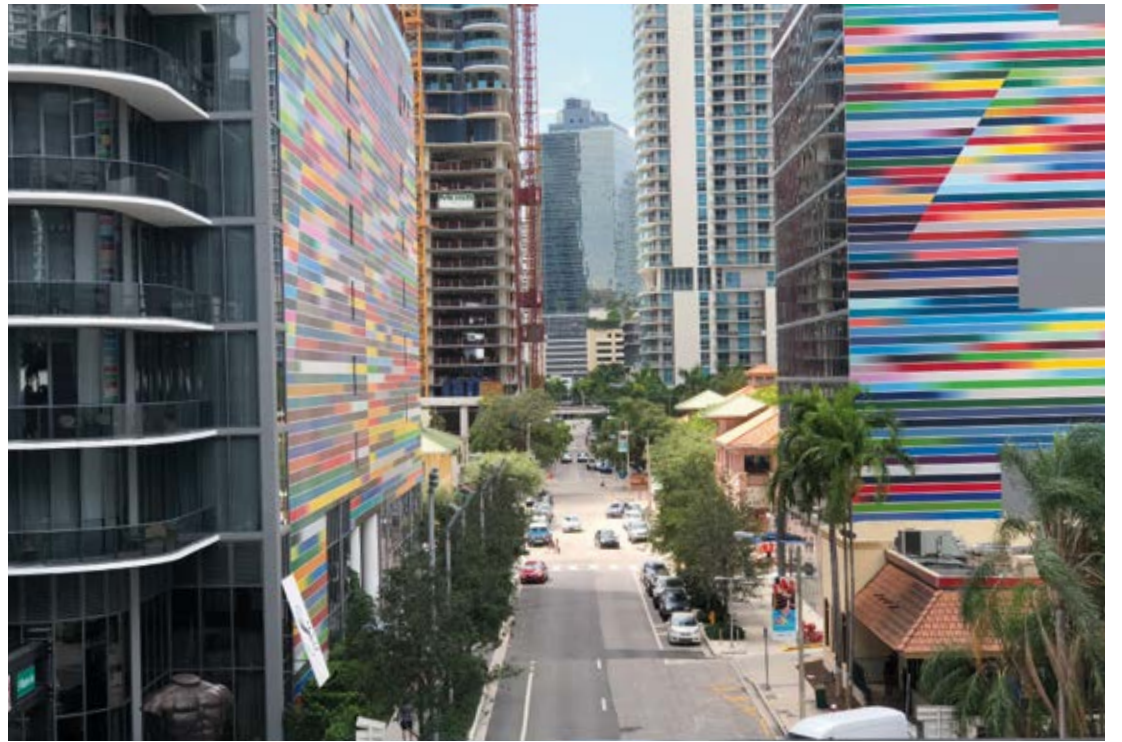
Alan Ojeda, the owner and CEO of Rilea Group, arrived from Spain in 1981. "Brickell Avenue, the equivalent of Madrid's Castellana boulevard, had two restaurants and only one opened at night," he recalls. Miami was a powder keg in the 1980s. Fidel Castro had sneaked a significant number of non-political prisoners onto the boats of refugees seeking asylum in Miami. Crime and racial tension led to riots and confrontations. "If I had to set a watershed for Miami, it would be the year 2000. Until then we were the capital of South America. We looked to the South and the South looked at us. Manny Díaz got America to look at us too, and start taking us

seriously." Ojeda is referring to the lawyer of Cuban origin, Manny A. Díaz, Miami's mayor from 2001 to 2009. "I inherited the city with the highest rates of poverty, drugs and homicides in the United States. The jobless figure was in double digits and those who could leave did so. There was not one single infrastructure project underway," says Díaz.

By the end of his term, "the population had grown by 20%, unemployment was less than 4%, the crime rate was below what it was in sixties and the city was ranked by Forbes as the cleanest in the US". Díaz roped in Florida's biggest developer, Jorge Pérez, to invest in the city. "Not so much as a duplex", was Pérez's first reaction when the mayor came knocking, but the two men ended up shaking hands. In return for the city putting \$3 million into the boulevard along the bank of the Miami River, Pérez would build One Miami, a skyscraper at its mouth. "My theory has always been that nobody wants to be the pioneer, but as soon as one person jumps in, everyone piles in after", he says. Later, a further \$10 billion in infrastructure investment would be injected.

The grain of sand and the oyster

Entering the mix after these changes came Art Basel, the modern and contemporary art fair originally from the eponymous Swiss city, in 2002. "It was the ultimate blessing, the grain of sand that fell into the oyster to make the first pearl, and



A view of South Miami Avenue in Brickell. Picture below, Manny Díaz (l) and Alan Ojeda (r).



"Fewer and fewer companies in the US can afford the luxury of not having Miami on their card"

which gave us something very important: personality. North America began to look our way. We were finally part of the US", says Ojeda. And so the new century took off in

Miami, bringing with it architects such as Zaha Hadid, Elkus Manfredi, Richard Mayer and Herzog & De Meuron, as well as local successes like Arquitectonica, plus new museums and auditoriums: Perez Art, Phillip & Patricia Frost, Adrienne Arsht Center...

For more than 15 years, Miami has continued to grow, real estate bubble notwithstanding. One of the projects started in 2006 is Miami Worldcenter. "When you travel and see those beautiful city centers to walk around in New York, London or Madrid... that was something Miami did not have. So we bought a hundred plots from 40 owners to make our own," explains Nitin R. Motwani, the managing principal of Miami Worldcenter who supervised the pre-development phase of this macro-project worth \$4 billion, with \$1.2 billion already financed and under construction. Occupying 27 acres (the equivalent of 10 football stadiums), the project will

put an additional 27,870 square meters of commercial land, with offices, apartments, a hotel and a convention center onto the market, while acting as a hinge between several neighborhoods. The luxurious Paramount Tower, part of the complex and almost completed, has attracted buyers from 52 countries, including the US. Spain is on the list, but not in the top 10, which is led by Brazil and China.

"Fewer and fewer companies in the US can afford the luxury of not having Miami on their card," notes Ojeda, whose group has developed several skyscrapers in Brickell: JP Morgan Tower, Sabadell Financial Center, One Broadway and, recently, The Bond. "People work hard here and think more about their obligations than about their rights. If you come with a mentality of getting down to work, this is a great city; unstoppable even. You only have to look at the last 30 years of its history".

From the horse's mouth



MICHAEL MAXWELL,
MANAGING PARTNER
MAXWELL & PARTNERS

"Americans have traveled to Madrid, Paris, Berlin and found they liked the center of those cities because they are walkable. Previously, in the US, we left the center of cities in favor of larger homes in the suburbs. Now, that trend has reversed. Florida cities, particularly Miami and Fort Lauderdale, have become increasingly dense, vital, and popular places to live. Moving back to the city center has meant down-sizing from larger to smaller units, which has ignited a new real estate boom. Self-storage is booming as a result with people now storing what they bought previously for their suburban homes".



NITIN R. MOTWANI,
MANAGING PRINCIPAL
MIAMI WORLDCENTER

"In Miami and New York more apartments are sold than in any other city in the US, because they are access roads to other global markets. The center of Miami absorbs 2,000 units a year. That has been the average over the last 30 years and I think it is sustainable".



LUIS A. MARÍN CUADRADO,
MANAGING PARTNER
SAXUM INTERNATIONAL

"When a Spaniard invests in Miami, he should seek advice from a competent source. For example, in the Brickell City Center neighborhood, an important business area that attracts foreign investors, a 110-110m2 condo owner with a value of \$500,000, would have to pay an approximate sum of \$10,000, annually in Real Estate Taxes, plus monthly maintenance/association fees, around the \$700 mark. Our strategy, is to focus on up and coming neighborhoods, with higher potential for appreciation and returns. With proper planning and guidance, it is difficult to lose in this market".



SHAY COKER,
MANAGING DIRECTOR
SAVILLS STUDLEY

"The risks of natural forces causing destruction seem a bit exaggerated to me. California has earthquakes. South Florida has hurricanes. As a result, modern day construction is typically built to withstand the strongest storms. A more pressing problem we have today is extremely high demand from industrial users. If a Spanish company asks me for 30,000 m2 of warehouse space, I might have to tell them to wait a year or two. However, there are at least 18 industrial parks and warehouses currently being built in the Miami metropolitan area".

The growth of the population of Florida opens up opportunities to its ports

Current expansion project valued at \$437 million, the largest in Port Everglades’ history, will increase productivity for containerized cargo operations by 50%

Although Port Everglades, located about 46 km north of Miami, in Fort Lauderdale – the county seat of Broward County – finds its main revenue source in cruise ships, the strategy of Steve Cernak, Port Everglades’ executive director and president of the Florida Ports Council, is to diversify risk by investing in other lines of business, such as containerized cargo, for which Port Everglades is already ranked number one among Florida’s 15 ports, and 10th in the US. The port, 100% self-financed, is embarked on the biggest investment in its history, a \$437 million project to expand berthing capacity at the south part of the port. Additionally, a \$337 million project will dredge and widen federal access channel. ACOE engineers believe that permissions will be ready by 2019. “It is critical for the success of the port,” says Cernak, who also has bought three Super Post Panamax cranes, at U\$13 million each, currently being built in China. All

these investments will result in increased productivity for ports terminal operators.

According to Cernak, “the question we must ask all Florida ports is how to grow organically for the common good without taking the business from each other, which is the easy thing to do. And yes, as a matter of fact, you can. The market is growing, as well as the population of Florida and the demand”. One of the major opportunities he sees are perishables; fruits and vegetables where Port Everglades ranks fifth in the US. “It will bring about a redistribution of the business at the ports of other states. For example, for ships coming from the Caribbean or Latin America north, it makes more sense to discharge the cargo in Florida and take it by road to New York rather than the other way around. It arrives earlier and it costs less. We can also transport the goods by rail. We cover 70% of the United States within four days”.

Area code 954. How may I assist you?

“Aviation and MRO (Maintenance, Repair and Overhaul) industry professionals refer to area code 954 as synonymous with integrity and quality; we are known for that, and for our economic engines Port Everglades and the Fort Lauderdale-Hollywood International airport,” says Pierre Taschereau, International Client manager at the Greater Fort Lauderdale Alliance, the economic development agency tasked with promoting Broward County to the world. It has 2 million inhabitants and it hosts the world’s largest yachting show every year. “It generates \$850 million in

five days. Approximately 500 business aircrafts land in the four local airports to attend the event”. Broward is home to the I-595 corridor, a public-private project awarded by the State of Florida and the largest one in the history of the State Department of Transportation, according to Dragados, the company that won the bid. I-595 has been operational since 2011.”Logistic is key here, for instance a loaded truck can travel from Port Everglades to California without finding a single traffic light on the road, except for access to the port,” concludes Taschereau.

Bilateral merchandise trade Florida-Spain

TOP MERCHANDISE EXPORTS				TOP MERCHANDISE IMPORTS			
Exports to Spain	2015	2016	2017	Imports from Spain	2015	2016	2017
Yachts and other vessels	51,1	44,5	63,5	Medicaments	32	17,6	200,7
Human and animal blood, antisera, vaccines	91,4	46,3	39,2	Motor Cars & Vehicles for Transporting Persons	87,9	127,2	120,1
Civilian Aircrafts, Engines and Parts	24,9	39,9	24,5	Paintings, Drawings by Hand	20,5	11,2	110,4
TOTAL	393	353,6	326,9	TOTAL	92,7	871,1	1217,9

Source: Enterprise Florida. Figures in million dollars.

GOING UP NORTH

Spanish firms investing in Florida tend to focus on Miami-Dade County. “They have little understanding of the rest of the state and don’t tend to look beyond as Miami captures their imagination. The whole world knows and recognizes the Miami brand, it sells itself, but they don’t know Orlando, except as a tourist destination nor Tampa. Neither do they know Jacksonville, Panama City or Pensacola, cities with strong economies with ample opportunities where they could be very successful”. Alice E Ancona, director of International

Strategy & Policy for the Florida Chamber of Commerce.

Florida’s trade has been historically tied to Latin America and the Caribbean and the state is conscious that these markets are not growing at the same pace as others, such as those in Asia. “Miami is not just a center of Hispanic culture, you can hear it in the languages spoken throughout the city. There are people here from all over the world.” Herein lies the strategy to transform Miami into a truly global city.



The Spanish companies choose Florida

More than 150 Spanish companies, out of over 500 which have been set up in the state, succeeded in doing business with the help of Enterprise Florida

At 1 trillion dollars, the Sunshine State is the fourth largest contributor to the U.S. GDP (Gross Domestic Product) and ranks sixth among states attracting foreign direct investment. One in every 14 new US jobs are created in Florida, which historically boasts the highest number of Spanish companies registered –more than 500, followed by New York State, 98, and Texas, 30– which create around 25,000 jobs across the state in different fields ranging from ceramic tiles, financial services, furniture and construction and public works to food and beverages, audiovisual industries, logistics, pharmaceuticals and ICT. Around 17% of the state GDP comes from international trade. US exports to Spain totaled \$15.2 billion in 2016, whereas imports from Spain were \$13.2 billion; the situation is reversed in the case of Florida.

As Manuel A. Mencía, Senior VP of International Trade and Business Development of Enterprise Florida, Inc. (EFI) over a period of time that spans the last 4 governor terms, points out, “Spain remains one of our most strategic countries”. He works at the Miami office of the not-for-profit government business partnership headquartered in Orlando, which has offices in Tallahassee, as well as in 13 cities outside the US, including Madrid. EFI supports the economic growth in Florida by helping new foreign companies get set up, thus boosting employment opportunities and also assisting domestic companies in international trade by means of trade missions and international trade shows.

According to Mencía, as far as taxation is concerned, Florida is found to be one of the top 4 business-friendly tax states in the country - “Our corporate tax is only 5.5%. With a population of 21 million, we receive 116 million tourists, who pay 20-25% of the state total tax revenue income every year; that is why we have such low taxes. Florida ranks third among the states exporting high technology, according to Census, and second in aviation - aerospace industry and health technology (medical devices & biotech). “We have launched Venture Bridge, an online program to help companies get settled down at the beginning of the process”.



Manny Mencía



Gonzalo Arance

Gonzalo Arance, Deputy Director of the Enterprise Florida office in Madrid, Spain, since 2003, remarks, “Florida has undergone dramatic changes over the last thirty years. The unemployment rate is now just a 3.8%. Over 150 Spanish companies from different sectors have successfully invested there with our assistance and expert counselling. Those being set up currently have been creating more and more added value and are coming to Florida to manufacture, assemble or build up. We are hungry for business initiatives and success here in Florida”. Mr. Arance strongly recommends investing in marketing and communications as a key step towards success - “Even dentists run radio and billboard advertising campaigns. The product, no matter how good it is, won’t sell itself”. For more information: EFI Spain office, Paseo de la Castellana 164, 6º derecha, Madrid 28036.

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