

# HOW THE GOLDMAN FAMILY REDEFINED SOHO, SOUTH BEACH AND WYNWOOD

May 11, 2015 Billy Gray



Jessica and Tony (photo by Gary James)

A straight shot from the modest entrance to the Wynwood Walls in Miami stands a mural by Shepard Fairey. It's arguably the signature piece of the open-air shrine to street art, bookended by representations of Andy Warhol, Martin Luther King Jr. and the Dalai Lama. Those historic figures flank a larger central panel depicting the late Tony Goldman in a 10-gallon hat, golden sunbeams radiating in either direction from his torso.

Goldman's inclusion in the work will probably bemuse the casual visitors and art lovers who flock to Wynwood Walls. But it will register with anyone who's part of or knowledgeable about the real estate industry. Goldman helped define Wynwood—and nearby South Beach and New York's Soho—as artists, wealthy residents and world-class shopaholics know them today. And Fairey's tribute to him aligns with the man and his considerable legend: colorful, outsized and, competitors might say, prone toward embellishment.

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## **Rising Sun**

But even rivals would concede that Tony birthed a real estate empire to emulate. Speyer, Durst, Le Frak, Trump, Shorenstein, Smith: these names have become synonymous with the cities whose premier buildings they own. Goldman Properties may not have a world-famous address in its multi-city portfolio. Yet Tony and his family have left their imprimatur on several of the country's most recognized neighborhoods—Soho and South Beach chief among them—that they helped make world-class destinations after decades of neglect.

For Goldman, a 44-year real estate career that dovetailed with—and accelerated—the revival of urban downtowns began with coffee errands. Born in Wilmington, DE, in 1943 and raised in Manhattan, Goldman had just graduated Emerson and begun a New York City real estate apprenticeship with his uncle.

Tony's daughter, Jessica Goldman Srebnick, who became CEO of Goldman Properties after her dad's death in 2012, recalled him always saying, "If you want to get anywhere in life you've gotta be the first one in and last one out. And the most he learned was bringing coffee in the morning and Scotch in the evening to his uncle."

***"If you want to get anywhere in life you've gotta be the first one in and last one out."***

He learned fast. And the famous confidence that would propel his career emerged early. Tony questioned his uncle on a business decision. Milton shot back, "Buy the building. You think you know it? You go do it." And so he, with wife Janet, did, diving into real estate with a brownstone on the then-seamy Upper West Side.



But it was a forlorn warehouse district of Manhattan just south of Houston Street—now known as Soho—that solidified Tony's killer, prescient instinct. Drawn to its distinctive cast-iron architecture and bullish on its huge, raw and cheap spaces, Tony quickly bought and spiffed up 18 properties, most notably the Soho Building at 110 Greene St. He also stayed ahead of the curve by opening two restaurants—Green Street Café and Soho Kitchen and Bar—to draw in the cool kids before that culinary-nightlife move became real estate orthodoxy.

The Soho blueprint left by Tony and other risk-loving landlords was replicated the world over, right down to the unquenchable thirst for increasingly esoteric neighborhood acronyms (see Brooklyn’s “BoCoCa”).

## **Miami Nice**

Tony brought it to southern Florida in the mid-1980s, when its pop culture reputation was strictly limited to neon-hued drug busts (Miami Vice) and randy retirees (The Golden Girls). Despite that, the southern end of Miami Beach, unlike Soho, didn’t need to be branded from scratch. But its beachside Art Deco beauties had faded as resorts while the surrounding area was overrun with “crack houses and old people in dilapidated buildings.”

He acquired the tattered, low-rise Park Central and Imperial hotels along with the Heathcote Apartments—all clustered around 6th Street—for \$3M. Luxury chain hotels on Collins Avenue may dwarf them these days, but those behemoths owe Tony’s investments a heavy debt.

In the end, Goldman Properties went on to buy one property per month for 18 months on Miami Beach’s Ocean Drive, years before it was Ocean Drive. The buys also predated the arrival en masse of fashion luminaries (Gianni Versace) and celebrities (Madonna, among many others) to Miami Beach and the surrounding area in its early ‘90s heyday.

There are several ties that bind the Goldman portfolio over the decades and up and down the East Coast. (The family has engineered lesser-known or less successful revitalizations in Boston’s Fort Point and Philly’s Center City.)

“Generally, all the neighborhoods he ventured into were hopeless and derelict,” Jessica said. “That turned him on. Then in a lot of our zones—not all—there was historical architectural significance.”

The Goldman family also puts great emphasis on a neighborhood’s walkability. And that pedestrian nature is matched with scalable buildings that don’t dwarf the people on the ground who are any district’s true lifeblood.

“You won’t find us interested in 40- or 50-story buildings,” Jessica said. We’re interested in neighborhoods.”

In retrospect, Tony’s gambles on those neighborhoods seem like sure bets. That type of foresight is essential to business acumen. But other tenets of the Goldman philosophy seem at first to run counter to persistent success in the real estate industry.

## The Art Of, And In, The Deal



*Philadelphia mural (photo by How & Nosm)*

One such tenet is the sustained intermingling of real estate and art. Tony’s cosseted upbringing on the Upper East Side led to early immersion in the arts. “His parents were big collectors, as were my parents, so we both grew up around it. It’s always been a part of—or really a way of—life for us. Life is so much more beautiful and interesting when you’re surrounded by art.” (Tony majored in drama at Emerson.)

For as long as any active developer can remember, an influx of artists has presaged a neighborhood’s mainstream real estate viability. The pattern, in which so-called “pioneers” priced out of one bohemian frontier move to a derelict area, making it hip, and are subsequently forced out to start the process yet again—is a timeless cliché. But these days, it works at warp speed.

It's unclear what accelerated the transformations of neighborhoods like Bushwick in New York or the Mission in San Francisco into seemingly overnight metamorphoses. There are a few prime suspects: cities are more desirable than they've been in a half-century, the Internet has made obsolete the idea of real estate "secrets" and not even the Great Recession could humble—for long—the global flow of money into properties even on the fringes of prime metropolises.

But from civic outcries against the mansion-ization of LA to political rhetoric regarding a tale of two cities in New York, the life cycle of a revitalizing neighborhood is viewed less as a mixed, inevitable blessing than as real estate fat cats squeezing out the very creative class that put a given area on their radar. (Most eulogies for former arts hubs gone luxe omit the blue-collar residents who predated even the heartiest artists.)

To combat this (or, critics would argue, douse criticism) the Goldmans espouse a commitment to "gentlefication" that permits growth and change but doesn't totally whitewash whatever quirks first made an area appealing. Jessica admits it's a challenge, and the alchemy behind that preservation is hard to quantify.

***"We've always wanted to surround ourselves with creative ideas, creative environments and creative people..."***

"How do you protect it?" she asked of a neighborhood's creative dynamism. "You make sure to give stakeholders—whether they're artists or gallerists—deals that entice them to stay for long periods of time. It's not so much about pricing them out as it is making sure they're part of a community in as many ways as you can.

"We incentivize them in a lot of different ways," Jessica said. "Whether that's giving them a loan or lower base rent or maybe a percentage-rate deal. They're success is our success and vice versa. We've had plenty of opportunities to bring on great tenants who wouldn't necessarily fit in the wheelhouse of Goldman Properties. Curating our tenants is important."



Of course, independent retailers and quirky artists—despite whatever loft laws are still nominally on the books—lost the battle for Soho. And Tony didn't enter the real estate game to become a selfless arts patron. But Jessica—in a phone interview and on a walking tour of Wynwood she conducted late last year—evinced a love of, and commitment toward, art not as a catalyst for price appreciation but as an essential ingredient in any vibrant neighborhood. “We've always wanted to surround ourselves with creative ideas, creative environments and creative people,” she said.

## The More Things Change



*Wynwood Walls Entrance (photo by Andrew Meade)*

Preservation was another lifelong obsession of Tony's that clashed with the popular perception of a real estate mogul's grand ambitions. While warehouse-laden Wynwood may not win its way into many architecture buffs' hearts, Soho's cast-iron gems and South Beach's once down-at-heel Art Deco stunners certainly do.

Many top contemporary developers would erect a gleaming glass hotel tower to hulk over Soho's old factories or replace a grand dame hotel's flapper-era curves on the palm tree-studded Miami shore with a monolithic convention hotel. Tony took an “If it ain't broke, don't fix it” approach to a re-emerging district's bones.

In recognition of this, the National Trust for Historic Preservation gave him a lifetime achievement award in 2010 near the end of his life. The honor was apt, since his attention to architectural history and will to safeguard it went back to his own beginnings.

“I have a philosophy,” Jessica said. “My dad was adopted and didn’t know his birth parents until he met them in his 50s. There was always this sense of sadness he carried about being neglected...well, not neglected but abandoned. And I think his love of neglected and abandoned things came from his own history, because in a sense he didn’t have one. So it was important to maintain the history of our society. But maybe that’s the psychology major in me coming out.”

***“My mom was the one who convinced me I should go to the Tony Goldman School of Business, but it was always my choice.”***

Whichever psychological underpinnings augured Tony’s ambitious drive to put down foundations all along the Eastern Seaboard, his gentleness toward a neighborhood’s “found architecture” left increasingly rare ties to history in districts he tilted toward modern relevance. This is all the more noteworthy for occurring in a country—and two cities—often derided as indifferent to the past.

“We’re a young country,” Jessica said. “But it’s what makes us who we are. Why knock that down and discard it all to create something that’s so often cold and sterile and looks like everything else? That’s not the neighborhood I want to be in.”

Of course, the importance of lineage extends to the Goldman’s family business. Tony’s son Joey came on board in 1990 with a focus on the hospitality sector. Jessica joined seven years later.

“It was never preordained,” she said. “And believe it or not I never imagined I would go into our business.” After studying at Boston University and years as



an associate fashion director at Saks Fifth Avenue, thoughts of business school blossomed.

“My mom was the one who convinced me I should go to the Tony Goldman School of Business,” Jessica said. “But it was always my choice.”

She joined the firm with Soho and South Beach thriving and Wynwood a glint in the family’s eye. I asked if Tony gave her any preferential treatment as she climbed the ranks.

“Oh God, no,” she guffawed. “He was really hard on me. If anything...well, he wasn’t calling any other people at 11 pm to talk strategy. At some point I had to create boundaries. I told him, ‘If you want to talk to me as a father to his daughter after 11 pm, no problem. Then we’ll talk about your grandchildren.’”

That close family dynamic was put to the test in 2008, when Tony was diagnosed with idiopathic pulmonary fibrosis and had a double lung transplant. Even that scare left him unbowed.

“He was the bravest human being I knew,” Jessica said. “My dad worked until the very end. He’d hold meetings in the hospital room. It gave him such energy and purpose.”

That tenacity, along with Tony’s youth—he died at 68—meant that Jessica hadn’t been extensively groomed for her inheritance of the chief executive title. “Succession was always, she said, then paused. “He never wanted to think there’d be a day he wouldn’t be here.”

Tony died on Sept. 11, 2012. Jessica took over. “I was ready to take the job of CEO, but not ready to lose my father,” she said. “Still, I think he knew that I was ready.”

**Next Generation, New Frontier**



Wynwood Walls (photo by Martha Cooper)

As scruffy as Soho and even South Beach were when Goldman took a chance with them, Miami's Wynwood district presented a less aesthetically pleasing challenge.

“It doesn't have the architecture,” Jessica said. “Wynwood was nondescript and industrial. Where other people would see—excuse my language—shitty tagging all over the place, my dad said, ‘Wow! These buildings are canvasses.’”

In fact, it was Joey who Jessica said “really discovered Wynwood. It was time for a new neighborhood, and there was really no pedestrian center or creative class” hub in Miami when Goldman Properties started investing in the neighborhood around the dawn of the financial crisis.

Tony's son, always with an eye on hospitality, lent his name and elbow grease to Joey's, a trendy Italian joint that put Wynwood on the map of Miami foodies.

Meanwhile, Jessica bolstered ties with local artists who'd already colonized the area and forged new ties with the far-flung street artists who now view Wynwood Walls as a top-flight showcase for their work.

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Wynwood Walls is a pilgrimage site for fans of art world darlings like Fairey, Ryan McGinnis and Os Gemeos. Jessica cites Puerto Rico's Alexis Diaz; Case, from Germany; and LA-based Cryptik as artists to watch. Meanwhile, idiosyncratic retail tenants like Zak the Baker draw lines out the door.

“People look at Wynwood almost as a case study on how to integrate art and community and using art as an igniter. And everyone wants a part of the action.”

Indeed, Wynwood has strengthened a formidable wave of real estate interest in Miami and become a beacon for investors. This month, Miami's One Real Estate Investment plunked down \$15M on a 78k SF lot at 2201/2245 North Miami Ave, a 400-plus% price increase from three years ago. That deal came a week after the \$8M sale of a neighborhood warehouse that traded for \$3.6M a mere 15 months ago.

Is it Soho all over again? For the moment, Jessica would prefer to keep the Hollisters of the world away. “I'm sure a big chain wants to come into Wynwood. And they will. But is that what the neighborhood wants? No.” The gentrification that made Soho among the country's ritziest shopping districts was anything but gentle. Regarding the displacement of all but a few token vestiges of that neighborhood's artsy heyday, Jessica would only say that Soho had “undergone an extraordinary transformation” since the Goldmans arrived in 1978.

My father created something from nothing,” Jessica said. “And it's my job to take that something and not only be the guardian of it but take it even further.”

She demurred from saying which emerging neighborhood the company now has its eye on. She's a big fan of Detroit, though, and did say it “would be a perfect Goldman Properties city.”

Wherever Jessica steers the firm, consider it a long-term investment. “There are plenty of people in this industry who go in, fix things up cheap, flip it and they're out,” she said. “I like to say that if Goldman Properties falls for a neighborhood, consider it a gift.”