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FORWARD LOOK ART BASEL MIAMI BEACH

# Audi hopes art steers sales its way

Art Basel brings some of the world's priciest contemporary art to Miami Beach. Audi figures that market wouldn't mind spending \$100,000 on a car – even in a grim economy.

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Audi wanted to unveil its newest luxury car during Art Basel week but couldn't find a venue grand enough for the occasion. So it built one instead.

Rising five stories above an oceanfront Miami Beach parking lot north of the Eden Roc hotel, the boxy and black temporary complex boasts 42,000 square feet of space.

That includes a 1,000-seat auditorium, an underground kitchen, a stage with two revolving platforms for showing off the new \$100,000 Audi A8 and an art gallery for installations from Miami's Rubell Family Collection. The pavilion opens Wednesday.

The German luxury automaker expects to spend upwards of \$10 million on the effort, setting a high-water mark for brands attaching themselves to the deep-pocketed hoopla surrounding Art Basel Miami Beach.

And though 2009 saw cutbacks on all levels of Basel spending, the event remains one of the country's prime platforms for targeting the world's elite consumers. "We're all there because our target audience is there," said Johan de Nysschen, president of Audi's U.S. division. "You find an unusually high concentration of this audience in one place at one time."

## CUTBACKS

The economy has taken its toll on the sheer lavishness that has come to define Basel week in South Florida, a string of fairs and gallery events that revolve around the Art Basel Miami Beach show opening to the public Thursday at the Miami Beach Convention Center.

Chief sponsor UBS, a troubled Swiss bank, didn't build its carpeted tent this year on the sands of South Beach, usually the premier spot for Basel socializing as up to 1,500 clients and other VIPs gathered for stone crabs and caviar.

French jeweler Cartier opted not to recreate its opulent "Cartier Dome," where high-rollers could try on a \$10 million pink diamond ring and other over-the-top baubles below a glowing ceiling inside the temporary structure at the Miami Beach Botanical Garden.

In general, the Basel social calendar reflects a scaled-down approach to the country's largest contemporary arts fair.

"It's tough for me to point to any substantial party right now," said Max Sklar, Miami Beach's tourism director and the city's primary Basel official. "Last year, they were scaled back, and this year they're scaled back even more."

Since the art fair based in Basel, Switzerland made Miami Beach its winter home in 2002, the influx of some of the world's most prominent galleries and art buyers proved an irresistible lure for local businesses targeting the wealthy. Much of that melted away when the condo boom crashed, though some developers are again sponsoring art events to attract attention from the week's wealthy visitors.

## 'CARTIER COLUMN'

But even in the downturn, global brands continue to make substantial room for Basel in their promotional budgets.

In a VIP lounge off the Basel showroom Wednesday, Cartier will unveil a bejeweled seven-foot tall spire called the "Cartier Column" and an installation by filmmaker David Lynch called the "Jeweled Triangle."

Fendi, the luxury Italian fashion maker, will take over part of the Moore Building during Design Miami, a show affiliated with

Art Basel that centers around furnishings and other design elements.

There, Fendi will pay a graffiti artist to preside over creation of new fabrics that fashion students from a nearby high school will turn into handbags, while a Fendi-sponsored band plays nightly concerts with special guitars that create light shows based on the music.

“They’re not just throwing money to stick their brand on Design Miami,” said Craig Robins, the commercial developer who founded the design fair. Audi sponsors Art Basel and its sister event, Design Miami.

The spending comes during uneasy times for South Florida’s events industry. Deep cutbacks in business conferences have fueled a historic downturn for hotels, with room revenues off more than 20 percent this year.

Backlash from AIG’s infamous five-star retreat in California have Fortune 500 companies leery of funding travel to flashy destinations like South Beach. Caterers report a steep decline in entertainment budgets for Super Bowl XLIV, which will be played in Miami Gardens 10 weeks from now.

“This is a blessing,” Miami event planner Karla Dascal said after touring the Audi Pavilion on Friday. “This is a complete blessing.”

Audi won’t reveal details on the pavilion’s cost, but in applying for a tourism grant, organizers put the budget at about \$6 million. De Nysschen, Audi of America’s president, said the final figure will probably be higher, but shy of \$10 million.

De Nysschen said the outlay makes sense for Audi, which has increased its American marketing budget by 20 percent this year to seize market share from its more distressed competitors in the luxury car segment.

#### THEY CAN AFFORD IT

He said Basel week gives Audi a two-shot for marketing: Miami is one of its top U.S. markets, while consumers drawn to the pricey art this week probably won’t blink at a sixfigure price tag for a car.

“To be frank,” de Nysschen said, “the affluent buyers still have the ways and means to participate in high-end products.”

With the pavilion set to close Saturday, workers could have it torn down in weeks though Audi and organizers might push to have it remain past the Feb. 7 Super Bowl.

The complicated construction effort began in the summer when Miami event organizer SiiNC got a call from Audi seeking 1,000 hotel rooms during Art Basel.

Audi was searching for a novel way to introduce the A8 outside of a global auto show, the traditional platform. “It was between Miami and two other places,” said SiiNC partner Sandra Garcia-Novas.

Initially the plan was to use an existing venue for rolling out the A8, with Audi flying in about 700 journalists for the debut.

But Audi couldn’t find a warehouse or hall large enough and with a prime location, Garcia-Novas said, deciding instead on a costly temporary structure.

Construction on the steel structure a block north of the Eden Roc resort began in October, a rushed effort complicated by the fact that workers couldn’t dig up the city parking lot to build a foundation.

Miami Beach forced Audi to follow building codes for a permanent structure, meaning the pavilion is designed to withstand hurricane-force winds, said Alain Perez, whose Medley company, Event Star, built the Audi Pavilion.

On a recent afternoon, workers from a German tech firm prepared to hang a mod rectangular chandelier with 20,000 bulbs. It would illuminate a stage built to accommodate the A8s, with jumbo 20-foot tall sliding walls opening up to a gallery with ocean views.

#### A BIG JOB

Perez often gets tapped to build elaborate tents and party spaces for South Florida events — including the two-story “Style Villa” for giveaways to celebrities in South Beach for the 2007 Super Bowl and a portion of the Victoria’s Secret stage built for last year’s Fontainebleau Miami Beach reopening.

He said the Audi showroom was more expensive and complicated than any temporary structure South Florida has seen before.

“The closest thing we’ve built to this was in New York for Calvin Klein’s 40th birthday,” he said.



ALLISON DIAZ/FOR THE MIAMI HERALD

**BIG PROJECT:** Leonel Gonzalez, of Precision Steel Works, helps build Audi’s temporary structure in Miami Beach last week. It costs at least \$6 million.