

Under Nick Korniloff, Art Miami empire grows

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Al Diaz / Miami Herald Staff

Nick Korniloff, the director of Art Miami, on Nov. 20, 2013. ..

For someone in his line of work, Nick Korniloff's take on the sprawling art world is somewhat surprising.

"My opinion is there are too many art fairs," said Korniloff, director and partner of Art Miami LLC. "And I do think a lot of them come out of people thinking it's an easy business to be in."

The work is hardly easy, Korniloff said, but that hasn't stopped his company from adding to the array.

As tens of thousands of art lovers from around the world descend on Miami-Dade for a week of art consumption and social gatherings, Art Miami will mark its 24th edition. Despite an increasingly crowded and competitive art marketplace, the fair — which started more than 20 years ago as a regional show and has catapulted to the No. 2 spot on the Art Week calendar — is taking risks, making investments and growing its footprint and reputation.

In addition to the main Art Miami fair that coincides with Art Basel Miami Beach in the first week of December, the company last year launched Art Wynwood in February, Art Southampton in July and CONTEXT Art Miami, a December companion to Art Miami on the same Midtown Miami campus.

The production company will reintroduce the 47-gallery Aqua fair this year as Aqua Art

Miami after acquiring the smaller event last year.

Still to come: Art Silicon Valley/Art San Francisco, which launches next fall in San Mateo County.

About 130,000 people attended the company's four fairs last year; at Art Miami and CONTEXT, dealers reported \$80 million in sales.

The ownership group has sought to grow its audience and improve the quality of its shows by offering both primary and secondary work that will appeal to serious collectors, cultivating new art buyers, bringing in attention-grabbing exhibitions and maintaining a comfortable, accessible style. "We have the resources to do it at a very high level and we won't let anything denigrate what we do," Korniloff said. "We believe that we have a lot to offer our galleries and our collectors. That's why we invest so much and that's why we continue to do it."

Stephan Keszler, who has galleries in New York City and Southampton, said that with the glut of art fairs and galleries, it's difficult to establish the right mix of art so shows feel like high-end marketplaces and not museums.

"This is very difficult because there are more and more; I don't know how many fairs there are in Miami. NADA, MADA, Red Dot, Green Dog," he said, naming some existing satellite fairs and making up a couple of new ones. "So the competition is much higher, but I think with all the moves [Korniloff] does, he's established his position very strong."

While Swiss import Art Basel Miami Beach has been the headliner act in South Florida since it started in 2002, Art Miami's history goes much deeper. The fair debuted in January of 1991 in Miami Beach, catering to South Floridians and snowbirds with international dealers.

"It made sense to establish an art fair in Miami as a winter destination and as a gateway, as they promoted it, to Latin America," said Bonnie Clearwater, director and chief curator of Nova Southeastern University's Museum of Art in Fort Lauderdale. Clearwater wrote about Art Miami in its early years and then helped coordinate press coverage of the show.

"The arrival of that fair was the right time, right place and similar to Basel, it created an event that generated national and international press. It put Miami's art world in the spotlight," she said.

Korniloff, a Palm Beach County resident who has a hospitality management degree from Florida International University, first encountered Art Miami in 1994 when he was facility manager for the Miami Beach Convention Center. Over the years, he went on to manage corporate sales at Homestead-Miami Speedway and then direct the Palm Beach International Art & Antique Fair, now American International Fine Art Fair.

Art Miami had already announced a move from its regular January date to December in 2007 in order to capitalize on Art Basel crowds. When Korniloff was chosen as director in 2008, he

saw room for more changes.

“I saw a tremendous opportunity for the fair being aligned with Art Week and the big show on the beach,” he said. “There was an opportunity there to be catapulted into the top echelon of the international contemporary art fair market quickly.”

The fair started rebranding itself and working to improve the level of programming. The following year, owner Summit Business Media sold the fair to a group that included media executives Mike Tansey, chairman and majority partner of the company; Brian Tyler, its president, and Korniloff. Tansey is CEO of Colorado-based onTargetjobs, a company that includes recruiting sites for the healthcare, hospitality and life science industries. Tyler is chief financial officer of Superior Media Solutions, an Illinois company that helps publishers prepare content for distribution.

Terms of the acquisition were not disclosed, and Korniloff serves as the voice of the ownership group as well as director of five of the six fairs.

Korniloff said the company has catered to seasoned collectors, curators and institutions but has also worked hard to help new collectors get started.

“The way we cultivate new [collectors] is we make the work accessible, and the environment is very encouraging; the dealers we work with are engaging, they’re willing to educate,” he said. Plus, he said: “It’s not overly pretentious.”

Keszler described Art Miami and its higher-profile competitor in car terms: “I believe that Art Basel is the Rolls Royce and the Maybach car,” he said. “But I believe that Art Miami is Mercedes, Porsche, this kind of range: on a high level but not forgetting the commercial aspect and the fun for collectors and for exhibitors.”

Ramón Cernuda, director of Cernuda Arte in Coral Gables, said there’s a psychological difference between Art Miami and Art Basel Miami Beach.

“The people that are careful about their money and are looking for quality and its relationship to price, you tend to see those people in Art Miami,” he said. “The ‘money is no object’ people, you don’t see that many at Art Miami. You see those more at the see-and-be-seen fair that is Art Basel.”

Still, Cernuda said, his gallery will participate in Art Miami for the 12th time this year and has always done well. He sold a \$1 million Wifredo Lam painting at each of the past two fairs, and several other works that cost five and six figures. This year, the gallery is hoping to sell a \$3 million Lam painting.

“It’s a fair where we achieve a significant volume of sales,” he said.

And while neither fair is inexpensive for galleries, Art Miami is budget-friendlier.

This year, Art Basel Miami Beach charged about \$67 per square foot for booths in the main Galleries sector, which covers services and fittings. Art Basel does not release financial information and organizers say they do not track sales.

Art Miami, according to its 2013 application, charges between \$45.08 and \$53.83 per square foot, depending on size — or \$16,100 to \$54,100. The fair does not take a percentage of galleries' sales.

In 2008, Art Miami had 93 galleries and 37,000 visitors. Last year, about 65,000 people attended Art Miami and the new CONTEXT; this year, those fairs plus Aqua will feature 243 exhibitors. While the parent company does not release many details about the finances of the fairs, Korniloff said galleries reported \$80 million in sales at Art Miami and CONTEXT last year, about four times more than the reported sales total in 2008. Organizers believe the \$80 million estimate is conservative because not all exhibitors provided sales information.

As for the organization overall, says Korniloff, "We are a profitable organization and run a healthy bottom line — which allows us to invest in our other projects from inception for the long-term."

Art Miami is also somewhat less expensive and easier for consumers to digest: The cost for the pair of Midtown fairs is \$35 for one day, compared to \$42 for a full day at Art Basel. While Art Basel Miami Beach covers more than 500,000 square feet at the convention center (and stretches into a couple of outdoor venues), Art Miami and CONTEXT together provide half as much ground to cover.

Miami's art crowd has taken note of the fair's recent changes, not only in size but in standards.

Collector Dennis Scholl said that since Korniloff took over as director, he has seen the quality of the art improve with more blue-chip material. But also important has been the fair's outreach to the local art community.

"It has our namesake in it," Scholl said. "It's called Art Miami and it's been around for a long time, but it has become very welcoming to the community. You have to give Nick credit for getting both of those pieces of the fair right."

This year's opening night event benefits the new Pérez Art Museum Miami, which opens during Art Week, and the after party will be held at Bakehouse Art Complex in Wynwood. Art Miami has worked with the museum and the nonprofit organization in the past also and held benefits for groups such as Lotus House, a women's shelter.

In addition to fostering local relationships, Art Miami has also sought high-profile exhibitions that will attract attention from the masses.

Last year, Keszler Gallery brought to CONTEXT Art Miami several works on pieces of walls by street artist Banksy, which drew controversy over the removal of the art from public

spaces. The artist's handling service asked the fair to stop the exhibition, to no avail. While the pieces weren't for sale at the show, Keszler said he has since sold several. And this year, he is bringing more Banksy, including a red heart balloon piece from the artist's recent residency in New York City.

The showmanship extends to the rest of Keszler's program: He is bringing in Swedish street artist Herr Nilsson, whose art frequently involves Disney princesses armed with deadly weapons, to create an installation on-site (in secret, as the artist is Banksy-esque in his anonymity). And an opening reception sponsored by the gallery will feature diamond-dusted photography of supermodels by fashion shooter Marco Glaviano, with Cindy Crawford slated to attend.

Dan Fear, director and developer of the website art-collecting.com, said those types of exhibitions and events can draw enough interest to stand out on busy social calendars.

"I think they're a smart fair," said Fear, a former gallery owner who lives in Tacoma, Wash. "OK, Cindy Crawford's going to be there and you're going to have diamond-dusted photographs. Now what the heck is that? But it's got my attention."

After fine-tuning the main Art Miami fair, Korniloff and company last year debuted Art Wynwood in the same Midtown mega-tent over busy Presidents' Day weekend, coinciding with the Miami International Boat Show, Yacht & Brokerage Show and Coconut Grove Arts Festival.

"That audience that comes down Presidents' Day weekend, a lot of those folks don't come to Art Week," Korniloff said. "It's not as art-centric as Art Week."

While Korniloff said he'd been eyeing the Hamptons as a growth possibility even during his days directing the fair in Palm Beach, the recession and recovery seemed like bad times to launch a show there.

So Art Southampton waited until July of 2012 to debut, followed by CONTEXT Art Miami that December for galleries that represent artists who are emerging or established but still edgy.

The growth hasn't always been successful — at least not at first.

Fear said he noticed a difference between his first Art Miami visit in 2009 and last year, when CONTEXT debuted.

"I get a little lost in these art fairs," he said. "I don't understand what this CONTEXT thing is in Art Miami. They're connected, why are you making it like it's a different fair? You're just putting it in another room and calling it another fair."

Korniloff acknowledged that it was a challenge to fuse the two fairs "in a way that speaks to

the art world in an important way,” but said he thinks this year will be a success.

Last year would have brought even more expansion, as the parent company was in talks to acquire the LA Art Show from the Fine Art Dealers Association in early 2012, but the plan fell through.

“We were very bullish on taking over the fair; we just couldn’t get the deal done in time,” Korniloff said. “Both parties went their separate direction.”

Art Miami had also hoped to reestablish a new footprint on its old home of Miami Beach, where collectors spend much of their time during Art Week. The previous owners said at the time of the sale that they felt they had taken Aqua as far as they could. For the new ownership group, the smaller fair provides a way to showcase new artists, younger galleries or established galleries showing younger artists.

“Our philosophy is that we want to be engaged in every level of the contemporary art market,” Korniloff said. “We feel that our strength is that our brands are very familiar to the collecting world and the gallery world.”

Jennifer Jacobs, the new director of Aqua Art Miami, said this year will be transitional, but the goal is for the fair to hold on to its tradition of showcasing emerging galleries or artists while broadening its reach. This year, the show features some solo artist projects, a video lounge and a music program.

Thanks to the acquisition, Jacobs said, the fair will also have a stronger infrastructure — both in terms of marketing and ticketing and solid aspects such as installing fabricated walls in the hotel rooms during the show.

“I think it’s going to be the old new Aqua,” she said. Jacobs knows the old Aqua well; she worked with a gallery when it exhibited during the fair’s first year in 2005.

Financial terms of the Aqua acquisition were not disclosed, but Korniloff said in general, art fair owners have to be prepared for a initial losses when starting a new event.

“The advantage for our organization is not only do we have a business that we own that is 23 years old, but it’s at the top of the international fair market,” he said. “We have a lot of tools and an infrastructure that most people would have to go out and create if they wanted to do this. ...We’re certainly investing hundreds of thousands of dollars, but our business is healthy.”

Koniloff wouldn’t disclose financial specifics on any of the fairs, but said the company is still investing in newer fairs Art Southampton and Art Wynwood.

“Everything is balanced out and the end result is positive for the entire group of shows,” he said.

He said the company considers a fair successful when sales are good, exhibitors make important new contacts, renewal rates are high and applications are top-notch. Art Miami's renewal rate is 90 percent, Korniloff said.

Fear said that by building its group, Art Miami LLC has effectively built a ladder that galleries can climb to get into the most prestigious fair. He already noticed that some of last year's Aqua fairs moved to CONTEXT this year.

"It's kind of a learning curve, and you have to pay your dues," he said. "If you really want to get into Art Miami, you're going to have to actually participate in some of their other fairs, too. Maybe try the new fair in Silicon Valley or head up to the Hamptons."

Art Miami has also lined up sponsors including Maserati and Christie's International Real Estate, which signed on last year. Christie's is also an Art Wynwood sponsor, and an affiliate broker was a sponsor of Art Southampton this summer.

Ron Shuffield, president of EWM Realty International/Christie's, which has offices throughout South Florida, said the fair helps brokers of luxury homes connect with the right crowds.

"We know that some of our customers will meet us there because they come with the intention of buying," he said. "We'll have further discussion then, we'll look at properties while they're here. For people kind of casually strolling through, many of those are just building relationships."

Christie's clients also provide a boost to the fair, Shuffield said. He recalled a home buyer who attended an Art Miami cocktail reception.

"While he was at the fair, he bought a little sculpture; I can't remember how much it was, but it was over a million dollars," Shuffield said. "There is so much wealth coming to Miami now, it's sometimes hard to grasp how quickly this is happening."

And Korniloff believes that the market could have room for more venues to sell art.

"We feel that the South Florida market has some other opportunities; the question is timing," Korniloff said. "This business is still in a growth mode."

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