

Miami Herald

Posted on Wed, Sep. 11, 2013

City of Miami to vote on \$250 million Overtown development plan

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Overtown Gateway

This architectural rendering shows a portion of developer R. Donahue Peebles' \$250 million proposal for a hotel, apartments and commercial development in Overtown.

A Miami anti-poverty agency is poised to turn over two city blocks in the blighted but historic heart of Overtown to a prominent developer, who promises to spend \$250 million to build apartments, a hotel, shops, restaurants and music venues on the long-vacant land.

The Miami City Commission, sitting as the Southeast Overtown/Park West Community Redevelopment Agency board, is set to vote Thursday on the bid by R. Donahue Peebles, whose Overtown Gateway plan scored the highest among three proposals submitted in response to an advertised request by the city.

City officials described the ambitious plan as potentially “transformational” for the impoverished, mostly black Overtown district, where numerous redevelopment efforts in the past have run aground or failed to deliver on promises of revitalization.

But some critics question whether the CRA is getting enough in return for surrendering control of the property, which was valued at around \$20 million by two appraisals commissioned by the agency, and which holds symbolic significance for longtime Overtown residents. The lots along Northwest Second Avenue formed part of Overtown’s legendary but long-gone Little Broadway, the row of nightclubs, theaters and hotels where stars like Ella Fitzgerald, Sam Cooke and Count Basie performed until the area’s decline in the 1960s.

At a community forum hosted by district commissioner Michelle Spence-Jones last week, some Overtown residents asked that the CRA retain ownership of the land. Many asked that the agency also make sure that Peebles fulfills promises outlined in his plan to fill construction and permanent jobs, as well as affordable apartments, with Overtown residents.

“We should never give up that land,” said activist Grady Muhammad. “It is too valuable to this community.”

He added, referring to past promises of affordable housing in the neighborhood: "It's usually affordable, but not for us."

Peebles' local partner in the proposal, developer Barron Channer, said the project would provide housing affordable to working people and generate millions in tax revenue and direct payments to the CRA and Miami-Dade County, which ceded several parcels to the agency. The precise terms of the land transfer would be negotiated later, but would likely entail giving the CRA a percentage of rents generated by the project under a long-term agreement, he said. The agency would also collect about \$2.3 million in property taxes annually to invest in further neighborhood improvements, he said.

Channer said he and Peebles are acutely sensitive to the history of Overtown and the needs of its residents, and added it's time they participate in the resurgent development that is revitalizing nearby downtown Miami. The project would help re-establish Overtown as an attraction for visitors and as a place to live while retaining its historic character, he said.

"We can build something that is modern and metropolitan, but fits into an area that is soulful, and gives you an introduction to a culture that is different," Channer said.

Despite the skeptics, the Peebles plan has not generated anywhere near the level of organized opposition that helped sink a previous proposal for the CRA properties by Detroit-based Crosswinds Communities, strongly supported by then-Mayor Manny Diaz. That plan, which like the Peebles project would have mixed market-rate housing, affordable apartments and commercial development, did not go through competitive bidding, however.

This time, the CRA issued a request for proposals for several vacant properties it controls along Northwest Second Avenue and which have long been designated for redevelopment. The CRA's stated goal: to repopulate and revitalize Overtown's mostly desolate historic core, provide jobs and business opportunities for local residents, and bring live jazz and blues back to the neighborhood.

The agency received three proposals, including Peebles', for two blocks that sit between Northwest Eighth and Northwest Sixth streets on the east side of Second Avenue. The site is just south of the historic Lyric Theater, the lone Little Broadway survivor whose long-delayed renovation and expansion is scheduled for completion later this year. Peebles was also among three developers making bids for a third block across Second Avenue, but the CRA has postponed consideration of those proposals.

A three-person evaluation committee gave Peebles' proposal the highest score of the three submissions. The second-highest score went to All Aboard Florida, the Florida East Coast Industries subsidiary that is building a \$2 billion passenger rail service from downtown Miami to Orlando. All Aboard proposed to spend \$127 million to build a residential, office and commercial and entertainment complex connected to additional development at the site of its planned new train station a block away.

Aside from the use of public land, neither developer is seeking subsidies to build.

The CRA is under a tightening deadline to get development going on those first two blocks.

Those lots were ceded to the CRA by the county under a proviso that development permits be issued by May 2015 and construction begun within a year after that, Channer said. If the deadlines aren't met, the county, which has already extended the deadline previously, could reclaim the property.

That's why the city needs to move quickly on the proposal, said Spence-Jones, who is term-limited and leaves office in November.

"The reason is not because Spence-Jones is leaving in the next 60 days," the commissioner said during the forum, responding to critics who have suggested she's rushing through the approval. "We cannot lose another 10 years. There is nothing secretive going on. Overtown has waited long enough."

Spence-Jones has publicly butted heads with CRA director Clarence Woods, who opened negotiations on a potential deal with both Peebles and his partner and All Aboard. Spence-Jones questioned why agency staffers had done so, appearing to echo complaints aired at the forum by Overtown residents who suggested the agency was "disrespecting" Peebles and Channer because they're black. All Aboard president P. Michael Reininger is white.

A clearly frustrated Woods said he put the two top proposals through "due scrutiny" to ensure that whichever team eventually wins the contract can pull the project off. The resolution the CRA board will vote on Thursday instructs the agency to negotiate with Peebles first, and to turn to All Aboard if a deal can't be reached with him.

Peebles, who divides his time between New York and South Florida, is regarded as one of the most successful African-American developers in the country. He first came to town to develop the area's first majority black-owned hotel, the Royal Palm in Miami Beach, the result of an agreement that ended a black tourism boycott of Miami after local political leaders snubbed South African anti-apartheid hero Nelson Mandela during a 1990 visit following his release from prison. Peebles ended up selling the hotel, which opened in 2002, to condo converters who then lost it in a foreclosure.

Peebles, whose net worth is estimated at around \$350 million, went on to build the Lincoln office building off Lincoln Road Mall and to redevelop the historic Bath Club property on the Beach. He is now developing projects in New York City.

Peebles' proposal calls for two towers, of 34 and 37 stories, to be built over a multi-story base and garage. The complex would include a 150-room extended-stay hotel and 670 rental apartments — 60 of them at rates meeting the federal definition for affordable housing, and the rest pitched as "workforce" housing for middle-income families. It would also have 160,000 square feet of office and retail space and retain the existing "Sawyer's Walk" as an open pedestrian plaza lined with shops, in similar fashion to Lincoln Road Mall, Channer said.

Some local stakeholders said the initial design by architect Luis Revuelta, which Channer described as a modern interpretation of Overtown's traditional buildings, was too bland and risked overwhelming the remaining historic buildings in the area, including the 1913 Lyric Theater, which range from Caribbean style to Mediterranean Revival and Art Deco.

"We don't want a cookie-cutter building," said Tim Barber, executive director of the Black Archives, which is restoring the Lyric. "We want to make sure respect is paid

architecturally to the scale and character of the neighborhood. Overtown was a Conch-style village as well as an Art Deco neighborhood. This project could really define this neighborhood. You want that village-type feel. Otherwise, why would anyone come here?"

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