

DAILY BUSINESS REVIEW

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Development

Once full of hope, Park West mostly neglected

Brad Knoefler's restored 98-year-old building in a warehouse district north of downtown Miami looks out of place. With pristine white walls and an Art Deco style, it seems to belong in Miami Beach, not the long-neglected Park West neighborhood.

Knoefler bought the dilapidated two-story building in 2001, when the push to redevelop the neighborhood was gaining momentum. He saw the area as an alternative for businesses and professionals seeking to avoid pricey areas like Miami Beach and the Design District.

Nightclubs began to open and luxury condo towers rose along Biscayne Boulevard. South Florida's real estate was getting hot, and investors and speculators poured into Park West. Developers also planned a massive mixed-use project called Miami Worldcenter that promised millions of square feet of retail, hotel and office, but it fell victim to the real estate downturn and construction has been put on hold.

The enthusiasm for Park West has largely vanished. With the recession and the collapse of the real estate market, the area has reverted to a "Third World country," Knoefler says, with increasingly empty buildings, broken and poorly lighted sidewalks and plenty of vagrants.

Knoefler and other Park West owners say the city's Southeast Overtown/Park West Community Development Agency, which is funded by property taxes, has failed its mission to invest in and revitalize the neighborhood.

"The CRA is not reducing slums and blight and they are not improving the quality of life," said Knoefler, sitting in his office on the second floor of the 23,000-square-foot building. He completed the conversion of the property at 697 N. Miami Ave. into offices in September.

"I have a ground floor empty and it's been empty for about a year. It is very, very difficult to rent the place when obviously the neighborhood is in the state that it is. Potential investors look at what is going on and what has not changed in the last 10 years and are a little bit scared to invest in the neighborhood."

Jim Villacorta, the CRA's executive director, said the agency is improving services, but its financial resources are limited.

The CRA received \$7 million in property taxes to spend on services and projects in Park West and Overtown during the current fiscal year, which ends Sept. 30. That's up from \$5.7 million from the previous year.

Park West properties generate the bulk of the revenue, but nearly 75 percent of the money goes to projects in Overtown, Villacorta said.

"[Park West owners] are competing with people in Overtown with no roofs over their heads," said Villacorta, who took over the agency after it was investigated by the Miami-Dade state attorney's office and the FBI earlier in the decade. A report detailed waste and misspent money at the agency and its chairman, then-city commissioner Art Teele, faced corruption charges.

SPANNING LUXURY, POVERTY

Park West is roughly bounded by I-395 on the north, Biscayne Boulevard on the east, Northeast Fifth Street on the south and Northwest First Avenue on the west. Within its boundaries, newly built luxury condo towers — many largely vacant — line Biscayne Boulevard. They're in contrast to the much more modest homes in Overtown, one of the city's poorest residential areas.

Knoefler and other property owners want the CRA to spend more to upgrade services to their area. Next month, the agency's board — consisting of the Miami city commissioners — will vote on the budget for the fiscal year starting Oct. 1.

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The proposed budget is \$24.52 million, up from \$20.9 million the fiscal year ending Sept. 30. The proposed budget includes more than \$17.51 million in unspent funds from the 2009 budget.

Knoefler said the agency should earmark some of the carryover money for additional services in Park West. Villacorta said the money is already pledged to specific projects, some of which are already finished but haven't been paid for yet.

LOOKING FOR TENANTS

For more than 20 years, Park West property owner Bob Paniry didn't have to worry about looking for a tenant for his nearly 5,400-square foot building next to the site of the former Miami Arena. But the recession forced his tenant, a telecommunications company, to close that location in December.

He recently spent over \$100,000 remodeling the office and retail space. Now, he wants to replace the 20-year-old window security shutters with a nicer looking, see-through shutters. That would make his property more appealing to prospective tenants, he said.

Paniry recently asked the CRA to help him pay for the upgrade but was told he needed to get the property rented before the agency would share the cost.

"How am I going to rent the space if it looks like this?" he asked. "I am not asking for a favor. I am only asking for a share of the money that the CRA gets from us."

He pays \$20,000 a year in taxes, up from \$7,400 three years ago, according to Miami-Dade public records.

Villacorta said Paniry should re-apply for a grant at the beginning of the next fiscal year starting on Oct. 1 because the agency has almost no money left at this point.

Last year, the CRA gave Knoefler a \$54,000 grant to help pay for the office build-out for his four tenants. He welcomed the help but now fears he'll lose those tenants to safer neighborhoods.

"If I lose my tenants, I will go bankrupt," he said, adding that his effort to help redevelop the area would have been wasted.

Knoefler pays about \$50,000 a year in property taxes, double his bill three years ago, according to Miami-Dade County property records.

CRA INITIATIVES

Villacorta said the agency is responding to the neighbors' complaints about security and crime. It is in the process of buying police surveillance cameras — at an estimated cost of \$500,000 — to help fight crime, he said.

Early this year, the agency agreed to spend \$18,000 to install lights along the Florida East Coast Railway tracks next to Knoefler's building, Villacorta said. The installation is in the works.

For the last two years, the agency has spent \$344,000 a year to pay for more police in the area to do criminal sweeps, prostitution details and undercover narcotics operations.

The agency has also given homeless shelter Camillus House \$200,000 to install a tent in its parking lot to accommodate an overflow of residents and keep them from wandering the streets. The agency also plans to contribute more than \$10 million to help move the shelter near Jackson Memorial Hospital. The new shelter has yet to be built.

"To say that we are not bending over backwards [to help property owners] is not fair," Villacorta said.

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He said the city's Public Works is responsible for fixing sidewalks and providing some of the services owners want.

FILLING THE VOID

Knoefler recently sought help from the city's Downtown Development Authority, which primarily serves the central business district. He wants the DDA to plant landscaping and pick up litter in Park West, as it does downtown.

Property taxes of Park West property owners help fund both the DDA and the community redevelopment agency.

DDA executive director Alyce Robertson said the agency is sending workers to Park West a few times a week to pick up litter.

Knoefler is leading an effort to clean up the Florida East Coast Railway right of way with landscaping and to develop a bike trail.

The FEC, the agency and the city need permission to work on the company's right of way. The plan may be short-lived. The railroad company this week sent a letter to the DDA saying it is considering adding a service along the line and any improvements to the right-of-way would have to be temporary and removable in 30 days.

BROKEN TRUST

The redevelopment agency has had a troubled history. In 2002, the Miami-Dade state attorney's office and the FBI investigated Arthur Teele, a city commissioner and agency's board chairman, over questionable spending of funds by the CRA.

In 2003, Miami's Office of Internal Audit reported that the agency was mismanaged, had contracted services without a bidding process or approval of the board, and was often overbilled by contractors. In response, the city assigned Villacorta, a Miami assistant city attorney, to oversee the agency's operation.

Teele was removed from office in 2004 and later faced corruption charges. In July 2005, he shot himself to death in the lobby of the Miami Herald.

Some critics blamed the agency's problems on its board, which consists of the city commissioners. They say residents with vested interest in Park West and Overtown should sit on the board and make the decisions.

Commissioners often make decisions based on political considerations, said attorney Frank Schnidman, executive director of Florida Atlantic University's Center for Redevelopment Education.

"You have five people who are in charge of it, and three of them really don't care about the CRA area because it is not within their political jurisdiction," he said.