Massive ‘Innovation District’ could change Little Haiti forever. But what would that mean?

BY RENE RODRIGUEZ

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Neil Fairman, chairman of Plaza Equity Partners, one of the developers of the Magic City Innovation District, leads a tour of the site of the mixed-use development in Miami’s Little Haiti neighborhood on
Days before the Miami City Commission votes on a billion-dollar real estate project in Little Haiti, the debate around how the development will impact the neighborhood continues to intensify.

Proponents of the Magic City Innovation District, which will be headquartered at 6001 NE Second Ave., say that the massive development, which is projected to take 10 to 15 years to complete, will propel the Little Haiti area into an international draw for tourists, creatives and tech companies. City commissioners will vote on a first round of approvals of the project on Sept. 27. If it passes, the project must win a second approval at a later date.

Critics argue that the mixed-use development — a sprawl of residential, commercial, office, research and entertainment spaces spread out over 17 acres — will raise rents and property values, further squeezing Little Haiti’s poor and working classes, while adding high-tech jobs that require skills locals simply don’t have.

“The writing’s on the wall,” said Chef Wilkinson “Ken” Sejour, owner and founder of Chef Creole Seafood restaurants and catering. “When this whole thing goes into full swing, the Little Haiti community will not be able to partake in this conglomerate of an endeavor. Ten years from now, the Little Haiti we know today is not going to be Little Haiti any more. You’re going to put a billion dollars into a small area and and keep the name Little Haiti? I don’t think so.”

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Two years ago, the City of Miami designated Little Haiti as an official neighborhood,
following a contentious commission hearing and years of lobbying. Proponents argued that the designation was necessary to maintain the community’s cultural identity as the first stop for many newly arrived Haitian immigrants. But since then, many owners of small businesses that serve the community have complained of being pushed out by real estate developers and speculators buying up land and raising rents.
The Magic City Innovation District is the latest — and arguably most transformative — major real estate development proposed within Miami’s urban corridor east of I-95. It will incorporate everything from residential to commercial spaces, parks to offices, a train station and even a tourist attraction conceived by the founder of Cirque du Soleil. The project follows several large-scale developments in Brickell, Wynwood and the Design District that have hastened Miami’s transformation into a global hub while worsening its affordability crisis and income gap.

But the developers behind the Magic City Innovation District insist they want to honor and propel one of Miami-Dade’s most impoverished neighborhoods, not replace it.

“The entire Magic City Innovation District only takes up one and a half percent of all of Little Haiti,” said Neil Fairman, chairman of Plaza Equity Partners, one of the three Miami-based firms behind the project. “It doesn’t take up 10 or 20 percent. But it can actually activate a large portion of the neighborhood around it and allow people to have jobs here. It can be the engine that pulls the Little Haiti train. The social fabric of the community is already strong. The idea is not to rip the culture away from this area. The idea is to enhance the culture.”
The Magic City Innovation District stretches between Northeast Second Avenue east to Northeast Fourth Court/Florida East Coast Railway and Northeast 63rd Street south to Northeast 60th Street. The development spreads out over a total of seven city blocks and, when completed, will consist of:

- 2,630 residential units, with 14 percent designated as workforce housing and 7 percent as affordable housing, with the tallest building rising 25 stories;

- 432 hotel rooms;

- Two million square feet of office space and more than 340,000 square feet of retail;

- 5,690 garage parking spaces;

- Nearly four acres of open space, including a pop-up theme park, featuring multimedia and interactive installations, designed by Lune Rouge, the Montreal-based company owned by Cirque du Soleil founder Guy Laliberté, who joined the Magic City project in April 2017.
"We intend to contribute to the economic vitality of the area and enhance the community while preserving and celebrating the rich culture of Little Haiti," Laliberté said in an email to the Miami Herald. "The idea is to collaborate and share a common sense of the project. Magic City Innovation District is a unifying project that has launched several initiatives to be inclusive and accessible to everyone."

The other partners in the project are Tony Cho, founder and CEO of Metro 1, and Bob Zangrillo, founder and CEO of Dragon Global.

The Magic City Innovation District will be built across 33 parcels of abutting land that are either vacant or occupied by decaying warehouses. No residents or existing businesses will be displaced by the project, the partners said. The "Magic City" name comes from the historic trailer park at Northeast 60th Street and Second Avenue that opened in 1929 as a...
tourist court and closed for good in 2015. Many of the live oaks and other native trees growing on the former trailer-park land will be preserved and relocated within the development.

The developers want to preserve other historical aspects of the community as well. The DuPuis Medical Office and Drug Store at 6041 NE Second Ave. — a historical landmark built by Lemon City pioneer Dr. John G. DuPuis in 1903 — will be incorporated into the western side of the project. Plans for the Magic City project include the future construction of a passenger/commuter rail station on the site of the former Florida East Coast Railway train stop on Northeast 62nd Street.
Fairman said the end goal is to attract entertainment and technology companies to the district. Motorsport Network, the global motor-sports media company that serves 81
countries in 17 languages, and OnPoint Global, the online content generator/data analysis firm, are both already headquartered within the Magic City Innovation District boundaries.

Community outreach

The Magic City developers say they have conducted extensive outreach since the project was announced in December 2016, meeting with groups such as the Haitian Cultural Arts Alliance, the Little Haiti Cultural Center and Notre Dame d’Haiti Catholic Church.

They have also held public open houses at their Magic City Studios facility at 6301 NE Fourth Ave., the large converted warehouse space that has hosted Art Basel events and concerts, to invite residents to see renderings and maps and discuss the project.

“The intent is for Magic City to be a regenerative project that coexists with what’s already in Little Haiti,” said Metro 1’s Cho. “We’ve hired Haitian experts on Caribbean culture and design. We want to train people to become entrepreneurs and become financially literate. We’ve sat in potentially a thousand meetings over the last year and a half with community leaders to understand the dynamic needs of Little Haiti.”

But some Little Haiti leaders think the Magic City group hasn’t done enough to explain how their project will impact the people living in the area. They also worry that the growing interest from developers in Little Haiti — another mega-project, the 22-acre Eastside Ridge complex, around Northeast Second Avenue and 50th Street, goes before the city’s Planning, Zoning and Appeals Board on Dec. 5 — will end up consuming the neighborhood whole.

“It’s true they have held a number of events to bring people to the site and look at architectural renderings,” said Gepsie M. Metellus, executive director of the Sant La Haitian Neighborhood Center, a nonprofit outreach group. “But I’m not satisfied they’ve had a question-and-answer session with community members to allow them to hear the good, the bad and the ugly — to hear the concerns and the aspirations and what people would want to see included in the project.”

Marleine Bastien, executive director of the advocacy group Family Action Movement Network (FAMN), said she has been lobbying Commissioner Keon Hardemon to postpone
the initial approval vote scheduled for Sept. 27 until Magic City developers have conducted more comprehensive and objective outreach in Little Haiti.

Marleine Bastien, executive director of Family Action Network Movement (FANM), speaks at a press conference in Little Haiti on June 22, 2018. Bastien has asked Commissioner Keon Hardemon for his help in organizing a meeting between the developers of the Magic City Innovation District and the Little Haiti residents who will be impacted by the large project.
“The developers have had several exhibits at the site and they’ve invited stakeholders to come and they serve wine and cheese,” she said. “All this has really done is pit the community against each other. We have requested that the City of Miami planning department conduct a study to assess the impact of a project of such high density in Little Haiti, which has not been done.

“It is irresponsible and unconscionable that this project is going before the City of Miami but the residents have not had an opportunity to hear about it, using their language,” Bastien said.

James McQueen, chief of staff for Commissioner Hardemon, confirmed he had met with representatives from Bastien’s group.

“Commissioner Hardemon sponsored the legislation that officially designated Little Haiti as a district in 2016,” McQueen said. “He is not going to allow any development in his district that would negatively impact the area or its residents.”

**Special Area Plan**

The Magic City Innovation District is a designated Special Area Plan (SAP), a category within the Miami 21 zoning approved by the city in 2009 that allows developers with contiguous land holdings of at least nine acres to launch dense mixed-use projects outside the urban core. Other SAPs include the Brickell City Centre, the Miami Design District, Mana Wynwood and the River Landing development along the Miami River, near Jackson Memorial Hospital.

Real estate executives say the biggest difference between Magic City and other SAPs is that the Little Haiti project carries the burden of providing all the essential elements of a thriving neighborhood — retail, residential, work and entertainment — to an area where none of those exists yet.

“With River Landing, you already have thousands of jobs in the health district, so there’s a
built-in demand for retail and entertainment and residential from people who want to be close to work,” said Gerard Yetming, executive vice president of the real estate firm Colliers International. “With the Magic City Innovation District, you don’t have any of those other components already in place. And price-wise, they will be competing with all the residential supply in Edgewater, Brickell and downtown, so they will need something to lure people there.”

According to Colliers International, the average sales price per square foot in Little Haiti has crept up from $78 in 2013 to $206 in 2018, a 130 percent increase in five years.
“The run-up in pricing you’re seeing now in Little Haiti is the result of what’s happened in the last few years,” Yetming said. “The visionaries came in and bought up at low prices and are now trying to bring their vision to fruition. A lot of the values of land prices right now are speculating on the success of these pioneering projects.”

Another hurdle is Little Haiti’s harsh economic reality. Dr. Ned Murray, associate director
of the Metropolitan Center at Florida International University, said Little Haiti has a poverty rate of 46 percent (higher than the City of Miami’s 30 percent) and an unemployment rate of 23 percent.

An estimated 63 percent of renters in the neighborhood are cost-burdened, meaning they spend 30 percent or more of their income on housing. Magic City has the potential to push rents even higher, forcing working-class residents to who-knows-where.

A study of Little Haiti published in December 2015 by the Metropolitan Center also warned of encroaching demographic and economic shifts that threaten the livelihood of residents and businesses. The fastest growing segment of Little Haiti’s population from 2000-2013, for example, was households earning $100,000 or more per year.

“A proposed plan of the scale of the Magic City Innovation District requires a careful community economic development process to ensure the residents and businesses in Little Haiti are the primary beneficiaries of such development,” Murray said.

**Economic impact**

An economic impact analysis of the Magic City Innovation District prepared by Lambert Advisory in June estimates the project, once completed, will add an annual $188 million in revenues to the Little Haiti economy from residents and visitors, along with $27 million in property tax revenues and $42 million in permit and impact fees. The project is expected to generate 11,680 direct and indirect full-time jobs, including 930 annual short-term construction jobs during its 10-year development and 6,953 direct jobs once the district is up and running.

“Although a high-end, high-tech hub might not look like it makes sense in this area, every high-tech job creates five ancillary jobs such as restaurants, dry cleaners and artists,” said Fairman. “The goal is to marry the cultural integrity of Little Haiti with a new business model.”
A typical workday inside the headquarters of OnPoint Global, an online content generator/data firm, located at 350 NE 60th Street in Little Haiti.
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Some of those jobs are already up and running. Jeff Lozama, president of CMS International Group, an exporter of high-end building materials to the Caribbean and Latin
America, said he was hired to install the doors and windows on warehouses currently being converted into office spaces on Northeast Fourth Avenue — the first phase of the Magic City Innovation District.

“There has been great preference given to Haitian-American businesses to be involved in the construction of this project,” said Lozama, who is also the immediate past chair of the Haitian American Chamber of Commerce of Florida. “The developers have made that their personal agenda.”

Lucien S. Barrau, who operates the Miami franchise of the international firm Signarama, is among those seeing benefits. He relocated his business to 250 NE 61st St. in November 2016 and is about to add a sixth employee because he’s been busy making banners, building signage and printing documents for the Innovation District.

“There are differences of opinion, but I don’t think they will ever be able to satisfy everyone,” Barrau said. “I have seen them doing a lot of reaching out. When I started out in 2005, I couldn’t come [to Little Haiti] and do any business. It wasn’t a safe area and a lot of businesses were closed. Now I see a difference. Things are starting to change. Culturally, Little Haiti has always been very important, but it had been closed off from the rest of the world. The Innovation District will open up the area to others.”
Wilkinson “Ken” Sejour poses for a portrait inside his celebrated Chef Creole restaurant on 54th Street in Little Haiti on May 23, 2018. Sejour is one of the Little Haiti community leaders who is wary of the impact the Magic City Innovation District could have on the neighborhood.

Bryan Cereijo

Still, some remain skeptical. Chef Creole’s Sejour said he owns several properties in Little Haiti, including his own restaurant, all of which he admits will probably “triple in value” if
But the real estate speculation isn’t enough to counterbalance Sejour’s gentrification concerns.

“The only reason I’m able to be a world-famous Creole chef today is because of Little Haiti,” he said. “And I have a conscience. I don’t want to be 75 years old and think, ‘There used to be a Little Haiti but it’s extinct now.’ I want to give back to the people and the culture who have put me on this stage.”

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