As Miami’s Omni area prospers, need for redevelopment zone is questioned

By CHARLES RABIN

With the Omni neighborhood’s recent transformation from run-down and seedy to vibrant and hip — highlighted by skyscraping condos, bustling parks and popular restaurants — some politicians are questioning the continued need for targeted tax assistance afforded the area.

For several decades, a small rectangular patch in the city’s center anchored by the former Omni Mall and including parts of poverty-stricken Overtown has been designated as a redevelopment area. The label allows nearly all the property taxes collected within a blighted neighborhood to be held in a separate pot that is earmarked for economic development only in that area.

It’s worked well for the Omni area, where the tax dollars have helped attract private investment and fueled enough development to more-than support neighborhood services.

Now, with Malaysian casino giant Genting Resorts World Miami’s plan to build a destination resort on The Miami Herald site, there is growing sentiment to dissolve the Omni redevelopment district — and share more widely the tens of millions in new property tax dollars the resort would generate.

“I think you can say at a certain point of time that slum and blight has been cleaned up. I think pockets of the Omni have done very well,” said Miami Commissioner Marc Sarnoff, who chairs the Omni Community Redevelopment Agency. “And if Genting invests, then I think it’s conceivable” that it’s time to dissolve the agency.

The belief rings even louder from fellow Miami commissioners who have struggled through years of budget battles.

“In all fairness,” said Miami Commissioner Frank Carollo, “we’ve had a tough couple of years, and we need to start bringing some of that money back to the general fund.”

Rather than dismantling the CRA, Miami Commissioner Francis Suarez would like to make it smaller. That would allow new tax-paying property owners like Genting to send their dollars to the city’s general fund.
“We’re a city that’s struggling financially,” Suarez said.

Signs of the Omni region’s renaissance are apparent throughout the neighborhood.

South from Bicentennial Park, north to Northeast 20th Street, east and west from Biscayne Bay to Northeast First Place, the neighborhood is thriving — thanks in part to redevelopment money.

Long-neglected Bicentennial Park will soon be home to museums and a new park. Margaret Pace Park, where drug needles were once in greater abundance than people, now thrives day and night with condo dwellers walking dogs, throwing frisbees and eating at restaurants. Between those two sites a $1 billion tunnel to the Port of Miami is under construction.

On a recent sun-drenched afternoon, Joan Mirande, 54, of Princeton, N.J., lazily walked her two miniature Italian greyhounds through Margaret Pace Park, the blue bay to the east, towering condos hovering overhead. Mirande and her husband bought a vacation condo adjacent to the park six years ago — when the neighborhood was a far cry from what it offers today.

“My husband was assuring me this would be better,” she said. “There were just a bunch of bums around. I would say its 180 degrees different. It’s unbelievable.”

Along Biscayne Boulevard, restaurants and retailers are filling formerly empty real estate, and a Publix is under construction. Slightly further west auto magnate Norman Braman continues to add to his showroom collection.

The city is working on building a $10 million production facility along Northeast 14th Street, which has already benefitted from a $1.5 million CRA-funded facelift. And money from Omni CRA property taxes is also paying off an enormous construction debt that could reach $400 million for the Adrienne Arsht Center for the Performing Arts. This year’s payment was $4.1 million.

Still, as Genting pushes its plan forward — casino or not — there is no shortage of hands reaching out for a piece of the new pie.

Miami-Dade Commission Chairman Joe Martinez is concerned about the vast county services that would be required to enable Genting’s project. He says getting rid of, or decreasing the size of, the Omni redevelopment agency “has to be part of our debate with the city of Miami to even consider a casino.”

Also, for the first time, the county commission is pushing for a seat at the table. Now, the city’s three CRAs are composed solely of Miami’s five commissioners. The county — which authorizes municipal CRAs — would like to add at least one county commissioner to each city board.
Dismantling the Omni redevelopment agency wouldn’t generate a straight-up financial windfall for Miami’s general fund. If the city wants to share in the wealth, it would have to continue paying the agency’s debts. Dissolving the CRA also would require a rearrangement of contracts with Miami-Dade County, which receives a small share of Omni property taxes that are reinvested back into county services to the region.

In some instances, the county would have to find other funding sources — like tourist tax dollars — to cover its Omni-area financial obligations.

Not everyone agrees it’s time to break up the Omni redevelopment agency.

The neighborhood’s largest land owner, auto dealer Braman — whose business as recently as last week was aided with Omni CRA funds — said he’d rather see the redevelopment district expand further west to more destitute areas where rundown industrial sections and seedy low-income housing still exist.

“Spend time going through those neighborhoods; it’s appalling,” he said.

Lawyer Frank Schnidman, director of the Center for Urban Redevelopment Education at Florida Atlantic University, contends that Genting’s plan demands the CRA remain intact. He calls the county’s cries to re-tool the CRA or change its boundaries “advance envy,” as elected leaders envision millions of property tax dollars flow from the Genting property.

Though the county property appraiser has yet to weigh in on any Genting property tax windfall, Schnidman has said it could be as high as $25 million a year.

Yet, with all the extra policing and support services the Genting development would demand, Schnidman says “it would be crazy to quash the CRA if Genting comes.”