

Old Neighborhood, New Look

Written by Erik Bojnansky, BT Senior Writer; Photos by Armando Colls
May 2019

Allapattah is changing -- fast

Massive investment is disrupting Allapattah, and its working-class residents pray they can afford to stay



ather José Luis Menendez recalls that when he was assigned as the full-time pastor to the parish of Corpus Christi, more than 30 years ago, some of his colleagues assumed it was a form of punishment. That parish includes not just the main church at 3220 NW 7th Ave. in Allapattah, but also three smaller missions in that same neighborhood, as well as the San Juan Bautista Mission in Wynwood and the San Francisco y Santa Clara Mission in Edgewater.

Back then Allapattah, Edgewater, and Wynwood were impoverished, high-crime areas. But for Menendez, the assignment wasn't a punishment. It was an adventure. "I hate to be in a good neighborhood," he says. "You don't do anything."

Today Edgewater is full of luxury high-rises. Wynwood's old warehouse district is a thriving arts and entertainment area with new offices and high-end retail.

And Allapattah? It's still a gritty neighborhood of warehouses, wholesalers, single-family homes, retail stores, hospitals, car repair shops, and at least two active cement factories.

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Located between the Miami River to the south and the Airport Expressway (SR 112) to the north, and from I-95 west to NW 27th Avenue, Allapattah, whose name means “alligator” in Seminole, measures five square miles, more than twice the size of Wynwood. And by many measures, it is also Miami’s most diverse neighborhood.



It’s in Allapattah that you’ll find the Civic Center, also known as the Hospital District, a place that includes Jackson Memorial Hospital, University of Miami Hospital, the Veterans Administration Hospital, Holtz Children’s Hospital, the University of Miami Miller School of Medicine, the Bascom Palmer Eye Institute, the Richard E. Gerstein Criminal Courthouse, the Miami-Dade State Attorney’s Office, the Miami-Dade County Medical Examiner’s Office, the Miami-Dade County Pre-Trial Detention Center, and more justice-related businesses. Oh, and also Converge Miami, a 252,000-square-foot office building for bio-medical startups.

Here you’ll also find Little Santo Domingo, a corridor of Dominican-owned businesses along NW 17th Avenue, as well as Juan Pablo Duarte Park, named after the Dominican independence leader.

It’s where you’ll find wholesale trading hubs that provide food and merchandise to stores and restaurants throughout South Florida and beyond. That includes the Miami Produce Center, a sprawling eight-acre warehouse complex that’s been operating at NW 13th Avenue and NW

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21st Terrace for the past 84 years.

Also in Allapattah is the Chapel of La Merced, a Spanish Revival church on the main campus of Father Menendez's Corpus Christi. La Merced hosts classical music concerts and houses documents, books, and religious artworks, many from Colonial-era Peru.

There are the new restaurants, bars, and studios in Allapattah opened by entrepreneurs and artists who started in Wynwood but headed west in search of more affordable rents. Many of these happen to be along NW 7th Avenue, a corridor that's sometimes referred to as West of Wynwood, much to the annoyance of many Allapattah residents.



And it's in Allapattah that you'll find nearly 42,000 people, about 73.6 percent of whom are Hispanic, 21.2 percent black, and 4.1 percent white, according to Statistical Atlas, a website that uses data from the U.S. Census Bureau.

The median annual household income of Allapattah is \$22,600. According to the real estate website Trulia, 77 percent of Allapattah's households are rentals. Father Menendez notes that undocumented immigrants account for some 26 percent of area's population.

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As in Edgewater and Wynwood, crime in Allapattah is much lower now than it was in the 1980s and 1990s, with the exception of crimes of opportunity, like car burglaries or (more on this later) unlicensed bars with flirty waitresses.

Father Menendez tells the *BT* that most of his Allapattah congregants aren't so worried about crime anymore. Instead they worry about having proper papers, having a driver's license, having affordable housing, having ICE not come over here. "Those are the concerns," he says, adding, "When you're scared of these things happening, you don't live in peace."

Adding to that anxiety, and some anticipation, is a wave of private investment by investors looking for deals. In recent years, some of the biggest names in South Florida real estate, including Jorge Pérez, Michael Simkins, Moishe Mana, and Lyle Stern, have been buying properties in Allapattah. Also showing increasing interest are out-of-state real estate investment funds and investors from South America.



Those property purchases have increased land prices in Allapattah from \$58 per square foot in 2014 to around \$275 per square foot in 2018, according to a recent study from Colliers International South Florida. Not all of these investors know exactly what they plan to do with their acquired land. "Some have clear visions, others are waiting a bit," observes Carlos Fausto Miranda, principal of the commercial brokerage Fausto Commercial, who has traded property in Allapattah for 11 years.

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Real estate investors and art collectors Don and Mera Rubell are among those with a clear vision. The Rubells are moving their private art collection and museum, currently in Wynwood, into a 100,000-square-foot warehouse they bought as part of a \$4 million deal that closed in April 2015. The facility is slated to open in December and will include a library, lecture hall, gardens, event space, and a restaurant, according to the Rubell Family Collection Contemporary Arts Foundation.

Andrew Hellinger, the principal developer of River Landing and Shops on the Miami River at 1500 NW North River Dr., tells the *BT* that his team invested nearly \$425 million building the 2-million-square-foot mega project of 528 apartments, big-box retail, and new offices to capitalize on an underserved market of medical professionals and attorneys who work in the Civic Center.

“We were attracted to the health district because it has a 70,000 daytime population and the highest payroll of any submarket,” Hellinger explains.



And then there's Robert Wennett, a real estate developer known for his iconic 1111 Lincoln parking garage, designed by the firm Herzog & de Meuron. Three years ago Wennett paid \$16 million for the Miami Produce Center, located near two Metrorail stops and less than a half-mile from the Civic Center. It's here that Wennett intends to build a mixed-use complex designed by renowned Danish architect Bjarke Ingles that could total 2.9 million square feet. Wennett's project will include urban farms, restaurants, vocational schools, creative work spaces, 227 hotel rooms, and up to 3037 residential units in buildings as tall as 20 stories.

Wennett's concept has been receiving attention lately, not just from local media but also

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architectural publications marveling at Ingle's early designs of stilt-like residential towers hovering above warehouses, public plazas, and urban farms that are growing food for restaurants operating within the complex.

Cynthia Aracena, a lifelong resident of Allapattah, likes what she sees so far. A former member of the Allapattah Neighborhood Association, she says she hopes the Wennett development will help fill the void of several longtime businesses, many of them Dominican owned, that have shut down recently owing to rising retail rents. And she hopes it will further increase property values for single-family homeowners like herself. Single-family homes and condos have already gone up 24.6 percent in value over one year, to an average price of \$190,000.

"It will be a community benefit in a sense that we will have jobs and restaurants that we don't have now," Aracena says.

Pat Gajardo, who also grew up in the neighborhood and is president of the Allapattah Neighborhood Association, has mixed opinions. On the one hand, he's thrilled that developers and new businesses are coming to Allapattah. "I tell people all the time that I'm proud of the fact that investors and outsiders are starting to realize what I've known for a long time -- that Allapattah can be a great place to live, work, and play," he says.

At the same time, he fears that mega projects like River Landing and the new Miami Produce Center will further inflate home prices and rents, making it even harder for low-income residents, who already spend more than half of their earnings on rent, to continue living in Allapattah.

"Some people are going to be priced out, whether or not that project comes," he says. "But it's going to accelerate the process."

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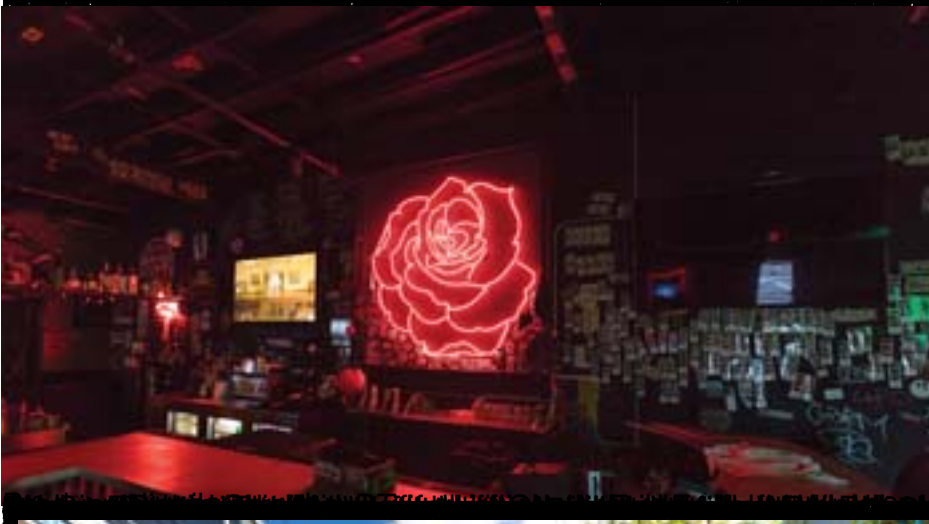
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