

As downtown Miami's Flagler Street makeover stalls, business suffers



By Andres Viglucci

One year ago, a national contractor started ripping up Flagler Street in downtown Miami for a much-touted, [multimillion-dollar makeover](#) designed to revitalize the city's historic but fraying main street. Instead, it's been a near-debacle.

Only a single block, in front of the Miami-Dade County Courthouse, has been finished with the promised wide new sidewalks, shade trees, lighting and blacktop. On the next block to the east, where the street has been torn up and fenced off for months, work has been moving at a snail's pace while businesses suffer. The easternmost three blocks haven't yet been touched, even though the whole half-mile-long job from the courthouse to Biscayne Boulevard was supposed to be done, in 13 distinct phases to lessen the blow on merchants, before the end of this year.

So glacially has work been proceeding that the [Downtown Development Authority](#), which conceived and helped fund the \$13 million plan before handing it off to the city for execution, wanted the contractor fired for

lollygagging. Contractor FH Paschen, meanwhile, has asked for an extension of 270 days, or about nine months, to finish the job, blaming delays chiefly on a tangle of forgotten old utility lines underground — including long-out-of-use clay pipes and wooden conduits — that did not match city blueprints and required removal or replacement.

And the city, asserting that rebidding the job would only delay completion even more, is for now pressing Paschen to come up with an accelerated work schedule to make up for lost time, even as it comes under fire from some DDA directors who say it should have cracked down on the contractor much sooner.

The upshot: No one involved is happy with a project that most merchants and property owners on Flagler Street had embraced with the understanding it would entail some short-term pain in return for significant long-term gains.

For Flagler Street property owners, who agreed to a special assessment totaling \$1 million for the project with the expectation of a boost to long-flagging business, the delays and uncertainty over the work schedule have brought some sharp financial blows. Landlords with vacant storefronts are having trouble signing prospective but wary tenants, holding back a burgeoning commercial revival along the street that's being driven in part by [thousands of new downtown residents](#).

Some merchants and restaurateurs along the two blocks under construction, meanwhile, say they had to take out loans or lay off employees to cope with a steep drop in walk-in business.

"I've survived, but it's been rough," said Diego Estremadoyro, co-owner of the local Mario the Baker chain and manager of its Flagler Street restaurant, where customers now reach the front door by means of a temporary metal ramp laid over a missing chunk of sidewalk. "My hope is that once it's done, this will be a positive."

The problem is, no one can say right now when that will be.

Assistant City Manager Alberto Parjus said he's waiting for a new time line from Paschen. One pending issue that needs to be decided is whether to move or replace an old sewer line, a job that according to the city could by itself take six months.

The DDA, a quasi-governmental agency chaired by Miami Commissioner Ken Russell, contends that Paschen has simply fallen down on the job. Among those failures, DDA vice-chairman Neisen Kasdin and other board members contend: Paschen often put skeletal crews on the job; suffered so much internal turnover that it's now on its fourth project manager and its seventh superintendent; and failed to keep public officials and property and business owners adequately informed about work schedules and delays.

"Needless to say, there has been widespread disappointment with the pace of work," Kasdin said. "The contractor failed in what they were supposed to do."

Paschen, a Chicago-based firm with offices in South Florida, did not return phone calls requesting comment.

After months of complaints from the DDA, the city replaced its supervisor in charge of the contract and promised to push Paschen to work faster. Parjus also tapped an outside engineer to look into the delays.

The DDA, which also complains that the city cut it out of the contractor's selection, hopes to sign a formal agreement with the city that gives the agency a clear role in helping to coordinate the work and communicate with local stakeholders.

“I’d like to see the DDA and the city allying themselves to really hold the contractor’s feet to the fire,” Russell said. “The end product will be worth the effort. What we need to figure out now is how we get this done as painlessly as possible.”

It wasn’t supposed to go this way. The project’s original two-year time line was designed to accommodate the ambitious scope — a complete reconstruction that entailed lowering the road surface by eight inches and redoing drainage to eliminate flooding issues — as well as the surprises common when digging under old streets, such as utility lines that are not where they’re supposed to be.

According to the DDA, Paschen was fully responsible for all underground work, including unexpected utility issues. DDA board members say Paschen tried instead to shunt responsibility onto the city in those instances. Haggling over what to do about water lines to the courthouse that were several inches higher than shown in plans — they could not be left in place because they would have stuck out of the lowered road surface — delayed work several months, the DDA said.

“It’s no surprise there is a spaghetti plate under the ground,” said DDA board member Gary Ressler. “But simply throwing their arms up in the air can’t be an acceptable response.”

Parjus said the DDA is right, but only up to a point. The unexpected underground “contingencies” were more extensive than even the plan anticipated, he said, and FPL and other utility companies were initially slow to respond when lines and equipment needed to be moved, though they are now quickly complying with requests. In one case, Parjus said, FPL did not know about some still active lines. In another, TECO gas workers punctured an FPL line while working on their own lines, something Paschen could not be held responsible for, he said.

Some of the issues are a consequence of haphazard repair jobs in the past, including a sidewalk-replacement job overseen by the DDA a decade ago, Parjus said.

“This appears to be a simple job, but it’s not,” Parjus said. “It’s the oldest street in the city.”

But he said Paschen also needs to significantly ramp up its performance.

“Their reputation is at stake here,” he said. “This is an important project. This is one of the most important streets in Miami.”

The downtown project is hardly the only current street reconstruction that’s run into trouble. A separate project to rebuild Flagler on the other side of the Miami River in East Little Havana, managed by the Florida Department of Transportation, has been plagued by complaints that it’s hurting businesses and wreaking havoc on traffic. Parjus called that project “a nightmare” in an aside.

In Coral Gables, an extensive beautification project on Miracle Mile is also [behind schedule](#), in part because of issues with underground utilities and an allegedly slow pace of work by the contractor.

DDA directors stress that the problem on Flagler isn’t the street design, by the Miami landscape architecture firm Curtis + Rogers. They say they’re pleased with how the first completed block has turned out. The new sidewalks are twice as wide as those they replaced, which were narrow, stained, cracked and so steeply angled toward the street in places that it was uncomfortable to walk on them.

The new sidewalks are meant to give restaurants a lot more space for outdoor cafe tables. Young oak trees will grow to provide shade. New stormwater drainage will solve flooding issues that plagued the street when it rained. The overall idea is to stimulate business and redevelopment, drawing more foot traffic by making the street more welcoming to pedestrians. Most on-street parking is being eliminated to make way for the widening of sidewalks, and is being replaced by valet stations.

The project is funded by \$6 million from a Miami-Dade County economic development fund and \$6 million from the city of Miami, in addition to the special assessment of \$1 million from property owners.

The project coincides with massive investment downtown, with many properties changing hands. New York entrepreneur and developer Moishe Mana has amassed what the website The Real Deal has tallied at nearly \$200 million worth of properties on or abutting Flagler, though he has not said what he plans to do with them.