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## FDOT buys 3.5 acres in Miami for new I-395

The Florida Department of Transportation paid \$78 million for property between Interstate 395 and the Performing Arts Center.

BY MATTHEW HAGGMAN AND LARRY LEBOWITZ

The Florida Department of Transportation has paid \$78 million to a private development group for three parcels along Interstate 395, in a move that secures land for modifications to the highway and averts the specter of high-rise condominium towers rising across from Miami's under-construction Performing Arts Center.

Following several months of negotiations, FDOT agreed to buy the land from a group led by developer Paul Murphy. Until FDOT stepped in to buy the land, Murphy's group had planned to build a high-rise condo called Opus -- and a two-tower project called Opus II -- on the 3.5 acre property squeezed between I-395 and the Performing Arts Center.

The deal is believed to be the highest per-acre price FDOT has ever paid, according to Javier Rodriguez, FDOT's director of production for the Miami-area district.

"I know it seems like a big number today," Rodriguez said. "But we can justify the cost savings in the long run."

The transaction concluded last week, said attorney Juan Muniz of Brigham Moore, who represented the Murphy group.



Juan M. Muniz

Before FDOT got involved, Murphy's group was poised to win all of the approvals necessary from the city of Miami to build Opus, prompting Performing Arts Center supporters to fret about a hulking condo tower dwarfing the much-anticipated performance venue. "If those towers had been permitted to be built it would have destroyed the visual integrity connecting the Performing Arts Center and Biscayne Bay," said Parker Thomson, chairman of the Performing Arts Center Trust. "We strongly asked [FDOT] to do it and they responded. I am absolutely delighted."

For FDOT's part, it still doesn't know what it will be doing to improve the 1.29-mile stretch of I-395 between Interstate 95 and the MacArthur Causeway, said FDOT's Rodriguez. Two alternatives are being studied to improve traffic flow and rectify many of the design problems that decimated historic Overtown when the original expressway was built in the 1960s.

One option, favored by city and county officials, would include dismantling the existing expressway and digging a deep "open cut tunnel," a below-ground, open-air expressway. This option, with an estimated \$1.5 billion price tag, would open up six to eight city blocks for redevelopment; bridges would be erected across the cut on various north-south

streets for vehicular and pedestrian traffic. The cheaper option favored by FDOT would "only" cost an estimated \$500 million. I-395 would be elevated about 40 feet in the air -- instead of the current 20 feet -- removing the concrete columns and berms that partitioned Overtown. Unlike the below-ground cut tunnel, this "sleek, graceful" option designed to coordinate with the highest elevations on the MacArthur, would allow sun to shine on the entire redevelopment area, its boosters say.

The Opus property lies in the middle of the alignment for the open-cut tunnel option, and would play a crucial role in an elevated I-395 scenario because of proposed greenways that could link the Performing Arts Center, Bicentennial Park, museums and other attractions planned for the area.

The deal is yet another illustration of how real estate values continue skyrocketing and amounts to a highly lucrative move for the Murphy-led group, which never formally owned the land. Last year the Murphy group put the property under contract for \$29 million and began designing the condo towers, pre-selling units and getting building permits from the city. But it never closed on the property.

As a result of FDOT's purchase, the original sellers -- a collection of investors including members of a New York-based family named Schwalbe -- get \$29 million and the Murphy group gets the balance, \$49 million. If negotiations were unsuccessful, FDOT had signed a resolution that tagged the property for condemnation, Muniz said.