

**Condensed Title:**

Referral to the Land Use and Development Committee - An Ordinance proposing an amendment to the Land Development Regulations of the City Code amending the procedures for single family ad valorem tax exemptions.

**Key Intended Outcome Supported:**

Satisfaction with neighborhood character

**Supporting Data (Surveys, Environmental Scan, etc**

Satisfaction with compatibility of new construction

**Issue:**

Should the City Commission refer to the Land Use Committee the proposed ordinance that amends the requirements and procedures for the completion of work approved to a single family ad valorem tax exemption.

**Item Summary/Recommendation:**

**REFERRAL TO LAND USE AND DEVELOPMENT COMMITTEE**

The subject Ordinance is sponsored by the Historic Preservation Board and would clarify and tighten the procedures and requirements for completing all required work, approved pursuant to a request for a single family ad valorem tax exemption.

The Administration recommends that the City Commission refer the item to the Land Use and Development Committee.

**Advisory Board Recommendation:**

On October 14, 2008, the Historic Preservation Board recommended approval of the proposed Ordinance Amendment.

**Financial Information:**

Source of Funds:		Amount	Account
<div style="border: 1px solid black; width: 50px; height: 50px; display: flex; align-items: center; justify-content: center;">                     OBPI                 </div>	1		
	2		
	3		
	Total		

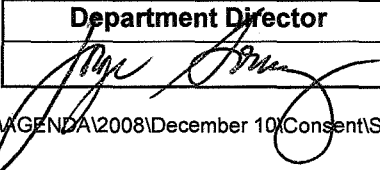
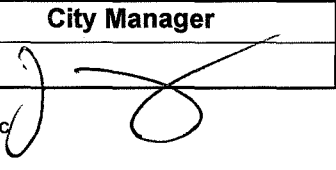
**Financial Impact Summary:**

The proposed Ordinance is not expected to have any fiscal impact upon the resources of the City.

**City Clerk's Office Legislative Tracking:**

Jorge Gomez or Thomas Mooney

**Sign-Offs:**

Department Director	Assistant City Manager	City Manager
		

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# MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

## COMMISSION MEMORANDUM

TO: Mayor Matti H. Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: December 10, 2008

SUBJECT: **REFERAL TO THE LAND USE AND DEVELOPMENT COMMITTEE A PROPOSED ORDINANCE DEALING WITH REVISIONS TO SINGLE FAMILY AD VALOREM TAX EXEMPTIONS**

**AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA AMENDING THE LAND DEVELOPMENT REGULATIONS OF THE CODE OF THE CITY OF MIAMI BEACH, BY AMENDING CHAPTER 118, "ADMINISTRATION AND REVIEW PROCEDURES," ARTICLE X, "HISTORIC PRESERVATION," DIVISION 5, "SINGLE FAMILY AD VALOREM TAX EXEMPTION", MODIFYING THE REQUIREMENTS AND PROCEDURES FOR CITY AD VALOREM TAX EXEMPTIONS FOR SINGLE FAMILY HOMES; PROVIDING FOR REPEALER, CODIFICATION, SEVERABILITY AND AN EFFECTIVE DATE.**

### ADMINISTRATION RECOMMENDATION

Refer to the Land Use and Development Committee.

### BACKGROUND

In 2004 the City Commission created a City Ad Valorem Tax Exemption program for historic single family residences, as part of an overall strategy to provide tangible alternatives to the demolition of architecturally significant single family homes. The Tax Exemption program has established a framework for single family home owners to be able to abate any increase in property taxes that result from the restoration and renovation of an eligible single family home, for a fixed period of ten (10) years. To date, eight (8) single family homes have received Commission approval for an Ad Valorem Tax Exemption.

The existing Ad Valorem Exemption Ordinance specifies that all required work, approved pursuant to a Tax Exemption application, shall be completed within two years following the date of approval by the City Commission. The Historic Preservation Board may extend the time for completion of the required work for a period not to exceed two (2) years. Additionally, the Tax Exemption is automatically revoked if the property owner does not submit a final request for a review of the completed work within two years following the date of approval by the City Commission. This requirement was included in the Ordinance in order to ensure that an approved application would be diligently pursued in terms of

obtaining all required building permits, as well as commencing and completing the work on site.

## **ANALYSIS**

Recently, two (2) separately approved Ad Valorem Tax Exemption applications ran into problems completing the required work within the 2 year timeframe mandated by current code. These applicants purposefully sought historic designation of their respective residences and utilized the Ad Valorem Tax Exemption process as intended by the Ordinance, as an incentive to preserve the original structures. Due to the highly detailed restoration and the complexity of the new additions in the applications, the construction process took longer than the two years required by the Code. Further, due to the unfamiliarity with the tax exemption process, in each case the deadline for the final inspection was missed unintentionally by the applicant, thereby causing the automatic revocation of the approval.

In both of these instances, the applicants had been diligently proceeding with construction on site and had already obtained a number of progress inspections from the Building Department. In light of these circumstances, the Historic Preservation Board, pursuant to Section 118-564(c) of the City Code, approved separate requests by the applicants to waive the mandatory 2-year completion date requirements.

In order to address this issue in a more comprehensive manner, an amendment to Section 118-609 of the City Code, pertaining to the 'Completion of Work' portion of the Ad Valorem Tax Exemption process, has been proposed by the Historic Preservation Board. Specifically, the proposed amendment would still require that all required work be completed within two years following the date of approval by the City Commission. However, instead of being 'automatically revoked' if the work is not completed or a request for review is not submitted, the following benchmarks are proposed:

1. The Ad Valorem Tax Exemption approval would 'expire' if the building permit issued for the approved work should expire or become null and void, for any reason, or if a full building permit for the approved work is not issued within the timeframes specified under the corresponding certificate of appropriateness.
2. The Ad Valorem Tax Exemption approval would be 'suspended' if the building permit is issued, but the property owner fails to submit a final request for review of the completed work within two years following the date of approval by the city commission. This 'suspension' may be lifted if the Historic Preservation Board approves a request for an extension of time, in accordance with the requirements of the Code. If an extension of time request is denied, or if the applicant fails to complete all required work within the timeframes mandated under an approved extension of time, the 'suspension' would become a permanent revocation of the approved Ad Valorem Tax Exemption.

The proposed amendment would still permit the Historic Preservation Board to extend the time for completion of a substantial improvement, for a period not to exceed two (2) years from the completion date in the original approval by the City Commission. However, new language has been added that requires a full building permit for the approved work to be issued within the timeframes specified under the corresponding certificate of appropriateness. Additionally, extension of time requests would only be considered by the

Historic Preservation Board if the full building permit is active, and the applicant must submit a request in writing for an extension of time no later than 180 calendar days after the original completion deadline.

On October 14, 2008, the Historic Preservation Board reviewed the subject Ordinance and recommended approval.

**FISCAL IMPACT**

The proposed Ordinance is not expected to have any fiscal impact.

**CONCLUSION**

The Administration recommends that the City Commission refer the proposed Ordinance to the Land Use and Development Committee.

JMG/TW/JGG/TRM

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**Revisions to Single Family Ad Valorem Tax Exemption**

ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA AMENDING THE LAND DEVELOPMENT REGULATIONS OF THE CODE OF THE CITY OF MIAMI BEACH, BY AMENDING CHAPTER 118, "ADMINISTRATION AND REVIEW PROCEDURES," ARTICLE X, "HISTORIC PRESERVATION," DIVISION 5, "SINGLE FAMILY AD VALOREM TAX EXEMPTION", MODIFYING THE REQUIREMENTS AND PROCEDURES FOR CITY AD VALOREM TAX EXEMPTIONS FOR SINGLE FAMILY HOMES; PROVIDING FOR REPEALER, CODIFICATION, SEVERABILITY AND AN EFFECTIVE DATE.**

**WHEREAS**, the citizens of Florida have amended the Florida Constitution, Article VII, Section 3(e), to authorize counties and municipalities to allow certain tax exemptions for historic properties;

**WHEREAS**, the Florida legislature has enacted Sections 196.1997 and 196.1998, Florida Statutes, to govern the allowance of such exemptions;

**WHEREAS**, the City Commission has deemed it in the best interest and welfare of the City to have incentives for the retention and preservation of architecturally and historically significant single family homes in Miami Beach; and

**WHEREAS**, the City Commission and the Historic Preservation Board have deemed it necessary to have a City Ad Valorem Tax Exemption process for architecturally and historically significant single family homes in Miami Beach in order to promote their preservation and protection; and

**WHEREAS**, the City of Miami Beach Historic Preservation and Planning Boards strongly endorse the proposed amendments to the Historic Preservation Section of the Code; and

**WHEREAS**, the amendments set forth below are necessary to accomplish all of the above objectives.

**NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA.**

**SECTION 1.**

That Chapter 118, "Administration And Review Procedures," Article X, "Historic Preservation," of the Land Development Regulations of the Code of the City of Miami

Beach, Florida is hereby amended as follows:

DIVISION 5. SINGLE FAMILY AD VALOREM TAX EXEMPTION

\* \* \*

Sec. 118-609. Completion of work.

(a) An applicant must complete all work within two years following the date of approval by the city commission. An application approval for ad valorem tax exemption shall be automatically revoked expire if the building permit issued for the approved work should expire or become null and void, for any reason, or if a full building permit for the approved work is not issued within the timeframes specified under the corresponding certificate of appropriateness. The approval for ad valorem tax exemption shall be suspended if such permit is issued but if the property owner has not submitted a final request for review of completed work within two years following the date of approval by the city commission.

(b) The historic preservation board, for good cause shown, may extend the time for completion of a substantial improvement for a period not to exceed two (2) years from the completion date in the original approval by the city commission, or such lesser time as may be prescribed by the board, if a full building permit for the approved work has been issued within the timeframes specified under the corresponding certificate of appropriateness. Such extensions shall only be considered by the board if a valid full building permit for the improvements approved by the city commission is active and the applicant submits a request in writing to the planning department no later than 180 calendar days after the original completion deadline. If the board grants the extension, any suspension of the approval for ad valorem tax exemption shall be lifted and all work shall be completed by the date mandated in the board order. The failure to complete all required work within the timeframes mandated under an approved extension of time shall result in a permanent revocation of the approval for the ad valorem tax exemption. If the board denies the extension, any suspension shall become a permanent revocation of the approval for ad valorem tax exemption.

(c) A request for review of completed work shall be submitted to the planning department. The planning director, or designee, shall conduct a review to determine whether or not the completed improvements are in compliance with the work approved by the city commission, including approved amendments, if any.

(d) If the planning director, or designee, determines that the work is in compliance with the plans approved pursuant to city commission approval of the tax exemption, the final request for review of completed work shall be approved and issued in writing to the applicant. The city reserves the right to inspect the completed work to verify such compliance.

(e) If the planning director, or designee determines that the work as completed is not in compliance with the plans approved pursuant to city commission approval of the tax exemption, the applicant shall be advised that the final request for review of completed work has been denied. Such denial shall be in writing and provide a written summary of the reasons for the determination, including recommendations to the applicant concerning the changes to the proposed work necessary to bring it into compliance with the approved

plans. The applicant may file an appeal of the decision of the planning director, or designee, within 15 days of such decision. The appeal shall be in writing and shall be to the historic preservation board and shall set forth the factual and legal bases for the appeal.

**SECTION 2. CODIFICATION.**

It is the intention of the Mayor and City Commission of the City of Miami Beach, and it is hereby ordained that the provisions of this ordinance shall become and be made part of the Code of the City of Miami Beach, Florida. The sections of this ordinance may be renumbered or relettered to accomplish such intention, and the word "ordinance" may be changed to "section", "article", or other appropriate word.

**SECTION 3. REPEALER.**

All ordinances or parts of ordinances in conflict herewith be and the same are hereby repealed.

**SECTION 4. SEVERABILITY.**

If any section, subsection, clause or provision of this Ordinance is held invalid, the remainder shall not be affected by such invalidity.

**SECTION 5. EFFECTIVE DATE.**

This Ordinance shall take effect ten days following adoption.

**PASSED AND ADOPTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2008.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

APPROVED AS TO  
FORM & LANGUAGE  
& FOR EXECUTION

\_\_\_\_\_  
City Attorney

\_\_\_\_\_  
Date

First Reading: \_\_\_\_\_, 2009  
Second Reading: \_\_\_\_\_, 2009

Verified by: \_\_\_\_\_  
Jorge G. Gomez, AICP  
Planning Director

Underscore denotes new language  
11/26/2008