

Condensed Title:

Resolution: Approval of a Preconstruction Application for Historic Ad Valorem Tax Exemption for the Single-Family Property at 1815 Michigan Avenue.

Key Intended Outcome Supported:

Designation and retention of historically significant properties.

Supporting Data (Surveys, Environmental Scan, etc.): In the 2009 Survey, all respondents were asked to indicate if they felt the effort put forth by the City of Miami Beach on historic preservation was too little, too much or about the right amount. 77.1% of respondents reported that the effort put forth by the City of Miami Beach on historic preservation is "about the right amount."

Issue:

The Administration is requesting that the Mayor and City Commission consider the proposed resolution, which would approve a Preconstruction Application for Historic Ad Valorem Tax Exemption for a single-family property located at 1815 Michigan Avenue.

Item Summary/Recommendation:

The Administration recommends approval of the resolution.

Advisory Board Recommendation:

On June 9, 1999, the City Commission Adopted the Palm View Historic District. The subject property located at 1815 Michigan Avenue is listed as a 'Contributing' building within the Palm View Historic District; and;

On July 12, 2011, the Historic Preservation Board reviewed and approved a request for a Certificate of Appropriateness for the partial demolition, renovation and restoration of the existing home and the construction of a new addition, subject to certain conditions indicated in the Final Order of the Board

On February 14, 2012, the Historic Preservation Board held a public hearing and voted in favor of recommending that the Mayor and City Commission approve a Preconstruction Application for Historic Ad Valorem Tax Exemption for qualifying improvements to the historically designated single-family property at 1815 Michigan Avenue.

Financial Information:

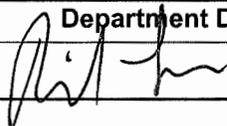
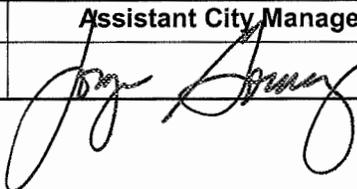
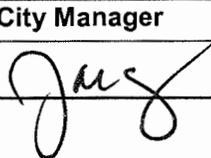
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	3		
	Total		

Financial Impact Summary:

City Clerk's Office Legislative Tracking:

William H. Cary, Assistant Planning Director; Debbie Tackett, Senior Planner.

Sign-Offs:

Department Director	Assistant City Manager	City Manager
		





MIAMI BEACH

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

COMMISSION MEMORANDUM

TO: Mayor Matti Herrera Bower and Members of the City Commission

FROM: Jorge M. Gonzalez, City Manager

DATE: May 9, 2012

SUBJECT: **A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING A PRECONSTRUCTION APPLICATION FOR HISTORIC AD VALOREM TAX EXEMPTION FOR A SINGLE-FAMILY PROPERTY AT 1815 MICHIGAN AVENUE, AND AUTHORIZING THE MIAMI-DADE COUNTY PROPERTY APPRAISER'S OFFICE TO GRANT THIS TAX EXEMPTION FOR THE CITY'S PORTION OF AD VALOREM PROPERTY TAXES FOR QUALIFYING IMPROVEMENTS TO THE SUBJECT PROPERTY FOLLOWING SUBSTANTIAL COMPLETION OF THE PROJECT AND COMPLIANCE WITH CERTAIN CONDITIONS.**

ADMINISTRATION RECOMMENDATION

The Administration is requesting that the Mayor and City Commission adopt the proposed resolution, thereby approving a Preconstruction Application for Historic Ad Valorem Tax Exemption for a single-family property located at 1815 Michigan Avenue.

HISTORIC SINGLE-FAMILY AD VALOREM TAX EXEMPTION

On December 8, 2004, the City of Miami Beach enacted legislation that authorizes an exemption for its portion of ad valorem taxes for improvements to historically designated single-family homes (Sections 118-600 to 118-612 of the Miami Beach City Code). This legislation allows for the City's portion of property taxes to be "frozen" at the rate they were assessed before qualifying improvements are made to an historic single-family home for a period of ten (10) years. The "freezing" is accomplished by removing from the assessment the incremental value added by the qualifying improvements. Only the incremental value of the qualifying improvements shall be "frozen" for the ten year period.

Qualifying improvements are the result of restoration, renovation, rehabilitation and/or compatible additions to an historic single-family property. In order for an improvement to qualify for an exemption, the improvement must be determined by the Historic Preservation Board and City Commission to be consistent with the Secretary of the Interior's Standards for Rehabilitation and the Certificate of Appropriateness Criteria in Section 118-564 of the Miami Beach City Code. However, the Miami-Dade County Property Appraiser's Office will make the final determination of whether an improvement qualifies for an exemption.

The application for Historic Ad Valorem Tax Exemption is a two step process. The "Part 1 – Preconstruction Application" is normally submitted to the Planning Department prior to any construction or demolition for an eligible single-family property. The "Part 2 – Review of Completed Work" is submitted to the Planning Department upon substantial completion of the project.

Upon submittal of a completed Part 1 - Preconstruction Application, the Planning Department will schedule the request for approval of Historic Ad Valorem Tax Exemption from the Historic Preservation Board at their next regularly scheduled meeting. The Board will review and make a recommendation to the City Commission to grant or deny an application for tax exemption.

The Planning Department will transmit the request for approval of Historic Ad Valorem Tax Exemption, together with the Part 1 – Preconstruction Application and the recommendations of the Historic Preservation Board and staff, for final consideration by the City Commission at a regularly scheduled meeting. A majority vote of the City Commission is required to approve an application for tax exemption.

For final approval of an Historic Ad Valorem Tax Exemption, the applicant must submit to the Planning Department the Part 2 – Review of Completed Work upon substantial completion of the project. A review will be conducted by Planning Department staff to determine whether or not the completed improvements are in compliance with the work approved by the City Commission in the Part 1 - Preconstruction Application. To qualify for a tax exemption, the property owner is required to enter into a covenant or agreement with the City guaranteeing that the character of the property and its qualifying improvements will be maintained during the period that the exemption is granted.

LEGAL DESCRIPTION

Lot 10 in Block 9 of Palm View Subdivision, according to the Plat thereof, as recorded in Plat Book 6 at Page 29 of the Public Records of Miami-Dade County, Florida.

EXISTING STRUCTURE

The existing structure is listed as a contributing property within the local Palm View Historic District. The subject home, originally constructed in 1937, was designed by architect V.H. Nellenbogen. The single-family residence at 1815 Michigan Avenue is good example of the Mediterranean Revival/Art Deco Transitional style of architecture, a unique synthesis of Mediterranean Revival form and Art Deco detailing. The distinctive two story residence is characterized by a simple, asymmetric street façade, sloped barrel tile roofs and scored smooth stucco finish.

BACKGROUND

On June 9, 1999, the City Commission Adopted the Palm View Historic District. The subject property located at 1815 Michigan Avenue is listed as a 'Contributing' building within the Palm View Historic District; and;

On July 12, 2011, the Historic Preservation Board reviewed and approved a request for a Certificate of Appropriateness for the partial demolition, renovation and restoration of the existing home and the construction of a new addition, subject to certain conditions indicated in the Final Order of the Board

On February 14, 2012, the Historic Preservation Board held a public hearing and voted in favor of recommending that the Mayor and City Commission approve a Preconstruction Application for Historic Ad Valorem Tax Exemption for qualifying improvements to the historically designated single-family property at 1815 Michigan Avenue.

SCOPE OF PROJECT

The applicant is requesting City Commission approval of an application for Historic Ad Valorem Tax Exemption for the single-family property at 1815 Michigan Avenue. In brief, the project includes the improvements to the historic residence and site indicated below.

A. Exterior Architectural Features

1. The existing facades of the structure will be repaired and restored in accordance with available historical documentation, including the restoration of the coral rock surrounding the entry door, painted shutters, and overhang above the entry door.
2. All exterior doors and windows will be replaced with historically appropriate hurricane impact windows and doors.
3. All decorative iron work at entry will be repaired and restored.
4. The original planter features on the west elevation of the structure will be restored and repaired.
5. The original front entry porch, currently in disrepair will be restored back to its original configuration, including the restoration and replacement of historic tiles, the cracked original steps and stone walkway will be restored.
6. The existing, non-original 486 square foot Florida Room located at the east (rear) portion of the home is currently in poor structural condition and will be demolished. All original exterior walls of historic home will be retained and restored.
7. A 1,127 square foot, two-story addition will be added at the east (rear) attached to the historic home. The new addition will contain a kitchen, great room and exercise room on the ground level and a master suite and spare bedroom and bath on the second floor.
8. The existing house will be brought into compliance with current building codes. All Mechanical, Electrical and Plumbing systems will be replaced with new code compliant systems.

B. Interior Architectural Features

(The interior features indicated below may not be considered to be qualifying for the tax exemption.)

1. The front entry hall has extensive water damage and will be restored including

the repair of interior walls, and replacement of floor tiles.

2. The existing original columns which frame the hallway of the existing living room have extensive water damage and will be retained and restored maintaining the historic archway configuration.
3. The existing kitchen and laundry rooms will be demolished and replaced in the new addition.

C. Landscape Features

(The landscape and site improvements indicated below are not considered to be qualifying for the tax exemption.)

1. The original stone site wall located at the north and south sides of the property will be retained and restored to its historic configuration.
2. The existing Canary Island Date Palm located at the west (front) of the property which in poor condition will be replaced with native species trees. Shade trees and other natives will be planted throughout the site.
3. Irrigation will be installed for the west portion of the property.
4. A swimming pool will be installed at the north side of the property.
5. The uneven, cracked driveway at the front of the home will be repaired, and the existing driveway located at the rear of the property will be removed.

FISCAL IMPACT

According to the applicant, the estimated cost of the entire project is \$800,000 and the value of the proposed qualifying improvements for the subject single-family property is \$500,000. The project commencement date is scheduled for February 2012 and the estimated project completion date is November 2012.

Please note that the revenue implication calculation provided below is a rough approximation. It assumes that the Miami-Dade County Property Appraiser's Office will not reduce the actual square footage of the additions to adjusted square footage. It assumes that the City's millage rate, the building market value, as well as the building class and grade value will remain the same. It is also based solely on the estimated value of the new additions and not to any repairs to the historic residence.

The Miami-Dade County Property Appraiser's Office determined in 2011 that the subject property has an adjusted square footage of 2,416 and a building value of \$92,451. The lot size is approximately 7,500 square feet with a land value of \$337,500.

The Property Appraiser's Office advised that the subject property has an effective building value per adjusted square foot of \$38 which is based upon its building class and grade. According to the applicant, approximately 486 square feet of the existing structure will be demolished and replaced with approximately 1,127 square footage of qualifying building additions for the site. Then the estimated value of the proposed

increase in qualifying square footage only, would be \$42,826. This figure does not include any other qualifying improvements that the County Tax Appraiser may determine to add value to the property. The County Tax Appraiser may determine certain improvements to the existing structure to be maintenance and therefore not adding building value to the property. In FY 2010/11, the adopted millage rate for the City of Miami Beach is 6.2155.

For the sole purpose of providing an estimated savings to the property owner (based on solely on the square footage of qualifying additions), we will assume there will be no change in millage rate over the ten year period in which the exemption is granted. When using the estimated 6.2155 millage rate for FY 20010/11, the applicant will save annually approximately \$270 from Miami Beach's portion of property taxes. Again, this calculation is a rough estimate of the revenue implication to the City due to many variables.

Since the City of Miami Beach enacted legislation that authorizes an exemption for its portion of ad valorem taxes for improvements to historically designated single-family homes on December 8, 2004, a total of sixteen (16) historic single family home owners have applied for the exemption. As of the date of this memo, a total of five (5) applications have been finalized and processed by the Miami-Dade County Tax Appraiser for a total yearly exemption of \$31,398 from the city's portion of the taxes (this number is based on the 2010/2011 millage rate).

ANALYSIS

The applicant is to be greatly commended for the retention and sensitive restoration of the subject home. In accordance with Section 118-604 of the Miami Beach City Code, an eligible single-family property must file a written application for Historic Ad Valorem Tax Exemption with the Planning Department prior to any construction or demolition. The tax exemption ordinance was adopted by the City Commission on December 8, 2004. The subject single-family property was determined to be an Historic Structure by the Historic Preservation Board on February 14, 2012. Thereby, the subject single-family property is eligible to apply for an Historic Ad Valorem Tax Exemption.

RECOMMENDATION

In view of the foregoing analysis, and consistency with the Secretary of the Interior's Standards for Rehabilitation and the Certificate of Appropriateness Criteria in Section 118-564 of the Miami Beach City Code, staff recommends in favor of the application for Miami Beach Historic Ad Valorem Tax Exemption for the single-family residence at 1815 Michigan Avenue.

JMG:JGG:RGL:WHC:DJT 

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RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, APPROVING A PRECONSTRUCTION APPLICATION FOR HISTORIC AD VALOREM TAX EXEMPTION FOR A SINGLE-FAMILY PROPERTY AT 1815 MICHIGAN AVENUE, AND AUTHORIZING THE MIAMI-DADE COUNTY PROPERTY APPRAISER'S OFFICE TO GRANT THIS TAX EXEMPTION FOR THE CITY'S PORTION OF AD VALOREM PROPERTY TAXES FOR QUALIFYING IMPROVEMENTS TO THE SUBJECT PROPERTY FOLLOWING SUBSTANTIAL COMPLETION OF THE PROJECT AND COMPLIANCE WITH CERTAIN CONDITIONS.

WHEREAS, the Mayor and City Commission have deemed it in the best interest and welfare of the City of Miami Beach ("City") to provide financial incentives for the retention and rehabilitation of architecturally and historically significant single-family homes in Miami Beach; and

WHEREAS, on December 8, 2004, the Miami Beach City Commission adopted Ordinance No. 2004-3469 that authorizes an exemption for the City's portion of ad valorem taxes if qualifying improvements are made to historically designated single-family homes; and

WHEREAS, Quinn Morgan and Upacala Mapatuna, the owners of real property located at 1815 Michigan Avenue (Lot 10 in Block 9 of Palm View Subdivision, according to the Plat thereof, as recorded in Plat Book 6 at Page 29 of the Public Records of Miami-Dade County, Florida), submitted requests to the City's Planning Department for the following: a) a Certificate of Appropriateness, and b) an Historic Ad Valorem Tax Exemption for the subject property; and

WHEREAS, on June 9, 1999, the City Commission Adopted the Palm View Historic District. The subject property located at 1815 Michigan Avenue is listed as a 'Contributing' building within the Palm View Historic District [**Exhibit "A"**]; and

WHEREAS, on July 12, 2011, the Historic Preservation Board reviewed and approved a request for a Certificate of Appropriateness for the partial demolition, renovation and restoration of the existing home and the construction of a new addition, subject to certain conditions indicated in the Final Order of the Board [**Exhibit "B"**]; and

WHEREAS, on February 14, 2012, the Historic Preservation Board held a public hearing and voted in favor of recommending that the Mayor and City Commission approve a Preconstruction Application for Historic Ad Valorem Tax Exemption for qualifying improvements to the historically designated single-family property at 1815 Michigan Avenue [**Exhibit "C"**]; and

WHEREAS, the Historic Preservation Board has certified that the subject single-family property for which an exemption is requested is eligible and satisfies Section 118-602(a) of the Miami Beach City Code; and

WHEREAS, the Historic Preservation Board has determined that the proposed improvements to the subject single-family property are consistent with the Secretary of the

Interior's Standards for Rehabilitation and the Certificate of Appropriateness criteria in Section 118-564 of the Miami Beach City Code, in accordance with Section 118-602(b); and

WHEREAS, the City's Planning Department has recommended that this request for a tax exemption for the subject single-family property be granted, subject to all of the conditions set forth herein and the Historic Preservation Board Order [**Exhibit "B"**].

NOW THEREFORE, BE IT DULY RESOLVED BY THE MAYOR AND CITY COMMISSION OF THE CITY OF MIAMI BEACH, FLORIDA, that a Preconstruction Application for Historic Ad Valorem Tax Exemption for the subject single-family property at 1815 Michigan Avenue be approved, subject to the conditions of the Historic Preservation Board Order (Exhibit "B") and the following conditions:

1. Scope of Tax Exemption. The exemption shall apply to one hundred (100) percent of the assessed value of all qualifying improvements to the single-family property that result from restoration, renovation, rehabilitation, and/or compatible additions. The exemption applies only to taxes levied by the City. The exemption does not apply to taxes levied for the payment of bonds or to taxes authorized by a vote of the electors pursuant to the Miami Beach City Code or the Florida Constitution. The exemption does not apply to personal property or to properties located within a community redevelopment area. The Miami-Dade County Property Appraiser's Office will make the final determination of whether an improvement qualifies for an exemption.
2. Approved Qualifying Improvements. The qualifying improvements to the subject single-family property delineated below are considered to be eligible for the tax exemption, as submitted to and approved by the City's Historic Preservation Board.

A. Exterior Architectural Features

- i. The existing facades of the structure will be repaired and restored in accordance with available historical documentation, including the restoration of the coral rock surrounding the entry door, painted shutters, and overhang above the entry door.
- ii. All exterior doors and windows will be replaced with historically appropriate hurricane impact windows and doors.
- iii. All decorative iron work at entry will be repaired and restored.
- iv. The original planter features on the west elevation of the structure will be restored and repaired.
- v. The original front entry porch, currently in disrepair will be restored back to its original configuration, including the restoration and replacement of historic tiles, the cracked original steps and stone walkway will be restored.
- vi. The existing, non-original 486 square foot Florida Room located at the east (rear) portion of the home is currently in poor structural condition and will be demolished. All original exterior walls of historic home will be retained and restored.
- vii. A 1,127 square foot, two-story addition will be added at the east (rear) attached to the historic home. The new addition will contain a kitchen, great room and exercise room on the ground level and a master suite and spare bedroom and bath on the second floor.

- viii. The existing house will be brought into compliance with current building codes. All Mechanical, Electrical and Plumbing systems will be replaced with new code compliant systems.

B. Interior Architectural Features

(The interior features indicated below may not be considered to be qualifying for the tax exemption.)

- i. The front entry hall has extensive water damage and will be restored including the repair of interior walls, and replacement of floor tiles.
- ii. The existing original columns which frame the hallway of the existing living room have extensive water damage and will be retained and restored maintaining the historic archway configuration.
- iii. The existing kitchen and laundry rooms will be demolished and replaced in the new addition.

C. Landscape Features

(The landscape and site improvements indicated below are not considered to be qualifying for the tax exemption.)

- i. The original stone site wall located at the north and south sides of the property will be retained and restored to its historic configuration.
- ii. The existing Canary Island Date Palm located at the west (front) of the property which in poor condition will be replaced with native species trees. Shade trees and other natives will be planted throughout the site.
- iii. Irrigation will be installed for the west portion of the property.
- iv. A swimming pool will be installed at the north side of the property.
- v. The uneven, cracked driveway at the front of the home will be repaired, and the existing driveway located at the rear of the property will be removed.

3. Duration of Tax Exemption. The exemption shall take effect on the January 1st following substantial completion of the improvements. The exemption shall remain in effect for ten (10) years. The duration of ten (10) years shall continue regardless of any change in the authority of the City to grant such exemptions or any changes in ownership of the property.

4. Required Covenant. The property owner shall enter into a covenant with the City for the term for which the exemption is granted. The covenant shall be form approved by the City Attorney and shall require that the character of the property, and the qualifying improvements to the property, be maintained during the period that the exemption is granted. Before the effective date of the exemption, the owner of the property shall have the covenant recorded in the official records of Miami-Dade County, Florida. The covenant shall be binding on the current property owner, transferees, and their heirs, successors, and assigns. Violation of the covenant shall result in the property owner

being required to pay the differences between the total amount of taxes which would have been due in March in each of the previous years in which the covenant was in effect had the property not received the exemption and the total amount of taxes actually paid in those years, plus interest on the difference calculated as provided in F.S. § 212.12(3).

5. Building Permit Plans and Construction. Building permit plans must accurately reflect all improvements approved by the Historic Preservation Board and City Commission in the Preconstruction Application and architectural drawings for the single-family property. All work on site must be in accordance with the building permit plans.
6. Amendments. All proposed amendments to the approved application and permit plans must be reviewed and approved prior to the completion of the improvements. Minor amendments to permit plans may be approved by the Planning Department provided such amendments are consistent with the Secretary of the Interior's Standards for Rehabilitation and the Certificate of Appropriateness criteria in Section 118-564 of the Miami Beach City Code. Major amendments to the approved plans must be reviewed and approved by the Historic Preservation Board.
7. Completion of Work. An application must complete all work within 30 months following the date of approval by the city commission. An approval for ad valorem tax exemption shall expire if the building permit for the approved work is not issued within the timeframes specified under the corresponding certificate of appropriateness, or if a full building permit issued for the approved work should expire or become null and void, for any reason. The approval for ad valorem tax exemption shall be suspended if such permit is issued but the property owner has not submitted a final request for review of completed work within 30 months following the date of approval by the city commission. 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 years from the completion date in the original approval by the city commission, or such lesser time as may be prescribed by the board.
8. Review of Completed Work. The applicant shall submit a request for Review of Completed Work to the Planning Department no less than 30 calendar days prior to the effective date of expiration of approval by the City Commission, as may be extended by the Historic Preservation Board. The Planning Department shall conduct a review to determine whether or not the completed improvements are in compliance with the work approved by the City Commission, including any approved amendments. If the Planning Department determines that the work is in compliance, the final request for Review of Completed Work shall be approved and issued in writing to the applicant. If the Planning Department determines that the work as completed is not in compliance, the applicant will be advised in writing that the final request for Review of Completed Work has been denied. A written summary of the reasons for the determination will be provided, including recommendations concerning the changes to the proposed work necessary to bring it into compliance. The applicant may file an appeal of the decision of the Planning Department 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.
9. Notice of Approval to the Property Appraiser. Upon the receipt of a certified copy of the recorded restrictive covenant, the Planning Department shall transmit a copy of the

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