

Condensed Title:

Resolution: Approval of a Preconstruction Application for Historic Ad Valorem Tax Exemption for the Single-Family Property at 4245 North Meridian 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 4245 North Meridian Avenue.

Item Summary/Recommendation:

The Administration recommends approval of the resolution.

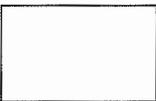
Advisory Board Recommendation:

On February 14, 2012, the City's Historic Preservation Board held a public hearing and voted to approve the individual designation of the single-family residence at 4245 North Meridian Avenue as an historic structure; and

At the same public hearing, the Historic Preservation Board reviewed and approved the proposed improvements to the subject single-family property and granted a Certificate of Appropriateness, subject to certain conditions indicated in the Final Order of the Board

At the same public hearing, 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 4245 North Meridian Avenue.

Financial Information:

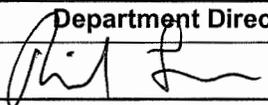
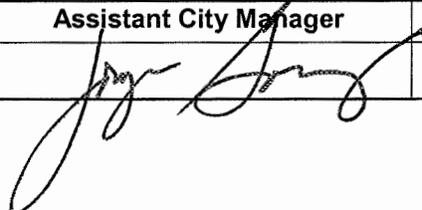
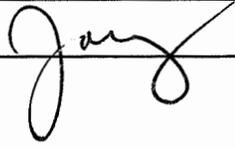
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	2		
	3		
	Total		

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 4245 NORTH MERIDIAN 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 4245 North Meridian 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 38 in Block 8 of Nautilus Addition, according to the Plat thereof, as recorded in Plat Book 8 at Page 130 of the Public Records of Miami-Dade County, Florida.

EXISTING STRUCTURE

The house located at 4245 North Meridian Avenue was built in 1945 and designed by well-known Miami Beach architect Albert Anis (see Biography following) in Postwar Modern style of architecture. It is a modest, one-story CBS residence with attached garage, facing west onto North Meridian Avenue, with the Biscayne Waterway at the rear of the lot.

Two sheets of original plans were found on microfilm #20262 at the Miami Beach Building Department, showing all four elevations, and a less-legible floor plan. Additional information is provided by the Building Permit Card. No archival photographs of the house have yet been found.

The original design of the house remains largely intact, except for some alterations to the front entrance. The most striking feature of the house is its full-width front gable roof, with an original cast stone medallion at its peak. The projecting garage on the left also has a front gable, balanced on the right by a slightly larger, non-projecting faux gable set

into the front façade. Although multiple gables are characteristic of the Mediterranean Revival style, instead of red clay barrel tile, here they are of flat composite tile, as shown on the plans. A window below the faux gable is seen on the plans as a double casement, with what appears to be brick trim and a hood or awning above. The plans show the garage door as having nine square panels, and a scalloped trim above. To the left of the garage, a low wall still remains, that originally had a gate leading to the back yard.

The front entrance is set into a recessed porch that is slightly offset to the left of center. On the original plans, a brick and tile terrace stepped up to the porch, and two low walls of perforated masonry stood to either side. The front door of the house was centered within the porch, and appears to be flanked by casement windows. A door to the garage opened onto the left side of the porch. Small scallops at the upper corners of the porch opening were a charming detail. Another original feature that still survives is a decorative niche set into the south elevation of the garage, with brick edging, a scalloped contour and three offset shelves. Another interesting feature on the plans are solar water heater panels on the south slope of the roof at the rear of the house.

Later alterations to the entry moved the front door to the right and added a sash window to the left. The masonry walls were removed and a curved walkway with a metal railing now leads to the door. Above the entry, a large overhanging roof of irregular contour and supported by one pole column was probably added in 1991, as noted on the Building Card. A swimming pool was added in the rear yard in 1999.

BACKGROUND

At its February 14, 2012 meeting, the Historic Preservation Board approved a request by the owner for the individual designation of the single-family property at 4245 North Meridian Avenue as an historic structure.

At the same meeting, 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.

At the same meeting, 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 4245 North Meridian 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 4245 North Meridian Avenue. In brief, the project includes the improvements to the historic residence and site indicated below.

A. Exterior Architectural Features

1. All existing windows will be replaced with historically appropriate hurricane impact resistant, energy efficient windows according to available historical documentation.
2. The existing flat tile roof which is failing will be replaced with a new flat tile

roof.

3. The existing non-original, flat concrete roof entry feature, which is currently causing water intrusion, will be replaced with a new entry feature to match the historical configuration.
4. The original one car garage which is currently very narrow will be expanded by moving the south wall of the garage two feet.
5. A two-story rear addition that maintains the original west (front) elevation in its entirety will be constructed. Starting approximately 20 feet west of the front of the house, the entire structure will be demolished. The proposed new square footage is as follows:
 - a. Ground floor- 1,040 square feet, which contains a family room, dining room, kitchen and breakfast room.
 - b. Second floor- 1,371 square feet, which includes a new master bedroom suite, two bedrooms, a loft space and additional bathroom.
6. 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.

FISCAL IMPACT

According to the applicant, the estimated cost of the entire project is \$253,718 and the value of the proposed qualifying improvements for the subject single-family property is \$188,061. The project commencement date is scheduled for March 2012 and the estimated project completion date is March 2013.

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 2,126 and a building value of \$300,437. The lot size is approximately 9,485 square feet with a land value of \$383,480.

The Property Appraiser's Office advised that the subject property has an effective building value per adjusted square foot of \$141 which is based upon its building class and grade. According to the applicant, approximately 2,411 square feet of qualifying building additions will be added to the site. Then the estimated value of the proposed increase in qualifying square footage only, would be \$340,712. 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

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Historic Single-Family Ad Valorem Tax Exemption
4245 North Meridian Avenue
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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 2010/11, the applicant will save annually approximately \$2,118 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 4245 North Meridian Avenue.

RL 
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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 4245 NORTH MERIDIAN 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, Sergio D. George, the owner of real property located at 4245 North Meridian Avenue (Lot 38 in Block 8 of Nautilus Addition, according to the Plat thereof, as recorded in Plat Book 8 at Page 130 of the Public Records of Miami-Dade County, Florida), submitted requests to the City's Planning Department for the following: a) designation of the property as an historic structure, b) a Certificate of Appropriateness, and c) an Historic Ad Valorem Tax Exemption for the subject property; and

WHEREAS, on February 14, 2012, the City's Historic Preservation Board held a public hearing and voted unanimously (7 to 0) to approve the individual designation of the single-family residence at 4245 North Meridian Avenue as an historic structure [**Exhibit "A"**]; and

WHEREAS, at the same public hearing, the Historic Preservation Board reviewed and approved the proposed improvements to the subject single-family property and granted a Certificate of Appropriateness, subject to certain conditions indicated in the Final Order of the Board [**Exhibit "B"**]; and

WHEREAS, at the same public hearing, the Historic Preservation Board 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 4245 North Meridian 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 4245 North Meridian 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. All existing windows will be replaced with historically appropriate hurricane impact resistant, energy efficient windows according to available historical documentation.
 - b. The existing flat tile roof which is failing will be replaced with a new flat tile roof.
 - c. The existing non-original, flat concrete roof entry feature, which is currently causing water intrusion, will be replaced with a new entry feature to match the historical configuration.
 - d. The original one car garage which is currently very narrow will be expanded by moving the south wall of the garage two feet.
 - e. A two-story rear addition that maintains the original west (front) elevation in its entirety will be constructed. Starting approximately 20 feet west of the front of the house, the entire structure will be demolished. The proposed new square footage is as follows:
 - i. Ground floor- 1,040 square feet, which contains a family room, dining room, kitchen and breakfast room.
 - ii. Second floor- 1,371 square feet, which includes a new master bedroom suite, two bedrooms, a loft space and additional bathroom.
 - f. 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.

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 approved request for Review of Completed Work, the exemption covenant, and the resolution of the City Commission approving the final application and authorizing the tax exemption to the Miami-Dade County Property Appraiser's Office. Final verification of substantial completion of the improvements shall be determined by the Miami-Dade County Property Appraiser's Office. If final verification of substantial completion and approval are given by the Miami-Dade County Property Appraiser's Office, the exemption shall take effect on the January 1st following substantial completion of the improvements.

PASSED and **ADOPTED** this _____ day of _____, 2012.

MAYOR

ATTEST:

CITY CLERK

**APPROVED AS TO FORM & LANGUAGE
& FOR EXECUTION:**



CITY ATTORNEY **DATE** 4/30/12

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