



Miami-Dade County Board of County Commissioners

Office of the Commission Auditor

Legislative Analysis

Recreation, Culture & Tourism Committee

May 10, 2010

2:00 PM

Commission Chamber

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**Miami-Dade County Board of County Commissioners
Office of the Commission Auditor**

**Legislative Analysis
Recreation, Culture and Tourism
Meeting Agenda**

May 10, 2010

Written analyses for the below listed items are attached for your consideration in this Legislative Analysis.

Item Number(s)

2(A)

If you require further analysis of these or any other agenda items, please contact Guillermo Cuadra, Chief Legislative Analyst, at (305) 375-5469.

Acknowledgements--Analyses prepared by:
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**MIAMI-DADE COUNTY
BOARD OF COUNTY COMMISSIONERS
OFFICE OF THE COMMISSION AUDITOR**



Legislative Notes

Agenda Item: 2(A)
File Number: 101033
Committee(s) of Reference: Recreation, Culture and Tourism
Date of Analysis: May 6, 2010
Type of Item: Resolution Establishing a Moratorium on Historic Preservation Ad Valorem Tax Exemptions

Summary

This resolution establishes a moratorium on tax exemptions for renovations of historic properties.

Background and Relevant Legislation

In 1992, the Florida Legislature amended Article VII, Section 3(e) of the Florida Statutes that govern ad valorem tax exemptions to allow counties and municipalities to grant exemptions to owners of historic properties for improvements to such properties resulting from restoration, renovation and rehabilitation.

Miami-Dade County has a historic tax exemption program that offers exemptions to eligible properties listed on the National Register of Historic Places (as a historic site, structure or contributing property in a historic district) or locally designated as historic within a municipality.

The exemption amount only applies to the increase in assessed value resulting from the qualifying and eligible improvements to the historic property. The qualifying improvements must be determined by the Historic Preservation Board (HPB) or Department of Planning/Zoning staff (DPZ). The HPB and DPZ evaluate on a case by case basis each application to determine whether the property improvements are consistent with the Secretary of Interior's Standards for Rehabilitation (State) and Certificate of Appropriateness Criteria (County).

The exemption only applies to taxes levied by the County and some municipalities. The municipalities that offer exemptions are:

- City of Coral Gables
- City of Miami
- City of Miami Beach
- City of South Miami

An applicant may apply and receive abatements from both the city and county for the respective property.

The applicant continues to pay taxes at the rate of the assessed value on the property before the certified improvements during the period of the exemption. The exemption is only for a time period of ten years.

Once the exemption time period expires, the property will be assessed with the improvements and will be reflected in the subsequent taxes levied.

All of the properties that qualify are currently participating in the program are on a historic preservation list of projects. Enforcement is conducted by historic preservation officers (city or county) and by code enforcement officers (city or county).

According to the County's Historic Preservation Office, there have been few instances where a property will lose its exemption for failure to maintain the standards required by the abatement program. Since the inception of the program, less than 10% of the properties have lost this exemption.

According to the County legislative records, the Board of County Commissioners (Board) has approved twenty-seven (27) Historic Preservation Ad Valorem Tax Exemptions in the past six years (2004 to 2009).

Below you will find a list of the 27 properties that were granted the exemption by the Board to include the assessed value of improvements and the exemption amount granted.

Resolution	Property	Assessed Value of Improvements	Applied Exemption (Annual Taxes Foregone)	Estimated Total of Applied Exemption for the Duration of Program (10 years)
R-754-05	4130 Collins Avenue	\$2.8 M	\$7,500	\$75,000
R-757-05	425 Bianca Avenue	\$365 K	\$543	\$5,430
R-756-05	1530 Washington Avenue	\$3.4 M	\$20,640	\$206,400
R-755-05	842 Palermo Avenue	\$287K	\$1,190	\$11,900
R-125-06	Clinton Hotel 825 & 835 Washington Avenue	\$2.5 M	\$11,757	\$117,570
R-123-06	501 Alhambra Circle	\$695K	\$2,790	\$27,900
R-124-06	1424 San Benito	\$244K	\$920	\$9,200
R-126-06	832 Alhambra Circle	\$680 K	\$2,710	\$27,100
R-701-06	1507 Capri Street	\$208 K	\$599	\$5,990
R-486-07	516 Caligula	\$152 K	\$857	\$8,570
R-485-07	925 Castile Plaza	\$983 K	\$487	\$4,870
R-484-07	Cadillac Hotel 3925 Collins Avenue	\$3.6 M	\$21,295	\$212,950
R-754-08	716 Navarre Avenue	\$125 K	\$490	\$4,900
R-753-08	5645 North Bay Road	\$697 K	\$3,577	\$35,770
R-752-08	S. Greenway Drive	\$774 K	\$1,628	\$16,280

Resolution	Property	Assessed Value of Improvements	Applied Exemption (Annual Taxes Foregone)	Estimated Total of Applied Exemption for the Duration of Program (10 years)
R-1119-08	2515 De Soto Boulevard	\$1.2 M	\$3,491	\$34,910
R-1112-08	1400 Coral Way	\$100 K	\$318	\$3,180
R-1121-08	803 Anastasia Avenue	\$310 K	\$701	\$7,010
R-1120-08	1233 Anastasia Avenue	\$656 K	\$2,430	\$24,300
R-215-09	3156 Royal Palm Avenue	\$413 K	\$1,892	\$18,920
R-218-09	Pan American Building 150 S.E 3 rd Avenue	N/A	\$23,751	\$237,510
R-217-09	1101 N. Greenway Drive	\$403 K	\$1,847	\$18,470
R-216-09	1910 Country Club Prado	\$255 K	\$866	\$8,660
R-830-09	6227 S.W 57 th Street	\$105 K	\$479	\$4,790
R-831-09	Victor Hotel 1144 Ocean Drive	\$10.7 M	\$49,000	\$490,000
R-832-09	544 San Esteban Avenue	\$278 K	\$1,272	\$12,720
R-833-09	1024 Asturia Avenue	\$16 K	\$72	\$720

Budgetary Impact

According to the Department of Planning and Zoning, Historic Preservation and Archeological Resources Division, the annual value of historic tax exemptions for 2004 to 2009 is as follows:

Year	Total Number of Properties With Exemptions	Total Value of Historic Improvements	County Taxes Abated	Percentage of Tax Compared to Amount Invested
2004	98	\$25,096,106	\$156,473	.6%
2005	104	\$26,836,588	\$161,119	.6%
2006	156	\$31,913,524	\$183,721	.6%
2007	144	\$31,189,170	\$146,236	.5%
2008	140	\$30,178,504	\$149,347	.5%
2009	143	\$31,179,192	\$156,178	.5%

The annual fiscal impact of the abatement for the years 2004 to 2009 is less than one (1%) percent of the total value of the historic improvements.

Prepared by: Mia B. Marin