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CLERK OF THE BOARD
OF COUNTY COMMISSIONERS
MIAMI-DADE COUNTY, FLORIDA

MEMORANDUM

Agenda Item No. 8(L)(4)

TO: Honorable Chairman Jean Monestime and Members, Board of County Commissioners

DATE: November 1, 2016

FROM: Abigail Price-Williams County Attorney

SUBJECT: Resolution authorizing Historic Preservation Ad Valorem Tax Exemption for the rehabilitation of 350 Ocean Drive, Miami Beach, Florida, pursuant to Florida Statutes section 196.1997 and section 16A-18 of the Code of Miami-Dade County, Florida; directing the Mayor to execute and record covenant; and authorizing the Mayor to exercise provisions contained therein

Resolution No. R-987-16

This item was amended from the original version as stated in the County Mayor's memorandum.

The accompanying resolution was prepared by the Regulatory and Economic Resources Department and placed on the agenda at the request of Prime Sponsor Commissioner Bruno A. Barreiro.

Abigail Price-Williams
County Attorney

APW/cp

Memorandum

MIAMI-DADE COUNTY

Date: November 1, 2016

To: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

From: Carlos A. Gimenez
Mayor

Subject: Historic Preservation Ad Valorem Tax Exemption for Lord Balfour Hotel
350 Ocean Drive, Miami Beach, Florida

This item was amended at the October 11, 2016 meeting of the Unincorporated Municipal Service Area Committee to correct the ten-year tax abatement period to reflect January 1, 2014 through January 1, 2024. The original item incorrectly reflected January 1, 2016 through January 1, 2026.

Recommendation

It is recommended that the Board of County Commissioners (Board) authorize the ad valorem tax exemption for the property located at 350 Ocean Drive, Miami Beach, Florida, pursuant to the provisions of Florida Statutes Section 196.1997 and Section 16A-18 of the Code of Miami-Dade County.

Scope

This property is located within Commission District 5, which is represented by Commissioner Bruno A. Barreiro. However, the impact of this item is countywide.

Fiscal Impact/Funding Source

The annual amount of ad valorem taxes to be exempted for the ten-year period is determined by applying the countywide operating millage against the taxable value of the qualifying improvements to the property. The ad valorem tax exemption is not applicable to other taxing authorities.

Based on this methodology, the estimated tax exemption for one (1) year is $8,687. This estimate was provided by the Property Appraiser and is attached to this transmittal memorandum (see the Revenue Implications Report). However, the annual value of the tax exemption during the ten-year period may fluctuate based on adjustments to either the countywide operating millage or the Property Appraiser's taxable value of the qualifying improvements to the property. Countywide operating ad valorem property taxes will still be assessed and collected on the remaining taxable value that did not qualify for the exemption. Following the ten-year incentive period, the County will begin to assess and collect the Countywide operating millage on the full value of the property, inclusive of the previous exempt improvements.

Track Record/Monitor

The Assistant Director of Planning in the Department of Regulatory and Economic Resources, Mark R. Woerner, will be responsible for implementation. County Historic Preservation staff and/or the Preservation Officer of the municipality in which the property is located will conduct periodic reviews of the property to insure that the improvements are maintained for the duration of the tax abatement.

The tax exemption takes effect on January 1 following substantial completion of the improvement and extends for a ten-year period, which for this property shall begin on January 1, 2014 and end on January 1, 2024. Failure by the owners to adhere to these standards would result in revocation of the exemption.

Background

In 1993, the State of Florida legislature approved tax exemptions for historic properties and gave local governments the option to provide this property tax exemption for eligible historic properties.

The purpose of this legislation is to encourage the preservation of historic buildings by offering an economic incentive to those property owners that take on the responsibility of restoring and maintaining a designated historic structure. The exemption is not for the entire assessed value of the property. The tax exemptions are calculated from what the value of the renovations to the historic property were, and only apply to the Countywide portion of the property's tax bill. An exemption may also be granted on the municipal portion of the property tax bill if approved by the respective municipality. Furthermore, all applicants must meet certain criteria as set forth by the Florida Department of State, Division of Historical Resources, in order for a tax exemption to be allowed, including:

- Certification that the property has been designated historic by the applicable preservation board;
- Certification that the property has received approval for the improvements by the applicable preservation board; and
- A determination that the planned improvements are consistent with the Secretary of the Interior's Standards for Rehabilitation.

To obtain the County's ad-valorem tax exemption, Part I of the application (construction plans) must be submitted prior to construction to ensure adherence to the rehabilitation standards. When the project is complete, the owner/applicant must submit Part II of the application (post-construction documentation) to the County along with a signed covenant. The local preservation officer must also review and authorize the work for Part I and Part II of the application.

Upon review and approval of Part II, the item can then be placed on the County's Historic Preservation Board agenda. The Property Appraiser prepares the Revenue Implications Report when they consider the project substantially complete, and provides this report to the County's Office of Historic Preservation. The tax exemption is calculated using the millage rate for the year in which the project was completed.

The historic Lord Balfour Hotel, located at 350 Ocean Drive, Miami Beach, Florida, is designated as a contributing resource in the City of Miami Beach's Ocean Beach Historic District. Designed by noted period architect Anton Skislewicz, the building is an outstanding example of Streamline Moderne.

Work to the building included the repair of all the terrazzo stairs and floor patterns, replication of the original sign that had been destroyed by a hurricane, restoration of original historic windows as well as installation of new windows that matched the original, rehabilitation of the original front desk into the hotel's bar which was covered by glass to protect its integrity, uncovering of original crown molding and the removal of non-historic plaster soffits, and cleaning and repair of all the exterior stucco. To ensure code compliance, the elevator cabin had to be replaced, but the original elevator door was carefully restored and remains functional.

Part II of the application indicates that the amount spent by the property owner on the total renovation was $8,000,000, of which the Property Appraiser's office determined that the taxable value of the qualifying improvements was $1,861,357.

Jack Osterholt
Deputy Mayor

MEMORANDUM

(Revised)

TO: Honorable Chairman Jean Monestime
and Members, Board of County Commissioners

DATE: November 1, 2016

FROM: Abigail Price-Williams
County Attorney

SUBJECT: Agenda Item No. 8(L)(4)

Please note any items checked.

_____ **"3-Day Rule" for committees applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Statement of social equity required**

_____ **Ordinance creating a new board requires detailed County Mayor's report for public hearing**

_____ **No committee review**

_____ **Applicable legislation requires more than a majority vote (i.e., 2/3's ____, 3/5's ____, unanimous _____) to approve**

_____ **Current information regarding funding source, index code and available balance, and available capacity (if debt is contemplated) required**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 8(L)(4)
11-1-16

RESOLUTION NO. R-987-16

RESOLUTION AUTHORIZING HISTORIC PRESERVATION AD VALOREM TAX EXEMPTION FOR THE REHABILITATION OF 350 OCEAN DRIVE, MIAMI BEACH, FLORIDA, PURSUANT TO FLORIDA STATUTES SECTION 196.1997 AND SECTION 16A-18 OF THE CODE OF MIAMI-DADE COUNTY, FLORIDA; DIRECTING THE MAYOR OR DESIGNEE TO EXECUTE AND RECORD COVENANT; AND AUTHORIZING MAYOR OR DESIGNEE TO EXERCISE PROVISIONS CONTAINED THEREIN

WHEREAS, the Florida Legislature has authorized counties and local governments to grant tax exemptions to historic properties for the incremental value added by approved restoration work, provided that the owner covenants to maintain the historic nature of the property during the term of the tax exemption; and

WHEREAS, Miami-Dade County has enacted enabling legislation to provide such exemption, codified at Section 16A-18 of the Code of Miami-Dade County, Florida (the "Code"); and

WHEREAS, the property located at 350 Ocean Drive, Miami Beach, Florida was designated as a contributing structure within a local historic district by the City of Miami Beach; and

WHEREAS, the Miami-Dade County Historic Preservation Board, pursuant to Resolution No. 2014-01, a copy of which is attached hereto and incorporated by reference, recommended that the exemption be allowed and certified to the Board of County Commissioners that 350 Ocean Drive, Miami Beach, Florida is a contributing structure within a local historic district, and that the proposed improvements are consistent with the United States Secretary of the Interior's Standards for Rehabilitation, and meets the criteria established in the rules adopted by the Department of State; and

WHEREAS, the property owner has executed the necessary covenant, which is attached and made part of this resolution,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that:

Section 1. The foregoing recitals are approved and incorporated in this resolution.

Section 2. This Board finds that the property, located at 350 Ocean Drive, Miami Beach, Florida, meets the requirements of Section 16A-18 of the Code and, therefore, that the application for a historic preservation tax exemption is hereby granted to Green Comet, LLC, as the owner of the property located at 350 Ocean Drive, Miami Beach, Florida. The tax exemption hereby authorized shall run for 10 years beginning on January 1st following the date that the Property Appraiser prepares and signs the revenue implication form, which for this property shall begin on January 1, [[~~2016~~]][1] >>2014<< and end January 1, [[~~2026~~]] >>2024<<.

Section 3. Pursuant to Resolution No. R-974-09, the Board directs the Mayor or designee to sign the attached covenant and record it with the deed for the property in the Public Records of Miami-Dade County, Florida, and to provide a recorded copy of the covenant to the Clerk of the Board within 30 days of execution of said covenant, and directs the Clerk of the Board to attach and permanently store a recorded copy of the covenant together with this resolution.

Section 4. The Mayor or designee is authorized to exercise the provisions contained in the covenant.

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1 Committee amendments are indicated as follows: words stricken through and/or [[double bracketed]] are deleted, words underscored and/or >>double arrowed<< are added.

The foregoing resolution was offered by Commissioner **Esteban L. Bovo, Jr.** , who moved its adoption. The motion was seconded by Commissioner **Rebeca Sosa** and upon being put to a vote, the vote was as follows:

Jean Monestime, Chairman **aye**
Esteban L. Bovo, Jr., Vice Chairman **aye**

Bruno A. Barreiro	**absent**	Daniella Levine Cava	**aye**
Jose "Pepe" Diaz	**aye**	Audrey M. Edmonson	**aye**
Sally A. Heyman	**aye**	Barbara J. Jordan	**absent**
Dennis C. Moss	**absent**	Rebeca Sosa	**aye**
Sen. Javier D. Souto	**aye**	Xavier L. Suarez	**absent**
Juan C. Zapata	**aye**		

The Chairperson thereupon declared the resolution duly passed and adopted this 1st day of November, 2016. This resolution shall become effective upon the earlier of (1) 10 days after the date of its adoption unless vetoed by the County Mayor, and if vetoed, shall become effective only upon an override by this Board, or (2) approval by the County Mayor of this Resolution and the filing of this approval with the Clerk of the Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By: **Christopher Agrippa**
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency.

James Eddie Kirtley

MIAMI-DADE COUNTY
HISTORIC PRESERVATION BOARD
STEPHEN P. CLARK CENTER
111 N. W. FIRST STREET
MAILBOX 114, OFFICE LOCATION 12th Floor
MIAMI, FLORIDA 33128
305-375-4958

CFN 2016R0213723
OR BK 30033 Pgs 4947-4949 (3Pgs)
RECORDED 04/12/2016 11:15:43
HARVEY RUVIN, CLERK OF COURT
MIAMI-DADE COUNTY, FLORIDA

MIAMI-DADE COUNTY
HISTORIC PRESERVATION BOARD

Resolution # 2014-01

LORD BALFOUR HOTEL
350 OCEAN DRIVE, MIAMI BEACH, FL
DESIGNATED AS A CONTRIBUTING STRUCTURE
WITHIN THE
OCEAN BEACH HISTORIC DISTRICT

WHEREAS, the Miami-Dade Historic Preservation Board has determined that the property located at 350 Ocean Drive, Miami Beach, FL is of architectural and historic significance and is a contributing property within a locally designated historic district; and

WHEREAS, the improvements to the property have met the Secretary of the Interior's Standards for Rehabilitation to the satisfaction of this Board; and

WHEREAS, the improvement to the historic portions of the property have met the criteria established in the rules adopted by the Department of State; and

WHEREAS, the property is located at 350 Ocean Drive, Miami Beach, FL, with a legal description as follows:

LEGAL DESCRIPTION: OCEAN BEACH FL SUB PB 2-38 LOTS 1&2 BLK 4

FOLIO NUMBER: 02-4203-003-0450

NOW, THEREFORE LET IT BE RESOLVED, that the Historic Preservation Board on January 15, 2014, voted to approve the Ad Valorem Tax Exemption for 350 Ocean Drive, Miami Beach, FL and recommends to the Board of County Commissioners of Miami-Dade County, Florida, that the property receive the tax exemption for historic properties for the County's portion of the millage pursuant to 16A-18 Miami-Dade County Code. This recommendation has been conditioned upon the following which were presented to the Board:

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MIAMI-DADE COUNTY
HISTORIC PRESERVATION BOARD
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Resolution # 2014-01
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1. The completed rehabilitation project was reviewed and approved by the municipal Historic Preservation Officer and is in accordance with the documents and plans presented to and approved by this Board.

2. The filing of an appropriate covenant approved by the County Attorney.

3. The rehabilitation project is reviewed and evaluated by the county Property Appraiser with the completion of a "Historic Preservation Revenue Implications Report."

Prepared by:

Kathleen Kauffman, Chief
Office of Historic Preservation

Board Members	Vote
Ruth Campbell	YES
Adriana Cantillo	YES
Rick Cohen	YES
Paul George	ABSENT
Robert McKinney	ABSENT
Mitch S. Novick, Chair	YES
Edmundo Perez	YES
JoEllen Phillips	YES
Enid C. Pinkney	ABSENT
Ronda Vangates	YES

MIAMI-DADE COUNTY
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Resolution # 2014-01
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STATE OF FLORIDA
COUNTY OF MIAMI-DADE

The foregoing instrument was acknowledged before me by Kathleen Krauffman who is personally known to me or has produced _____, as identification.

Witness my signature and official seal this 12 day of April, 2016, in the County and State aforesaid.

(Notary Seal)

CLAUDIA LUNA
Notary Public - State of Florida
Commission # FF 244589
My Comm. Expires Feb 2, 2019
Bonded through National Notary Assn.

Claudia Luna
Signature of Notary

Notary, Public State of Florida

Claudia Luna
Printed Name

My Commission Expires: _____

MIAMI-DADE COUNTY

HISTORIC PRESERVATION PROPERTY TAX EXEMPTION COVENANT

This Covenant is made on the_____day of_____, 2016,

by ___ Green Comet, LLC _____(hereinafter referred to as the Owner) and

in favor of ___ MIAMI-DADE COUNTY _____, (hereinafter referred to as the Local Government)

for the purpose of the restoration, renovation or rehabilitation, of a certain Property located at

__350 Ocean Drive, Miami Beach, Florida (aka Hotel Lord Balfour) which is owned in fee simple

by the Owner and is listed in the National Register of Historic Places or locally designated under

the terms of a local preservation ordinance or is a contributing property to a National Register

listed district or a contributing property to a historic district under the terms of a local

preservation ordinance.

The areas of significance of this property, as identified in the National Register nomination or

local designation report for the property or the district in which it is located are

__XX__architecture, ____history, ____archaeology.

The Property is comprised essentially of grounds, collateral, appurtenances, and improvements.

The property is more particularly described as follows: (include folio number and legal

description, consisting of repository, book, and page numbers) __Ocean Beach FL SUB PB 2-38

LOTS 1 & 2 BLK 4

Folio # 02-4203-003-0450

_____

In consideration of the exemption granted by the Local Government, the Owner hereby agrees to the following for the ten-year period beginning on January 1st after the improvements are substantially completed:

1. The Owner agrees to assume the cost of the continued maintenance and repair of said Property so as to preserve the architectural, historical, or archaeological integrity of the same in order to protect and enhance those qualities that made the Property eligible for listing in the National Register of Historic Places or designation under the provisions of the local preservation ordinance.

2. The Owner agrees that no visual or structural alterations will be made to the Property without prior written permission of the Local Historic Preservation Office.

The address of the certified Local Historic Preservation Office with review jurisdiction is:

Name of Office/Agency: City of Miami Beach Historic Preservation Department

Address: Planning Department, 1700 Convention Center Drive

City/State: Miami Beach, FL Zip: 33139 Phone: 305-673-7000

Contact Person: Debbie Tackett Title: Preservation and Design Manager

Email: deborahtackett@miamibeachfl.gov

3. (Only for properties of archaeological significance) The Owner agrees to ensure the protection of the site against willful damage or vandalism. Nothing in this Covenant shall

prohibit the Owner from developing the site in such a manner that will not threaten or damage the archaeological resource, provided that permission for alteration of the site is obtained pursuant to 2. above.

4. The Owner agrees that the Local Historic Preservation Office and appropriate representatives of the Local Government, their agents and designees shall have the right to inspect the Property at all reasonable times in order to ascertain whether or not the conditions of this Covenant are being observed.

5. In the event of the non-performance or violation of the maintenance provision of the Covenant by the Owner or any successor-in-interest during the term of the Covenant, the Local Historic Preservation Office will report such violation to the Property Appraiser and Tax Collector who shall take action pursuant to s.196.1997 (7), F.S. The Owner shall be required to pay the difference 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 s.212.12(3),F.S.

6. If the Property is damaged by accidental or natural causes during the Covenant period, the Owner will inform the Local Historic Preservation Office in writing of the damage of the Property, including (1) an assessment of the nature and extent of the damage; and (2) an estimate of the cost of restoration or reconstruction work necessary to return the Property to the condition existing at the time of project completion. In order to maintain the tax exemption, the Owner shall complete the restoration or reconstruction work necessary to

return the Property to the condition existing at the time of project completion on a time schedule agreed upon by the Owner and the Local Historic Preservation Office.

7. If the Property has been destroyed or severely damaged by accidental or natural causes, that is, if the historical integrity of the features, materials, appearance, workmanship, and

environment, or archaeological integrity which made the property eligible for listing in the National Register of Historic Places or designation under the terms of the local preservation ordinance have been lost or so damaged that restoration is not feasible, the Owner will notify the Local Historic Preservation Office in writing of the loss. The Local Historic Preservation Office will evaluate the information provided and notify the Owner in writing of its determination regarding removal of the Property from eligibility for tax exemption.

If the Local Historic Preservation Office determines that the property should be removed from eligibility for tax exemption, it will notify the Property Appraiser of the county in which the Property is located in writing so that the tax exemption can be cancelled for the remainder of the Covenant period. In such cases, no penalty or interest shall be assessed against the Owner.

8. If it appears that the historical integrity of the features, materials, appearance, workmanship, and environment, or archaeological integrity which made the Property eligible for listing in the National Register of Historic Places or designation under the terms of the local preservation ordinance have been lost or damaged deliberately or through gross negligence of the Owner, the Local Historic Preservation Office shall notify the Owner in writing. The Owner shall have 30 days to respond indicating any extenuating circumstances which show that the damage was not deliberate or due to gross negligence.

If the Owner cannot show such extenuating circumstances, he shall develop a plan for restoration of the Property and a schedule for completion of the restoration. In order to maintain the tax exemption, the Owner shall complete the restoration work necessary to return the Property to the condition existing at the time of project completion on a time schedule agreed upon by the Owner and the Local Historic Preservation Office. If the owner does not complete the restoration work on the agreed upon time schedule, the Local Historic Preservation Office will report such violation to the Property Appraiser and Tax Collector who

shall take action pursuant to s.196.1997 (7), F.S. The Owner shall be required to pay the difference 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 s.212.12(3),F.S.

9. The terms of this Covenant shall be binding on the current Property owner, transferees, and their heirs, successors, or assigns.

This Covenant shall be enforceable in specific performance by a court of competent jurisdiction.

OWNER(S):

	DIEGO FERREYRA	04/22/16
Name	Signature	Date

Name

Signature

Date

CERTIFIED LOCAL GOVERNMENT REPRESENTATIVE:

Deborah Tackett — Name

Signature

4/27/16 — Date

Preservation & Design Manager — Title

COUNTY REPRESENTATIVE:

Carlos A. Gimenez, Mayor — Signature — Date