

MIAMI BEACH

PLANNING DEPARTMENT

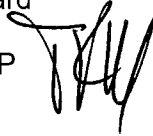
Staff Report & Recommendation

Historic Preservation Board

TO: Chairperson and Members
Historic Preservation Board

DATE: March 11, 2019

FROM: Thomas R. Mooney, AICP
Planning Director



SUBJECT: HPB19-0267, 3771 Royal Palm Avenue.

An application has been filed requesting the Historic Preservation Board's recommendation for a single family ad valorem tax exemption for the restoration, renovation, and rehabilitation of the existing home, as well as for the new construction proposed for the site.

STAFF RECOMMENDATION

Recommendation to Mayor & City Commission in favor of the requested Historic Single Family Ad Valorem Tax Exemption

BACKGROUND

On March 13, 2017, the Historic Preservation Board reviewed the Designation Report with recommendations prepared by the staff of the Planning Department regarding the designation of the single-family residence at 3771 Royal Palm Avenue as an historic single family residence. Based upon the evidence presented and the historical and architectural significance of the subject property, and in accordance with Chapter 118, Article X, Division 4, of the Land Development Regulations of the City Code, the Board unanimously approved a motion (7 to 0) to adopt the single-family residence at 3771 Royal Palm Avenue as an historic single-family residential structure (referred to as HSFRS-32).

August 8, 2018, the Planning Department approved of a Certificate of Appropriateness for the renovation and restoration of the existing home and the construction of a new 1-story attached ground level addition. The proposed addition, located at the rear of the property is approximately 896 square feet and is not visible from the public right-of-way.

EXISTING STRUCTURE

Local Historic District:	N/A
Classification	Individually designated historic single family residence
Original Construction Date:	1938
Original Architect:	Victor Nellenbogen

ZONING / SITE DATA

Legal Description:	Lot 17, Block 51 of ORCHARD SUBDIVISION 2 & 3, according to the Plat thereof, as recorded in Plat Book 8 at
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Page 116, of the Public Records of Miami-Dade County, Florida.

Zoning: RS-4, Residential Single Family
Future Land Use Designation: RS-4, Residential Single Family

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 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.

THE PROJECT

The applicant is requesting that the Historic Preservation Board transmit a favorable recommendation to the Mayor and City Commission for an application requesting a Historic Single Family Ad Valorem Tax Exemption for the residence located at 3771 Royal Palm Avenue. In brief, the project includes the improvements to the historic residence and site indicated below.

A. Exterior Architectural Features

1. Construction of a 1-story, ground level addition at the rear of the historic home. The proposed addition contains 469 square feet of enclosed area and a 427 square foot covered terrace. The enclosed area will contain a master bedroom, closet and bathroom. The design of the new addition is compatible with the architectural vocabulary of the historic home and will not be visible from the public right-of-way.
2. Replacement of non-original awning windows with impact resistant casement and horizontal sliding windows. The windows proposed along the primary (front) façade include applied muntins in a pattern consistent with the original window design.
3. The restoration and reintroduction of all significant architectural features located on the primary façade including the entry terrace, built-in planter feature, original garage door and decorative scored stucco pattern painted in a contrasting color.

B. Interior Architectural Features

(The interior improvements indicated below may not be considered by the County Tax Appraiser to be qualifying for the ad valorem tax exemption.)

1. All mechanical, electrical and plumbing systems will be installed to meet current code and energy efficiency guidelines.
2. Restoration of original fireplace feature and ceiling molding.
3. Renovation of kitchens and bathrooms.

FISCAL IMPACT

According to the applicant, the estimated cost of the entire project and the value of the proposed qualifying improvements is \$96,000. The project commencement date was scheduled for January of 2019 and the estimated project completion date is November of 2019.

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 existing 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 2013 that the subject property has an adjusted square footage of 2,010 and a building value of \$199,113. The lot size is approximately 7,320 square feet with a land value of \$292,600.

The Miami-Dade County Property Appraiser's Office determined in 2018 that the subject property has an adjusted square footage of 1,622 and a building value of \$141,114. The lot size is approximately 7,500 square feet with a land value of \$637,371.

According to this information, the subject property has an effective building value per adjusted square foot of \$87 which is based upon its current building class and grade. According to the applicant, 896 square feet of qualifying building additions will be added to the site. Therefore, the estimated value of the proposed increase in qualifying square footage only, would be \$77,952. This figure does not include any other qualifying improvements that the County Tax Appraiser may determine to add value to the building. 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 2018/19, the adopted millage rate for the City of Miami Beach is 5.778.

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 5.778 millage rate for FY 2018/19, the applicant will save annually approximately \$450 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.

STAFF ANALYSIS

The applicant is to be greatly commended for the retention and sensitive restoration of the subject home. The proposed addition is in keeping with the architectural period of the original structure. It is very important that the current owner has chosen to preserve and expand this historic home, rather than to demolish and replace it. The historically significant home is an asset to the neighborhood, and as such staff recommends approval of the tax exemption application.

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 the Historic Preservation transmit a favorable recommendation to the Mayor and City Commission for the approval of the Historic Single Family Ad Valorem Tax Exemption for the single-family residence located at 3771 Royal Palm Avenue in Miami Beach.