

MIAMI BEACH

OFFICE OF THE CITY MANAGER

NO. LTC # 003-2022

LETTER TO COMMISSION

TO: Honorable Mayor Dan Gelber and Members of the City Commission

FROM: Alina T. Hudak, City Manager

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Alina Hudak
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DATE: January 7, 2022

SUBJECT: Deauville Beach Resort, 6701 Collins Avenue-Update

The purpose of this Letter to Commission is to provide an update regarding property containing the former Deauville Beach Resort ("Deauville") in light of recent developments in connection with the Structural Condition Assessment Report issued for the building on 6701 Collins Ave by Anesta Consulting, Inc.

SUMMARY

The Deauville is a contributing building within the North Beach Local Historic District. It has been closed since July 25th of 2017 when there was a fire in the Deauville's electrical room. Obviously, damage to the building structure before and after the closure of the hotel has been of grave concern to the Mayor and City Commission. This concern presciently predated the collapse of the Champlain Tower South, and the concern has been intensified since the Champlain collapse.

Pursuant to City Commission directive both before and after the Champlain collapse, the City took extensive action to attempt to ensure that the building was not demolished by neglect through enforcement action by the building department and by filing suit to attempt to force the Deauville owner to meet its obligations with respect to the 40-year building re-certification process and pursuant to a 2018 Unsafe Structures Board Order, among other relief intended to prevent the building's demolition by neglect. One of those obligations was for the owner to provide a Structural Condition Assessment Report from a licensed engineer.

After years of enforcement action and litigation, the owner has finally provided the required Structural Condition Assessment Report. Unfortunately, that report (which the Building Official is in the process of verifying) makes clear that the building is unsafe and cannot be saved due to structural defects in the building. Therefore, with a heavy heart, and in view of the paramount interest in building safety for the protection of the public, particularly following last year's national tragedy in Surfside, our Building Official has informed me that she will, upon verification of the accuracy of the report, issue a demolition order for the Deauville.

HISTORIC SIGNIFICANCE OF THE BUILDING

The Deauville Beach Resort, located at 6701 Collins Avenue was constructed in 1957 and designed by noted local architect Melvin Grossman. The subject structure is an excellent example of the Post War Modern (MiMo) style of architecture and is classified as a contributing building within the North Beach Resort Local Historic District.

One of the most noticeable features of the building was its dramatic porte-cochere, comprised of sweeping intersecting parabolic curves, creates a defining entry point for this once all-inclusive resort. Stepped horizontal planes rose from the street to the second-floor lobby entrance along the building's façade, providing shelter and a clear pedestrian procession from Collins Avenue. The two-story structure to the south of the property contained ground level retail space with an enormous two-story ballroom, made legendary by the 1960s appearance of the Beatles on the "Ed Sullivan Show". An elongated honeycomb pattern of ornamental hollow clay blocks formed a distinctive screening mechanism for the ballroom façade on Collins Avenue. The hotel units were contained within a 15-story tower with continuous horizontal windows and projecting concrete eyebrows located at the north end of the property.

The building was designated as a contributing structure within the North Beach Resort Local Historic District on March 17th 2004.

Based upon this historic significance, the City actively attempted to save the abandoned structure from demolition by neglect.

The following summary is being provided to update the City Commission on actions taken by the Building Department and the City Attorney's Office to effectuate this direction and to report the resulting structural report, concluding that the building cannot, unfortunately, be saved.

THE CITY'S ENFORCEMENT EFFORTS

After many months of extensions, and in anticipation of progress towards essential building repairs and recertification of the structural and electrical elements of the building, the City of Miami Beach Building Department presented its case to the Miami-Dade Unsafe Structures Board in October 2018. Following a hearing on December 12, 2018, the Unsafe Structures Board upheld the Building Official's recommendation and required permits to be obtained for temporary power, repairs to the structure, and submission of the 40-year recertification package.

Additional history on measures taken by the Building Department is as follows:

- The 40-year recertification report was due on April 28, 2017 (40YR1700676).
 - Extensions were requested by the property owner;
 - No action was taken by the property owner to submit a signed and sealed report certifying the buildings structural and electrical system; and
 - City referred the open violation and lack of compliance to the Unsafe Structures Board in October 2018, and a hearing was held on December 12, 2018.
- An electrical fire forced an evacuation of the building on July 25, 2017.
 - The permit for replacement of the damaged items was:
 - Applied for on October 13, 2017;
 - Issued on April 2, 2018; and
 - Finalized without energizing on July 6, 2018.
- FPL vault issue.
 - The Building Official, representatives from the Deauville and FPL

attended a meeting on June 7, 2018.

- The property owner failed to take any action to obtain a permit for temporary power.
- The Building Official proceeded to seek enforcement by the Unsafe Structures Board, and the Board ordered the following:
 - The structure(s) were ordered to be maintained in a secure, clean and sanitary condition, free of debris, overgrown grass or weeds and free of discoloration or graffiti;
 - A temporary electrical power permit was ordered to be applied for within thirty (30) days of the date of the Board's ruling. The building permit(s) to repair the windows and for concrete spalling was ordered to be applied for within sixty (60) days after obtaining the temporary electrical permit, with the understanding that no work could be performed until the temporary power permit was issued; and to obtain the temporary power and work on obtaining the permits to repair the windows and the permit for concrete restoration, with the understanding that no work could commence until the temporary electrical permit was issued; and
 - A 40-Year Recertification Report was ordered to be submitted, within one hundred twenty (120) from obtaining the temporary electrical permit, to the City of Miami Beach Building Official as required in standard form signed and sealed by a structural and electrical engineer.
- Prior to November 20, 2020, the open unsafe structural violations on the property were as follows:
 - **US2017-01686.** This violation was issued on July 25, 2017 for the overheated and burned bus duct exiting the FPL vault. Power had been disconnected by FPL. The Deauville was required to submit an engineer report signed and sealed by an electrical engineer to evaluate the cause of the fire, the extent of the damages and methods of repairs. Additionally, the Deauville needed to obtain an approved permit for the required repairs and an approved final inspection to reconnect the power in the building.
 - **US2018-02859.** This violation was issued on October 26, 2018 because the 40-year recertification process (40YR1700676) was not being completed in compliance with the Florida Building Code and Miami-Dade County Code. Deauville was required to complete the recertification process within thirty (30) calendar days from the posting of the notice of violation. Deauville failed to do so and a \$500 penalty was assessed.
 - **US2020-00373.** This violation was issued on February 26, 2020 for a structural failure of the rear east facade of the structure adjacent to the beach walk as there was evidence of concrete pieces on the beach walk and surrounding areas. The Deauville was required to provide pedestrian overhead protection in compliance with Chapter 33 of the Florida Building Code. The beach walk was to remain closed until such time as proper protections were implemented.
 - The beach walk was closed on February 27, 2020 and reopened on March 27, 2020.
 - 120 linear feet of scaffolding was added to the beach walk on March 26, 2020 and remained until May 21, 2020.
 - The Deauville pulled a permit to install debris netting on the east

façade of the Deauville Tower and completed installation on May 12, 2020.

- On November 19, 2020, the Building Department issued yet another violation. **BVB20000705**, to the Deauville for its failure to comply with the Miami-Dade County Unsafe Structures Board Order in connection with **US2018-02859** and a Stop Work Order for all unauthorized work being performed. All permits were locked by the Building Official. Compliance with the Unsafe Structures Board Order was required in order for any work to continue. This case is currently pending before the Special Magistrate, Case No. SMB2020-00888.
- On February 5, 2019, the City initiated a lawsuit against the Deauville seeking injunctive relief, damages, and for the appointment of a receiver. Judge Michael A. Hanzman presides over the case, which is currently active in litigation. Judge Hanzman is also the presiding judge in the Champlain Towers South collapse litigation.
- On June 11, 2021, the City filed its renewed Motion for Injunctive relief, or in the alternative, for the appointment of a receiver. The City sought to enjoin the Deauville from continuing to violate the Unsafe Structures Board Order of December 12, 2018 because it failed to comply with the recertification process set forth in Section 8-11 of the Miami-Dade County Code and further to enjoin the Deauville from demolishing the structure during the pending litigation. In the alternative, the City sought for the appointment of a receiver to obtain compliance with the Unsafe Structures Board Order.

At a hearing on October 4, 2021, Judge Hanzman expressed his serious concerns over the structural integrity of the Deauville in light of the recent Champlain Towers South collapse. The Court entered an order, which, in relevant part, required the Deauville to submit a complete application to the City for whatever demolition relief the Owner was seeking, to permit the City to meaningfully review the application on the merits, an action the Owner resisted doing for years. Among other things, Deauville was required to submit a structural report by a licensed and qualified engineer to the City by December 15, 2021.

- On November 20, 2020, the Code Compliance Department issued violation **ZV2020-03121** for a violation of section 118-532(g) of the City Code for the Deauville's continued failure to prevent demolition by neglect.
- The Deauville failed to take any corrective action and on February 23, 2021 this matter was heard by Chief Special Magistrate Zamora. The City requested the maximum daily fine in the amount of \$5,000 per day. The Chief Special Magistrate ruled in favor of the City and granted the City's request for an adjudication of non-compliance; granted the City's request to impose daily fines; and assessed the maximum daily fines in the amount of \$5,000. As of December 3, 2021, the total fines were \$1,732,086.61.

The Deauville appealed the Special Magistrate's order and the matter is currently on appeal before the Appellate Division of the 11th Judicial Circuit in and for Miami-Dade County, Florida.

THE STRUCTURAL CONDITION ASSESSMENT REPORT

Although the Deauville applied for a demolition permit on April 23, 2021, application was incomplete because no plans and documents were included with the initial application and the upfront fees were not paid. On December 15, 2021, a Structural Condition

Assessment Report (the "Report"), issued by engineer Heather Anesta, of Anesta Consulting, Inc., was provided to the City. The comprehensive Report is one hundred twenty four (124) pages, and is attached hereto as an exhibit.

The Report indicates that the building has substantial structural damage, as defined by the Florida Building Code. The level of structural damage was determined via visual site inspections of the exposed structural elements on August 27, September 24, September 28, September 29, October 8, October 22, and November 3, 2021. During her site inspections, testing was performed on samples of rebar, concrete, and of the reinforcement within the columns and concrete. These tests included compressive strength testing and water-soluble chloride ion content testing (Pages 77- 81)

Based on the firm's observations, experience, analysis, and review of documents referenced in the report, Ms. Anesta reached the conclusion that:

- The Deauville has exceeded its service life and cannot return to service.
- The Deauville cannot be repaired or rehabilitated without extensive testing and replacement of each structural element of the reinforced concrete system and the institution of a 5-year maintenance cycle. Such a repair and maintenance protocol is infeasible and not maintainable and therefore the Deauville cannot be repaired or rehabilitated.
- The demolition of the Deauville should be completed prior to the start of the 2022 Hurricane season.

THE BUILDING OFFICIAL'S CONCLUSION

After carefully reviewing the Report, the Building Official immediately sent a structural and building inspector to the property to verify the exterior conditions of the building as depicted in the Report (images 20-126 pages 35-109) . The building department exterior inspection verified those elements of the Report visible from outside the building.

Unfortunately, prior to and during the pending litigation, the Deauville owner denied access to the City to inspect the interior portions of the building. After the issuance of the Report, the Deauville owner finally agreed to allow the City to inspect the interior of the building in areas detailed in the Report in order to verify the interior site conditions. The site visit is scheduled for Friday, January 14, 2022.

Pending verification of the engineers structural Report by an interior inspection, the Building Official points to the photographic evidence and strength testing included in the report that she has already obtained, which tentatively supports the engineer's conclusion. Illustrative photographs of the unsafe building conditions are included at the conclusion of this LTC.

Unfortunately, the Building Official finds that the damage to the Deauville is significant and substantial. The Deauville has been neglected and not maintained in accordance with Chapter 118-532(g) of the City Code both before and after its shutdown. In the event that the interior conditions depicted in the Report are verified by the Building Department at the inspection on January 14, 2022, then a demolition order by the Building Official is likely due to the significant structural damage outlined in the Report.

PHOTOS FROM THE EXTERIOR SITE VISIT ON JANUARY 3, 2022



Lack of proper column reinforcing.

Reinforcing and extensive damage to eyebrows



Spalling concrete at beam column interface.

Reinforcing damage on the structure.

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