

**PALM BEACH COUNTY
BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

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Meeting Date: 02/05/2013 Consent Regular
 Workshop Public Hearing

Department: Planning, Zoning, and Building Department
Submitted By: Planning, Zoning, and Building Department
Submitted For: Planning
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I. EXECUTIVE BRIEF

Motion and Title: Staff recommends motion to: **A) adopt** a resolution of the Board of County Commissioners (BCC) of Palm Beach County, Florida, granting a County tax exemption for one (1) historic property located within the City of West Palm Beach; and **B) approve** the restrictive covenant for the historic property requiring the qualifying improvements be maintained during the period that the tax exemption is granted.

Summary: The resolution will authorize a County tax exemption for the following historic property located within the City of West Palm Beach:

Address: 2433 South Flagler Drive, West Palm Beach (Residential)

If granted the tax exemption will take effect January 1, 2013, and remain in effect for ten (10) years, or until December 31, 2022. The exemption will apply to 100 percent of the assessed value of all improvements to the historic property, which resulted from restoration, renovation, or rehabilitation of the property. Based on the 2013 Countywide Millage Rate, it is estimated that approximately \$ 16,496 tax dollars will be exempted annually. Accompanying each resolution is a restrictive covenant, which requires the qualifying improvements be maintained during the period that each tax exemption is granted. District 2 (RPB)

Background and Policy Issues: On October 17, 1995, the BCC adopted a historic property tax exemption ordinance, Ordinance No. 95-41, applicable countywide. The ordinance allows a qualifying local government to enter into an interlocal agreement with the County to perform review functions necessary to implement the ordinance within its municipal boundary. An Interlocal Agreement was approved by the BCC on April 2, 1996, R 96 442 D, authorizing the City of West Palm Beach Historic Preservation Board to perform the required review to implement the tax exemption ordinance on improvements to historic landmark properties within the City.

The property was significantly damaged by fire in 2005. Then as a result for fire related compromises, Hurricane Wilma caused further damages to the structure. The historic property has filed preconstruction applications and final applications with the City of West Palm Beach Historic Preservation Board. Following review of the completed improvements the city's Historic Preservation Board determined the improvements were consistent with the U.S. Secretary of Interior's Standards for Rehabilitation and recommended approval for tax exemption. The West Palm Beach City Commission then granted an ad valorem City tax exemption to the historic property.

The property is a privately owned residence.

Copies of the City of West Palm Beach Historic Preservation Board Application and other back-up information for the one (1) property are available for review at the County's Planning Division.

Attachments:

1. Property Owner list:
 Ed Sumpter for 2433 South Flagler LLC (Residential)
2. Resolution (2 copies)
3. Restrictive Covenant (1 copy)
4. City of West Palm Beach Historic Tax Exemption Resolution (1 copy)

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Recommended By: *Wally Roberto Calabrese* 1/10/13
 Executive Director Date
Approved By: *W. Baker* 1/30/13
 Deputy County Administrator Date

II. FISCAL IMPACT ANALYSIS

A. Five Year Summary of Fiscal Impact:

Fiscal Years	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Capital Expenditures	_____	_____	_____	_____	_____
Operating Costs	_____	_____	_____	_____	_____
External Revenues	<u>\$16,496</u>	<u>\$16,496</u>	<u>\$16,496</u>	<u>\$16,496</u>	<u>\$16,496</u>
Program Income (County)	_____	_____	_____	_____	_____
In-Kind Match (County)	_____	_____	_____	_____	_____
NET FISCAL IMPACT	<u>\$16,496</u>	<u>\$16,496</u>	<u>\$16,496</u>	<u>\$16,496</u>	<u>\$16,496</u>
 # ADDITIONAL FTE POSITIONS (Cumulative)	_____	_____	_____	_____	_____

Is Item Included In Current Budget? Yes _____ No _____
 Budget Account No.: Fund _____ Department _____ Unit _____ Object _____

Reporting Category

B. Recommended Sources of Funds/Summary of Fiscal Impact:

There is no direct fiscal impact on the Planning, Zoning and Building Department from granting a tax exemption for each property. The overall County impact is a reduction of collectable taxes. Tax revenue is to be reduced at most by the tax on the improvements made to the structure. The estimated improvement costs attributed solely to work on the historic building totals \$3,450,000 based on the 2013 Countywide Millage Rate (4.7815), it is estimated that approximately \$16,496 tax dollars will be exempted annually.

The estimated total tax exempted for the ten years ending December 31, 2022 is \$ 164,960 (\$16,496 X 10).

C. Departmental Fiscal Review: *Paul D'Agostino*

III. REVIEW COMMENTS

A. OFMB Fiscal and/or Contract Dev. and Control Comments:

<u><i>[Signature]</i></u> 1/15/2013 OFMB 1/16/13 AK	<u><i>[Signature]</i></u> 1/28/13 Contract Dev. and Control 1-28-13 B Wheeler
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B. Legal Sufficiency:

[Signature]
 Assistant County Attorney

C. Other Department Review:

 Department Director

PROPERTY OWNER LIST

2013 City of West Palm Beach Historic Property Tax Exemption

Property Owner - Address - Use of Building

Owners: Ed Sumpter for 2433 South Flagler, LLC

Property: 2433 South Flagler Drive
West Palm Beach, FL 33401

Use: Residential

RESOLUTION NO. R-2013-

A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, GRANTING AN AD VALOREM TAX EXEMPTION FOR THE HISTORIC REHABILITATION OF THE PROPERTY LOCATED AT 2433 SOUTH FLAGLER DRIVE, WEST PALM BEACH, AS FURTHER LEGALLY DESCRIBED HEREIN; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

WHEREAS, the citizens of Florida amended the Florida Constitution, Article VII, Section 3, to authorize counties and municipalities to grant a partial ad valorem tax exemption to owners of historic properties for improvements to such properties which are the result of the restoration, renovation, or rehabilitation of the historic properties; and

WHEREAS, the Board of County Commissioners has approved an ordinance providing for an ad valorem tax exemption for the restoration, renovation, and/or improvement of historic properties within the County (Ordinance No. 95-41); and

WHEREAS, the ad valorem tax exemption is one means of offering a financial incentive to increase interest in restoring, renovating, and improving the county's historic structures; and

WHEREAS, the Board of County Commissioners has approved an interlocal agreement with the City of West Palm Beach (R 96 442 D) for implementation of tax exemptions on improvements to historic landmark properties; and

WHEREAS, this interlocal agreement delegates review of properties within the City of West Palm Beach to the municipal historic preservation agency; and

WHEREAS, this property has been certified as a qualified property by the City of West Palm Beach based on the fact that the property is a locally designated historic property or landmark, in accordance with local historic preservation ordinance (WPB Ordinance No. 2815-95); and

WHEREAS, the property owner(s) Ed Sumpter for 2433 South Flagler LLC, filed a Preconstruction Application and received preliminary approval from the West Palm Beach Historic Preservation Board on January 15, 2011 for an ad valorem

tax exemption for the historic renovation and restoration of the property located at 2433 South Flagler Drive, West Palm Beach and

WHEREAS, the West Palm Beach Historic Preservation Board reviewed the Final Application on January 24, 2012 for a determination that the completed improvements were consistent with the United States Secretary of Interior's Standards for Rehabilitation and recommended approval to grant an ad valorem City tax exemption to Ed Sumpter for 2433 South Flagler LLC, for the restoration, renovation, and improvement to the property located at 2433 South Flagler Drive, West Palm Beach, and

WHEREAS, the West Palm Beach City Commission on March 5, 2012, determined that the completed improvements were consistent with the United States Secretary of Interior's Standards for Rehabilitation and granted an ad valorem City tax exemption to Ed Sumpter for 2433 South Flagler LLC, for the restoration, renovation, and improvement to the property located at 2433 South Flagler Drive, West Palm Beach

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF PALM BEACH COUNTY, FLORIDA, that:

1. The Board of County Commissioners hereby approves an ad valorem County tax exemption to the property owners, Ed Sumpter for 2433 South Flagler LLC, for a ten year period, commencing on the January 1, 2013, from that portion of ad valorem County taxes levied on the increase in assessed value resulting from the renovation, restoration, and rehabilitation of the property located at 2433 South Flagler Drive, West Palm Beach, which property is as legally described as follows and which improvements are described in HPB Case No. 06-184:

El Cid Second Addition Lot 12 BLK13 according to the plat thereof, as recorded in the Public Records of Palm Beach County, Florida.

2. Prior to the ad valorem tax exemption described herein being effective, Ed Sumpter for 2433 South Flagler LLC, shall execute and record a restrictive covenant in a form established by the State of Florida, Department of State, Division of Historical Resources, requiring the qualifying improvements be maintained during the period that the tax exemption is granted.

3. The Board finds that the property meets the requirements for tax exemption under section 196.1997, Florida Statutes.

4. The provisions of this resolution shall become effective upon the execution of this agreement.

5. One copy of this agreement shall be filed with the Clerk of the Circuit Court in and for Palm Beach County.

The foregoing Resolution was offered by Commissioner _____, who moved its adoption. The motion was seconded by Commissioner _____, and upon being put to a vote, the vote was as follows:

Commissioner Steven L. Abrams, Chairman
Commissioner Priscilla A. Taylor, Vice Chair
Commissioner Hal R. Valeche
Commissioner Paulette Burdick
Commissioner Shelley Vana
Commissioner Mary Lou Berger
Commissioner Jess R. Santamaria

The Chair there upon declared the Resolution duly passed and adopted this _____ Day of _____, 2013.

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

PALM BEACH COUNTY, FLORIDA, BY ITS
BOARD OF COUNTY COMMISSIONER

SHARON R. BOCK, CLERK AND
COMPTROLLER

BY: 
Asst. County Attorney

BY: _____
Deputy Clerk

HISTORIC PRESERVATION PROPERTY TAX EXEMPTION COVENANT

This Covenant is made this _____ day of _____, 2013, by Ed Sumpter for 2433 South Flagler LLC, (hereinafter referred to as the Owner) and in favor of Palm Beach County (hereinafter referred to as the Local Government) for the purpose of the restoration, renovation or rehabilitation, of a certain Property located at 2433 South Flagler Drive, West Palm Beach, 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 defined in the National Register nomination or local designation report for the property or the district in which it is located are x architecture, x history, _____ archaeology.

The Property is comprised essentially of grounds, collateral, appurtenances, and improvements. The property is more particularly described as follows (include city reference, consisting of repository, book, and page numbers:

EI CID SECOND ADDITION LT 12 BLK 13, according to the Plat thereof as recorded in Plat Book 23985, Page 1520 of the Public Records of Palm Beach County, Florida.

In consideration of the tax exemption granted by the Local Government, the Owner hereby agrees to the following for the period of the tax exemption which is from January 1, 2013 to December 31, 2022

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 preservation ordinance.
2. The Owner agrees that no 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 is, if one exists in the jurisdiction:

City of West Palm Beach, Historic Preservation Division
200 Second Street
West Palm Beach, Florida 33401
Telephone Number: (561) 659-8031

property. The Owner shall have 30 days to respond indicating any circumstances which show that the damage was not deliberate or due to gross negligence. If the Owner cannot show such 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 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 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):

Ed Sumpter
Name

Ed Sumpter
Signature

11/28/12
Date

IN WITNESS WHEREOF, the Owner and Local Government have executed or have caused this Agreement.

ATTEST:

PALM BEACH COUNTY, FLORIDA
BY ITS BOARD OF COUNTY COMMISSIONERS

Sharon R. Bock, Clerk & Comptroller

BY: _____
Deputy Clerk

BY: _____
Chairman

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

BY: [Signature]
County Attorney

STATE OF FLORIDA

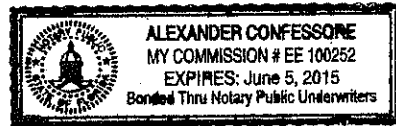
COUNTY OF PALM BEACH

The foregoing instrument was acknowledged before me this 28th day of November, 2012, by Edward John Sumpter, who are personally known to me or who have produced Connecticut Drivers License, and #133442494, respectively, (indicate form of identification) (if left blank personal knowledge existed) as identification.



Notary Public State of Florida

Notary Print Name:
Alexander Confessore



(NOTARY SEAL)

My Commission Expires:
6/15/15

RESOLUTION NO. 31-12

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF WEST PALM BEACH, FLORIDA, GRANTING AN AD VALOREM TAX EXEMPTION FOR THE PROPERTY LOCATED AT 2433 S. FLAGLER DRIVE, WEST PALM BEACH, FLORIDA, AS A RESULT OF THE HISTORIC REHABILITATION OF THE PROPERTY; PROVIDING AN EFFECTIVE DATE; AND FOR OTHER PURPOSES.

* * * * *

WHEREAS, the Historic Preservation Program of the City of West Palm Beach, Florida, is designed to preserve, protect, enhance, and perpetuate resources which represent distinctive and significant elements of the City's historical, cultural, social, economic, political, archaeological, and architectural identity; and/or serve as visible reminders of the City's culture and heritage; and

WHEREAS, the ad valorem tax exemption is one means of offering a financial incentive to increase interest in restoring, renovating, and improving the City's historic structures; and

WHEREAS, the citizens of Florida amended the Florida Constitution, Article VII, Section 3, to authorize counties and municipalities to grant a partial ad valorem tax exemption to owners of historic properties for improvements to such properties which are the result of the restoration, renovation, or rehabilitation of the historic properties; and

WHEREAS, Section 196.1997, Florida Statutes, establishes the process by which such exemption may be granted; and

WHEREAS, by Ordinance No. 3554-02, the City of West Palm Beach City Commission has approved an ad valorem tax exemption for the restoration, renovation, and/or improvement of historic properties, which Ordinance provides that on completion of the review of a Final Application/Request for Review of Completed Work, the Historic Preservation Planner shall present such Final Application in a regularly scheduled meeting of the Historic Preservation Board and shall recommend that the Historic Preservation Board grant or deny the exemption; and

WHEREAS, the property owner filed a preconstruction application and received preliminary approval from the Historic Preservation Board on January 15, 2011, for an ad valorem tax exemption upon completion of the historic renovation and restoration of the property located at 2433 S. Flagler Drive, West Palm Beach (the "Property"); and

WHEREAS, on January 24, 2012, the Historic Preservation Board reviewed the Completed Work Application and made a determination that the completed improvements were consistent with the United States Secretary of Interior's Standards for Rehabilitation, that the requirements of Sec. 196.1997 Florida Statutes have been met, and recommended granting an ad valorem City tax exemption for the Property;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF WEST PALM BEACH, FLORIDA, that:

SECTION 1: The City Commission of the City of West Palm Beach, Florida, hereby finds that the

RESOLUTION NO. 31-12

completed improvements to the Property, as described in the application for ad valorem tax exemption filed with the City and in HPB Case No. 11-01 and previously HPB Case 05-184, are consistent with the United States Secretary of Interior's Standards for Rehabilitation and the property meets the requirements of Florida Statutes Sec. 196.1997.

SECTION 2: In accordance with this finding, the City Commission hereby approves an ad valorem tax exemption for a ten year period, commencing on January 1, 2013, and expiring December 31, 2022, from that portion of ad valorem taxes levied on the increase in assessed value resulting from the improvements, between the years 2006 and 2012, for the real property described as:

Address: 2433 S. Flagler Drive

Legal Description: EL CID SECOND ADDITION LT 12 BLK 13.

Property Owner: 2433 S FLAGLER LLC

SECTION 3: Prior to the ad valorem tax exemption described herein being effective, the Property Owner shall execute and record in the Public Records of Palm Beach County, a restrictive covenant in a form established by the State of Florida, Department of State, Division of Historical Resources, requiring that the qualifying improvements must be maintained during the period for which the tax exemption is granted. A copy of the recorded covenant shall be provided to the City's Historic Preservation Planner.

SECTION 4: A certified copy of this Resolution shall be provided to the Palm Beach County Property Appraiser.

SECTION 5: This Resolution shall take effect in accordance with law.

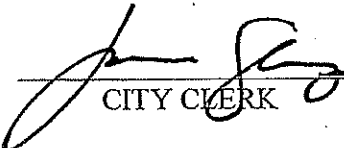
PASSED AND ADOPTED THIS 5th DAY OF March, 2012.


(CORPORATE SEAL)

ATTEST:

CITY OF WEST PALM BEACH
BY ITS CITY COMMISSION


PRESIDING OFFICER


CITY CLERK

CITY ATTORNEY'S OFFICE
Approved as to form and legality
By: 

Last printed 2-22-12