



HISTORICAL PRESERVATION BOARD MEETING
Meeting Minutes of December 15, 2021, at 4:00 p.m.
Coral Gables City Hall, City Commission Chamber
405 Biltmore Way, Coral Gables, Florida 33134

Historical Resources &
 Cultural Arts

2327 SALZEDO STREET
 CORAL GABLES
 FLORIDA 33134

MEMBERS	D 21	APPOINTED BY
Albert Menendez (Chair)	P	Commission-As-A-Whole
Cesar Garcia Pons (Vice Chair)	E	City Manager Peter Iglesias
Alicia Bache-Wiig	P	Mayor Vince Lago
Margaret (Peggy) Rolando	P	Vice-Mayor Michael Mena
Dona Spain	P	Commissioner Rhonda Anderson
Xavier Durana	P	Commissioner Jorge L. Fors, Jr.
Michael J. Maxwell	P	Commissioner Kirk R. Menendez
Bruce Ehrenhaft	P	Commission-As-A-Whole
John P. Fullerton	P	Board-as-a-Whole

☎ 305.460.5093
 ✉ hist@coralgables.com

LEGEND: A = Absent; P = Present; E = Excused; * = New Member; ^ = Resigned Member.
 - = No Meeting; # = Late meeting arrival

STAFF: Warren Adams, Historic Preservation Officer, Kara Kautz, Assistant Historic Preservation Officer, ElizaBeth Guin, Historic Preservation Coordinator

RECORDING SECRETARY/PREPARATION OF MINUTES: Nancy Kay Lyons, Administrative Assistant

OPENING STATEMENT

Chair Menendez read for the record the statement regarding the purpose of the board and lobbyist registration and disclosure.

The meeting was called to order at 4:10 pm by Chair Menendez and attendance was stated for the record. Mr. Durana and Ms. Rolando were not yet present.

APPROVAL OF MINUTES:

Mr. Adams stated that the minutes were not completed in time so they would be brought to the next meeting. Mr. Fullerton requested an edited version of the minutes, but Mr. Adams stated that even though they had contacted the company who prepared the minutes several times, they had not been received. As they did not have the time to review the minutes Mr. Adams thought it best that they be provided to the board at the next meeting. Chair Menendez asked who was doing the minutes today. Mr. Adams replied that they would be using the Zoom transcript for the minutes.

Chair Menendez announced the arrival of Ms. Peggy Rolando and Mr. Xavier Durana.

NOTICE REGARDING EX-PARTE COMMUNICATIONS.

Chair Menendez read a statement regarding Notice of Ex-Partee Communications. The Board was quasi-judicial in nature which requires Board members to disclose all ex-partee communications. Board members who had ex-partee communications or contact regarding cases being heard were instructed to disclose them. Board members did not indicate that any such communications or contact occurred.

DEFERRALS

Chair Menendez asked if there were any deferrals. Mr. Adams stated that they had received the following requests for deferrals.

1. The Historic Designation of 737 Minorca Avenue.
2. The Historic Designation of 333 University Drive – the owner of the property had requested a deferral until February as he would be travelling to Europe the beginning of the following week and would not be back until January and he would like time to review the report and discuss with his legal counsel.

Mr. Menendez then went on to announce the first case and read the description which also appeared on the television screen.

AD VALOREM TAX RELIEF:

CASE FILE AV 2016-005: An application requesting ad valorem tax relief for the property at 936 Castile Avenue, a Contributing Resource within the "Castile Avenue/Plaza Historic District," legally described as Lot 8, Peacock Re-Subdivision, according to the Plat thereof, as recorded in Plat Book 35, Page 60 of the public records of Miami-Dade County, Florida. The related Special Certificate of Appropriateness, COA (SP) 2015-007, was granted design approval by the Historic Preservation Board on August 20, 2015.

SWEARING IN:

Ms. Kautz stated that the public needed to be sworn in. Mr. Ceballos requested all persons who were present and would be speaking on this item and any other items to please stand up and be sworn in. Mr. Ceballos administered the oath.

Ms. Kautz made a presentation for the agenda item following a presentation on screen. She read a description of all the renovations that had been done on the home and showed before and after pictures of the property and renovations performed.

1. Constructed in 1931.
2. Designed by architect Lester Avery.
3. General improvement restoration, renovations of the property included the following:
 - a) New impact resistant casement windows to match the original configuration.
 - b) Replacing a vertical windowsill.
 - c) New barrel tile roof.
 - d) Painting of the house.
 - e) New mechanical, electrical and plumbing systems.
 - f) Restoration, recreation of decorative wood spindles the front elevation.
 - g) Replacement of original wood shutters.
 - h) Restoration of original front doors and doors surround.
 - i) Restoration of stucco details at front façade.
 - j) Restoration of the rear covered terrace.
 - k) Installation of new wooden brackets in that location.
 - l) Demolition of unpermitted rear covered terrace addition, and bathroom addition.
 - m) Addition of a second story on the garage which consisted of a guest bedroom and bathroom.
 - n) A rear one-story addition consisting of a laundry room, and a cupboard entry. This was an unpermitted addition that was made on to the house. It was removed.
 - o) Restoration of the original tile floors.
 - p) Restoration of the fireplace, mantel, and the Peccary cypress ceiling.
 - q) Interior reconfiguration.
 - r) Restoration and repurposing of doors at the front entry
 - s) Site improvements include:
 - i) Installation of brick paver driveway and walkways.
 - ii) Installation of new swimming pool & deck.
 - iii) Installation of new landscaping.
 - iv) Restoration of existing water fountains.

Ms. Kautz stated that the staff recommended approval.

Mr. Menendez asked if the homeowners would like to speak to which Katrina and Jorge Saladrigas stated that they thought the presentation was complete, but if there were any questions, they would be happy to answer them.

Mr. Fullerton asked about the pot. The homeowners stated that they had moved it to the backyard and made it a central feature. Ms. Kautz added that they had restored a wall fountain at the rear of the house that was not in the photographs. Mr. Saladrigas stated that he had restored it to working order as it was not previously working. Mrs. Saladrigas said when they bought the house, they did not know there was a fountain as there was so much overgrowth.

Ms. Rolando asked if they had been to the board before. They responded that they had been to the board before to address some minor items that had been completed. Mr. Saladrigas thanked everyone for their help.

Mr. Menendez announced that Ms. Bache-Wiig had arrived.

A motion was made by Mr. Fullerton and seconded by Ms. Rolando to approve the ad valorem tax relief for the property at 936 Castile Avenue.

The motion passed (Ayes: 8; Nays: 0).

Mr. Menendez announced the second item on the agenda:

SPECIAL CERTIFICATE OF APPROPRIATENESS:

CASE FILE COA (SP) 2021-022: An application for the issuance of a Special Certificate of Appropriateness for the property at 803 Alhambra Circle, a Contributing Resource within the "Alhambra Circle Historic District," legally described as a Portion of Lot 1 and all of Lots 2 and 3, Block 31, Coral Gables Section "B," according to the Plat thereof, as recorded in Plat Book 5, at Page 111 of the Public Records of Miami-Dade County, Florida. The application requests design approval for alterations to the residence and sitework.

Mr. Adams made a presentation for the agenda item following a presentation on screen.

1. Constructed in 1929.
2. Work on this property has been going on for several years. Work was stalled for several reasons, including because he believed a certain species of bat had been found on the property.
3. The property is in the process of changing hands. He was not sure if it had completely changed ownership or if it was still in the process, but the new owner was very keen to move ahead and get everything done because there were some code issues with the property as well.
4. The owner was requesting the following:
 - a) Replacement of existing windows and doors.
 - b) Add stucco windowsills.
 - c) Remove stucco scoring.
 - d) Add smooth stucco decorative surface above the proposed stone surround.
 - e) A new chimney cap.
 - f) Other alterations which would normally be reviewed at the staff level, but he had put everything in one application to move it along.
 - g) Reinstatement of the porch on east elevation.
 - h) Installation of brick paver walkways and driveways.
 - i) The installation of new pedestrian and vehicular gates
 - j) Relocation of existing fountain.
 - k) New tile roof.

Mr. Adams stated that staff was recommending the following:

1. Replacement of windows:

The proposed windows do not mimic the originals in style and operation. Therefore, he would want the applicant to work with staff to get a more appropriate style of window. Staff was recommending approval with that condition.
2. Addition of stucco windowsills:

Staff was recommending denial. The existing house had no windowsills and staff would not support their addition.
3. Removal of stucco scoring on the first floor of the property at the southeast corner.

Staff had a photograph from 2018, which showed the wall covering removed which certainly suggested that the stucco scoring is original, so staff wanted this to remain.
4. Add smooth stucco decorative surface above the entrance door.

Staff's opinion was that this was the addition of an architectural element that was not original to the house and are recommending denial.
5. New chimney cap.

The owner was proposing a new chimney cap, which was copper finished with copper screen dens. Staff had not seen any images of what this would look like and there was a concern over the proposed material, so staff did not support this request.

6. The other alterations include reinstatement of the porch on the east elevation.
This was approved previously, and the applicant was willing to go along with the design that was previously approved and so Staff supported that.
7. Installation of brick paver walkways and driveways.
Staff supported this.
8. Installation of new pedestrian and vehicular gates.
Staff supported this.
9. Relocation of existing fountain.
The fountain is only moving a few feet. Staff supported the move.
10. New tile roof.
Staff will support if it is a true two-piece barrel tile.

Mr. Adams said that there were several conditions, so staff was requesting two motions. One to approve certain items with conditions, and the second motion to deny the items that staff does not support. Mr. Adams announced that the property owner's representative was there.

Mr. Pedro Ramos from The Architects Group Inc. introduced himself and stepped up to the podium. He stated that they had been working with Mr. Adams. He said he was new to the project and had just recently become the architect of record. He showed a presentation and walked the board through the items that had just been discussed by Mr. Adams.

1. Mr. Ramos showed pictures of the following items:
 - a) The exterior showing the windows that were originally approved on the previous permit, an ongoing permit which was continued with a change of architect. The windows would be replaced with more upscale aluminum windows with a simulated wood finish.
 - b) The surround of the door which was shown on the elevation would be replaced. They had thought the scoring was foreign to the property as it did not appear anywhere else, but they now had evidence that it was original.
 - c) The circular portal window and the corner window would be eliminated and replaced with a more standard casement type windows, and they were shown on the elevations.
 - d) The house in its current state.
 - e) The existing as it is on the original approved plans and stated that what they were proposing was very minor, the replacement of the windows and the surround at the main entrance.
 - f) The chimney cap and the windows over the garage. The corner window had been eliminated.
 - g) The porch which had been added.

Mr. Adams comments:

1. Staff supported the altering of the two window openings, as it was an addition and they believed that the windows were more appropriate for the house.
2. Staff was concerned with the number of lights, the muntin pattern and the operation of the windows.

Chair Menendez asked Mr. Ramos if he agreeable to the conditions which staff had proposed. Mr. Ramos stated that the client was desperate to move forward so they were going to work to get it approved with the minor issues they had pending.

Mr. Adams said they could sit down at staff level for resolution of the windows, the outstanding items that staff were most concerned with were:

1. The stucco windowsills.
2. The removal of the stucco scoring.
3. The addition of the stucco decorative feature above the front door.
4. There is no problem with replacing the stonework around the front door, it is not original or has been altered.
5. The chimney cap.

Chimney Cap:

Ms. Rolando asked if the chimney cap was removable. Mr. Ramos said it was a prefabricated metal piece attached to the top that would age with time to a patina green and that it was removable. Mr. Adams expressed concern that it was classed as a copper chimney cap, as it was large, and staff had not seen photographs or brochures of the cap and were unable to tell if it was a dull or bright copper. Mr. Ramos stated that it would not be a bright copper. Ms. Spain said it never patinas to a turquoise in South Florida. Ms. Rolando said she had less of an issue if it was removable. She stated that whatever was being proposed should be seen and approved by the Historic Preservation Department.

Muntin Patterns:

Ms. Spain asked if this was the house where the muntins on the top of the windows did not match the bottom, and if so, what was being proposed to correct that. Mr. Adams said the muntin patterns were different than what were previously approved. Mr. Ramos said that all the windows were going to be replaced. They would meet with Mr. Adams and review them.

Stucco Scoring:

Mr. Fullerton asked if the stucco scoring on the octagonal would be removed and if it was historic. The PowerPoint presentation was once again shown, and Mr. Adams said the proposal was to cover up the stucco scoring on the first floor which staff did not support as it was original. Mr. Fullerton asked if it was damaged. Mr. Ramos said no, but it was very poor quality and they thought it might be better to redo the whole stucco for the house, as it had a very rough texture and was cracking. He said that they would cover it up and give it a nice smooth finish to match the rest of the house. Mr. Fullerton said it was a nice shape defining element. Mr. Adams asked if they were going to re-stucco the whole house as this was not shown on the drawings. Mr. Ramos said they were not talking about that right now. Mr. Fullerton said original stucco was not made from Portland cement, it was lime mortar. He said it was a good material that breathed much better than Portland and suggested they use the lime mortar for the stucco as it would blend well. Mr. Fullerton asked Mr. Ramos if he was agreeable to leaving the stucco as is, to which Mr. Ramos answered yes.

A motion was made by Mr. Maxwell but interrupted by Mr. Ehrenhaft who needed clarification on a couple of items.

Windows:

Mr. Ehrenhaft said the drawings presented in the packet read under Heading #1 – Replace all existing windows and French doors. A paragraph stated the removal of the large corner window and the circular openings on the east elevation and replace with three six lights single casement windows, however the drawing on that east facade only had two windows. Mr. Adams and Mr. Ramos said there was window around the corner on the other side. Mr. Ehrenhaft asked if it was already existing? Mr. Ramos said the existing window is a corner window around the corner and indicated where they were putting the windows.

Door:

Mr. Ehrenhaft asked for clarification of the existing door on the west elevation being closed, and a new six light casement installed. He did not see a clear notation of where that door was located on the drawing of the west elevation. Mr. Ramos said it was clearer on the floorplan, sheet A-2.1. He explained that there was a bedroom on the northwest corner of the house, (on the drawing on the right) and there were clouds indicating a change. Where the block is shown said “existing door to be removed”. That was the existing door that would be eliminated as it did not serve any purpose and there was another door right off the hallway. Mr. Ehrenhaft was unable to locate the notes, so Mr. Adams said on elevation 3.4 on the second story there is a cloud around where the change is being made Mr. Ramos pointed out to Mr. Ehrenhaft where the change was on the plans. Chair Menendez asked Mr. Ehrenhaft if all his questions were answered to which Mr. Ehrenhaft replied yes. Chair Menendez asked the rest of the board if they had any questions.

Additional Questions from the board:

1. Mr. Durana asked if there was ever an addition on the house. Mr. Ramos said the additions were from '84 and they were just doing remodeling.
2. Ms. Bache-Wiig asked if the primary façade off Alhambra was original. Mr. Adams answered yes. Ms. Bache-Wiig stated that it was a beautiful house and one of the best examples of the architecture of 1929.

3. Ms. Spain asked if they were okay with having the new two-story stucco surround at the front entrance. Mr. Adams said yes. Mr. Adams said that he had compared it with a historic photo and could not tell if the stone surround was original or if it had been altered.
4. Mr. Adams said they were recommending denial of the stucco addition above the front entrance. Ms. Spain agreed that this was not appropriate. Mr. Durana asked Ms. Spain to clarify, which she did by pointing out the drawing on page A3.1. She said the stucco above the front door would be beautiful, but it was not appropriate on this house as it would really change the character of the front entrance way.
5. Mr. Fullerton asked if the smaller square, the two concentric squares that mirror the door were okay. He mentioned the squares which were about eight inches from the door, and the other one about a foot and a half from the door and asked if they were okay. Miss Spain clarified that Mr. Adams was not sure that the surround on the home is original based on the photographs so he was okay with adding the additional surround but not going up to the second floor. Mr. Fullerton said it looked nicer on the door as it mirrored the scoring on the other end of the house. Ms. Bache-Wiig asked if they had defined where they were okay with the surround. Mr. Adams said they were okay with the area that was marked as proposed stone veneer but not with the area that was marked with proposed smooth stucco finish.

Mr. Menendez asked if there were any other questions.

Mr. Adams recommended that if the applicant was okay with it, if there be only one motion that included the items that staff were recommending denial with the existing 12 conditions.

A motion was made by Mr. Maxwell and seconded by Mr. Fullerton, to approve the request for design approval for alterations to the residence and sitework with conditions are recommended by staff, with the addition of the denial of the following:

- a) Stucco windowsills.
- b) Removal of the stucco scoring.
- c) Removal of stucco scoring on the first floor of the property at the southeast corner.
- d) Addition of the smooth stucco decorative surface above the entrance door and the chimney cap.

The motion passed (Ayes: 8; Nays: 0).

Mr. Adams asked the board if they wanted to amend the approval of the chimney cap to which Ms. Rolando replied she was okay with it subject to staff's approval. Mr. Fullerton said he could not tell what it looked like, and Ms. Rolando added that they would not approve it and they should bring it back to the board.

OLD BUSINESS: None.

DISCUSSION ITEMS:

1. Mr. Fullerton stated that he did not understand why 333 University Drive was not previously designated.
2. Mr. Adams gave a presentation of TDR'S (Transfer of Development Rights) - A proposed text amendment to Section 14-204.4, Transfer/sending of TDR's and issuance of a Certificate of TDRs for the City Code allowing for the creation of a TDR pilot program for properties approaching the 100-year building recertification. Mr. Adams said that it had been discussed with the city attorney's office and the mayor.

Section 14-204 – Transfer of Development Rights

The purpose of these provisions is to allow the transfer/sending of unused development rights of:

Local historic landmarks to other properties within the approved sending areas of the city to encourage historic preservation and to provide an economic incentive to property owners to designate, protect, enhance, and preserve historic properties. Parcels designated for open space conveyed to the city to encourage more open space in the city.

There are two sites in this process. The first site is either a designated landmark or a contributing building in a historical district within a certain geographical area, referred to as the sending site. They will be sending developmental rights to another site which is classed as a receiving site.

Conditions to be satisfied if you are a sending site:

- i. Must be designated as a local landmark or a contributing property.
- ii. Must be in the certain geographic area. Within the CBD and designated as commercial or located north of Navarre, east of LeJeune, west of Douglas, south of SW 8 Street and zoned Commercial, MF2 or MF3
- iii. Development Services has calculated unused development rights.
- iv. Maintenance/preservation plan is provided for elements that contribute to historic integrity or restoration of original features.
- v. Inspection may be completed by Historic Resources Department to determine compliance with above criteria.
- vi. The Historic Preservation Board must review and approve any maintenance/preservation plan.
- vii. The property cannot be subject to any violations, liens, or fines although the money they get from the sale of the TDR's could be used to correct violations.

The receiving site is the site that the additional square footage would be sent to.

Conditions to be satisfied if you are a receiving site:

- i. Located a) within the boundaries of the CBD and designated mixed-use zoning or b) located within the boundaries of the North Ponce de Leon Boulevard Mixed Use District and designated mixed-use zoning or c) located within the boundaries of the Design and Innovation District and designated mixed-use zoning.
- ii. Use of TDRs as receiver sites are prohibited n properties within the Zain/Friedman Miracle Mile Downtown District Overlay facing Miracle Mile.
- iii. Maximum TDR floor area ratio (FAR) increase on receiver sites. An increase of up to twenty-five percent (25%) of permitted gross FAR and approved Mediterranean architectural style bonuses gross FAR may be permitted. So that is a limit that can be transferred to a receiving site.

Review and approval of use of TDRs on receiver sites must comply with all conditions outlined by the board as well as the following:

- i. In conformance with any applicable conditions of approval pursuant to the Certificate of TDRs.
- ii. Board of Architects review and approval subject to Section 5-100, Design Review Standards.
- iii. If the receiving site is within five hundred (500) feet of a local historic landmark, Historic Preservation Board review and approval is required to determine if the proposal shall not adversely affect the historic, architectural, or aesthetic character of the property.
- iv. Planning and Zoning Board review and recommendation and City Commission review.

A restrictive covenant shall be required in both the sending and receiving sites outlining the conditions of the approvals.

Mr. Adams showed a diagram showing how the square footage would be calculated.

Example of existing program:

Sending site allowable development	30,000 sq. ft.
Sending site developed area	<u>10,000 sq. ft.</u>
Unused development rights available for transfer to sending site.....	20,000 sq. ft.
Sale price per square foot:	\$30.00
Proceeds for maintenance of sending site:	\$600,000.00

Mr. Adams made the following notes:

- i. Sending site can sell on open market.
- ii. Once the sending site sells the development rights, the site cannot be developed in the future.
- iii. Selling development rights has a negative impact on the value of the property.
- iv. The money that is spent repairing the property should increase the value of the property.
- v. This preserves the site for the future.
- vi. One of the issues with the existing program is that someone could present a maintenance plan for \$200,000 worth of work, they could sell \$600,000 worth of TDR's, do the \$200,000 worth of work, and keep the other \$400,000. Some people think that the property owner should be able to keep the money, while others think it should all be spent on the historic building.

Ms. Rolando asked the following questions:

Typically, when the TDR's come before the board the sending site needs work, and she remembered that there was a property maintenance plan required. She asked if the property maintenance plan or the obligation to perform the work was put in the form of a restrictive covenant and is there was a deadline on when it must be done?

Mr. Ceballos said that the covenant does tie in the maintenance agreement, but he was not aware of the timeline requirement. He said it may be on a case-by-case basis. Ms. Spain said that sometimes the maintenance plans says that in ten years they are going to have to do repairs (such as putting on a new roof) but the maintenance plans are sometimes broader than what needs to be repaired immediately. There had always been an issue with following the money. Mr. Adams said it was important to point out that the code as it read now states that the money must be spent on the contributing features or restoring the integrity of the property. He did not believe that there was any requirement to use that money for the structural repairs or A/C units or anything like that, so they were hoping to address this in the new language.

Mr. Menendez asked how they would verify that the money had been spent? Mr. Adams said that was the difficulty.

Mr. Fullerton stated that was difficult to take that away from the owner, as that is the only value that he has in the building, except for the old building that is not very usable for him. He might sell it and walk away with the \$600,000 and who takes care of the building.

Mr. Adams said he had a situation when he was with City of Miami, where someone purchased a building and came to ask to add onto the building and they had to tell him that it could not be done. They had no idea the developmental rights had been sold. The only way he could develop it was to buy development rights from someone else. Ms. Rolando stated that covenants were recorded when TDRs were sold. Mr. Adams said there were covenants and inspections and you had to submit a maintenance plan. He said that the city can check to see if the work has been done and that it conforms to the maintenance plan, but there was nothing that said that if you sold all your TDRs, you must spend all the money on the building. He said that they had this issue in Miami where people sold all the TDR's, the market was flooded, and the value went down to \$3/square foot. They were worthless, people were not doing the work in the buildings. Miami has since changed its program so that you can only sell the amount needed to do the pre-approved work. You had to have your plans, your description of work, and pay a fee for a building permit based on the value of the construction so that they could track how much of the money was spent on the building or something close to the actual amount.

Mr. Adams said they should go through the proposed amendment and the board would be asked to give a recommendation to the city commission.

Ms. Bache-Wiig asked what the value of a square foot was? Mr. Adams replied that they were sold on the open market and the transaction was between the sending and receiving sites and was not reported to the City. He did not have an exact figure but thought that the amount was roughly \$30/square foot in Coral Gables.

Ms. Rolando said that before the city had TDRs for sale. She said there was competition between the private owner and the city. She asked if the city still had any TDRs for sale. Mr. Adams said that they had them, but he did not think that they had sold any. Ms. Spain concurred that the city had the greatest number of TDRs to sell and named some sites.

Mr. Menendez asked if they knew what the value of the TDR was when they were bought and sold. Mr. Adams said no. Mr. Menendez asked how it could be enforced. Ms. Spain said the main idea was to make sure the work was done regardless of the sale price. Ms. Spain said she used to go around and look at the houses to see if the work was done.

Ms. Bache-Wiig asked how the sale of TDR's came to the city, how would they know it took place. Mr. Adams said they were private transactions and the only thing they needed to know was how many were sold, because you would deduct that from the developmental value of the site. Ms. Spain said it came to the historic board, the planning and zoning board and then onto the city commission.

Mr. Adams went through the proposed amendments to existing program:

Section 14-204.4. B.4

1. Maintenance/preservation plan to include a maintenance and/or repair schedule for any necessary structural life safety and forty-year recertification requirements.
2. If the maintenance/preservation plan requires improvements to the sending site, a bond or irrevocable letter of credit for at least 20% of the proceeds from the sale of the TDR's must be submitted to the Historic Resources Department to be used if the property owner defaults.

The question was asked where the funds would be held to which Mr. Ceballos responded that it was a performance bond, that the city would be able to draw from to do the work if the owner did not complete it. Ms. Rolando said that not every property owner has the wherewithal to arrange for a letter of credit or payment of a performance bond. Ms. Spain said that was true, but these people were involved with transferring their development rights to a development and the development had the wherewithal. Ms. Rolando said that they should provide for the ability to either assign a bank account or place funds in escrow. Mr. Fullerton said would be a condition of closing. The language could be amended to say "as a condition of closing the transfer of development rights would require a letter of credit, bond or escrow. Ms. Rolando added that the maintenance and preservation plan could be secured by a surety bond, letter of credit, cash deposit or collateral assignment of a bank account.

Section 14-204.4. B.8.

1. A restrictive covenant is provided for the sending site per Section 14-204.7

Section 14-204.4.7.

Restrictive Covenant Requirements:

1. Sending properties shall be maintained to Building Department's standards for forty-year recertification and the maintenance/preservation plan.
2. Requirements of Restrictive Covenant and long-term maintenance requirements will follow title of property through subsequent owners.
3. City will be advised of any change in property ownership
4. Restrictive Covenant shall be recorded at owner's expense within thirty days of City acceptance.

Section 14-204.10.

Properties approaching 100-year building recertification

1. Historic Properties meeting the criteria set forth in Section 14-204.4(B) and whose 100-year building recertification is required within 10 years shall be granted a 225% enhanced TDR multiplier via participation in the program.
2. 100% of all proceeds obtained from participation in the TDR 100-year Building Recertification Program shall be reinvested in improvements to the historic property.
3. A bond or irrevocable letter of credit for at least 20% of the enhanced TDR multiplier proceeds must be submitted to the City's Historic Resources Department to be used in the event of a property owner's default.

Mr. Fullerton said he thought there was something wrong with the process where a person who owns a property, pays the taxes, does all the work, maintains the property will not get any benefit from this TDR. Mr. Adams assured him that most progressive/large cities that support historic preservation have successful TDR programs. He thought that property owners relished the ability to do this and spend the money on the building. Ms. Spain said that 100-year-old buildings have deferred maintenance no matter how good the owner had been. Mr. Adams stated the program was already in place, the board needed to look at the amendments and make a recommendation. Mr. Fullerton said he was under the impression that the TDR was active and the person that was selling the TDR and relinquishing the value of the building, so he can't knock it down and put something else there, is not getting really any benefit except that there is money there to take care of the property. Mr. Adams said you can't generally knock down a historic building. In many cases you won't be able to release the TDR's because if someone has a two-story historic building and they can go up to ten stories is the board going to approve ten stories on top of a two-story historic building. Mr. Fullerton said he was not going to approve ten stories from the use of a TDR in certain zoning areas. So, selling it to a developer to put on another building has a lot of restrictions as well. Ms. Rolando said that the question should be to get the enhanced multiplier should you be required to spend a 100% of the proceeds or some higher percentage of it on the building. Mr. Adams said there was no change to the existing

program so someone could sell their existing TDR's and do a minimum amount of work and walk away with the money. You can sell your TDR's 100% under the existing program, get \$200,000 and spend \$100,000 on the building and put \$100,000 in their pockets. If they want the enhanced 225% it should be spent on the building. Mr. Fullerton asked if all of it would be spent on the building. Mr. Adams responded that if you want the enhanced 225% the answer was yes. Ms. Rolando said that this was a discussion not a debate, that Mr. Adams had asked for feedback and there was resistance from the board. Mr. Adams said there was resistance to a program that was already in place.

Mr. Fullerton said he was part of initiating the program many years ago when it was decided that when you buy TDR's you are helping historic preservation and Mediterranean ordinance etc. Mr. Adams reiterated that they could still do that by going through the existing program. If you have 10,000 square feet to sell, you can sell them and walk away with the money with a minor preservation plan. If you want to increase that to 25,000 square feet, then you spend it on the building. Ms. Bache-Wiig asked if now there was a requirement to spend a certain amount on the maintenance plan? Mr. Adams responded that they had to meet the requirements of the maintenance plan, but the maintenance plan could call for a \$100,000 of work. You could sell \$200,000 worth of TDR's, do the \$100,000 worth of work, and pocket the other \$100,000. Ms. Bache-Wiig said it was open ended. She asked if the maintenance plan was a minimum. Mr. Adams answered yes. She went on to say that it could vary depending on what that cost was, it seemed open as there was nothing that stated that you had to use a certain percentage for the building. Mr. Adams agreed, he said that if the property owner wanted the added benefit, 2.25 the amount, then the money should be spent on the building. You could go with the open plan and get your 100% or you could go with the enhanced plan and get the 225% for the 100-year-old building.

Mr. Ceballos tried to clarify the issue. He said that there had been discussions with the mayor and outside applicants and explained that the concept was if you have a 70-year-old building (property), and it has 30,000 square feet, you have 10,000 on the property, you sell 20,000, and you did all the maintenance plan, you will spend \$1000,000 and pocket the remaining \$100,000. Now the building is 100 years old, there is still a significant amount of upkeep that is required for this historic building, so the idea is that when you hit that 100-year mark, we are going to give you more TDR's, in furtherance of maintaining that property. Mr. Fullerton asked if you could go back for seconds after the first \$200,000. Mr. Ceballos said yes in theory. Ms. Spain said that she thought it was also for the person that is buying that 100-year-old building that has fallen into disrepair, that the small amount of TDR's that they might have on the building would be enough for them to restore it. She said that she was totally in favor. Ms. Bache-Wiig said it was almost like a savings account for the building, to ensure that the money from the TDR's was going to save this building, throughout its life up until it is 100 years old. She said she understood what Mr. Fullerton was saying that it was penalizing to the property owner because if they have been maintaining the property and maybe getting a loan to maintain it, at some point that property owner deserves relief. What if there was a way to provide a relief another way i.e., relief in taxes.

Mr. Adams said that they were here to discuss these issues and showed the following example on the screen.

Example of 100-year recertification program

Sending site allowable development	30,000 sq. ft.
Sending site developed area	<u>10,000 sq. ft.</u>
Unused development rights available for transfer to receiving site.....	20,000 sq. ft.
Proposed enhanced TDR multiplier	<u>2.25</u>
Enhanced TDR's available for transfer	45,000
Sale price per square foot	\$30
Proceeds for maintenance of sending site.....	\$1,350,000

Mr. Maxwell stated that if they had sold the property, and no longer had rights to that property, they no longer had to get a bank loan, they had reduced the cost for redevelopment by about 25%, between the time that they start and then it is compounded, so they are reducing costs by having this free cash flow, so they don't have to have bank financing. Mr. Fullerton interjected "not if you can't use it". Mr. Maxwell responded that you absolutely could use it on your building, so you don't have to borrow money to do this as you have cash in your pocket. You also have cash to put up for any kind of deposit going forward, and they could set up a mechanism that would be a sinking fund, this is what the city is trying to do here, but they have not fleshed it out totally. There is a cash pot that is going to take care of this building. He felt that it was a very innovative way to maintain and finance things by using rights rather than going and getting conventional

banking. Ms. Bache-Wiig said that you never know how much things are going to cost, so if you don't have to do that much maintenance, would the funds be held up forever. Mr. Maxwell answered that it is no different than if you owned a building that wasn't historic.

Mr. Adams interjected. That the owner does get a benefit by not selling them. When you sell your development rights the value of your property falls, if someone has a building with development rights and they haven't sold them, they can sell the building with full development rights for the market value. So, there is a benefit there to maintaining your building and not selling the rights. Anyone that sold their TDR's can only sell the building with reduced development rights.

Mr. Fullerton said that if someone has maintained their building, they get to sell their TDR's and keep the money. Mr. Fullerton said that he did not agree with Mr. Maxwell that it was some sort of value added, it is a value added, but if you can't use it except for maintenance of the building. He went on to say that if he had taken care of his building, which he felt that 50% of the people in that category that have historic buildings, would have taken care of it enough so if there is some value in it by itself. He agreed with the 50/50 or some sort of amount of the TDR should go to the owner to do whatever he wanted, and the rest of it should stay in a fund to take care of the building. He thought that was a good idea but did not agree with taking it all away from them.

Mr. Maxwell said that there was another way which had been done in other communities was to say to the owner that they were going to restore the building according to the standards and then they could do whatever they wanted on the interior (the non-historic parts of the building) to raise the value. Because the value of the building is based on your net operating income or just the plain land value.

Mr. Fullerton and Mr. Maxwell discussed this point. Mr. Maxwell said that starting out that's the only true valuations of the property. On a historic building it is based on the net operating income. So, if you have a 1924 apartment building that is all crapped out you can upgrade that and increase your rents.

Jorge Navarro with Greenberg Traurig stepped up to the podium and stated that he thought the city was making a lot of progress in terms of tightening up its TDR program. He said that he heard the board's concerns and stated that there was a dual purpose for TDR's.

- 1) To ensure the preservation of historic resources.
- 2) To provide some compensation to the property owner for their loss of value.

The 100% was a discussion item, and staff was looking to the board for suggestions on what the correct percentage was. When the City of Miami established their TDR program and provided a multiplier, they implemented a look back provision. For good property owners that have been maintaining their properties over the last 10 years and paying out of their own pockets for improvements and restoring the property, the city was forward thinking and looked at not only what repairs they needed to do at the time, but also what they had done before. It was almost like reimbursing the property owner for the expenses that they incurred. He thought that concept would work well as it would encourage property owners that had properties that were close to 100 years to start spending money beforehand which would mitigate a lot of the construction issues, such as water intrusion and structural issues that occur if they waited too long to do the maintenance.

Mr. Adams said it was a discussion item for recommendation to the commission.

Mr. Fullerton said he used to be a partner with the Las Palma Hotel and they had started renovation and ran into financial problems. They thought about selling the TDR's. He said if he knew that if all the money from the TDR's was not coming back to him after he had spent so much money, he would have a problem. He felt he wouldn't get any benefit from having that building after working hard on it. He thought there was a real conundrum. He felt that something had to be done for the owner of the property who's born its cost and the heartaches of every requirement.

Mr. Adams said they needed to look at it from the point of owners who have historic properties not in the designated areas. These owners don't have the option for the program. This was an advantage for certain property owners. It is not a given right that they can sell the development rights spend it on the property.

Ms. Rolando said the city was trying to incentivize historic preservation, and if you want to incentivize it, she thought they needed to give more flexibility to the selling property owner on how they use the proceeds. She liked the idea of the lookback period, but if they are relinquishing valuable rights and we they had no idea while the ordinance is being considered what those rights were going to be worth, or the cost of construction or improvements. She did not think it was an incentive if they locked a property owner into using all the enhancements when you hit that hundred-year threshold. The whole idea was to give people some flexibility, you can lock up some money or some percentage, but not 100%.

Mr. Adams said they were not forcing anyone. They could go with the existing program. For Historic Preservation, they were spending money on the building to preserve it. Ms. Rolando said that everyone knows that if you own a historic property, it is somewhat a labor of love. It would be much easier to buy a 1990's property and you wouldn't have the architectural distinction or the materials and the workmanship.

Mr. Adams stated that he thought they were veering off topic.

Ms. Rolando said they were talking about using more flexibility. One of the things that they talked about on the board was trying to accommodate the property owner to incentivize them.

Mr. Adams suggested that they stick with the existing program.

Ms. Bache-Wiig said that she thought what Ms. Rolando was trying to say is to strike a balance. Right now, it was a free for all, you could do whatever you wanted with that money and the proposal was to take all of it 100%. Mr. Menendez asked if anyone had a different proposal. Ms. Rolando said that she thought it should be the greater of 50% or the cost of the outstanding work to be done. Ms. Bache-Wiig said if you want to tie up more than 50 percent, she wanted to tie it back to the property somehow. Maybe there was a way of saying that there is an additional percentage that you can keep, but you must use it for the property, you can pay down your mortgage or you get a tax relief, something that goes back to the pocket of the owner. If 50% is for the maintenance of that property, maybe it's been maintained so well that they don't need to use the 100% and you are tying up that 100% or a portion of that. Did it make sense to give that person relief in another way?

Mr. Adams said that the program in Miami was tightened up to ensure all the money was spent on the building, because the market was being flooded with TDR's, the value was plummeting down to \$4 or \$5 a square foot. For example, if you had \$200,000 worth of repairs to do and you sold the TDRs for the \$200,000 plus soft costs, and you did the work, the rest of the money would sit in the building for 20 years, then when the next person comes along and needed to replace the roof there would still be TDR's sitting in the bank. He said he was fine if the board wanted to recommend 90% or 80%, but he thought 50% was way too low.

Mr. Maxwell said there were a couple of things that were interesting about what was being proposed:

- 1) He felt that they should not just be discussing just 40-year certifications, they should be talking about all certifications. He recommended that as a discussion item with counsel.
- 2) Once you have sold, there should be an automatic tax valuation on the property, to lower the property tax immediately. This should be part of the code so that they don't have to come back and make another application.
- 3) It was very important to state a standard of preservation, and it should be the Secretary of the Interior's standard for restoration and preservation, and there be a provision for enforceability.
- 4) Funds from the sale of the TDR's that are residual after meeting the maintenance plan deposit and the requirements for restoration/preservation could be distributed to the seller.

Mr. Adams, Mr. Ceballos, and Ms. Spain stated that this was the current program.

Mr. Adams said that if you have a \$1000,000 worth of TDR's and your preservation/maintenance plan is \$100,000 the owner walks away with \$900,000 and he had an issue with that. Mr. Maxwell asked if on the 100 year you had to reinvest that portion back into the building 100%. Mr. Adams answered affirmatively. Mr. Maxwell went on to say that if you have met the standards, you preserve the building to the way it is and you set up your maintenance plan and you funded that, then you should be able to have access the cash flow. Mr. Fullerton agreed. Mr. Adams asked if the building had

been kept up to standard. Mr. Maxwell said if you have restored it and met the criteria. Mr. Adams asked “and if you haven’t used any TDR’s, you should be able to sell 225% of your TDR’s and pocket all of the money Mr. Maxwell said that that was easier than doing a look back. Mr. Adams said from a staff position he would not support that.

Mr. Fullerton said that Jorge was talking about City of Miami, he said that they looked back at the performance of the owner in the past and maybe that is an evaluation that could be taken at the time of the TDR sale. You could go in there and do a high detailed analysis of the building as it stands, and if it has been taken care of and see where it should be. Mr. Adams said he could potentially support that because the money has been spent on the building. Mr. Maxwell said it was the same thing. He used the example of the Colonnade building. This building has been restored according to the Secretary of the Interior’s Standards and it has been maintained fairly well, so they sell the development rights, they still must put up a deposit on the maintenance plan, so that gets funded. Now what about the residual funds? They have maintained the building, and restored it to the standard, they have put up their deposit and they have their plan and how the money is just sitting there which they cannot access. Ms. Spain said that according to Mr. Navarro if they have kept their receipts, they could submit them for reimbursement out of the portion of the money that sold for the \$200,000. Mr. Maxwell said that if he was an owner who had bought the property, he would not have receipts from before. Ms. Rolando said they would pay extra because it has been restored. Mr. Maxwell asked if they didn’t think that the open market would value that.

Mr. Durana said if he had a building and has a million dollars of restoration work and had a fund of a million dollars to repair the building, then when he went to sell the building on the open market, the buyer would like that because they would have a million dollars to fund them for the next 20, 30, 40 years to preserve that building. The property value goes up. There is some value to the owner. The property goes up if you don’t use that money, it is basically a free maintenance plan for the next owner.

Mr. Fullerton said there is also something to be said for the type of building that it is. He said that the Colonnade, was a national chain of operation which would never fall into disrepair, unless there was a war or something equivalent, it would be taken care of by the tenant/owner.

Mr. Adams said if someone could show that they spent \$500,000 in the past 10 years he would support refunding the money, but if someone spent \$500,000 and they sold \$2 million worth of TDR’s he would not support that. Mr. Maxwell asked Mr. Adams to consider that if he had just purchased the building and paid “x” amount of dollars for it in that condition, he wouldn’t be able to recover anything. It would not be recoverable as he didn’t spend it and he didn’t own it before, and he didn’t know what was spent. That is a difficult enforcement as property changes hands quite frequently. He did not think there was a solution at this point, but that they needed to look at different ways of dealing with this and compensating the owner. Mr. Fullerton said that they should get TDRs from owners of contemporary building that don’t take care of them so that there are funds for the new owners to fix up the building. He thought it was getting ridiculously complicated, but that there were ways to come up with a balance between what the owner deserves and what the building deserves. Mr. Durana asked if when they get the TDR money, where would it go to. For example, construction costs or engineers, architects. Mr. Adams said that could all be included. Everything would have to be submitted through the Historic Resources Department. Development Service calculates the existing floor area, the allowable floor area, but all the actual transactions are private market value between attorneys. Ms. Bache-Wiig asked what happened if when they sold the TDR’s they didn’t implement the maintenance plan? Mr. Adams stated that currently he did not believe that there was anything that allowed the city to penalize someone because they haven’t spent the money on the maintenance plan.

Mr. Ehrenhaft said that that would be an argument for holding something back. When there was a transaction like this there should be a review of the structural condition of the building to determine what work was needed, and it should be independent. There should be a buffer zone so that some portion of the benefits to the person that sold the TDR’s, would stay with that property without the height on it. There would be hurricane damage that had to be restored. If you had flat or tile roofs, at some point a new roof would be needed and there should be some calculations that would allow some portion of the monies to be protected. The seller should benefit from some portion, but some of it should ride perpetually so that it is tied to the building. This would provide a buffer zone for something catastrophic, no matter who the owner was. Ms. Bache-Wiig suggested a baseline established by a 3rd party that stated what needed to be done to maintain the property.

Mr. Ehrenhaft said he was suggesting that it could be a possibility, but whether it would be required or because the property owner wants to know what's coming at them in the next decade or two. Mr. Ehrenhaft asked if they were talking about maintenance plans. Maintenance plans presume that there is something wrong with the building or that one knows that certain parts of the infrastructure of the building are going to deteriorate naturally and will have to be repaired on a time schedule, every 10, 15 or 20 years. He felt that however it gets structured some small portion should be held back and tied to the property for the future owner. Ms. Bache-Wiig asked if there was a checklist for the maintenance plan?

Mr. Navarro said there were not many TDR deals in the city. How they worked was that maintenance plan was submitted from an architect who had looked at the historical elements of the building that should be prepared, enhanced, or brought to the standards. He said that they needed to have a standard of where it needs to be elevated to, but they didn't look at any 40-year issues. He thought that the idea was to make sure that these TDRs were not only going to maintaining the aesthetic portions of the building that makes this building unique, but also the structural membrane that ensures that the building would stand for years to come. In addition to having the architect look at these aesthetic features they would also look at the structural and electrical issues in the building and make sure that those items were added to the maintenance plan. Then the seller would need to have as part of his TDR sale a declaration running with the land stating he would make those series of improvements. Also, to have an escrow agreement, bond, or letter of credit which they did with DERM all the time. When DERM gives you an extension to do something they make you put an escrow agreement. You would put a certain percentage of that TDR proceeds back; you would be more likely to complete the work and come back and get that money and not leave it on the table. He said these were the new elements that were coming.

Mr. Fullerton said that he thought the big problem was that they might be overlooking the value of TDRs in any given city or location. Mr. Adams had given them the example of \$5 a foot, and he felt none would do anything with that amount. Mr. Adams said he believed they were around \$30 a square foot. Mr. Maxwell asked why it wouldn't be closer to the incremental value of the markets. Mr. Fullerton said it was \$15 to \$20 per square foot.

Mr. Navarro stated that the price of TDR's had stayed the same for almost 20 years, but if you were to build that square footage the price per square foot has skyrocketed in Coral Gables and so has the price of construction. The person who has a historic building has a significant disadvantage because the value of what they have is worth much less than what it would be at market if you were to build it or what it converts to in terms of price per square foot of construction. Mr. Fullerton said it seems counterintuitive as it is a square foot of buildable space, you would think it would be \$300 per square foot. Ms. Spain asked, that the way it is written you had to have an architect on the maintenance plan. She thought they should add to the maintenance plan that all systems should be evaluated in structural, electrical, and mechanical. She said she used to get maintenance plans from all kinds of people and the requirements were not specified in the ordinance so they could do whatever they wanted. She also thought they should require an affidavit showing the amount of the sale of the TDR's so that it would be part of the city's file. She understood that it was a private sale but if the city was going to give 80% or 225%, they needed to know what the cost was.

Mr. Adams asked Mr. Ceballos if they could do that, to which Mr. Ceballos replied that he thought it was part of the process. The City is not a party to the contract, but they had the contract as part of the process. Ms. Spain said she had never received a contract. Mr. Ceballos said they could add that as part of the clause. Ms. Spain said that 80% would be appropriate, she did not think it should be any lower than that. Ms. Rolando said that she thought that they needed to have enforcement of the maintenance plans, as there were several buildings that she was familiar with where there had been a transfer of TDR's and even though a maintenance program was involved, they looked decrepit. She said that whatever maintenance plans was in place was not being enforced. The city was not getting what it bargained for with the sale of the TDR's if the buildings are not being maintained. Mr. Ceballos said that he believed that it was already there, it was the only enforcement mechanism that the city had. Code enforcement could cite for failure to follow the restrictive covenant. He said they could investigate it being a part of the process.

Ms. Bache-Wiig asked that they should add a clause that once the improvements were completed and the standards of the plan were met (including electrical, mechanical, plumbing so that it is more comprehensive), then you would have access to the money in escrow. This would be an incentive for them to complete the job and it would be another way for the city to enforce the maintenance plan. Mr. Ceballos said it was plausible and he was helping staff. The only reason he was providing input is because he was working with staff to present to the commission. He said he would err on the side of making this simple as when you over specify it makes it very difficult for the city to comply and opens a lot of loopholes

on the developer's side, so he was hesitant to try to propose anything that's overly complicated. He asked Ms. Spain if the motion that was on the floor was proposing 80% for the additional 125% or for the entire 225%.

Ms. Spain said it would be for entire 225%. Ms. Spain said 80% would go into the building and they would be able to pocket 20%.

Mr. Adams clarified the following:

- 1) If 80% of the 225% goes into the building, 20% goes to the owner.
- 2) There should be an inclusion for structural, electrical and any engineering requirements in the plan.
- 3) There should be an affidavit stating the value of the TDR's.
- 4) All repairs must conform to the Secretary of the Interior's standards.
- 5) There should be a level of enforceability.
- 6) There should be the inclusion of a maintenance plan.

He asked if anyone had anything to add.

Mr. Ceballos asked for a clarification if the 80% would account for previously expended funds and previously sold TDR's. If you now have 225%, but you sold the initial 100%, does that mean the remaining 125% would have to be spent because you spent way beyond 80%. Ms. Rolando asked if they had a lookback? Mr. Ceballos said that was his question, because if you have 225%, but you have already sold the initial 100% 10 years ago and now your property is at 100 years do you get the additional 125%. Ms. Spain said that she was thinking that if you sold the original 100% that you would have 225% of whatever is left to sell. Mr. Ceballos said right now you would have zero, they were getting the additional 125% only if they were under the plan and the building happens to be within 10 years of the 100-year certification.

Mr. Ceballos at the request of Mr. Fullerton went on to further clarify. You had originally 100,000, you sold 100,000. Now your building is over 100, now you technically had 225%, but you already sold the initial 100% so by that policy you can't take 80% as 80% of 225% is way beyond 125%.

Mr. Ceballos said one suggestion that had been discussed was 50%, or one option he believed addressed some of the comments before was to tie the 50% to the cost of the maintenance. This meant that if you have \$1 million of TDR's and your maintenance plan calls for \$200,000 you can sell \$400,000 and keep \$200,000, you put \$200,000 in the building and then the remaining balance of TDR's remains with the property until that moment when it is required again. All within the 225% program. Ms. Rolando asked Mr. Ceballos to repeat it again. Mr. Ceballos said that if you sold \$100,000 of TDR's 50% of it has to go to the property. Whatever your maintenance plan would be, if it is \$100,000 or \$200,000 you can sell double that and pocket the remaining 50%. If your maintenance spends \$100,000, you can sell \$200,000 worth of TDR's, put \$100,000 into the maintenance plan and you can keep \$100,000. Ms. Spain asked if this would be anytime. Mr. Ceballos said this would be under the 100-year program. He said that they could suggest this to the regular TDR, but he was not sure if that was something that would be in the appetite of the commission.

Mr. Fullerton asked if staff or Ms. Spain could tell them what property that the city owns or any other developers owns, that was a historic property which could generate \$100,000 in TDR's. He said he did not know of any. Mr. Ceballos said he would defer to staff. Mr. Adams said there was a list in the office, but he did not have it with him. Mr. Fullerton said generally it is like 10, 15 or 20,000 square feet of TDR's unless it's a school like Gables Elementary where there are big numbers, but he did not think they were talking about numbers like that. He didn't think that the amount of money was going to be that big of a deal. What was valuable to the developers, it is the square footage, not the TDR's.

Mr. Adams said he thought that would be more of a reason to keep the percentage going into the building higher because if you only have a 100,000 to sell, if you are giving 50,000 to the owner you only have 50,000 to put into the building. Mr. Ceballos said he would make the floor the cost of the maintenance. If you have \$100,000 your plan is \$75,000 you can't sell 75.

Mr. Navarro clarified as follows:

If you have a \$100,000 and your forty-year maintenance plan requires \$80,000, you had to put the \$80,000 in and then you only have \$20,000 left over. Mr. Ceballos said that is the way the current plan is. Mr. Fullerton said that in 40 years

that number is not going to pay for anything. Mr. Navarro said he agreed with Mr. Fullerton, if the owners have been maintaining the building there should be some benefit to the owner. Mr. Durana said they were not considering the architect fees etc. Mr. Fullerton said that would be negotiated with the city, but the other thing that they were not considering is if these were commercial buildings they would have a cash flow, so there would be money coming to the owner. There must be something in it for him or he just wouldn't sell. Mr. Maxwell said they were enabling them to increase their net operating income by reducing some of the costs because they had prefunded some of these things. He said they were talking about a one-time cash distribution, and he felt that they were all in agreement that they should be able to take some money out of the property, but at the same time leave money in there. Mr. Fullerton said the Blue-Ribbon Committee that Mr. Navarro would head should decide how much money should be spent

Mr. Maxwell said if they were requiring a sinking fund which is essentially what they were doing with the bond/letter of credit, it should be transferrable to the new owner. If they have control of the \$100,000 fund, they could make 8% in a good year, which would compound over time which would be a benefit to the owner. Mr. Fullerton said if he was selling the property and the new owner had \$100,000 to maintain the property, he would raise the price of the building by \$85,000, which is what normally happens in the market.

Mr. Navarro said that the problem with leaving TDRs in the building is that there are not many TDRs available. If a developer is building a mixed-use building and sees that he can only buy 80% of your TDR's that is going to restrict the transaction from going through as the developer does not want to have to get many different TDRs, and it has happened in the past. Ms. Spain said that is what happened with Starwood at the end of Miracle Mile, they had purchased the buildings, designated the building, and then sold the TDRs to themselves for development. Ms. Rolando said the attorney fees would be ridiculous.

Mr. Navarro said he had been currently dealing with two. They two property owners and had to do two maintenance plans. They had gone before the planning and zoning board, the historic board and two readings at the City Commission. If you tell a developer that he can only buy 80% from this person, and 80% from this person, they are going to say forget about it. Leaving that 20% is going to be so small that it is not going to create a value. Mr. Adams said the proof was in Miami where the TDR program was incredibly successful, and all the money must be spent on the building.

Mr. Navarro said the City of Miami had a bonus program where you get an additional density in height, that was based on workforce housing and TDR's. It was a code that was built to promote the use of TDR's, which was great because they got a lot of historical preservation. They were very busy in the city. Ms. Bache-Wiig said there that was an important distinction between the two cities as they are very different in their mission and where they were headed. They were building skyscrapers in the City of Miami and those TDR's exchanges have been happening for a long time, based on the nature of how high they were building and allowed to build. She thought they needed to scale this down to Coral Gables. Mr. Adams said offering 225% for a 100-year-old building was not scaling a program down, it was increasing it for certain buildings by 2.25. For the 100-year-old buildings it is scaling the program up if you wanted to look at the square footage. Ms. Bache-Wiig said there was not going to be that many TDRs bought even at the 225% because they are not allowed to build what they can build in the City of Miami. Mr. Adams said they can build up to the limits specified by the code.

Mr. Fullerton asked him to do an example, to take a building from downtown, find out what the square footage was and what the market value was per square foot, and do a math calculation and show them what it would amount to. Mr. Durana asked about the building the city just purchased next to Bugatti. Mr. Fullerton asked how many square feet the building was.

Mr. Adams said that needed to have a motion with requests that he had listed, the only outstanding question is what the final number was that they were going to recommend. Ms. Spain said she was happy with the 100%. Mr. Ceballos added that the 2.25 is just something that staff and legal had brought over from Miami. If the board feels that a higher number should be there to increase the amount of TDR'S for all the properties, that is something that the board should also consider. Ms. Bache-Wiig said that if they were going to do such a high percentage, then she thought that they needed to give relief to the property owner in terms of taxes so that they felt they were getting some benefit in their pocket. She said she would approve it, but she wouldn't approve the 80% as with no incentive they were never going to see the money.

Ms. Spain said she withdrew her motion, and she was putting forth another with 100%.

A motion was made by Ms. Spain and seconded by Mr. Maxwell to approve the TDR amendment as proposed by staff with the additions.

The motion passed (Ayes: 5; Nays: 3).

Mr. Adams said it was just a recommendation. He asked Mr. Ceballos if the board members were free to send comments to the City Commission. Mr. Ceballos said he did not see an issue with that as it was a legislative matter, they could do so in a personal capacity, not as a board member. Mr. Adams reiterated that they could send their comments to the City Commission.

Mr. Durana asked that if the property owner went to the 40-year certification now, they can sell their TDR's and pocket the money, and if they held the building until 90 years could he do the 2.25. Mr. Adams said he would not be able to if he had already sold them. The question was that if he had sold 100% is he eligible to sell the additional 125% at the 100 years. Mr. Adams said he would certainly support that. Mr. Ceballos said he believed that was the intent, if you sold 100% and now you qualify for this additional multiplier, you would only get the 1.25, but it is years they did not have before.

Mr. Maxwell asked if they could get their board packets earlier, particularly if there is something complex. He requested a minimum of a week before the meeting. Mr. Adams said sometimes it was easier than other times as they liked to work with applicants, so if some things are received a couple of days after the deadline, they would accept them. If the board wanted the packages a week earlier then they would have to amend the deadline for a full package. Applicants currently had to submit four weeks before.

Mr. Fullerton said the minutes were the most important to him. He asked Ms. Spain about before when they used to have non-verbatim minutes. Ms. Spain said Nancy Morgan a secretarial service had done summary minutes, but she did not do that anymore. Mr. Fullerton said they were very helpful, and they did a perfectly adequate job. Ms. Spain said that the planning and zoning board do verbatim minutes from the court reporter, and it would have had to be staff and staff does not have the time to do summary minutes which is why she had switched to having the court reporter. If it goes to the commission for appeal, they need to have all the record. Mr. Fullerton asked if they had them on tape. Ms. Kautz said they could not find someone who was willing to do summary minutes. Ms. Spain said it ended up being staff's responsibility and it really was not possible.

Mr. Adams asked if the board preferred summary or verbatim minutes. Ms. Rolando, Mr. Fullerton, and Mr. Maxwell said she preferred summary. Mr. Adams said they would investigate it. Ms. Spain said he should look at the Board of Adjustment minutes as it was an equivalent board when it came to variances etc., and they just do the application, staff recommendation and the vote. They would have the court reporter and if it went to appeal, they would request the transcript. Ms. Rolando suggested doing canned minutes before and then filling in the motion and the outcome.

Mr. Adams asked if a court reporter would be required. Ms. Spain said she believed a court reporter would be required. Mr. Fullerton said that when they had them before there was a court reporter. Ms. Rolando said it was because they were quasi-judicial. Mr. Ceballos asked if they were talking about a court reporter for the Historic Preservation Board meetings. Ms. Spain said that even if there was a summary done a court reporter had to be sitting here so if an applicant wanted to appeal so they would be able to order the verbatim unless they could do it from the tape. Mr. Ceballos said he had reviewed the code, but he needed to do further analysis as there was certain language that specifically referenced special COA's that require a written record of the proceeding, whether that meant summary minutes or not he did not know. He said that he did think there was anything in the code right now that says that a court reporter was required. There were certain boards that do require it per code. In addition, since they were being recorded via Zoom it was another option for the board. He said he would investigate whether there was a requirement for a court reporter to be present. Ms. Kautz asked if a court reporter was not physically in the room taking notes, they would be willing to do a transcript from Zoom. Mr. Ceballos said he did not know. He went on to say that typically if an applicant is presenting for the board and they are concerned with an appeal they should bring their own court reporter. It is not a duty of the city unless the code required it. Mr. Adams said they wanted to try and keep costs down, and make sure that they got

Coral Gables Historic Preservation Board Meeting Minutes
December 15, 2021
Continued

the minutes on time, and if there is no requirement and the board prefers summary minutes then that would seem to hopefully address a lot of these concerns, especially if a court reporter is not required. He said they would investigate it and let them know what the options were.

CITY COMMISSION ITEMS: None.

ITEMS FROM THE SECRETARY: None

ADJOURNMENT: There being no further business, the meeting adjourned at 6:15 pm.

Respectfully submitted,



Warren Adams
Historic Preservation Officer