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NO TAX BREAKS FOR PART OF MIMO

BY MATTHEW I. PINZUR

A Miami historic district that wanted to join a tax-break program for neglected areas was flatly turned down by local leaders, even as the developers of six massive condominium projects received government help to capture an estimated \$47 million of incentives from the same program.

The MiMo historic district, a two-mile stretch of Biscayne Boulevard, hoped to be added to Miami-Dade's Enterprise Zone, a geographical area where sales-tax rebates, job credits and other government incentives are supposed to encourage redevelopment and growth.

'We were begging for it,' said Fran Rollason, president of the MiMo Biscayne Association. 'It's kind of like the little guy got kicked to the curb.'

Those incentives, which already apply to part of the MiMo district, could help iconic but ramshackle hotels remodel and encourage entrepreneurs to take a chance on the neighborhood's slow renaissance -- exactly the purpose lawmakers had in mind when they created enterprise zones.

The city of Miami, however, told MiMo supporters they did not qualify for the project. E-mails suggest they may have misread the rules, but a city official pointed the finger at county hall.

'They told me point blank: that's not what this is about,' said Marcus James, the city official who sent Rollason an e-mail saying MiMo did not qualify.

A county spokeswoman denied they discourage MiMo.

James now says the group could have applied anyway, but Rollason said her small group of volunteers had no idea how to proceed -- nor, after James' e-mail, any reason to believe they should.

'I wouldn't even know where to start,' Rollason said.

The case illustrates how wealthy and savvy companies can have advantages over small groups when tapping into government programs.

Some of the condo towers that were approved for the incentives are already built -- at least one is even occupied -- raising questions about why they need tax breaks meant to stimulate development.

In exchange for the county's approval, most of those developers agreed to donate 10 percent of their tax breaks to the county's new affordable housing trust fund, ensuring Miami-Dade would share in the state's largess. The MiMo project probably would not have been required to make any such donation.

'We would not even have known how to be an applicant, unlike the developers, who have tribes of lawyers and lobbyists to work on it,' said Nancy Liebman, a former Miami Beach commissioner, who was part of the drive to add MiMo to the zone.

As early as November 2007, Rollason was contacting city and county leaders about the enterprise zone. Part of the MiMo district is already in the zone, but the boundaries can only be changed once every three years and Rollason wanted to get the rest of the area added.

'In order to revitalize the district, incentives are needed,' Rollason wrote in a Nov. 6 e-mail to leaders in both governments. 'These businesses have suffered from urban blight along with the effects of [state] roadwork.'

SMOOTH START

The early responsive was positive, including a Dec. 19 letter from city manager Pete Hernandez that endorsed the project to the county's economic development office.

In January, the county commission created a formal application process. Properties inside city limits required a resolution of support from that city's commission, and Rollason kept prodding city and county officials for updates.

'I hope you are on top of it,' she wrote in one such message. 'Please

keep us in the loop. As you well know this is VERY important to the district businesses.'

At the end of February, however, James rejected the idea in a lengthy e-mail.

First, he wrote, state law limits the size of the zone and the county was insisting that any addition be offset by removing an undevelopable area.

MiMo had not suggested any substitution.

But unlike that curt refusal to MiMo, the city worked on its own to find land swaps for the condo developers. They cut out the city cemetery to make room for Icon Brickell, a Miami River-front tower built by The Related Group, as well as Quantum on the Bay, which is already occupied by condo owners who paid as much as \$500,000. Segments of Eaton Park, Henderson Park and Jorge Mas Canosa Park were removed to make room for four other residential projects.

James said the city would have found land for MiMo, too, had it made a formal application. Rollason said that was never made clear.

`TOO BAD'

'They were able to contrive this convoluted formula [for the developers],'
Liebman said. 'All they did with us is say, `Too bad, you just don't qualify.' '

James' second reason was a set of affordable housing requirements imposed by the county: either the 10-percent donation that most developers promised or a guarantee that 5 percent of the project would be set aside for affordable housing.

Other parts of the county's rules clearly suggest preference would be given to projects that benefit affordable housing.

MiMo's application made no mention of any residential, though Rollason now says some of the district's buildings have apartments above street-level shops.

Indeed, the county's summary of the rules includes that clause. But the full

text clearly shows that restriction only applied to ``housing projects.''

After The Miami Herald published its first story on the tax breaks -- which prompted the MiMo group to raise questions about why it was excluded -- both the county attorney's office and economic development department confirmed that non-residential projects could have applied.

James said his explanations were secondary to the fact that Tangie White Jackson, an official in the county's economic development office, told him MiMo would not qualify.

Jackson, through a county spokeswoman, said she never made any such statement.

Hernandez said he strongly supports MiMo and regrets the ``unfortunate misunderstanding.''

''They probably misunderstood the process,'' he said.

HARD TO OVERCOME

If so, Liebman said, it is the kind of misunderstanding that small groups could never be expected to overcome.

''Nobody bothered to use any effort to be creative,'' Liebman said. ``We had all the necessary elements for someone who wanted to move forward on this.''

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