



# **HISTORIC PRESERVATION & REUSE**

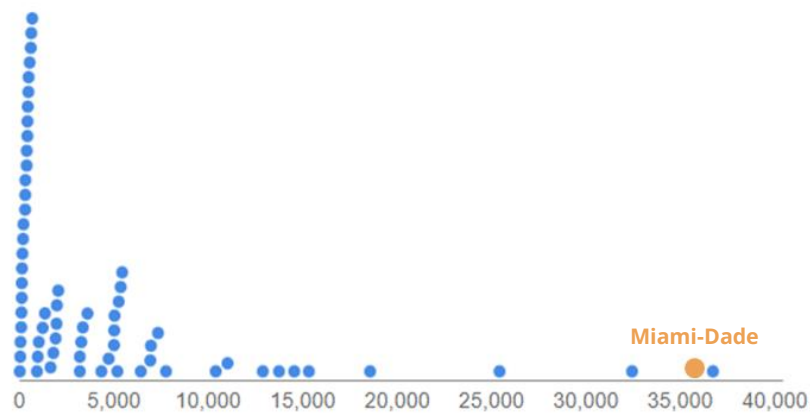
Dade-Commonwealth Building

*Miami*

## HISTORIC PRESERVATION & REUSE | The Opportunity

Miami-Dade is one of the fastest growing and highest income counties in the state, gaining close to 36,000 new households in 2021 with an average income of over \$80K.

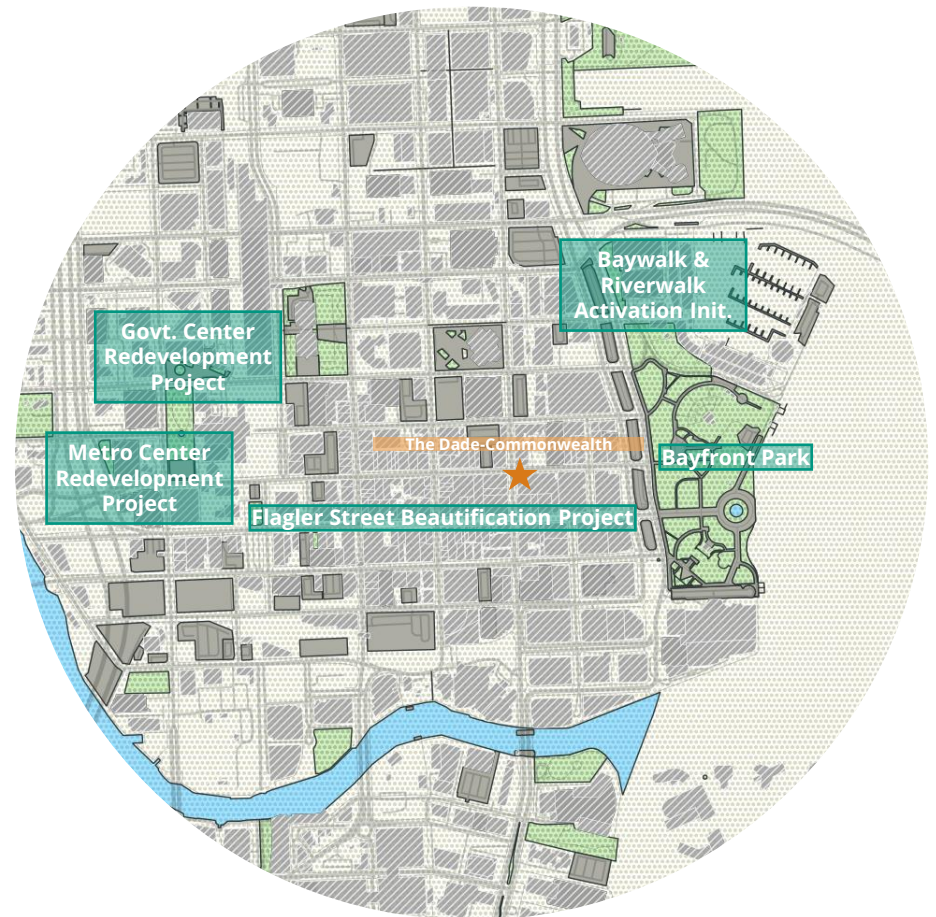
### Increase in Households in Florida by County (2021)



### The Opportunity

- Miami-Dade County is one of the largest growing counties in the country, adding almost 36,000 new households in 2021 (second only to Orange County).
- The incoming households had an average income of more than \$80,000—the eighth highest among all counties in Florida.
- Downtown Miami is undergoing a broader revitalization effort, given the influx of households and growth of the region as the entire downtown becomes a vibrant center for the region.

### Selected Downtown Efforts in Downtown Miami



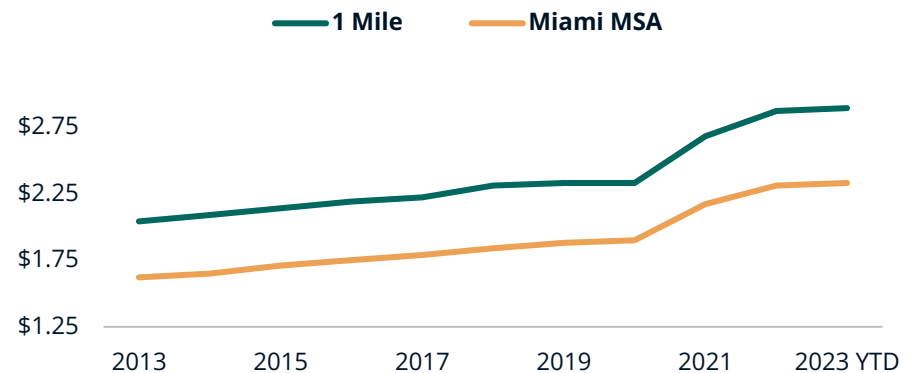
## HISTORIC PRESERVATION & REUSE | Residential Demand

Rising rents and significant construction in Downtown Miami suggest that residential units built in the coming years would be quickly absorbed, especially given the influx of population.

### Key Metrics

	1 Mile	MSA
<b>Inventory</b>	19.7K Units	256.6K Units
<b>Under Construction</b>	7.6K Units	32.3K Units
<b>Planned</b>	26K Units	99.6K Units
<b>Vacancy</b>	5.1%	4.0%
<b>Rent</b>	\$2,600	\$2,000
<b>Annual Absorption</b>	123 Units	2.2K Units

### Rent/SF



Downtown Miami rents have historically been higher than in the Miami MSA as a whole and have seen an increased pace of growth since 2020.

The area is experiencing significant ongoing new residential construction, with inventory set to grow by about 40% from current construction alone. Vacancy is slightly higher than the rest of the Miami MSA, likely driven by the recent uptick in residential supply.

## HISTORIC PRESERVATION & REUSE | Residential Demand

The Dade-Commonwealth Building can be found at the heart of the latest new construction in Downtown Miami.

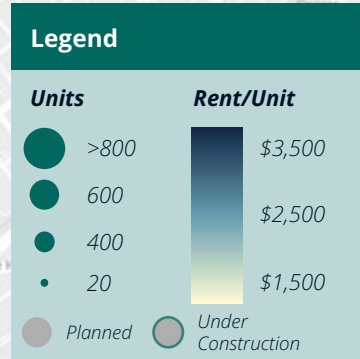
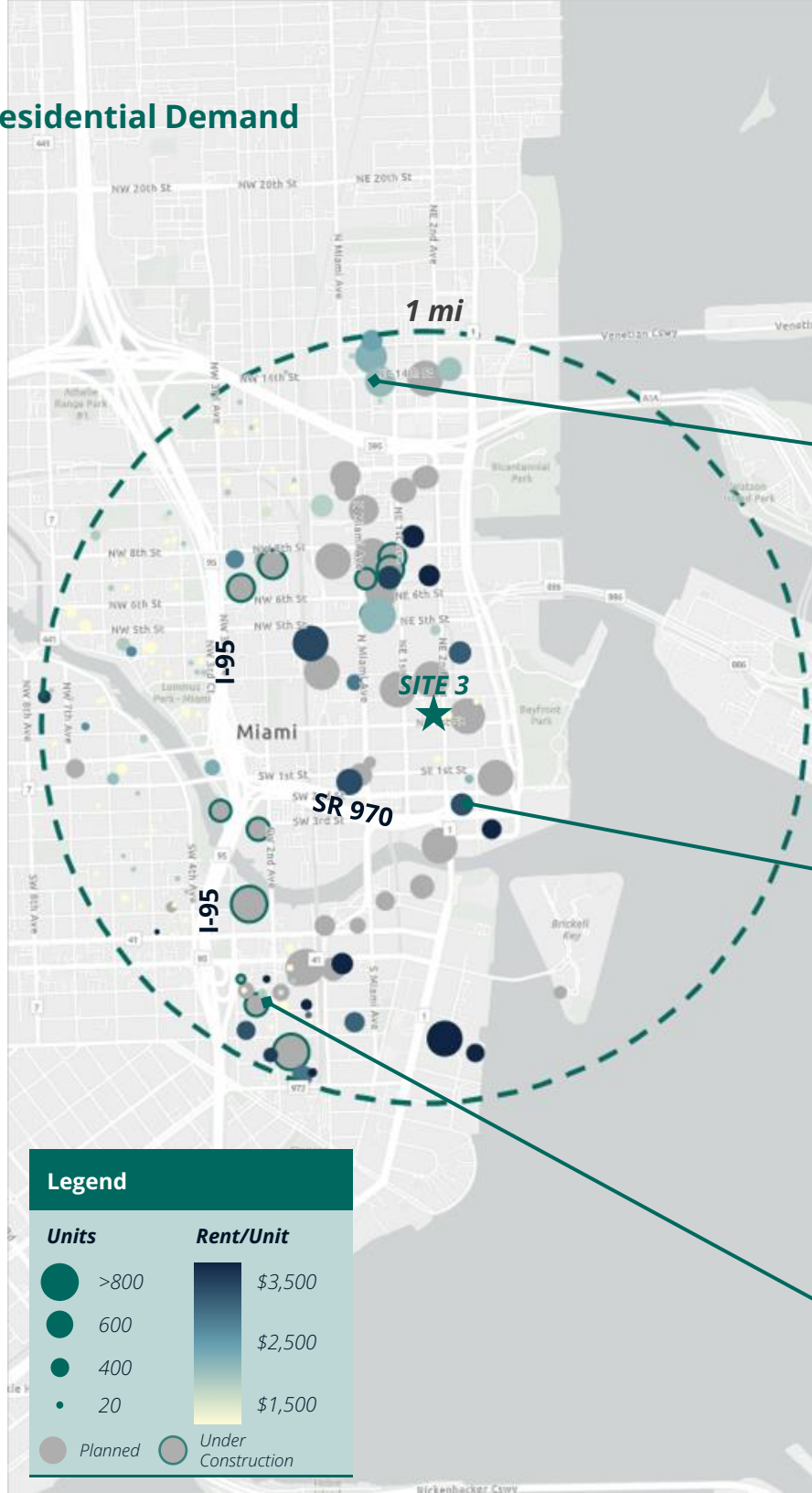
### Development Trends

Multifamily development within 1 mile of the site is concentrated east of I-95. New developments planned into the 2020s are primarily high-rises clustered in north Downtown Miami.

Multifamily buildings built since 2010 are highly amenitized high-rises. New developments are planned throughout downtown but are mainly clustered north and south of the site.

### 1-Mile Overview

<b>Total Units</b>	<b>19.7K</b>
<b>Planned/Under Construction</b>	<b>33.6K</b>
<b>Rent per Unit</b>	<b>\$2.6K</b>
<b>Rent per SF</b>	<b>\$2.89</b>
<b>Vacancy</b>	<b>5.1%</b>



**Square Station**  
 Units: 710  
 Year Built: 2018  
 Average Rent: \$2,277 (\$2.20/sf)  
 Building Type: High-Rise  
 Amenities: Fitness Center, Pool



**Monarc at Met**  
 Units: 462  
 Year Built: 2016  
 Average Rent: \$3,082 (\$3.34/sf)  
 Building Type: High-Rise  
 Amenities: Game Room, Fitness Center, Pool/Spa, Sundeck



**Vista Grande Apartments**  
 Units: 89  
 Year Built: 2014  
 Average Rent: \$3,990 (\$4.93/sf)  
 Building Type: High-Rise  
 Amenities: Clubhouse, Fitness Center

## HISTORIC PRESERVATION & REUSE | The Site

The Dade-Commonwealth Building was built in 1925 as one of the tallest buildings in the city at the time, as an office building for the Meyer-Kiser bank.



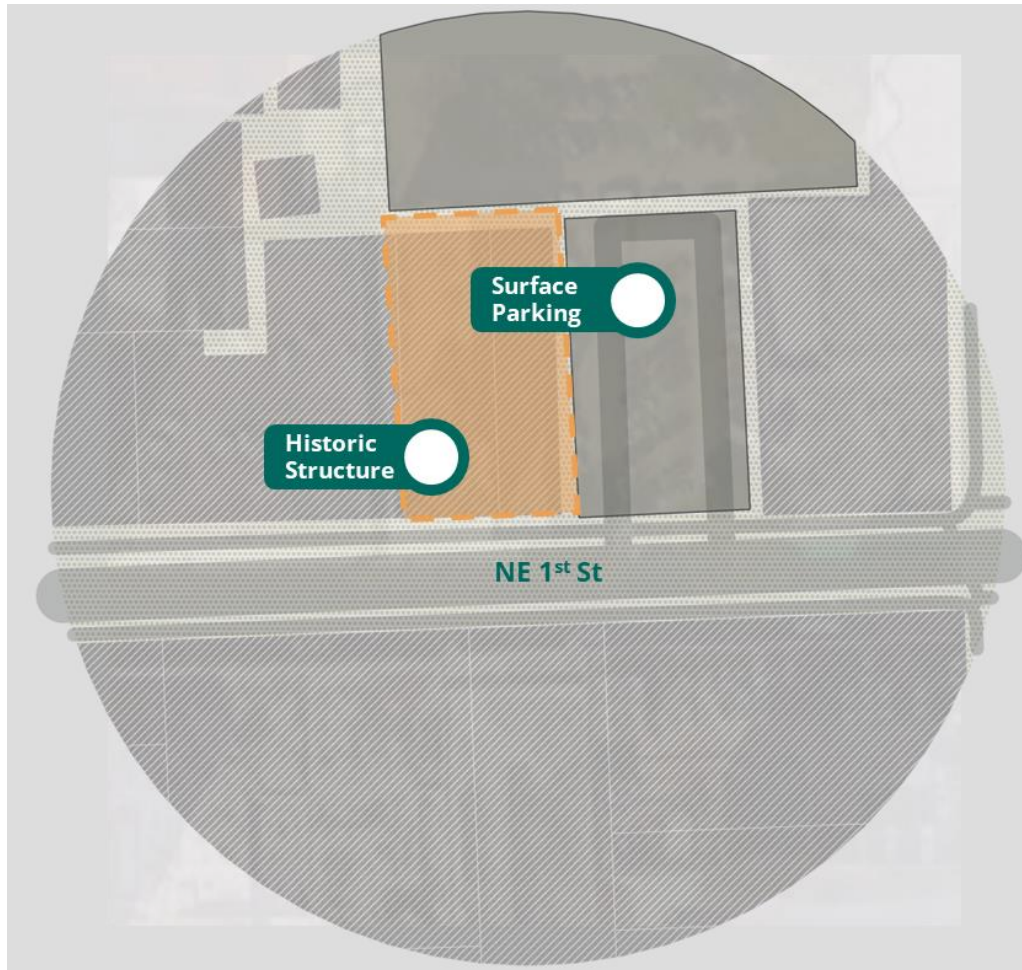
*Building as constructed in 1925  
(South Florida Business Journal)*



*Building at present, following post-hurricane reconstruction*

## HISTORIC PRESERVATION & REUSE | The Site

The next chapter for the Dade-Commonwealth Building is to adapt the site for apartments while celebrating, preserving, and rebuilding the historic building to its original grandeur.



### Site Context

The Dade-Commonwealth Building is a seven-story office building located on Northeast 1st Street. Although on-street parking is limited, privately and publicly owned surface parking and parking structures are adjacent to the site.

### Land Use and Zoning

The site is currently zoned for an urban core activity or Miami's T6-80-O, which allows for the by-right development of up to 80 stories with a floor lot ratio (FLR) of 24. In 1999, the Dade-Commonwealth was added to the U.S. National Register of Historic Places. The structure has an in-place approval for demolition that allows for leaving the historic three-story façade and is also entitled to the Ad Valorem Tax Exemption for Historic Properties. Zoning permits structures to sell excess buildable square footage and density.

### Current Use

Use	<b>Office</b>
Year Built	<b>1927</b>
Floors	<b>7</b>
Square Feet	<b>43,000</b>
Parking Spaces	<b>N/A</b>

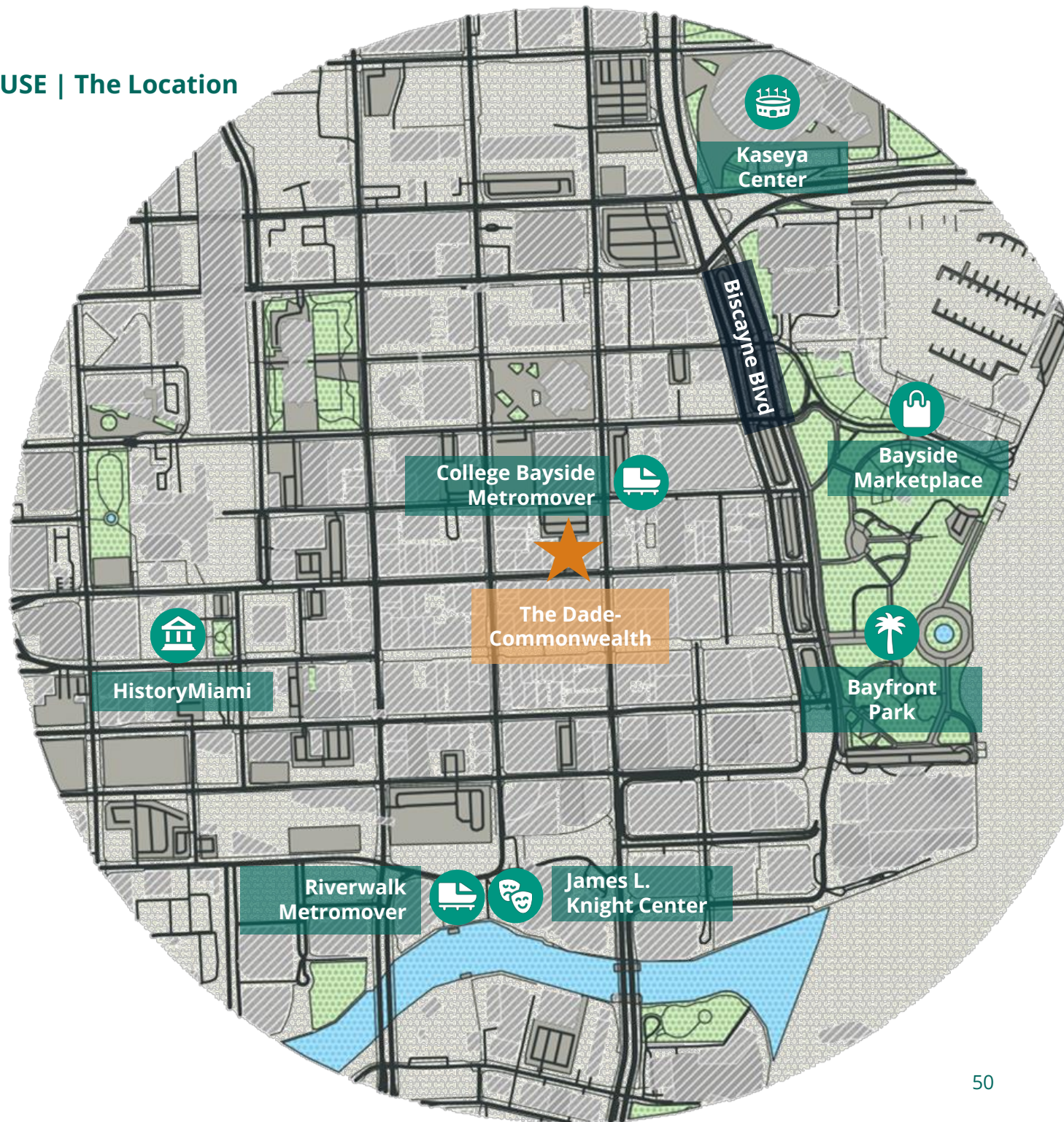
### Zoning

Category	<b>Urban Core (T6-80-O)</b>
Max Height	<b>80 Stories</b>
Dwelling Units/Acre	<b>1,000</b>

## HISTORIC PRESERVATION & REUSE | The Location

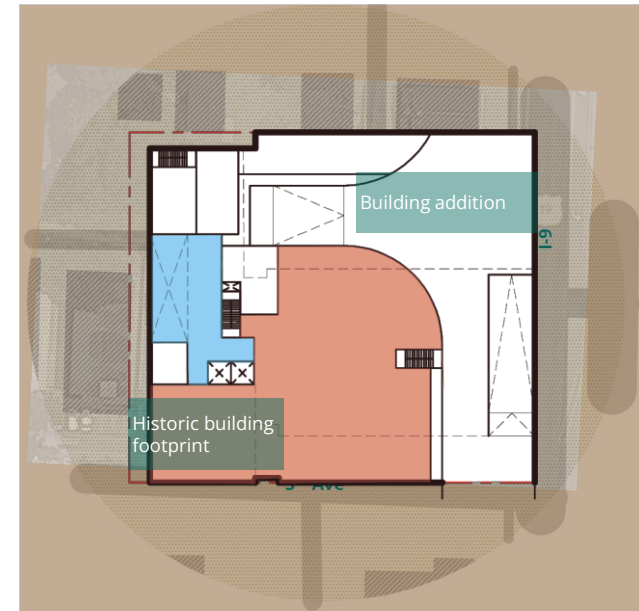
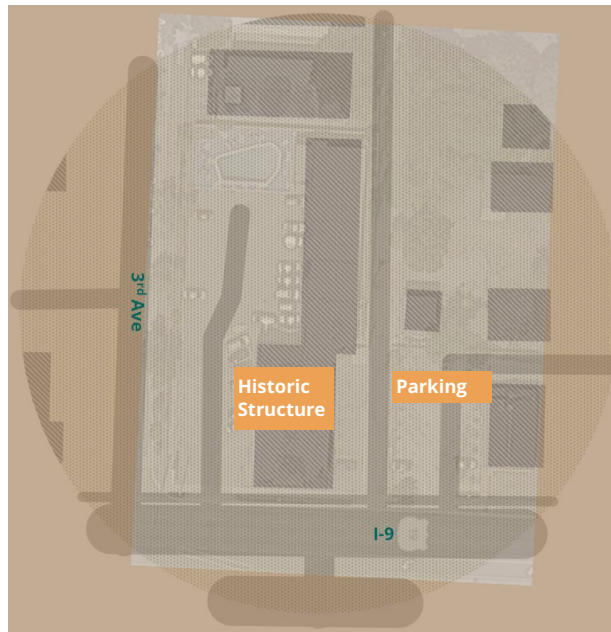
The Dade-Commonwealth will offer residents a highly vibrant downtown experience.

Downtown Miami is strategically situated near key roadways, including I-95 and Biscayne Boulevard. This central location is further complemented by its comprehensive public transit system, connecting residents to various amenities throughout Miami and the wider South Florida region. The area encompasses a mix of retail outlets, workplaces, and some of Florida's renowned attractions. Given its position and offerings, Downtown Miami serves as a hub for both residents and visitors, reflecting the vibrant essence of the city.



## HISTORIC PRESERVATION & REUSE | The Plan

The proposed project creates **190 new multifamily units** in addition to retail and amenities.



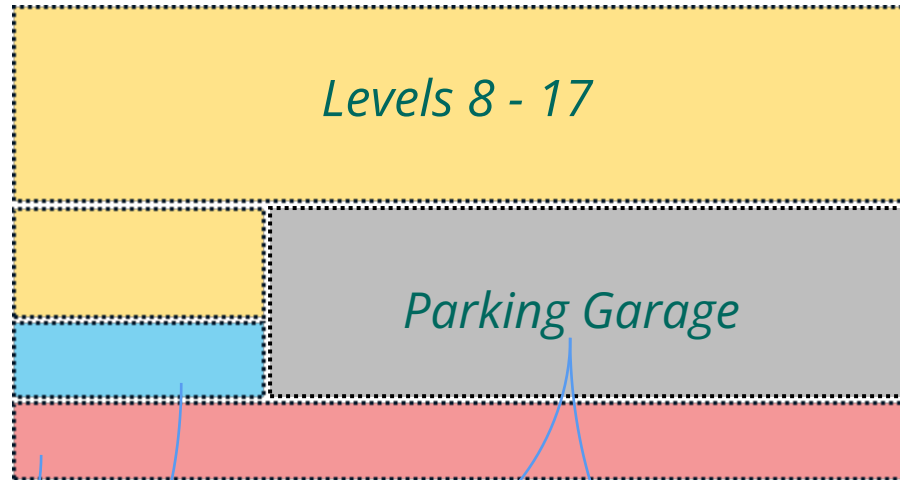
	Current Use	Proposed Adaptive Reuse
	Total	Total
Description	Vacant office building	Existing building rebuilt to historic 17 levels, with first floor retail, first and second floor residential amenities, parking garage, and residential rooftop bar above.
Use	Office	Mixed
Floors	7	18 (including rooftop)
Rentable Square Feet	42,000	155,250
Units	0	190
Parking Spaces	0	192



The proposed site creates **190 new multifamily units** in addition to retail and residential amenities.

### Proposed Section

Existing building rebuilt to historic 17 levels, with first floor retail, first and second floor residential amenities, parking garage, and rooftop bar.

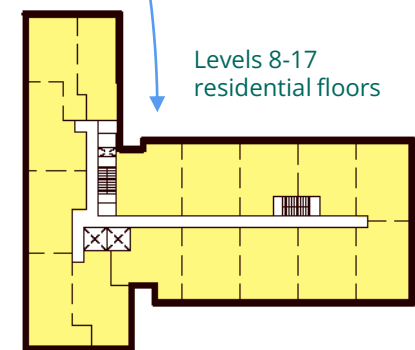
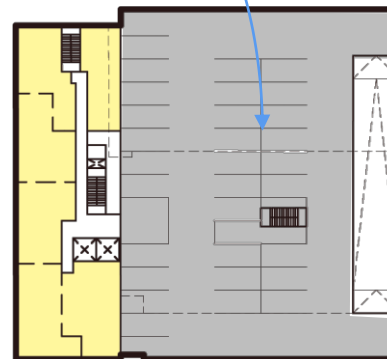
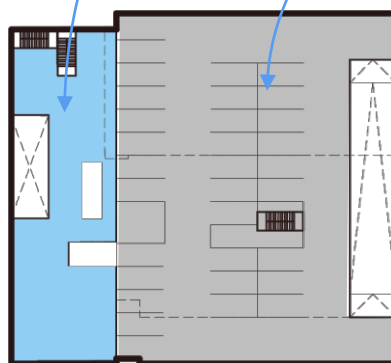
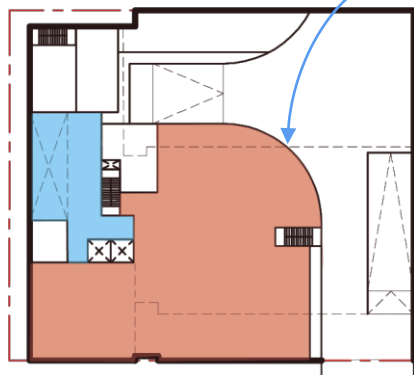


Ground floor retail and residential amenity

Level 2 residential amenity

Levels 3 - 7 residential and parking floors

Levels 8-17 residential floors



■ Retail ■ Amenity ■ Multifamily ■ Parking



## HISTORIC PRESERVATION & REUSE

The Dade-Commonwealth building provides the opportunity to revitalize a vacant building, support new residential development, and add density with the addition of new floors.



## HISTORIC PRESERVATION & REUSE

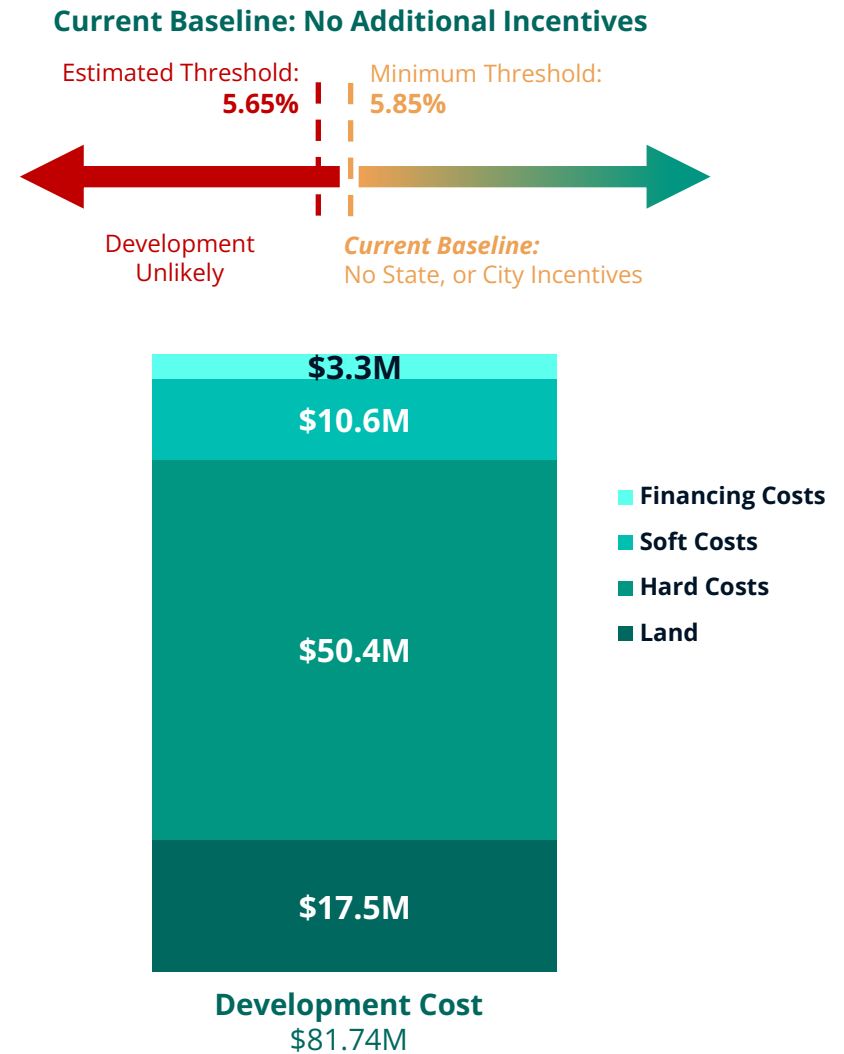
Similar historic preservation models of residential development have contributed to flourishing downtown landscapes and unlocked housing opportunities.



## HISTORIC PRESERVATION & REUSE | The Economics

While residential conversion would be a higher performing building than the existing office building, public participation would help offset the initial cost of construction and renovation.

The redevelopment and new addition to the Dade-Commonwealth Building will cost about \$81.74 million, estimating a cost of about \$17.5 million to \$20 million for the land (slightly lower than the quoted price in the active listing as of July 2023). Given prevailing debt and equity requirements, **it is unlikely that this development can occur without public private partnership**, even with the strong rents and potential of downtown Miami.



## HISTORIC PRESERVATION & REUSE | Public Participation

Similar to the Empire Building, this project can benefit from historic tax exemptions and a state historic tax abatement, if the policy was in place at the state level.

There are **two main policy tools** that this project could use:

### 1. City of Miami Historic Tax Exemption

Miami has a historic tax exemption program that provides property owners with a tax break on the assessed value of improvements made to historic properties. The tax exemption applies to the assessed value of all qualified improvements made to the property. Qualified improvements include repairs, renovations, and restorations that are made to the exterior of the property, as well as any interior improvements that are necessary to preserve the historic character of the property. The tax exemption is for a period of 10 years.

- The tax exemption applies to both county and city property taxes.
- The improvements must be completed within 10 years of the date the tax exemption is granted.
- The property owner must maintain the historic character of the property for the duration of the tax exemption.

### 2. State Historic Tax Credit [CS/SB 288 (2023)]

This would be a financial incentive provided by a state government, designed to promote the preservation and adaptive reuse of historic properties. When property owners or developers undertake a restoration project for a designated historic structure, they can receive a tax credit against their state tax liability. This credit is usually calculated as a percentage of the eligible expenses incurred during the restoration or rehabilitation process (10% in most states).

- HTCs help ensure historic landmarks and structures, which are essential components of a state's identity and history, are **preserved for future generations**.
- HTCs promote the **adaptive reuse of existing buildings**, aligning with environmental sustainability goals.
- State HTCs often act as a catalyst, drawing in significant amounts of private capital for historic restoration projects. For every dollar granted in tax credits, several more can be **generated through private investments**.

**Current Baseline:** No Federal, State, or City Incentives

Estimated Threshold: **5.65%** | Minimum Threshold: **5.85%**



**Impact: City/County Historic Tax Exemption**

Minimum Threshold: **5.85%** | Estimated Threshold: **6.68%**



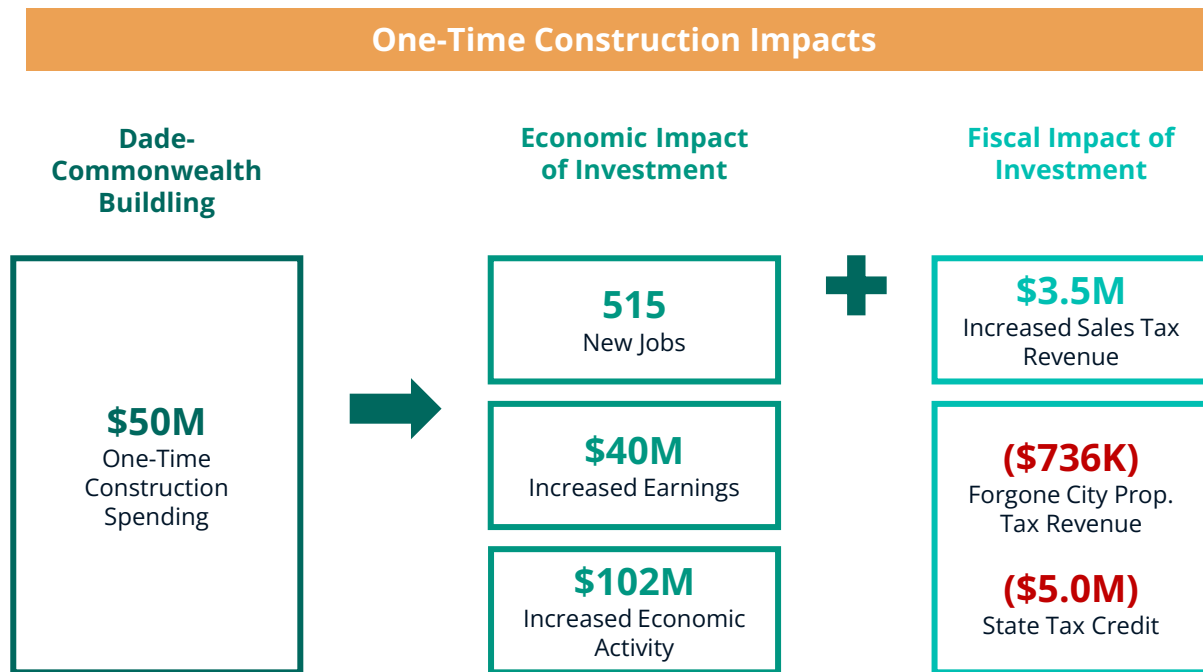
**Impact: Historic Tax Abatement**

Minimum Threshold: **5.85%** | Estimated Threshold: **7.19%**



## HISTORIC PRESERVATION & REUSE | Economic Impact

This project can generate an **additional 190 units**, as well as significant economic and fiscal impacts from one-time construction spending on the redevelopment.



The economic impact of the Dade-Commonwealth redevelopment would be around **515 new jobs and \$102 million in increased economic activity**. The fiscal impact of the investment would create an additional \$3.5 million in sales tax revenue, which would by itself more than offset the cost of the property tax discount (\$736,000).

This is a conservative estimate that does not include the ongoing spending and economic activity generated by the new residents of the area—not just by this project, but also by others that contribute to extending the 24-hour district of downtown Miami.

**\$5 million of a new state historic tax credit can generate more than \$100 million in net new economic activity and help preserve a part of Miami's 1920s history.**