

# MIAMI-DADE COUNTY COMMISSION ON ETHICS & PUBLIC TRUST



## REPORT OF INVESTIGATION

#K11-110

Date Opened: 08/12/11

Date Closed: 09/14/11

Investigator: Sylvia Batista

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On August 12, 2011 this investigator was contacted by Eric Elza (Elza), a resident and former councilman of the City of Miami Springs. Elza provided information regarding an item being considered by the City Council involving the use of tax credits to help finance the renovation of The Curtiss Mansion. The Curtiss Mansion is a historic building that was built and occupied by the City's founder, Glenn Curtiss, and his family about 80 years ago. The mansion has recently gone through major renovations coordinated through the efforts of Curtiss Mansion, Inc., a non-profit corporation ("CMI"), and is said to be ready for opening in October 2011.

Elza advised that the City recently received a proposal from a company presenting a structure by which it can recoup some of its rehabilitation costs through the sale of historic tax credits. The proposal has raised a great deal of concern because it would entail the City entering into a complex arrangement of leases with corporations, one of

which would be a newly formed for-profit entity owned and operated by CMI<sup>1</sup>. Elza advised that at recent council meetings, Councilmember Dan Espino (Espino), who is a member of the board of CMI, has on several occasions voted to further the arrangement that would directly or indirectly benefit CMI

The COE's issue relates to a possible violation of the Conflict of Interest and Code of Ethics Ordinance Section 2-11.1(d) *Further prohibition on transacting business with the County/City*.

**Investigation:**

This investigator was provided with additional information by Miami Springs resident Shirley Prakelt (Prakelt). Prakelt shares Elza's concern that as a voting member of CMI, Espino should not vote on items that may be of a financial benefit to CMI. Prakelt provided the COE with copies of minutes of council meetings where Espino has participated in discussions and has voted for the City to move forward with the proposal.

This investigator has reviewed the minutes provided by Prakelt and found that Espino has participated in discussions and has voted on items related to moving forward with the proposal on three occasions, as follows:

- At the 5/23/11 City Council meeting Espino made a motion and voted in favor of moving forward with preliminary matters before officially entering into a contract in furtherance of the proposal.
- At the 6/6/11 Council meeting Espino discussed the matter in open forum. There was no vote taken at this meeting.

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<sup>1</sup> It is important to note that there is no evidence that the proposed arrangement would result in a financial benefit to Councilman Espino.

- At the 6/27/11 regular council meeting, Espino voted two more times on moving forward with efforts to sell the historic tax credit through a structure that if pursued would benefit CMI.

#### **8/29/11 – Interview with Councilmember Espino –**

Espino met with this investigator and Advocate Michael Murawski. Espino was advised of the possibility that his votes on the dais in reference to the proposed structure were in violation of the Conflict of Interest and Code of Ethics. Espino explained that he was advised by City Attorney Jan Seiden (Seiden) that he did not have a conflict in discussing and voting on the matter while on the CMI board of directors. Espino was asked to request an advisory opinion from the COE.

On 9/12/11, this investigator spoke with Espino regarding his pending request for advisory opinion. Espino explained that Seiden will submit two requests for advisory opinion to the COE each reflecting two different supposed structures for the sale of the historic tax credits. Espino advised that he is no longer a member of the CMI board of directors.

#### **Conclusion:**

Given the fact that Espino consulted with the City Attorney before voting and speaking on these matters, the case will be closed without further action. A request for opinion will be submitted by the City Attorney in order to clarify the matter for future purposes.