# HISTORIC AND DESIGN REVIEW COMMISSION 

May 20, 2015
Agenda Item No: 23

## HDRC CASE NO: <br> ADDRESS: <br> LEGAL DESCRIPTION: <br> ZONING: <br> CITY COUNCIL DIST.: <br> DISTRICT: <br> LANDMARK: <br> APPLICANT: <br> OWNER: <br> TYPE OF WORK: <br> REQUEST:

2014-371
928 W COMMERCE ST
NCB 265 BLK 84 LOT 26 COMMERCE ST PROJECT 2014 NEW ACCT PER PLAT 9658/200-204 EXE 09/06/13
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Cattleman Square Historic District
Grand Central Hotel
Gabriel Martinez/Munoz \& CO.
The Center for Health Care Services
Demolition of existing structure

The applicant is requesting conceptual approval to:
Demolish an existing, historic one story structure at 928 W Commerce constructed circa 1915. The applicant has proposed to demolish this structure and to replace it with a structure that is comparable in massing and square footage. The applicant received approval to demolish to additions to this one story structure on August 6, 2014, and received a Certificate of Appropriateness for the redevelopment of the property on November 19, 2014.

## APPLICABLE CITATIONS:

## UDC Section 35-614. - Demolition

Demolition of a historic landmark constitutes an irreplaceable loss to the quality and character of the City of San Antonio. Accordingly, these procedures provide criteria to prevent unnecessary damage to the quality and character of the city's historic districts and character while, at the same time, balancing these interests against the property rights of landowners.
(a)Applicability. The provisions of this section apply to any application for demolition of a historic landmark (including those previously designated as historic exceptional or historic significant) or a historic district.
(3)Property Located in Historic District and Contributing to District Although Not Designated a Landmark. No certificate shall be issued for property located in a historic district and contributing to the district although not designated a landmark unless the applicant demonstrates clear and convincing evidence supporting an unreasonable economic hardship on the applicant if the application for a certificate is disapproved. When an applicant fails to prove unreasonable economic hardship in such cases, the applicant may provide additional information regarding loss of significance as provided is subsection (c)(3) in order to receive a certificate for demolition of the property. (b)Unreasonable Economic Hardship.
(1)Generally. The historic and design review commission shall be guided in its decision by balancing the historic, architectural, cultural and/or archaeological value of the particular landmark or eligible landmark against the special merit of the proposed replacement project. The historic and design review commission shall not consider or be persuaded to find unreasonable economic hardship based on the presentation of circumstances or items that are not unique to the property in question (i.e. the current economic climate).
(2)Burden of Proof. The historic and design review commission shall not consider or be persuaded to find unreasonable economic hardship based on the presentation of circumstances or items that are not unique to the property in question (i.e. the current economic climate). When a claim of unreasonable economic hardship is made, the owner must prove by a preponderance of the evidence that:
A. The owner cannot make reasonable beneficial use of or realize a reasonable rate of return on a structure or site, regardless of whether that return represents the most profitable return possible, unless the highly significant endangered, historic and cultural landmark, historic and cultural landmarks district or demolition delay designation, as applicable, is removed or the proposed demolition or relocation is allowed;
B. The structure and property cannot be reasonably adapted for any other feasible use, whether by the current owner or by a purchaser, which would result in a reasonable rate of return; and
C. The owner has failed to find a purchaser or tenant for the property during the previous two (2) years, despite having made substantial ongoing efforts during that period to do so. The evidence of unreasonable economic hardship introduced by the owner may, where applicable, include proof that the owner's affirmative obligations to maintain the structure or property make it impossible for the owner to realize a reasonable rate of return on the structure or property.
(3)Criteria. The public benefits obtained from retaining the cultural resource must be analyzed and duly considered by the historic and design review commission.
As evidence that an unreasonable economic hardship exists, the owner may submit the following information to the historic and design review commission by affidavit:
A. For all structures and property:
i. The past and current use of the structures and property;
ii. The name and legal status (e.g., partnership, corporation) of the owners;
iii. The original purchase price of the structures and property;
iv. The assessed value of the structures and property according to the two (2) most recent tax assessments; v . The amount of real estate taxes on the structures and property for the previous two (2) years; vi. The date of purchase or other acquisition of the structures and property;
vii. Principal balance and interest rate on current mortgage and the annual debt service on the structures and property, if any, for the previous two (2) years;
viii. All appraisals obtained by the owner or applicant within the previous two (2) years in connection with the owner's purchase, financing or ownership of the structures and property;
ix. Any listing of the structures and property for sale or rent, price asked and offers received;
x. Any consideration given by the owner to profitable adaptive uses for the structures and property; xi. Any replacement construction plans for proposed improvements on the site; xii. Financial proof of the owner's ability to complete any replacement project on the site, which may include but not be limited to a performance bond, a letter of credit, a trust for completion of improvements, or a letter of commitment from a financial institution; and xiii. The current fair market value of the structure and property as determined by a qualified appraiser. xiv. Any property tax exemptions claimed in the past five (5) years.
B. For income producing structures and property:
i. Annual gross income from the structure and property for the previous two (2) years;
ii. Itemized operating and maintenance expenses for the previous two (2) years; and iii. Annual cash flow, if any, for the previous two (2) years.
C. In the event that the historic and design review commission determines that any additional information described above is necessary in order to evaluate whether an unreasonable economic hardship exists, the historic and design review commission shall notify the owner. Failure by the owner to submit such information to the historic and design review commission within fifteen (15) days after receipt of such notice, which time may be extended by the historic and design review commission, may be grounds for denial of the owner's claim of unreasonable economic hardship.
When a low-income resident homeowner is unable to meet the requirements set forth in this section, then the historic and design review commission, at its own discretion, may waive some or all of the requested information and/or request substitute information that an indigent resident homeowner may obtain without incurring any costs. If the historic and design review commission cannot make a determination based on information submitted and an appraisal has not been provided, then the historic and design review commission may request that an appraisal be made by the city.
(d)Documentation and Strategy.
(1)Applicants that have received a recommendation for a certificate shall document buildings, objects, sites or structures which are intended to be demolished with 35 mm slides or prints, preferably in black and white, and supply a set of slides or prints to the historic preservation officer.
(2)Applicants shall also prepare for the historic preservation officer a salvage strategy for reuse of building materials deemed valuable by the historic preservation officer for other preservation and restoration activities.
(3)Applicants that have received an approval of a certificate regarding demolition shall be permitted to receive a demolition permit without additional commission action on demolition, following the commission's recommendation of a certificate for new construction. Permits for demolition and construction shall be issued simultaneously if requirements of section 35-609, new construction, are met, and the property owner provides financial proof of his ability to complete the project.
(4)When the commission recommends approval of a certificate for buildings, objects, sites, structures designated as
landmarks, or structures in historic districts, permits shall not be issued until all plans for the site have received approval from all appropriate city boards, commissions, departments and agencies. Permits for parking lots shall not be issued, nor shall an applicant be allowed to operate a parking lot on such property, unless such parking lot plan was approved as a replacement element for the demolished object or structure.
(e)Issuance of Permit. When the commission recommends approval of a certificate regarding demolition of buildings, objects, sites, or structures in historic districts or historic landmarks, permits shall not be issued until all plans for the site have received approval from all appropriate city boards, commissions, departments and agencies. Once the replacement plans are approved a fee shall be assessed for the demolition based on the approved replacement plan square footage. The fee must be paid in full prior to issuance of any permits and shall be deposited into an account as directed by the historic preservation officer for the benefit, rehabilitation or acquisition of local historic resources. Fees shall be as follows and are in addition to any fees charged by planning and development services:

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\begin{aligned}
& 0-2,500 \text { square feet }=\$ 2,000.00 \\
& 2,501-10,000 \text { square feet }=\$ 5,000.00 \\
& 10,001-25,000 \text { square feet }=\$ 10,000.00 \\
& 25,001-50,000 \text { square feet }=\$ 20,000.00 \\
& \text { Over } 50,000 \text { square feet }=\$ 30,000.00
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## FINDINGS:

a. The applicant received a Certificate of Appropriateness for approval to demolish a non-contributing rear addition to the contributing one story brick structure at 928 W Commerce on August 6, 2014. On November 19, 2014, the applicant received conceptual approval for the rehabilitation of the one story brick structure, a three story brick structure and the construction of a new three story structure and above ground parking structure.
b. Generally, property owners are encouraged to explore ways to incorporate historic and contributing buildings into new developments. Rehabilitation work for designated buildings is eligible for local, state and federal tax incentives. Demolition should always be a last resort.
c. The loss of a historic landmark constitutes an irreplaceable loss to the quality and character of San Antonio. Demolition of any contributing buildings should only occur after every attempt has been made, within reason, to successfully reuse the structure. Clear and convincing evidence supporting an unreasonable economic hardship on the applicant if the application for a certificate is disapproved must be presented by the applicant in order for demolition to be considered. The criteria for establishing unreasonable economic hardship are listed in UDC Section 35-614 (b)(3). The applicant must prove by a preponderance of the evidence that:
A. The owner cannot make reasonable beneficial use of or realize a reasonable rate of return on a structure or site, regardless of whether that return represents the most profitable return possible, unless the highly significant endangered, historic and cultural landmark, historic and cultural landmarks district or demolition delay designation, as applicable, is removed or the proposed demolition or relocation is allowed;
[The applicant claims that without the demolition of the contributing structure at 928 W Commerce, the owner would not be able to develop an economically viable project. The total estimated cost to restore the existing one story structure is $\$ 673,530$. The cost to demolish and construct a new, comparable structure is $\$ 289,010$. The difference of $\$ 384,520$ is one that the applicant feels would not be economically feasible for the owner. According to Bexar County Appraisal District, the property was appraised at $\$ 2,187,800$ in 2014.]
B. The structure and property cannot be reasonably adapted for any other feasible use, whether by the current owner or by a purchaser, which would result in a reasonable rate of return;
[Currently, the property at 928 W Commerce is to become the Center for Health Care Services, Westside Clinic. The applicant has stated that the loss of structural integrity in one of the one story brick structure's load bearing walls has made the rehabilitation of the existing structure unfeasible.]
C. The owner has failed to find a purchaser or tenant for the property during the previous two (2) years, despite having made substantial ongoing efforts during that period to do so. The evidence of unreasonable economic hardship introduced by the owner may, where applicable, include proof that the owner's affirmative obligations to maintain the structure or property make it impossible for the owner to realize a reasonable rate of return on the structure or property.
[While the applicant has not actively marketed the property to potential purchasers, this property has had multiple owners in the past several years who have not successfully redeveloped the site. With the demolition of the one story brick structure, the owner believes an economically feasible development would occur.]
d. Staff finds that the applicant has presented information toward proving an economic hardship, but that a structural report on the contributing structure that is proposed to be demolished as well as information showing where the applicant has explored local, state and federal tax incentives that would relieve or offset the cost of rehabilitation over the cost of demolition and new construction.
e. This property is traversed by a previously recorded archaeological site, 41BX620, the Alazan Acequia. Therefore, archaeological investigations shall be required for the project.

## RECOMMENDATION:

Staff does not recommend approval of the demolition of the one story structure at 928 W Commerce at this time based on findings cand d. Staff recommends that the applicant provide an engineering report explaining the extent of the loss of structural integrity to the existing wall as well as information regarding the exploration of local, state and federal tax incentives that are awarded for the rehabilitation of historic structures.

## CASE MANAGER:

Edward Hall


Flex Viewer



April 16, 2015

## Attn: Cory Edwards

City of San Antonio - Office of Historic Preservation

RE: Center for Health Care Services - Westside Clinic - 928 W. Commerce St.
Center for Health Care Services is filing a request to demolish an existing one story structure deemed contributing and replace with a new construction to replicate the wall per UDC Sec. 35-614 Demolition - (b) Unreasonable Economic Hardship.

A Demolition Package 1 was approved on 8/1/14, COSA permit \#I1992228. The documents included removal of two additions to the 1 story structure. After further design development and costing there is an additional $\$ 384,520$ required to restore the existing 1 story wall. The total cost to restore the wall is $\$ 673,530$ vs. $\$ 289,010$ to demolish the wall and replace with all new construction.

The CHCS Westside Clinic project at 928 W. Commerce St. has received preliminary HDRC approval on 11/19/15 and would like to amend the documents to include demolition of the 1 story wall and replace with new construction to match existing. The building overall massing will not design concept will not change.

Please refer to attachments for:

1. Location plan of the one story building at corner of W. Commerce and S. Medina Street.
2. Approved demolition plan for additions to the one story building COSA permit \#I1992228.
3. Photos of existing one story building.
4. Documents showing structure required for restoration (bracing and permanent structure).
5. Contractor cost comparison to restore existing 1 story brick wall versus replacing with a new brick wall to match existing.

Please advise us next steps required.
Sincerely,

James Sterner, AIA
Muñoz \& Company
1017 N. Main, Ste. 300
San Antonio, TX 78212
sterner@munoz-co.com
210-349-1163

The Center for Health Care Services - Westside Clinic - 928 W. Commerce St.
Cost to restore existing 1 story building wall at the corner of Commerce and Medina:

| Mold Abatement at Wall | 3,784 | SF | 18,920 |
| :--- | :---: | :---: | ---: |
| Lead Abatement at Wall / Windows | 6 | EA | 1,500 |
| Demo Sidewalk for Deadman | 2,067 | SF | 8,268 |
| Remove Canopy Struc - 942 SF | 4 | wks | 18,045 |
| Pour Deadmen for Bracing | 35 | EA | 14,000 |
| Bracing of Wall | 35 | EA | 73,369 |
| Structural Support / Bolts for Bracing | 35 | EA | 16,559 |
| Temporary Walkway | 212 | LF | 46,825 |
| Sidewalk Rental | 1 | LS | 39,380 |
| Street Rental - for Temp Walkway | 1 | LS | 47,257 |
| Concrete Beam Support | 172 | LF | 39,539 |
| Demo Struc Steel Frame / Brace Existing Roof | 2,580 | SF | 38,700 |
| Demo Struc Slab | 2,580 | SF | 30,960 |
| Saw Cut Struc Slab | 172 | LF | 1,720 |
| Haul Off | 191 | CY | 5,733 |
| Demo Existing Demo of Discolored Brick | 1,100 | SF | 16,500 |
| Replace Discolored Brick | 1,100 | SF | 19,800 |
| Repoint Brick | 3,784 | SF | 37,840 |
| Replace Brick | 946 | SF | 17,028 |
| Clean existing brick | 3,784 | SF | 9,460 |
| Brick Sealer | 3,784 | SF | 5,676 |
| Build new Canopy Struc | SF | 153,038 |  |
| Erect new Canopy Struc | SF | 9,543 |  |
| Tie in Roof to Wall | LF | 3,870 |  |
| TOTAL |  | 673,530 |  |
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|  |  |  |  |

Cost to construct new 1 story wall at the corner of Commerce and Medina:

| Misc Demo |  | 10,000 |  |
| :--- | :---: | :---: | ---: |
| Build new Canopy Struc | 943 | SF | 153,038 |
| Erect new Canopy Struc | 943 | SF | 9,543 |
| Remove Canopy Struc - 942 SF | 4 | wks | 18,045 |
| Back up drywall partition | 3,784 | SF | 24,596 |
| waterproofing | 3,784 | SF | 5,676 |
| Brick veneer | 3,784 | SF | 68,112 |
| TOTAL |  | 289,010 |  |





| (1) BUILD |  |  |  |  |  |
| :---: | :---: | :---: | :---: | :---: | :---: |
|  | \% THE CENTER |  | the center for health care services WESTSIDE CLINIC 928 W. COMMERCE ST. SAN ANTONIO, TEXAS 78207 |  |  |
| - = | date | 06.24 .14 | Provect no. | ReF. SHEET: | DRawng |









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