

HISTORIC AND DESIGN REVIEW COMMISSION

May 17, 2017

HDRC CASE NO: 2017-245
ADDRESS: 425 N FLORES ST
LEGAL DESCRIPTION: NCB 132 BLK LOT 32 & 32 1/2 ARB A 21 & A 22
ZONING: D,HS, RIO-7
CITY COUNCIL DIST.: 1
LANDMARK: Callaghan, SX Building
APPLICANT: Brian Carney/Weston Urban
OWNER: Weston Urban
TYPE OF WORK: Demolition of the structure at 425 N Flores
REQUEST:

The applicant is requesting a Certificate of Appropriateness for approval to demolish the structure located at 425 N Flores, commonly known as the Callaghan Building and the SX Building.

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 in 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 35mm 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:

0—2,500 square feet	= \$2,000.00
2,501—10,000 square feet	= \$5,000.00
10,001—25,000 square feet	= \$10,000.00
25,001—50,000 square feet	= \$20,000.00
Over 50,000 square feet	= \$30,000.00

FINDINGS:

- a. **BUILDING HISTORY** – The applicant has proposed to demolish the structure located at 425 N Flores, commonly known as the Callaghan Building and the SX Building. The structure was constructed circa 1915 and features materials that include brick, concrete and caliche stone. Prior to the current structure, an earlier nineteenth century limestone structure was located at this location. The current structure consists of materials that were salvaged from this previous structure(s). These materials form infill between poured concrete columns and include construction materials from other structures including stone lintels, stone sills and various brick profiles. The structure at 425 N Flores originally existed as an automotive repair shop.
- b. **BUILDING HISTORY** – Numerous alterations have occurred to the structure over the past century that include the installation of modular tile on the front façade, the installation of streamlined (Art Deco) detailing on the roof parapet and front façade, the removal and the infill of original façade openings. Many of these modifications can be dated to the 1940's and 1950's. Given the extent of modifications that have occurred to the primary structure and the construction methods used during its original construction, staff finds that little of the previous limestone structure remains and that the current structure no longer retains architectural or historic integrity.
- c. **BUILDING HISTORY**—Research conducted by staff indicates that the structure was designated in the 1980's based on the location of the site in relationship to historic features, such as an existing acequia and the belief that the southern stone wall was from a previous structure. It has since been determined that the southern wall was constructed with salvaged materials and was the primary historic feature of the structure.
- d. 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;

[At this time, the applicant has not provided information regarding the inability to produce a reasonable rate of return through the retention and reuse of the existing structure. The applicant has noted that the current structure is structurally unsound and demolition is needed to prevent further risk to public safety.]

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;

[The current structure has suffered significant damage from both fire and exposure to weather elements. Additionally, the structural integrity of the building has been compromised.]

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.

[The applicant has not provided staff with information noting the active marketing of the property; however, the structure has been vacant and in disrepair for the distant past under previous ownership, who was also unable to redevelopment the historic structure.]

- e. Staff finds that the applicant has not presented information to build an economic hardship; however, noting the loss of architectural, historic and structural integrity, staff finds the demolition of this structure appropriate. Additionally, staff finds that the current condition of the structure poses a safety risk to pedestrians passing by the structure on adjacent sidewalks and the public right of way.
- f. **STRUCTURAL ANALYSIS** – The applicant has provided information from a structural engineering report which notes various structural failures throughout the structure. A significant portion of the roof structure has collapsed and is subsequently pushing the southern exterior wall away from the building mass causing the parapet wall to collapse into the building. Significant fire damage has occurred throughout the structure in addition to weather damage from years of exposure. Other losses of structural integrity are found in the corrosion of the structural concrete columns, the rotting of wood roof decking, the corrosion of spandrel beams and the cracking of the corbels supporting the roof girders. The provided structural report noted that the structure poses a threat to public safety and should be demolished.
- g. **REPLACEMENT PLANS** – At this time, the applicant has not presented a replacement plan for the site after the demolition of the existing structure. The removal of this structure shall not result in the development of permanent surface parking. Additionally, demolition fees are to be paid in full prior to the issuance of a permit for any new development or construction at this site.

RECOMMENDATION:

Staff recommends approval of the proposed demolition with the following stipulations:

- i. That all stone blocks are removed from demolition debris, particularly those of the south wall are to be salvaged.
- ii. That any historic brick that retains structural integrity be salvaged.
- iii. That the existing N Flores Street canopy be salvaged.
- iv. That all demolition fees are to be paid in full prior to the issuance of a permit for any new development or construction at this site. The demolition fees are to be based on the total square footage of the replacement plans.

CASE MANAGER:

Edward Hall



Flex Viewer

Powered by ArcGIS Server

Printed: May 11, 2017

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425 North Flores Street

Little Patch Garden

Alamo Music Center

N Main Ave

N Flores St

N Flores St

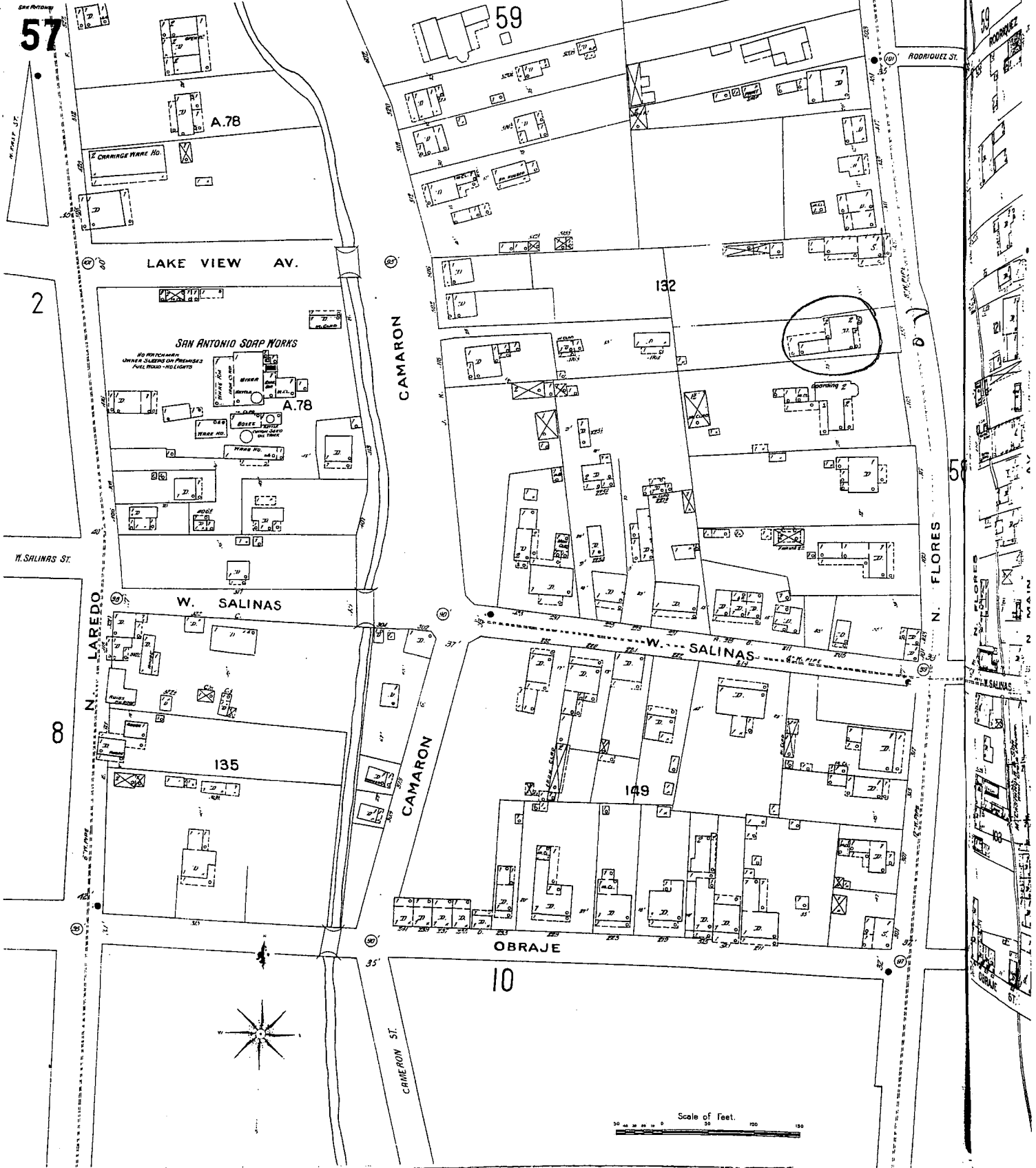
W Martin St

W Martin St

W Martin St

N Flores St

1896



EE

1904

U D I U M E T W O

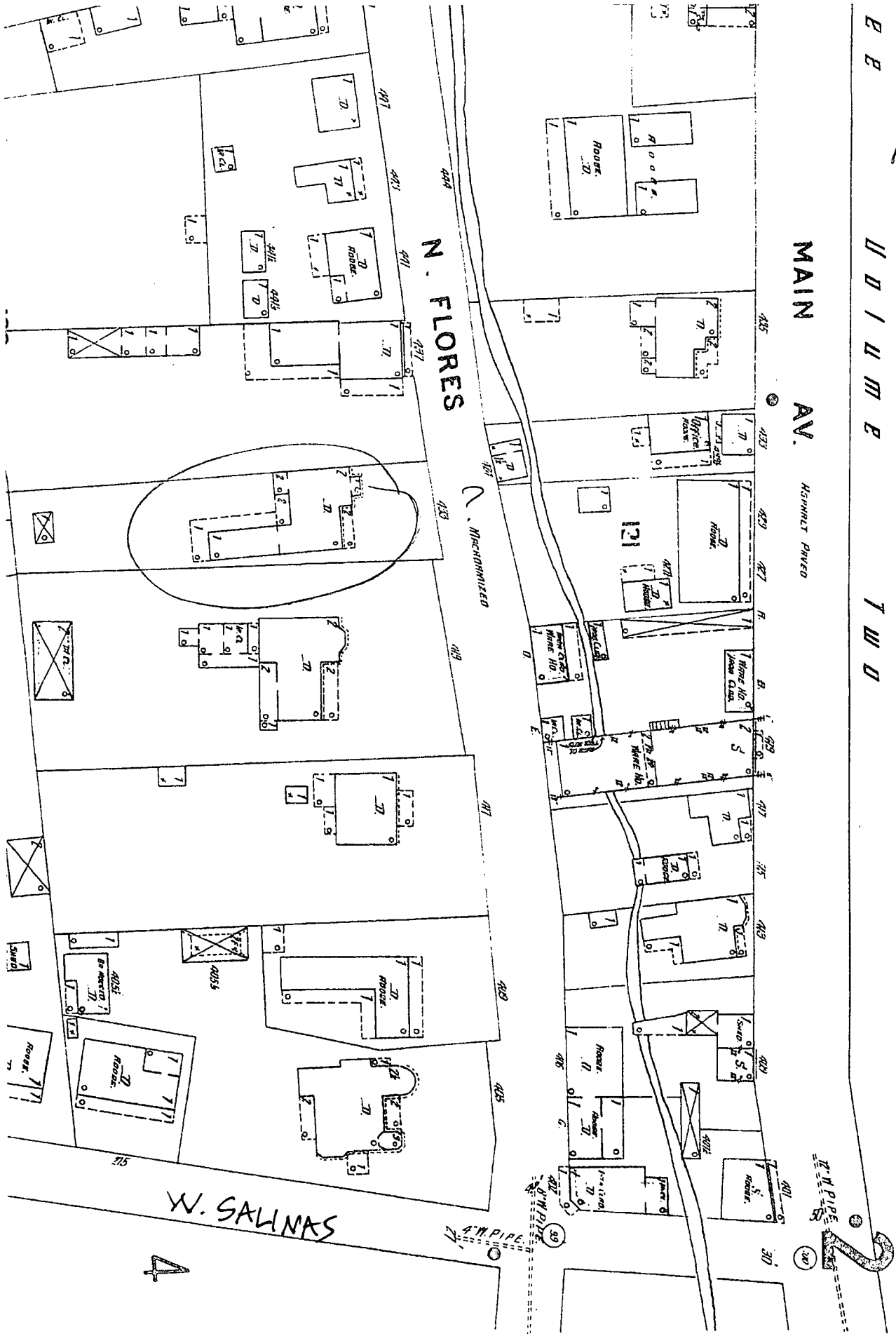
San Antonio, Tex. 1.

MAIN AV. HOSPITAL PRUED

N. FLORES

N. MECHANIZED

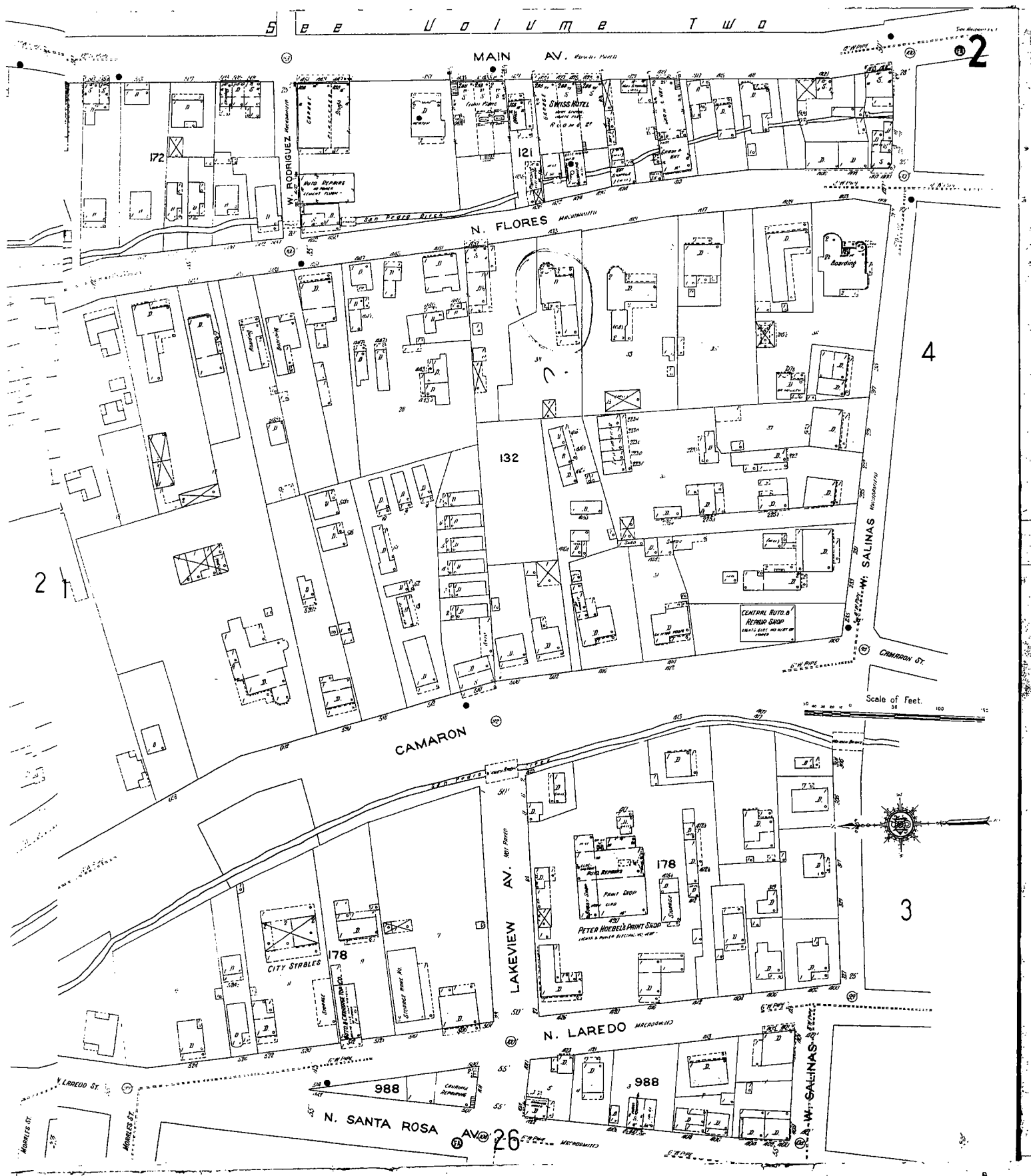
W. SALINAS



City Directory

1927-28 - 425 N Flores - Callaghan SX
 419 N Flores - Serve-U Garage
 411-17 N Flores - San Antonio Motor Co. (used car dept)

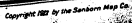
1911-1924, vol 1, 1911 sheet 2



1915 City Directory

433-431 N Flores - vacant
 419 N Flores - Callaghan SX

411-417 N Flores - Kopley-Moody Co.
 409 N Flores - C. Rosalia Kichenbuhl (r)





April 26, 2017

Mr. Brian Carney
110 E. Houston St.
Ste 400
San Antonio, TX 78205
(210) 643-5610
brian@westonurban.com

Re: SX Callahan Damage Assessment 425 N. Flores San Antonio, Tx

Dear Brian:

Per our proposal, dated April 26, 2017 please find below our structural assessment of the existing SX Callahan fire damaged structure.

On April 12, 2017, representatives from Datum Engineers performed a structural walk-through and limited observations of the existing structures located at 425 North Flores St. San Antonio, TX. Our observations were limited to visible items, and did not include measurements or materials testing. The purpose of this walk through was to provide a general assessment of the fire damaged structure and to determine for the owner any possible safety risks to the public.

During this brief survey, we endeavored to find and identify any visually apparent significant structural defects, although we cannot be expected to discover deficiencies which are not visible because of hidden or obscuring conditions.

The structure in question is located at the southwest corner of the block of buildings built at different time periods. The southwest building is constructed of a single story of perimeter load-bearing stone walls with interior cast-iron columns supporting a timber framed roof which was later converted into a second level with a newer timber framed roof structure supported by structural clay masonry and wood columns. A significant portion of the roof structure has collapsed and is pushing the southern exterior wall away from the building with the parapet collapsing into the building. If left un-braced the wall will certainly collapse into the adjacent parking lot. The rest of the building structure not damaged by the fire is showing significant signs of decay from exposure to weather. The current state of the building poses a risk to the public. We recommend removal of the roof structure and bracing or removal of all exterior walls supporting the roof structure.

In addition to the observation of the southwest structure Datum observed the northern canopy structure. This structure is showing significant signs of deterioration with: partially collapsed decking,

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6516 FOREST PARK ROAD
DALLAS, TEXAS 75235
214.358.0174

5929 BALCONES DRIVE, SUITE 100
AUSTIN, TEXAS 78731
512.469.9490

5021 BROADWAY
SAN ANTONIO, TEXAS 78209
210.858.2880

Mr. Carney
April 26, 2017
Page 2

major concrete spalling and corrosion at the concrete columns and spandrel beams as well as large cracking of the corbels supporting the roof girders. This canopy is not safe in its present condition. We recommend shoring or removal of the canopy structure.

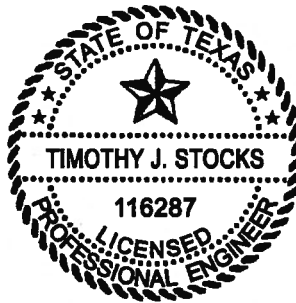
For the practical purpose of this assessment, not all areas of the building were uncovered and assumptions were made based only upon representative areas which were accessible.

Sincerely yours,

DATUM ENGINEERS, INC.



Tim Stocks P.E.
Associate | Project Manager



Encl.







