



The City of Coral Gables

Historical Resources Department

EXCERPTS

CORAL GABLES HISTORIC PRESERVATION BOARD MEETING MINUTES

Thursday, December 20, 2012, 4:00 p.m.

City Commission Chambers

405 Biltmore Way, Coral Gables, Florida

MEMBERS:	J	F	M	A	M	J	J	A	S	O	N	D	APPOINTED BY:
Dorothy Thomson	P	P	P	P	P	P	P	P	P	P	P	P	Mayor Jim Cason
Margaret Rolando	E	P	P	P	P	P	P	P	P	E	E	P	Vice Mayor William H. Kerdyk, Jr.
Alejandro Silva	P	P	P	P	E	P	P	P	P	P	P	P	Comm. Maria Anderson
Venny Torre	P	P	P	P	P	P	P	P	P	P	P	P	Comm. Rafael "Ralph" Cabrera, Jr.
Kendell Turner	P	P	P	P	P	P	P	P	P	P	P	P	Comm. Frank C. Quesada
Carmen Guerrero				P	P	E	P	P	E	P	P	P	Historic Preservation Board
Deborah Tackett	P	P	P	P	P	P	P	P	P	P	P	P	City Manager
Dolly MacIntyre	P	P	P	P	E	P	P	P	P	P	P	P	City Commission
Judy Pruitt	P	P	P	P	P	P	P	P	P	P	P	P	City Commission

STAFF:

- Dona Spain, Historic Preservation Officer
- Kara N. Kautz Assistant Preservation Officer
- Cindy Dorrel, Administrative Assistant
- Bridgette Thornton Richard, Deputy City Attorney
- Cynthia Birdsill, Economic Sustainability Director

- A = Absent**
- P = Present**
- E = Excused**
- * = New Member**
- ^ = Resigned Member**
- = No Meeting**

PREPARATION OF MINUTES: Nancy C. Morgan, Coral Gables Services, Inc.

GUESTS: Lee H. Waronker, Jane Tompkins, Laura Russo, Ramon Trias, Leonard Roberts, Carmen Olazabal, Eric Kuger, Lily Tran, Sony Richard, Yaneris Figueroa, Alex Hernandez, Sandra Gallaher, Bob Gallaher, Allen J. Smith, Helen Jeanne Nicastri, Colleen Smeryage, Burton Hersh, John Fullerton, Alan J. Smith

SPECIAL CERTIFICATES OF APPROPRIATENESS:

CASE FILE COA (SP) 2012-018: An application for the issuance of a Special Certificate of Appropriateness for the property at **2 Casuarina Concourse**, a local historic landmark, legally described as Lot 32, Block A, Gables Estates No. 2, according to the Plat thereof, recorded in Plat Book 60, Page 37, of the Public Records of Miami-Dade County, Florida. The applicant requested approval for the demolition of the residence. The applicant claimed economic hardship.

Deputy City Attorney Richard explained the specific purpose for Board consideration, and cited City zoning code provisions to be factored by the Board in making its decision about the application.

Mr. Smith, representing property owner Cascar LLC, stated the owner was a charitable foundation. He presented the recent history of the property's designation and differences of opinion between the Board and the

owner. He stated unsuccessful efforts to conclude a sale of the property, explaining his opinion why the house was not sellable. He said local historic designation imposed undue economic hardship on the owner.

Mr. Smith introduced Real Estate Appraiser Robert Gallaher and Real Estate Broker Jeanne Nicastrì as experts in their respective fields who would testify on behalf of the property owner.

Mr. Gallaher reviewed his credentials and career highlights, stating he prepared the appraisal of the property at the owner's request. A copy of his appraisal was given to staff, after which Mr. Gallaher described his research in detail, displaying each segment via PowerPoint. He reviewed 39 Parker-designed homes found in Florida, four of which (Palm Beach County) were demolished. Based on research and other contributing factors, his opinion was that the value of the structure was likely between \$3.5 and \$5 million, with a likely land value of between \$10 and \$12 million.

Ms. Nicastrì described her background, real estate career and professional experience with this property. She expressed her opinion about many aspects of the house, its condition, repair needs as well as detriments to compliance, safety and marketability issues. She opined that, as a vacant lot, the property's value was between \$10 and \$12 million.

Mr. Lee Waronker, a real estate appraiser engaged by the City to review Mr. Gallaher's appraisal and provide an opinion about its reliability, reviewed his background and career achievements. His opinion was that the appraisal report could not be relied on, and he specified areas of issue. He specifically noted a lack of reliability due to the absence of professional documentation about what could be done with the house and those related cost estimates. In the absence of that information, Mr. Waronker said it was not possible to determine the actual value of the house.

Ms. Spain displayed images of the house, pointing out architectural alterations that could be made to, for instance, provide a view of the Bay, construct an addition or add a garage. She referred to the written staff report (page 2, Coral Gables Zoning Code Provisions) regarding requirement provisions related specifically to the structure for a Certificate of Appropriateness for Demolition (Section 3-1107), and related staff's reasons for their opinion that the house warranted historical protection. In one example, she recalled a letter from Barbara Mattick, Deputy State Historic Preservation Officer, Florida Department of State Division of Historical Resources, that said even though the building was less than 50 years of age, Ms. Mattick's department was of the opinion that the building was sufficiently significant to warrant listing on the National Register.

Ms. Spain reviewed provisions of Section 3-1115 (Undue Economic Hardship), concluding that staff did not believe the claim of undue economic hardship was substantiated by the applicant, on whom the burden of proof rested. She pointed out that ad valorem tax relief was available, so if an owner of the house were to restore the property and/or build an addition, the appraisal of the addition plus the restoration costs could be, if applied for, frozen for ten years so property taxes would be zero on that portion, a substantial economic benefit.

At Ms. Spain's request, Deputy City Attorney Richard advised the rules for hearsay testimony and the importance of supporting it with documentation.

Two proposed motions (one for the economic hardship issue and one for the Demolition/Special Certificate of Appropriateness issue), as reviewed by the City Attorney and recommended by Historical Resources staff, were distributed and read.

Ms. Tackett called for Board questions to staff, after which she invited additional comment from the public.

Referencing Mr. Waronker's review of Mr. Gallaher's appraisal, Mr. Smith read his analysis of Mr. Waronker's testimony into the record, rebutting 13 of Mr. Waronker's objections to Mr. Gallaher's appraisal, and defending Mr. Gallaher's report and testimony. Mr. Smith reminded the Board that the house was owned by an estate and the beneficiary of the estate was a charitable foundation, adding that it was unrealistic and unfair to expect such a foundation to spend millions of dollars to bring the house up to Code and historical consistency. He added that the house was not rentable without a substantial investment, and stated the economic hardship as between \$5 and \$8.5 million based on the testimony of Mr. Gallaher and Ms. Nicastrì.

Ms. Tackett invited audience comment. Hearing no further requests to speak, she closed the public hearing.

Ms. Spain distributed and read into the record an email message received December 19, 2012 from Professor Martha Kohen, University of Florida School of Architecture. In the message, Ms. Kohen entreated the Board to protect the subject house, and stated numerous reasons why Mr. Parker and this house were historically significant and warranted Board consideration.

Ms. Kautz added that ownership of the property was not relevant to the economic hardship issue. She read from an authorized source into the record (in summary within these minutes) that the property owner is not entitled to the highest and best use of the property and the issue of highest and best use of the property is not germane to the issue of economic hardship. She added that two issues were consistently upheld in cases involving economic hardship claims: 1) if the owner had the ability to realize a reasonable return on investment; and 2) if a viable use of the property remained. She said the subject property remained viable as a single-family home, and added that the applicant had not proven or substantiated costly renovations/repairs they claimed were needed.

Board comments:

- Mr. Torre: discussed real estate value of the house related to Mr. Parker's significance, and the house's future value; rental of the house could provide income to the owner. He rebutted the economic hardship portion of the application.
- Mr. Silva: shared concerns about appraisal issues as well as offers received on the property; with Mr. Waronker about land value calculations; questioned why the appraisal was capped at \$5 million; concerned there were only two options considered: entire demolition and leaving the house as is. Some funds should have been expended on a feasibility study on the property. Only one offer presented on the house was expressly contingent on demolition.
- Ms. MacIntyre: Mr. Gallaher's research was excellent in terms of additional knowledge about Mr. Parker's work, and demonstrated that each Parker building was individual and unique. She questioned the marketing process for the property and whether or not it was targeted to the right audience. She expressed disappointment that the house had been empty for three years, inviting demolition by neglect. She rebutted the economic hardship claim.
- Ms. Thomson: Taking an opposite view of Board opinions, she advocated for the benefits that could be provided by the charitable organization if it received substantial funds through a sale of the property. The property was not yet 50 years old. The house was custom-made for the original owners, and may not appeal to others even though it was designed by Mr. Parker. Ms. Spain reminded the Board of the criteria under consideration in this application.

Ms. Turner made a motion to adopt Staff's findings and Report, and to find that the Applicant has not demonstrated that the denial of Special Certificate of Appropriateness for demolition of

the property would cause an exceptional financial burden such that it would amount to a taking of property without just compensation under the standard outlined by the U.S. Supreme Court in *Penn Central Transp. Corp. v. New York City*. Ms. Rolando seconded the motion.

**Roll Call: Ayes: Mr. Silva, Ms. Rolando, Ms. Turner, Ms. MacIntyre, Mr. Torre, Ms. Tackett.
Nays: Ms. Thomson. Absent from Vote: Ms. Pruitt, Ms. Guerrero.**

Ms. Turner made a motion to find that the Applicant has not met the required criteria outlined in Section 3-1107 (D) of the Coral Gables Zoning Code for issuance of a Special Certificate of Appropriateness for demolition. Ms. Rolando seconded the motion.

**Roll Call: Ayes: Ms. MacIntyre, Ms. Turner, Mr. Torre, Mr. Silva, Ms. Rolando, Ms. Tackett.
Nays: Ms. Thomson. Absent from Vote: Ms. Pruitt, Ms. Guerrero.**

ADJOURNMENT: The meeting adjourned at 6:35 p.m.

Respectfully submitted,



Dona M. Spain
Historic Preservation Officer