



# The City of Coral Gables

*Historical Resources Department*

**COA (SP) 2012-18  
DECEMBER 20, 2012**

## **STAFF REPORT**

### **SPECIAL CERTIFICATE OF APPROPRIATENESS FOR DEMOLITION OF THE PROPERTY AT 2 CASUARINA CONCOURSE A LOCAL HISTORIC LANDMARK**

Proposal: The applicant is requesting approval for the demolition of the residence and is claiming undue economic hardship.

Folio Number: 03-4132-019-0320

Legal Description: Lot 32, Block A, Gables Estates No. 2, PB 60-37

Original Permit No.: 19048B

Date of Original Permit: May 2, 1966

Original Architect: Alfred Browning Parker

Original Owner: R. Kirk and B. Landon

Present Owner: Cascar LLC (Registered agent – Evan D. Seif)

Present Use: Residential

Building Type: Two-story Modern

Site Characteristics: The property is located in Gables Estates on a waterfront site on the west side of Casuarina Concourse. The irregularly-shaped 85,431 square foot site is bounded on the west and the south by the Gables Estates Waterway.

### **BACKGROUND/EXISTING CONDITIONS**

Permitted in 1966, the residence located at 2 Casuarina Concourse was designed by internationally renowned architect Alfred Browning Parker. Commissioned by R. Kirk and B. Landon, the home is an excellent example of Parker's architectural style and the design philosophy for which he is noted. The residence is only one of a handful of extant and completely intact Parker-designed projects located within the City of Coral Gables. The design of the residence, a collaboration between architect and client, resulted in a property that is truly unique and one-of-a-kind.

The residence was designated as a Local Historic Landmark on February 16, 2012 based on its Historical, Cultural, and Architectural significance, and its exceptional importance to the City of Coral Gables (see attached designation report).

### **PROPOSAL**

The applicant is requesting approval for the demolition of the residence and is claiming undue economic hardship.

### **CORAL GABLES ZONING CODE PROVISIONS**

The following sections of the Coral Gables Zoning Code specifically apply to this request:

#### **Section 3-1107. Demolition.**

- D. In addition to all other provisions of this Division, the Board shall consider the following criteria in evaluating applications for a Special Certificate of Appropriateness for demolition of designated properties:
1. The degree to which the building, structure, improvement or site contributes to the historic and/or architectural significance of the historic site or district;
  2. Whether the building, structure, improvement or site is one of the last remaining examples of its kind in the neighborhood, the county or the region;
  3. Whether the loss of the building, structure, improvement or site would adversely affect the historic and/or architectural integrity of the historic site or district;
  4. Whether the retention of the building, structure, improvement or site would promote the general welfare of the City by providing an opportunity for study of local history, architecture, and design or by developing an understanding of the importance and value of a particular culture and heritage;

5. Whether architectural plans have been presented to the Board for the reuse of the property if the proposed demolition were to be carried out, and the appropriateness of said plans to the character of the historic site or district, if applicable; and demonstration as well as the posting of a bond requirement that there are sufficient funds in place to carry out such plans;
  6. Whether the building, structure, improvement or site poses an imminent threat to the public health or safety;
  7. Whether the applicant has demonstrated that retention of the building, structure, improvement or site would create an unreasonable or undue economic hardship as described in Section 3-1115; and
  8. Whether there is a compelling public interest requiring the demolition.
- E. As a condition of granting a Certificate of Appropriateness for demolition, the Historic Preservation Board may require that no building permit be issued for the demolition of said structure until a building permit for the construction of a new building has been issued.

**Section 3-1115. Undue economic hardship.**

In any instance where there is a claim of undue economic hardship, the property owner may submit by affidavit, to the Board at least fifteen (15) days prior to the public hearing, the following information:

- A. For all property:
1. The amount paid for the property, the date of purchase and the party from whom purchased.
  2. The assessed value of the land and improvements thereon, according to the two (2) most recent assessments.
  3. Real estate taxes for the previous two (2) years.
  4. Annual debt service, if any, for the previous two (2) years.
  5. All appraisals obtained within the previous two (2) years by the owner of applicant in connection with his purchase, financing or ownership of the property.
  6. Any listing of the property for sale or rent, price asked and offers received, if any.
  7. Any consideration by the owner as to profitable adaptive uses for the property.

- C. The Board may require that an applicant furnish such additional information, as the Board believes is relevant to its determination of undue economic hardship and may provide, in appropriate instances that such additional information be furnished under seal. In the event that any of the required information is not reasonably available to the applicant and cannot be obtained by the applicant, the applicant shall file with his affidavit a statement of the information which cannot be obtained and shall describe the reasons why such information cannot be obtained.

### **STAFF OBSERVATIONS**

Please note that Section 3-1107 of the Zoning Code requires the Historic Preservation Board to consider all criteria 1 through 8 when evaluating applications for a Special Certificate of Appropriateness for demolition of designated properties.

#### **1. The degree to which the building, structure, improvement or site contributes to the historic and/or architectural significance of the historic site or district**

The building, a single-family residence, is integral to the historical and architectural significance of the site. The property was designated as a Local Historic Landmark based on the following criteria found in Section 3-1103 of the Coral Gables Zoning Code:

- a. Historical, cultural significance
  1. is associated in a significant way with the life or activities of a major historic person important in the past;
  4. Exemplifies the historical, cultural, political, economic, or social trends of the community
- b. Architectural significance
  2. Embodies those distinguishing characteristics of an architectural style, or period, or method of construction;
  3. Is an outstanding work of a prominent designer or builder;
  4. Contains elements of design, detail, materials or craftsmanship of outstanding quality or which represent a significant innovation or adaptation to the South Florida environment.
- e. Criteria considerations: Ordinarily cemeteries, birthplaces, or graves of historical figures, structures that have been moved from their original locations, reconstructed historic buildings, properties primarily commemorative in nature, and properties that have achieved significance within the past fifty (50) years shall not be considered eligible for the Coral Gables Register of Historic Places. However, such properties will qualify if they fall within the following categories.
  6. A property achieving significance within the past fifty (50) years if it is of exceptional importance.

Constructed in 1966, the property at 2 Casuarina Concourse achieves exceptional importance in multiple areas of significance, it a one-of-a-kind architectural design, and it is directly associated with a major architectural movement in the South Florida community. The residence was designed by renowned and influential architect Alfred Browning Parker for R. Kirk and B. Landon, a businessman and his wife, both major philanthropists who made significant contributions to the quality of life in South Florida. It is an excellent example of Parker's later work, exhibits outstanding design details and craftsmanship, and is an outstanding example of modern regional architecture.

At the time of its designation, the Historic Preservation Board found that the property, although constructed in 1966 and, therefore, less than fifty years of age, was of exceptional importance to the City of Coral Gables and designated the property based on its Historical, Cultural Significance and its Architectural Significance.

Barbara E. Mattick, Ph.D., Deputy State Historic Preservation Officer, Survey and Registration for the Florida Department of State Division of Historical Resources, states that "...the Landon Residence is potentially eligible for listing in the National Register of Historic Places. Although the ca. 1966 building is less than fifty years old, the standard age guideline for evaluating significance, it is our office's opinion that the building meets the criteria for exceptional significance." (See February 15, 2012 letter attached.)

The structure's contribution to the historic and architectural significance of the site is profound. Loss of this exceptionally important building would significantly and negatively impact the historical integrity of the site.

**2. Whether the building, structure, improvement or site is one of the last remaining examples of its kind in the neighborhood, the county or the region**

The residence at 2 Casuarina Concourse is directly associated with a major architectural movement in the South Florida Community. Alfred Browning Parker was a member of a well-known group of architects in Florida who developed an entirely new vision for modern architecture that was responsive to the Florida climate. The movement is sometimes referred to as the "tropical modern" school of architecture. While not the last remaining example of this type of architecture in the region, the residence at 2 Casuarina Concourse is truly unique in its design, construction, and craftsmanship. This residence is a one-of-a kind architectural design and is the result of close collaboration between the architect, Alfred Browning Parker, and his clients, the Landons.

Within the Gables Estates neighborhood, there were a total of four Parker-designed homes. Three are extant while one (580 Leucadendra Drive) was demolished in 1994. In Coral Gables, permit records and property research indicate that 16 homes were designed by Alfred Browning Parker. The Landon residence is one of only three Alfred Browning Parker-designed buildings that are listed on the Coral Gables Register of Historic Places. The others are: 915 Bayamo Avenue (constructed in 1954 and designated in 2003) and 6801 Granada Boulevard (constructed in 1951 and designated in 2007). It is the only one that was designed by Mr. Parker in the late

1960s. Parker also designed a 1951 addition to George Washington Carver Elementary School (now Middle School), a Local Historic Landmark, that was originally constructed in 1925 and designated in 1991.

**3. Whether the loss of the building, structure, improvement or site would adversely affect the historic and/or architectural integrity of the historic site or district**

The loss of this structure would be detrimental to the historic site. Due to the architectural significance of the structure, its demolition would affect the historic and architectural integrity of the property in an adverse way. The historic designation of the property is based on the extant building. The historical and architectural integrity of the site is inextricably linked to the architecture of the building, its association with the Landons, and the historical and cultural trends of the community.

As stated in the designation report for the property, the residence achieves its significance based on multiple areas of significance. The one-of-a-kind residence is an outstanding work of prominent and internationally renowned architect Alfred Browning Parker and manifests many of his personal design philosophies. The residence also embodies the distinguishing characteristics of the “tropical modern school” of architecture. The attention to detail evident in the building materials and use of custom-made “radius bricks,” the cantilevered decks, and the minimization of the fascia, as well as the site features of the curvilinear driveway, curved brick wall, and gravel parking court combine to create a design that is harmonious with the environment. The building represents an adaptation to the South Florida environment by the use of deep overhangs, a plinth to protect from storm surge and Parker’s signature “Persianas” that serve as doors, windows, and storm protection.

The total demolition of the residence at 2 Casuarina Concourse would adversely affect the historic and architectural integrity of the historic site. Please note that it may be possible to accommodate an addition and / or alteration to the building and still retain the historic integrity of the site. To Staff’s knowledge, this option has not been considered by the applicant or the owner to date.

**4. Whether the retention of the building, structure, improvement or site would promote the general welfare of the City by providing an opportunity for study of local history, architecture, and design or by developing an understanding of the importance and value of a particular culture and heritage**

The retention of the structure would continue to promote the general welfare of the City by providing an opportunity to study architecture and design. It further assists in developing an understanding of the importance of the unique historic fabric and built environment of Coral Gables from its earliest Mediterranean Revival architecture to its remarkable modern structures. Each historically designated landmark in the City adds to the understanding of the history of Coral Gables as a whole.

Alfred Browning Parker (1916 – 2011) has been widely recognized for his design work and has been credited by his peers as being Florida’s most famous architect; even receiving praise by Frank Lloyd Wright in a 1954 national publication. He was a leader in the of the “tropical modern” school of architecture, in which local architects interpreted “modern” architectural design to suit life in South Florida. Parker also wrote extensively about architecture and the architectural field. In 1965, just prior to construction of the Landon’s residence, Parker published You and Architecture: A Practical Guide to the Best in Building that outlines many of his design philosophies and offers guidelines for readers interested in architecture. Many of those philosophies are incorporated into the design and construction of the Landon residence, affording an opportunity to witness Parker’s genius “in action” and in situ. The residence at 2 Casuarina Concourse is only one of a handful of extant and completely intact Parker-designed projects in the City of Coral Gables. Although this is a single-family home and, therefore, not readily accessible to the general public, the retention of the structure does provide the *opportunity* to study architecture and design.

The retention of the building is also very important in conveying the value of historic preservation to future generations. Coral Gables adopted its first historic preservation ordinance in 1973 in response to the community’s growing concern for safeguarding its irreplaceable historic resources. The ordinance was revised in 1984, 1990, and in 2003 provisions were introduced for review of demolitions of any non-designated property within the boundaries of the City of Coral Gables, for violations, and the Historic Preservation Board was granted the authority to grant variances. In 2007, the ordinance was further strengthened and expanded by addressing demolition by neglect. This attention to the historic preservation ordinance through the years by the City Commission is evidence of how important the preservation of historically significant properties has been, and continues to be, to the community. This residence is no exception.

- 5. Whether architectural plans have been presented to the Board for the reuse of the property if the proposed demolition were to be carried out, and the appropriateness of said plans to the character of the historic site or district, if applicable; and demonstration as well as the posting of a bond requirement that there are sufficient funds in place to carry out such plans**

In the letter to the Historic Preservation Board dated November 15, 2012 from Allen J. Smith, Esq., representing the owner of the property, Mr. Smith states that “while there are no present plans for demolition of the structure, the Property Owner seeks this Certificate to aid in the sale of the long-vacant property...” There have been no architectural plans presented for the reuse of the property, nor has there been a demonstration as well as the posting of a bond requirement that there are sufficient funds in place to carry out any future plans for the property. Furthermore, the Historical Resources Staff has not been afforded the opportunity to meet with either the owners or any potential buyers.

- 6. Whether the building, structure, improvement or site poses an imminent threat to the public health or safety;**

The building in its present state does not pose an imminent threat to the public health or safety. However, there is visible evidence of neglect by the property owners due to the fact that the residence is not occupied and there seems to be some maintenance issues (i.e. cracked stone veneer is failing around the exterior). The Historical Resources Department Staff and the City's Code Enforcement Division will continue to monitor the property for violations of the Coral Gables Zoning Code due to a potential for demolition by neglect.

**7. Whether the applicant has demonstrated that retention of the building, structure, improvement or site would create an unreasonable or undue economic hardship as described in Section 3-1115;**

Please refer to the spiral-bound submittal by the applicant. Section 3-1115 (A) of the Coral Gables Zoning Code states that in any instance where there is a claim of undue economic hardship, the property owner may submit by affidavit, to the Board at least fifteen (15) days prior to the public hearing, the following information for all property:

**1. The amount paid for the property, the date of purchase and the party from whom purchased.**

The applicant's submittal does not include the amount paid for the property as it has always been in the possession of a member of the Landon family or a family-related entity.

The City of Coral Gables Report of Building Permits Issued for the month ending May 31, 1966 lists the following:

Permit No. 19048B issued May 2, 1966 for a two-story CBS residence and pool at 2 Casuarina Concourse, Lot 32, Block A, Coral Gables Estates 2. Architect is A. B. Parker. Builder is Shafer and Miller. Owner is R. Kirk Landon. Cost of construction is \$329,000.

**2. The assessed value of the land and improvements thereon, according to the two (2) most recent assessments.**

Please see Applicant's submittal, Tab 3.

**3. Real estate taxes for the previous two (2) years.**

Please see Applicant's submittal, Tab 4.

**4. Annual debt service, if any, for the previous two (2) years**

There is no debt service on the property. See Affidavit of Allen J. Smith, Esq., Applicant's submittal, Tab 2, Section D (4).

**5. All appraisals obtained within the previous two (2) years by the owner of applicant in connection with his purchase, financing or ownership of the property.**

Please see Applicant's submittal, Tab 5.

**6. Any listing of the property for sale or rent, price asked and offers received, if any.**

Please see Applicant's submittal, Tab 6, 7, and 8.

**7. Any consideration by the owner as to profitable adaptive uses for the property.**

No consideration as to profitable adaptive uses for the property have been evidenced by the property owner and/or applicant.

**8. Whether there is a compelling public interest requiring the demolition.**

There is no compelling public interest that requires the demolition of this residence.

**STAFF CONCLUSION**

After reviewing the evidence presented by the applicant, Historical Resources Department Staff has determined that the claim of undue economic hardship has not been substantiated. Further, Staff concludes that the request for the demolition of the structure should be denied due to this determination.

Article 8, page 8-40 of the Coral Gables Zoning Code defines undue economic hardship as "an exceptional financial burden that would amount to the taking of property without just compensation, or failure to achieve a feasible economic return in the case of income producing properties."

When addressing claims of undue economic hardship, one has to determine whether or not the level of economic impact rises to the level of an economic hardship. A historic designation or denial of a Certificate of Appropriateness application may have an economic impact on a property owner, but is it severe enough to become an economic hardship? In all claims of undue economic hardship, the burden of proof rests entirely on the applicant. Has the applicant, with the evidence submitted, proved an economic hardship? Staff does not believe so.

The applicant has stated that "while there are no present plans for demolition of the structure, the Property Owner seeks this Certificate [of Appropriateness] to aid in the sale of the long-vacant property, which was designated as a local historic landmark by the Historic Preservation Board on February 16, 2012." (See letter to the Historic Preservation Board dated November 15, 2012 from Allen J. Smith, Esq., applicant's submittal.) In a previous letter, submitted on September 5, 2012 and included in the Applicant's package, the applicant states "The designation of the Residence as a local historic landmark has created an undue economic hardship on the Property

Owner. It is apparent from the contracts and offers described above that the real estate market has conclusively established that the highest and best use of the property is as a developable lot with the Residence demolished.” (See letter to the Historic Preservation Board dated September 5, 2012 from Allen J. Smith, Esq., applicant’s submittal.) It is clear that the applicant believes that the designation alone has created the economic hardship and is, therefore, seeking demolition approval as an incentive to potential buyers who will not have to contend with a historically designated structure. Historic Preservation Case Law has established time and time again that any economic impacts created by a historic designation “generally do not rise to the level of an economic hardship under the applicable legal standards.” (See “Providing for Economic Hardship Relief in the Regulation of Historic Properties” by Julia H. Miller, p. 1138, attached.) The demolition request is only being sought in an attempt to remove the Landmark designation of the property.

The law allows that designation of 2 Casuarina Concourse as a Local Historic Landmark may have an economic impact on the owner, but it may not rise to the level of an economic hardship.

Economic hardship is generally accepted as being consistent with a “taking” of the property. “The legal standard for an unconstitutional regulatory taking...requires a property owner to establish that he or she has been denied **all** reasonable beneficial use or return on the property as a result of the commission’s denial of a permit for alteration or demolition.” (See “Assessing Economic Hardship Claims Under Historic Preservation Ordinances, Preservation Law Reporter Educational Materials, p. 1, attached.) [Emphasis added]

The applicant’s entire argument (outlined within the Applicant’s submittal package) lies with the claim of lost or diminished revenue that may occur if the property cannot be demolished. Both the appraisal submitted and the applicant’s Letters of Intent repeatedly claim that the highest and best use of the property is being lost due to the designation of the structure and the inability to demolish it:

- “It is apparent from the contracts and offers received that the highest and best use of the property is as a developable lot with the Residence demolished.” (See letter to the Historic Preservation Board dated November 15, 2012 from Allen J. Smith, Esq., applicant’s submittal.)
- “The designation of the Residence by the Historic Preservation Board as a local historic landmark prevents the Property Owner from realizing the highest value for its property.” (See letter to the Historic Preservation Board dated September 5, 2012 from Allen J. Smith, Esq., applicant’s submittal.)
- “Based on the results of the valuation analysis below, the value of the property as a useable site is significantly greater than as an existing residence. Therefore the highest and best use of the property, outside of the limitations of the Coral Gables historic preservation regulations, is to raze the existing building and improve the property with a new single family home.” (See “Appraisal Report” by Gallagher & Birch, p. 11, Tab 5 applicant’s submittal.)

The argument made regarding loss of the highest and best of the property is irrelevant. Historic Preservation Case Law has strongly taken the stance that the property owner is not entitled to the highest and best use of the property. How much more income could be derived if a historic property is demolished is not germane to the issue of economic hardship. What has been consistently legally upheld is that there is no undue economic hardship (or taking) if the property can realize a **reasonable** return on investment, or whether a **viable** use of the property remains.

The District of Columbia Court of Appeals has defined economic hardship in this way: “[I]f there is a *reasonable* alternative economic use for the property after the imposition of the restriction on that property, there is no taking, and hence no unreasonable economic hardship to the owners, no matter how diminished the property may be in cash value and no matter if “higher” or “more beneficial” uses of the property have been proscribed.” (KALORAMA HTS. v. Dist. of Columbia, 655 A. 2d 865 - DC: Court of Appeals 1995)

Is the property at 2 Casuarina Concourse able to realize a reasonable return on investment to the owner? **Yes**. The residence was constructed for \$329,000 in 1966 and was utilized and enjoyed for over 40 years by the owner as a primary residence. The applicant’s submittal indicates that an offer to purchase the property, not conditioned on the demolition of the residence, was made in November, 2011 for \$5 million. That offer equates to a 15x return on the initial investment in the residence. Clearly this is a reasonable return for a real estate transaction. Given the depressed state of the economy for the past several years, a 15x return would be desirable for many property owners looking to sell.

Does a viable use for this property remain? **Yes**. The property remains viable as a single-family home. The owners can continue to use the property as a single-family residence with the historic designation in place and if the demolition request is denied. Although brought up numerous times during the historic designation proceeding (“...the Foundation would be burdened by the designation because of the \$3 million restoration expense to save a property...” See transcript of February 16, 2012 Historic Preservation Board Meeting, 64:14-16) and alluded to in the applicant’s submittal (“There are also structural and environmental issues that must be corrected before a buyer is likely to purchase the home.” (See “Appraisal Report” by Gallagher & Birch, letter dated August 29, 2012, Tab 5 applicant’s submittal.)), the applicant has not supplied any evidence that the property is in need of costly repairs or improvements. The property is habitable and can remain in use as a residence.

Please note that no other alterations to the property, other than total demolition, have been brought to the Historical Resources Department staff or Historic Preservation Board for review. It is feasible that alteration could occur, but no such consideration has been given to the residence. The property could also be rented until a buyer is found. To Staff’s knowledge, this use of the property has not been considered by the applicant or owner.

Without the economic hardship claim, there is no compelling reason to approve the demolition of the residence. As stated before, there has been no evidence presented that supports the need to demolish the property due to any material defect in the property. Additionally, the applicant’s

submittal and the appraisal of the property contained therein fail to take into consideration the uniqueness of this structure and its irreplaceable architecture. There are a finite number of resources designed by Alfred Browning Parker who died in 2011 and no more will be produced. The Historical Resources Department is charged with protecting and saving those we do have within the City of Coral Gables. Unequivocally, this residence could not be reproduced today due to its materials and craftsmanship.

**Therefore, Historical Resources Department Staff recommends the following:**

**ECONOMIC HARDSHIP:**

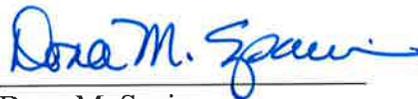
- 1.) A Motion to adopt Staff's findings and report, and to find that the applicant has not demonstrated that the denial of a certificate of appropriateness for demolition of the property would result in the loss of all reasonable and beneficial use of or return from the property in accordance with Section 3-1115 of the Coral Gables Zoning Code.

AND

**DEMOLITION/SPECIAL CERTIFICATE OF APPROPRIATENESS**

- 2.) 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 demolition, and, therefore, DENY the issuance of a Special Certificate of Appropriateness for the demolition of the property.

Respectfully submitted,



Dona M. Spain  
Historic Preservation Officer