



THE CITY OF KEY WEST

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TO: Key West Bight Management District Board
FROM: Doug Bradshaw, Port and Marine Services Director
DATE: February 5, 2020
SUBJECT: 907 Caroline St (Piano Shop)

ACTION STATEMENT

Selecting the course of action for the building at 907 Caroline St (Piano Shop).

HISTORY

The 1,870 sq. ft. building located at 907 Caroline Street is part of the Key West Bight (KWB) property. Currently the one story building houses a retail shop and the KWB maintenance shop. Three structural analysis have been performed on the building: United Engineering, Bender and Associates Architects and Artibus Design. Bender and Associates Architects and Artibus Design are of the same opinion that due to poor structural conditions and extensive spalling the only solution they recommend is demolition. See statements from both reports below:

Bender and Associates Architects

Given the condition of the existing building and its small size after removal of additions, the rehabilitation approach was deemed to be not feasible. While the building is historic, it is not a contributing resource. Any new use for the building would require extensive alterations, including expansion of its footprint. Flood proofing of the structure is not feasible, and therefore, this option was abandoned.

Artibus Design

Current Florida Building Code require complete code compliance for structures if the total value of the improvements exceed 50% of the depreciated value of the structure. In our case the total value of work allowed by code within 5-year period would be approximately \$87,200. Which is grossly smaller than our Opinion of Probable Cost (\$385,128) even if some items (such as roofing, small windows) are removed.

In my professional opinion the structure is a total loss, demolition and new construction should be considered.

United Engineering developed repair drawings but in communications with the city they expressed a similar opinion that the best course of action would be demolition and not rehabilitation.

The building was reviewed in a 2011 historical structure survey report and was deemed contributing, but that survey report was not adopted by the City Commission. The structure is historic based on

Key to the Caribbean – Average yearly temperature 77° F.

1257 WINDS 306 L 203 K3

its age as it was built in 1955.

OPTIONS

It is staff's opinion that there are two (2) options for moving forward when dealing with the structure:

1. Demolition of the structure and construction of a new one or two story structure.
2. Nominate the building as a contributing resource to HARC and if approved it will then be presented to City Commission. If City Commission approves it then the building will be listed as a contributing resource which would make it exempt from FEMA rules and could be rehabilitated.

Option 1 allows for the construction of a new one or two story structure that will meet all codes including FEMA requirements. It is estimated that the building will last 50 plus years. One possible use of the second floor is up to four (4) affordable housing units.

Option 2 rehabs a portion of a 65 year old building including roof structure, tie beam, electrical, etc. However, a significant portion of the structure including walls, flooring, and plumbing will not be replaced.

FINANCIAL STATEMENT

The estimated cost for the design, demo, and rebuild of a 2,908 sq. ft. one-story structure is approximately \$1.2-\$1.5 million. This is expanding the existing footprint to the entire building and covered porch footprint. To add a second story would increase the cost by approximately \$1.0-\$1.3 million. Currently in project KB1501, account 405-7502-575-6200 (Buildings) there is \$2,525,000. TIF funding may be available for the project. Estimated net revenue per year for the one story would be \$75,000 (two 964 sq. ft units at \$35 per sq. ft plus taxes and CAM). For the two story with affordable housing, net income is estimated at \$112,000 (affordable units rent – \$1,300 per month).

If the structure was rehabilitated, the existing 975 sq. ft. retail space generates approximately \$41,000 per year (\$35 per sq. ft plus taxes and CAM)

In a structural analysis performed by Artibus Design in April 2018, the estimate for rehabilitation of the building was \$385,128. Adjusted based on inflation the current estimate is around \$400,000.

RECOMMENDATION

Staff recommends that the Bight Board recommend to the CRA the demolition of the building at 907 Caroline Street and construction of a new one or two story building. If the second story is constructed, staff is recommending that affordable housing be considered.