

Demolition COAs
Findings Necessary for Demolition
Documentation Checklist
Bardstown Historical Review Board

Below are the findings necessary for the justification of a Certificate of Appropriateness (COA) for demolition and a checklist of all required items to be addressed and documentation to be submitted by the Applicant/Owner.

Findings Necessary for Demolition

**Zoning Regulations, Section 15.6: Demolition of Landmarks or Structures in Historic Districts on Landmark Sites
Bardstown Historic District Design Review Manual, Section 8: Economic Hardship Exemption**

Alternatives to Demolition: The Historical Review Board shall negotiate with the applicant to see if an alternative to demolition can be found. The Review Board may ask interested individuals and organizations for assistance in seeking an alternative to demolition and in obtaining estimates on rehabilitation costs for the threatened building.

Building Status & Impact of Demolition: The most important criteria for reviewing applications for demolition of an existing structure within any local historic district or any individual landmark is: *unless the City has determined that a structure poses an imminent threat to life or property, as set forth in Section 15.9 of the Zoning Regulations, no application shall be approved to demolish any structure unless:*

1. The demolition will not adversely affect the district's (or the landmark's) distinctive characteristics, taken as a whole, retained over time;
2. The demolition will not adversely affect the district's importance as a "unified entity" composed of interrelated resources united historically or aesthetically by plan or physical development; and,
3. The proposed plan for development of the site, including structures, landscaping, and lighting, will strengthen the viability of the district as a whole or for the landmark site.

Economic Hardship: When an application for demolition is submitted, Bardstown Historic Review Board shall study the question of economic hardship. The procedure for determining economic hardship is rigorous, and the standards set for determining what constitutes economic hardship are quite high. The test for economic hardship is not whether demolition provides a better use or return, but whether denial of the owner's request to demolish deprives the owner of *any reasonable beneficial use* in the case of a non-income producing property, or *any reasonable return* in the case of an income-producing property. The burden of proof is on the property owner to prove that any reasonable beneficial use (in the case of non-income producing property) or any reasonable return (for income producing property) cannot be obtained without the proposed demolition and/or new construction.

Hardship determinations focus on the structures and not the owners' personal financial circumstances. The Bardstown Historical Review Board is charged with undertaking a detailed review of the facts associated with building projects that have the potential to have significant negative effect upon the character of Bardstown's historic districts and individual landmarks. In order to make informed and fair evaluations of specific proposals, the Board will require detailed economic information pertaining to the finances of the historic structure as well as the use to which it will be put.

Income-Producing Historic Structure – Reasonable Return Determination

In order to be granted the hardship exemption that would clear the way for demolition of an *income-producing* historic structure, the Applicant must provide clear and convincing evidence that any reasonable return cannot be obtained from the property or structure without approval of the request for demolition or for new construction. In order to show that any reasonable return cannot be obtained, the applicant must show that:

1. The property or structure currently is not capable of providing any reasonable return; and
2. *Bona fide* efforts to sell or lease the property or structure have been fruitless; and
3. The costs required to rehabilitate the property or structure are such that any reasonable return on such an investment is not achievable. In order to be granted the hardship exemption that would clear the way for demolition of a historic structure that is *non-income producing* (e.g., owner-occupied residences) or for new construction, the applicant must demonstrate through a preponderance of the evidence that the property or structure cannot be put to any reasonable beneficial use without approval of the request for demolition or for new construction. In order to show that beneficial use of the property or structure cannot be obtained, the applicant must show that:
 1. The property or structure cannot now be put to any beneficial use; and
 2. *Bona fide* efforts to sell or lease the property or structure have been fruitless; and
 3. It is not economically feasible to rehabilitate the property or structure.

Economic Hardship Determination

In order to meet the tests for income and non-income producing property, an applicant seeking an economic hardship exemption **must** provide the following information pertaining to the historic structure.

A. Financial Information

1. Form of ownership of the property, whether by sole proprietorship, for-profit, or not-for-profit corporation, limited partnership, joint venture, etc.;
2. Most recent PVA assessments;
3. Remaining balance on any bonafide mortgage or other financing secured by the property and annual debt source, if any, for the previous two years;
4. Purchase price, date, and seller, including relationship, if any;
5. Copy of current deed;
6. Current assessed value of land and improvements;
7. Annual gross income of property, if applicable;
7. Operating and maintenance expenses;
9. Real estate taxes, if applicable;
10. Annual cash flow from property;
11. Other federal income tax deductions produced, if applicable;
12. Any and all appraisals;
13. All listings for sale or rent in the past two years;
14. Prices asked and offers received, including broker's testimony
15. Profitable and adaptive reuses considered, as applicable; and,
16. Tax returns on or relating to property.

B. Determination of Reasonable Return/Feasibility of Beneficial Uses

1. Estimated cost of demolition and estimated current market value of the property after completion of proposed demolition;
2. Report from licensed architect or engineer regarding condition of structure;
3. Identification of alternative uses;
4. Cost estimates associated with rehabilitation for reasonable uses, including the scope of work upon which the cost estimates based;
5. Pro forma of projected revenue and expenses for use or reuse of existing improvements, including the use of any tax credits, if applicable;
6. Estimate of current market value of property, with land and existing improvements as is;
7. Estimate of Internal rate of return based upon pro forma of income and expenses, including tax credits and estimate of equity investment, if applicable;
8. Estimates and analysis of the net impact of proposed new construction in stabilizing property values and the integrity of the district as a whole or of the local landmark; and,
9. Such other information as the Commission may reasonably request.

Demolition by Neglect: The deteriorated condition of a historic building attributable to the owner's failure to provide proper maintenance over an extended period of time **will not** be considered a mitigating circumstance in evaluations of economic hardship. Hardship that is attributable to a building's being allowed to deteriorate will be considered self-imposed; restoration costs incurred to remediate such neglect will not be considered.

Demolition Standards: The best way to prevent demolition is to keep buildings properly maintained and secured. Demolition is the most drastic building treatment possible. It irreversibly removes a component of Bardstown's historic landscape, and should take place only when no other option for building treatment is available. The guidelines for demolition are particularly stringent, because the repeated loss of historic resources results eventually in irreversible damage to the integrity and character of the historic district. Demolition will not be approved until plans for new construction or development for the site have also been reviewed

Standard	Applicant Justification
D1 Maintain historic properties by providing ordinary maintenance and repair.	<input type="checkbox"/>
D2 Do not demolish a structure until the City has determined that it poses an immediate threat to life or property, or a Certificate of Appropriateness allowing demolition has been approved.	<input type="checkbox"/>
<p>D3 Unless the City has determined that a structure poses an imminent threat to life or property, as set forth in Article 15.7 of the Zoning Regulations, no application shall be approved to demolish any historic structure or part of an historic structure within a local historic district or any individual landmark unless:</p> <ol style="list-style-type: none"> 1. The demolition will not adversely affect the district's (or the landmark's) distinctive characteristics, taken as a whole, retained over time; 2. The demolition will not adversely affect the district's importance as a "unified entity" composed of interrelated resources unified historically or aesthetically by plan or physical development 	<input type="checkbox"/>
D4 Upon approval of an application to demolish, do not demolish non-historic buildings and additions in a manner that will threaten the integrity of existing historic structures.	<input type="checkbox"/>
D5 Upon approval of an application to demolish, do take steps to assure the integrity of a wall exposed to the elements by the removal of a non-historic addition.	<input type="checkbox"/>
D6 Upon approval of an application to demolish, do remove non-historic interior finishes such as plaster, drywall, or paneling that may be exposed as a result of the removal of non-historic additions.	<input type="checkbox"/>
D7 Upon approval of an application to demolish, do infill non-historic openings in historic wall, exposed as a result of the removal of the non-historic finishes.	<input type="checkbox"/>
D8 Do landscape areas that are left vacant as the result of removals of non-historic buildings and additions. Topography should be made consistent with that of adjacent properties. The slope and grades of land left vacant after demolition should continue and be consistent with those features on adjacent properties.	<input type="checkbox"/>
D9 Upon approval of an application to demolish, do take measures to reestablish the street wall after demolition through the use of low fences, walls, and/or vegetation.	<input type="checkbox"/>