Economic Feasibility Analysis of Retaining the Magic Beach Motel Vilano Beach, Florida

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Prepared for

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Introduction

Van Rooy Law, L.P. ("Client") represents The Beach at Vilano, LLC ("Developer"), which is developing Colonia Vilano, a luxury condominium project. The Developer has purchased the Magic Beach Motel ("Motel") and submitted plans to demolish it to replace it with Colonia condominiums. At its April 14, 2025, meeting, the Cultural Resources Review Board deferred action on the demolition permit, requesting further information about the potential to rehabilitate the Motel.

Background

The Motel was initially constructed as the Blue Ocean Motel in 1951. It was a non-architect-designed masonry vernacular structure featuring applied ornamentation in the Late Moderne style. Over the decades, multiple renovations and additions have significantly altered its original character, complicating its stylistic identity. The introduction of a detached restaurant in 1953, a two-unit wing in 1962, a remodeled entrance with a port cochere, a neon sign in 1999, and a 2012 room addition further distanced the Motel from its initial architectural expression.

While certain elements—such as the streamlined moldings and cast plaster flamingo insets—retain cultural appeal, extensive modifications have diluted the Motel's original Late Moderne aesthetic. The most recent alterations by architect Les Thomas attempted to recreate the Streamline Moderne style, further complicating its architectural consistency. Nevertheless, the Motel was recognized as a "Significant Cultural Resource" by the Cultural Resources Review Board in 2021.[1]

County staff received a demolition permit application on January 15, 2025. After reviewing the application, county staff requested that the applicant submit a Historic American Buildings Survey (HABS) and a Cultural Resource Management Plan (CRMP) for review under Section 3.01.04.F.1, LDC. The CRMP, provided by Paul Weaver of Historic Property Associates, Inc. in association with Matthews Design Group and Fisher/Koppenhafer Architects (March 2025) via the applicant, was reviewed by staff and provides two mitigation alternatives to mitigate the adverse effect of a significant cultural resource.

[1] Staff Report (March 26, 2025), “Demo Permit N25-256, 50 Vilano Rd., Magic Beach Motel for Consideration of by the Cultural Resources Review Board”, page 3.

Mitigation Alternative #1 involves the relocation or raising of the existing building. This mitigation alternative is not feasible due to the size of the Motel and its slab-on-grade construction. Mitigation Alternative # 2 is the demolition of the Motel and salvaging and repurposing elements from the Motel by (a) incorporating the Flamingo plasterworks into the new building's façade, (b) relocating the Magic Beach sign on the property, (c) determining whether and how to incorporate significant elements, features, fixtures and furnishings, such as the interior room murals by Artist Gerome Barret; and (d) establishing a commemorative tribute area in the new building with historic photography and memorabilia.

Cultural Character and Architectural Considerations

The Motel's cultural character has significantly diminished due to surrounding developments, demolition of adjacent cultural structures, and changes in Vilano Beach's built environment. The Developer assessment notes that the building is physically separated from the primary concentration of historic structures, limiting its contribution to any potential landmark district designation. Despite its nostalgic appeal, the property has not met the formal criteria for landmark designation, which would have provided protection and possible funding for preservation efforts. No formal National Register of Historic Places eligibility request has been sought.

The Motel's architectural style reflects the mid-century roadside motel era, characterized by simple, functional design elements. While some community members appreciate its charm, experts have noted that the building is structurally compromised and prone to flooding. The existing infrastructure has reportedly deteriorated beyond feasible repair, making bringing the property up to modern standards difficult. Architect Mike Koppenhafer has stated that while the building has some appealing elements, it is ultimately not worth saving.

Given the Motel's inability to secure a formal National Register of Historic Places designation and its ongoing structural challenges, demolition appears to be the most viable option. While some community members advocate for preservation, the financial and architectural realities suggest that redevelopment would better serve Vilano Beach's evolving needs.

Location & Aerial Maps Table 1

The Magic Beach Motel is in Vilano Beach, Florida, a coastal community just north of St. Augustine. Situated near the shoreline, the motel benefits from its proximity to the beach and local attractions, but its location also poses challenges due to potential flooding and storm-related impacts.

An aerial view of the property reveals its compact footprint within a mixed residential and commercial area, highlighting its integration into the local neighborhood, which is surrounded by demolished properties. The location map provides context for accessibility, showing major roads, nearby landmarks, and the Motel's position relative to downtown St. Augustine. This geographic placement has played a role in the Motel's history, influencing its appeal to tourists and its long-term structural viability due to environmental factors.

Table 1 Aerial Map & Location Map

Deferred Maintenance Table 2

The photos in **Table 2** show that deferred maintenance on a Magic Beach Motel significantly impacts its long-term survivability. Over time, neglecting necessary repairs and updates has caused structural deterioration. Despite renovations in 2012, ongoing maintenance challenges have raised concerns about its viability. Deferred maintenance over the years has resulted in deteriorating infrastructure, requiring substantial investment to meet modern safety and building code standards.

The Motel's location in a floodplain and the rising costs of compliance with current building codes have led to the fact that the structure is no longer salvageable. Situated in a flood-prone area, the Motel is particularly vulnerable to environmental damage, increasing the cost and complexity of restoration efforts. Electrical and plumbing issues have reportedly made it difficult for the owners to keep up with the necessary repairs: The property's outdated systems and deferred maintenance have made the Motel obsolete, making demolition the only viable option.

Table 2 -Photos of the Building Condition

Jacksonville Beaches Submarket Analysis

Overview of the Jacksonville Beaches Submarket

The Jacksonville Beaches submarket includes areas such as Jacksonville Beach, Neptune Beach, Atlantic Beach, and Vilano Beach and is a dynamic hospitality and tourism hub. The region benefits from its coastal location, attracting leisure and seasonal visitors. The hospitality industry in this area is influenced by factors such as tourism trends, economic development, and local infrastructure improvements.

Competitive Landscape

The Jacksonville Beaches submarket features a mix of branded hotels, boutique motels, and vacation rentals. Larger hotel chains dominate the market, offering modern amenities and beachfront access, while smaller properties like the Magic Beach Motel (midscale & economy class) cater to niche travelers seeking nostalgic or budget-friendly experiences. The rise of short-term rental platforms has also introduced additional competition, impacting occupancy rates for traditional motels like The Magic Beach Motel. Currently, 329 luxury to upper midscale rooms will be completed in 2025, increasing supply and creating greater market competition.

Key Indicators Table by CoStar

Class	Rooms	12 Mo Occupancy	12 Months ADR	12 Months RevPAR	12 Months Delivered	Under Construction
Luxury & Upper Upscale	3,347	64.2%	$345.69	$221.93	58	**0**
Upscale & Upper Midscale	4,656	68.9%	$163.61	$112.75	0	**329**
Midscale & Economy	1,985	63.2%	$103.08	$65.09	0	**0**
Total	**9,988**	**66.3%**	**$213.67**	**$141.63**	**58**	**329**

Four properties with nearly 330 rooms are under construction in the submarket, representing 3.3% of the existing supply. Half of these hotels are limited-service, upper-midscale products, while the other half are full-service properties.

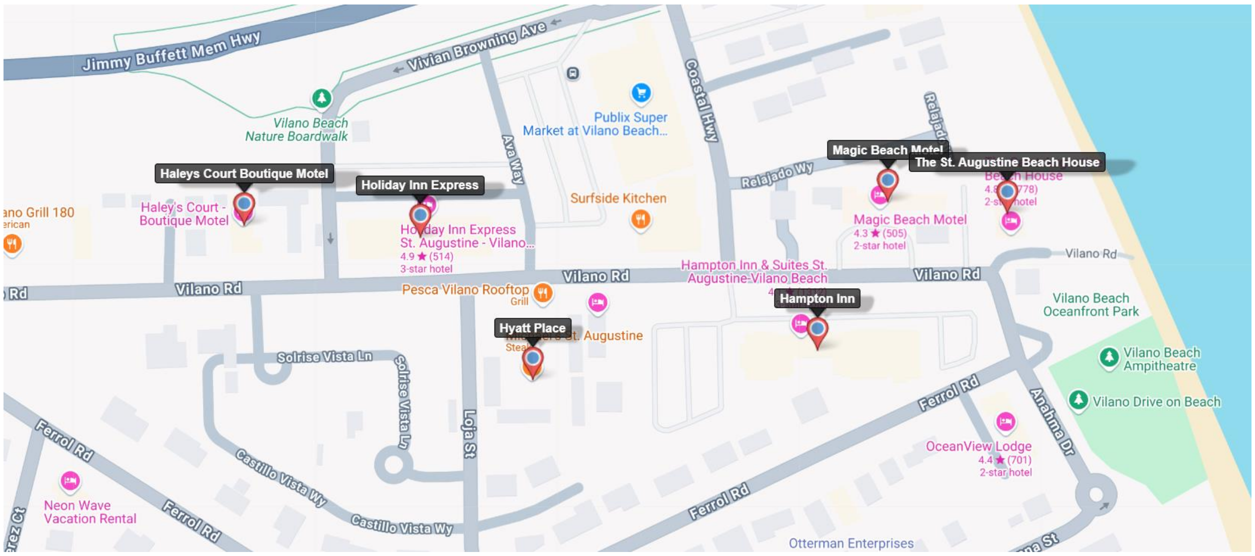
Under Construction Table by CoStar

	Property Name/Address	Class	Rooms	Stories	Start	Complete	Brand/Developer
1	AC Hotel by Marriott St. Augustine 159 King St	Upscale	139	7	Jun 2024	Nov 2025	**AC Hotels by Marriott** -
2	Holiday Inn Express & Suites Fern… 960108 Gateway Blvd	Upper Midscale	97	4	Jul 2020	Jul 2025	**Holiday Inn Express** -
3	**TownePlace Suites Jacksonville 2580 Mayport Rd**	**Upper Midscale**	**93**	**3**	**Sep 2023**	**May 2025**	**TownePlace Suites**

The 139-room AC Hotel by Marriott St. Augustine is projected to open by year-end. The upscale property is located on 1.8 acres along the east bank of the San Sebastian River near the St. Augustine Distillery.

The Motel has five competing hotels and motels in its immediate market area, as shown in Figure 1. There are three national brand hotels in the immediate vicinity. The Hampton has 94 rooms, and it was renovated in 2013. The upscale Hyatt with 120 rooms opened in 2023. Finally, the Holiday Inn Express delivered its 50-room property in 2021. These strong national branded hotels have added 264 rooms to the market over the last few years. This substantial increase in supply in the immediate market has depressed occupancy rates and revenue.

Figure 1. Magic Beach Motel and its Nearby Competitors



The AC Hotel by Marriott St. Augustine, located at 159 King St., approximately 3.3 miles from Magic Beach Motel, reflects broader trends in the hospitality market, particularly in contrast to the Magic Beach Motel. The AC Hotel represents the shift toward modern, upscale accommodations, prioritizing sleek design, contemporary amenities, and brand recognition. This aligns with the growing demand for high-end lodging options in St. Augustine, catering to business travelers and tourists seeking a refined experience.

In contrast, the Motel, initially built in 1951, embodies a nostalgic roadside motel aesthetic that has struggled to compete with newer developments. Deferred maintenance, flooding risks, and evolving building codes have raised questions about its long-term viability. While the Motel holds cultural significance, its inability to secure a national historic designation and the financial burden of restoration have led to the Developer requesting a demolition permit to redevelop the property.

The recent introduction of the Hyatt and renovation of the Hampton in the immediate market and the emergence of properties like the AC Hotel signals a market preference for modernized hospitality experiences, where guests expect updated facilities, curated design, and brand consistency. This trend suggests that legacy motels like the Magic Beach Motel face increasing challenges in maintaining relevance, particularly as developers push for mixed-use projects and residential conversions in prime locations. The contrast between these two properties highlights the evolving landscape of St. Augustine's lodging market, where historic and cultural charm must be balanced with economic feasibility and contemporary consumer expectations.

Market Performance:

Overall, the Jacksonville Beaches submarket continues to evolve, with shifting consumer preferences and development pressures shaping its hospitality landscape. Definitions for key metrics:

- Revenue Per Available Room (RevPAR): A key performance metric in the hospitality industry, RevPAR is calculated by multiplying a hotel's average daily rate (ADR) by the occupancy rate. It provides insight into a property's ability to generate revenue from its available rooms. (see Charts 1 & 2)

- Average Daily Rate (ADR): ADR represents the average rental income per paid occupied room in a given period. It is calculated by dividing total room revenue by the number of rooms sold, offering a measure of pricing power in the market. (see Charts 3 & 4)

Average Trend Table by CoStar

Average Trend	Current	3 Months	YTD	12 Months	Historical Average	Forecast Average
Occupancy	76.0%	70.1%	70.1%	66.3%	64.6%	**67.9%**
Occupancy Change	-0.1%	1.5%	1.5%	-0.6%	-0.3%	**0.6%**
ADR	$257.32	$219.71	$219.71	$213.67	$203.69	**$226.93**
ADR Change	-2.6%	-0.2%	-0.2%	-0.9%	5.1%	**2.0%**
RevPAR	$195.68	$154.02	$154.02	$141.63	$131.50	**$154.08**
RevPAR Change	**-2.7%**	**1.3%**	**1.3%**	**-1.4%**	**4.8%**	**2.6%**

- The Jacksonville Beach submarket has seen fluctuations in RevPAR and ADR due to seasonal demand, economic conditions, and competition from short-term rentals. Overall, the Jacksonville Beach submarket continues to evolve, with newer developments like branded hotels outperforming legacy motels in RevPAR and ADR. The shift toward modern accommodation reflects changing consumer preferences and competitive pressures in the hospitality industry.

- Hotels and motels in the Jacksonville Beaches submarket continued to experience negative performance throughout 2024, with the 12-month average RevPAR declining by -3.4%, driven primarily by a -2.7% occupancy drop. The RevPAR decline was more severe than the market's -2.3% decrease.

- The Jacksonville Beaches submarket relies heavily on domestic leisure travelers. As these visitors slowly evaporated from the submarket, hotel performance gradually softened.

- The submarket heavily depends on domestic leisure travelers, and the softness in this demand segment was evident last year. Twelve-month occupancy declined consecutively by more than -2% every month of the year. The average daily rate also experienced modest drops starting from the second quarter. The resulting RevPAR performance was more negatively compounded.

- The transient segment accounts for nearly three-quarters of the hotel demand in the submarket. It achieved a 12-month RevPAR decline of -4% in 2024. Conversely, group business represents more than a quarter of the demand and experienced a modest drop of 1.4% at year-end

- In 2024, the luxury and upper upscale segments incurred a 12-month RevPAR change of -1.4%, while the midscale and economy sectors experienced a change of- 3.8%. The upmarket and upper midscale categories witnessed the most impact, posting a 12-month RevPAR change of -4.9%.

- Forecast for 2025: hotel and motel performance will experience modest declines during the year's first half. The negative trend is expected to reverse by the year's second half, ending with a nearly 3% RevPAR growth by year-end.

Occupancy by Class (see Charts 5 & 6)

Hotels in Jacksonville Beach fall into various categories, including:

- Luxury & Upper Upscale: These properties maintain higher ADRs but face occupancy challenges outside peak seasons.
- Upscale & Upper Midscale: A strong segment benefiting from business and leisure travelers, maintaining stable occupancy rates.
- Midscale & Economy: Budget-lower options with higher occupancy rates but lower ADR, catering to cost-conscious travelers.

Magic Beach Motel Declining ADR and Market Competitiveness

The Motel, categorized within the midscale & economy class, has experienced a year-over-year decline in ADR, from $91.42 in 2023 to $89.65 in 2024, a $1.75 drop (-1.91%). While this decline may seem marginal, it exceeds the broader market ADR decline of -1.4%, indicating that the Motel is underperforming relative to competitors in the Jacksonville Beaches submarket.

This downward trend suggests that pricing power at the Motel is weakening due to the property’s aging infrastructure, outdated amenities, and challenges in maintaining appeal against newer hotel developments. In contrast, the average market ADR for the class is $103.08, reinforcing that it is falling behind in commanding competitive rates.

The RevPAR for the Motel in 2025 will remain flat at approximately $65.00. This stagnation implies that the Motel struggles to grow revenue despite the broader hospitality industry's recovery efforts.

Flat RevPAR often indicates:

- Low occupancy rates due to reduced demand.
- Rate stagnation, suggesting an inability to increase prices without further loss of occupancy.
- Market saturation, when competing properties are capturing a greater share of visitors.

Maintaining profitability at this level presents a serious challenge with rising operational costs, necessary renovations, and flood-related risks. The Motel's inability to achieve pricing gains or occupancy growth directly affects its long-term viability.

The Motel's declining ADR, stagnant RevPAR, and inability to compete with newer hotels in the Jacksonville Beaches submarket are signals that the Motel may no longer be a financially sustainable property. Its midscale economy class status, deferred maintenance, and structural concerns make renovation cost-prohibitive.

The Developer has already proposed demolishing the property for modern residential or mixed-use developments, which align more closely with market trends favoring upscale accommodations and coastal living spaces. Given the financial performance of the Motel, redevelopment seems to be a more economically viable solution, ensuring the site remains productive rather than continuing to operate at an underwhelming level.

The economic trajectory of the Motel reinforces the argument for demolition. With ADR falling faster than the market average and RevPAR projected to remain stagnant, the property faces mounting economic pressures that make continued operation increasingly unfeasible. These financial constraints and structural concerns support demolition as the best path forward for the site's future use.

Chart 1 REVPAR

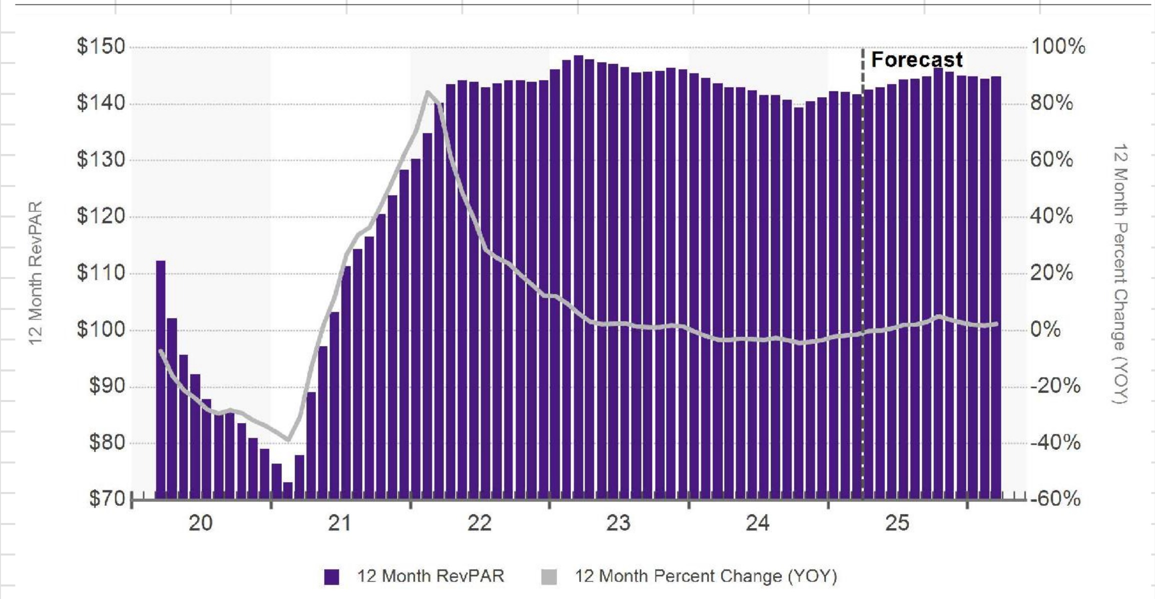
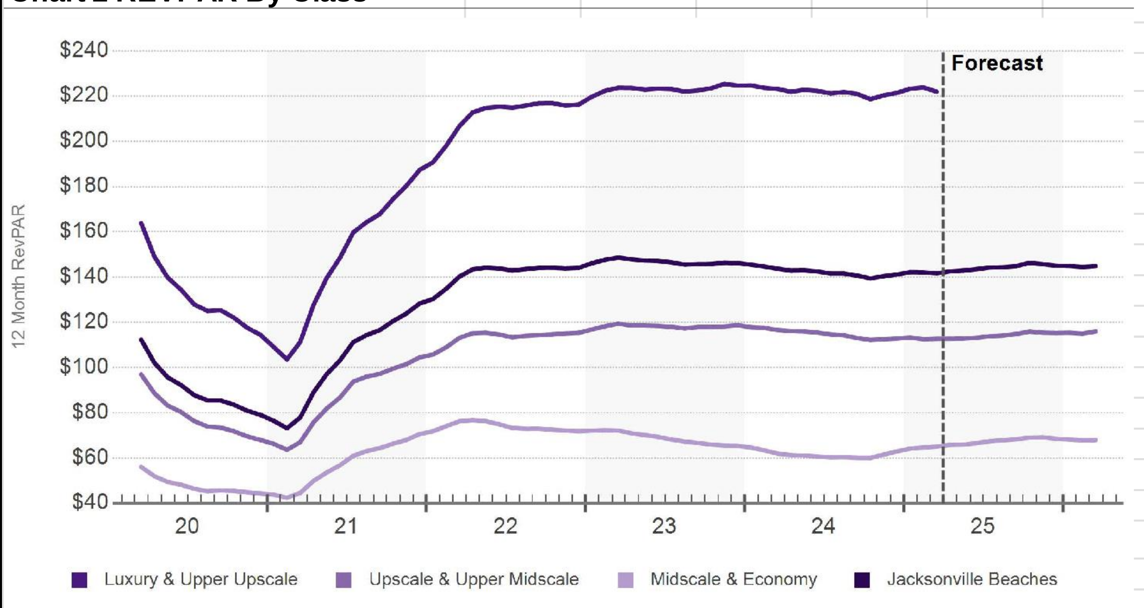


Chart 2 REVPAR By Class



RevPAR CHARTS by CoStar

Chart 3 -ADR

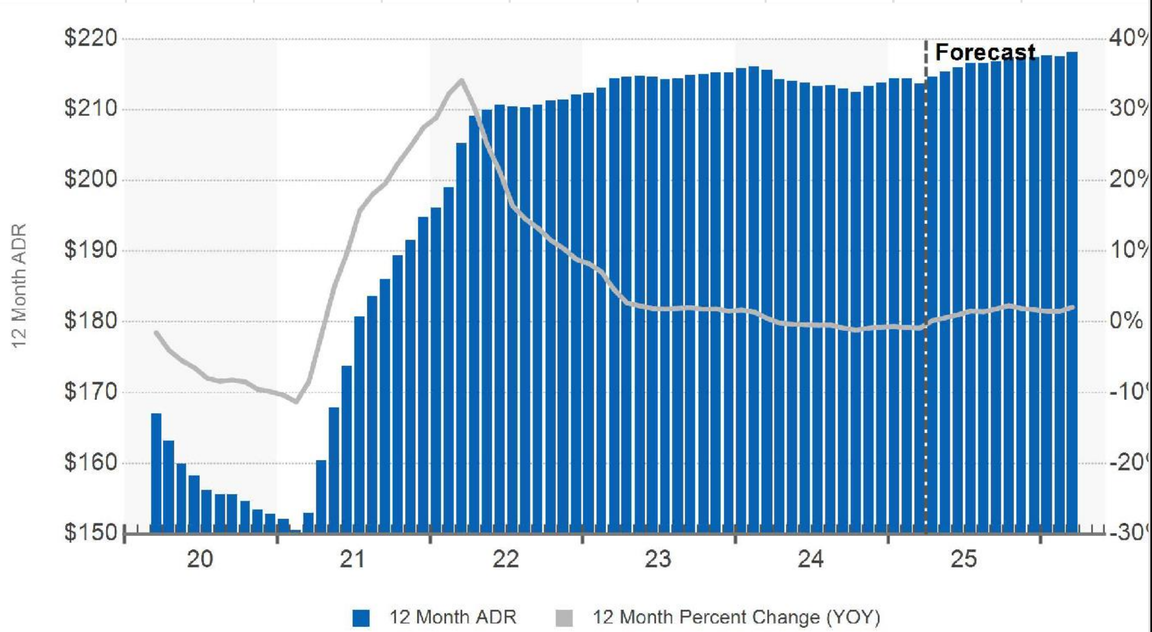
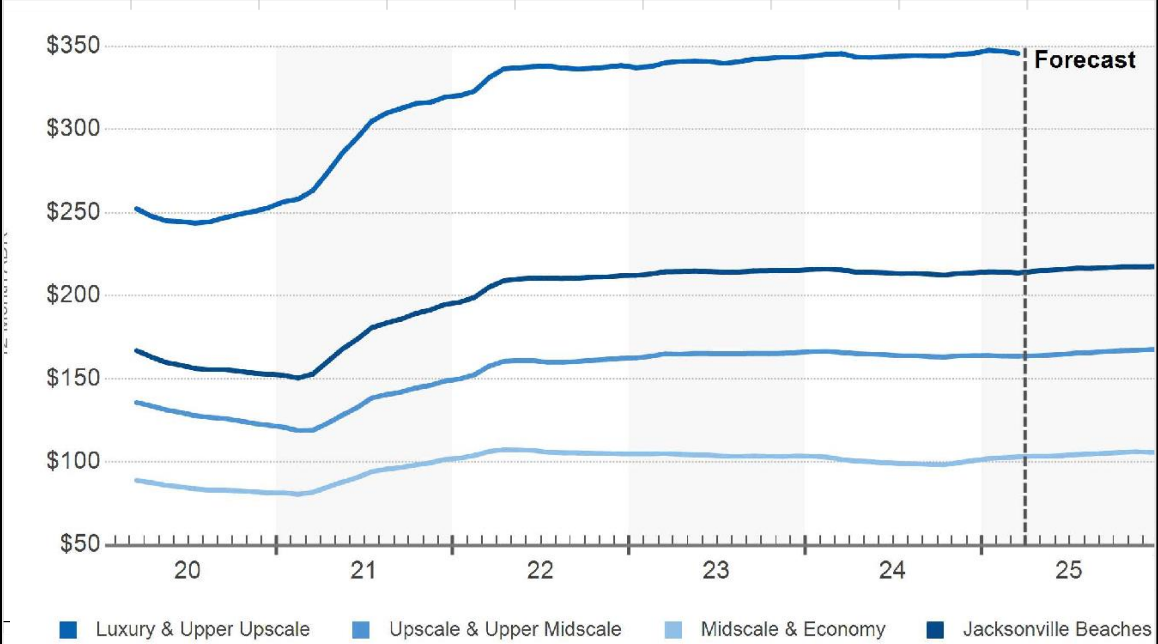


Chart 4 -ADR By Class



ADR Charts by Costar

Chart 5-Occupancy

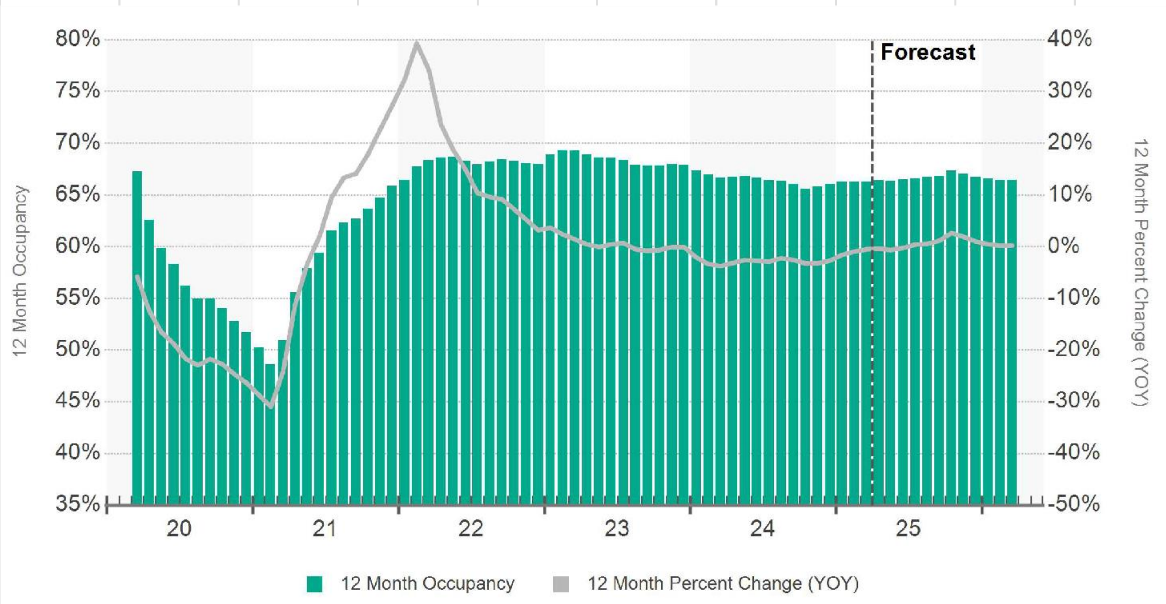
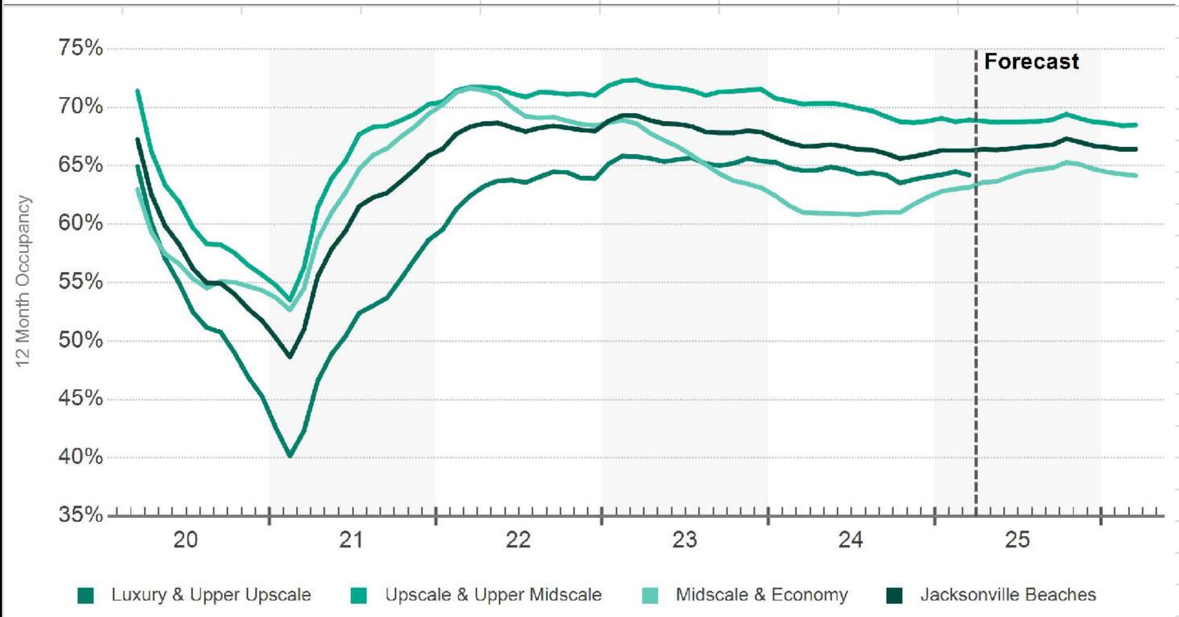


Chart 6-Occupancy By Class



Occupancy Charts by Costar

Analysis of Recent Financial Performance of the Motel

Table 3 shows the recent financial performance of the Motel. These data show that after recovering from the Covid pandemic, the Motel experienced a rebound in 2023 with an ADR of $91.42. However, the Motel only produced a modest $7,900 net operating income (NOI). Last year, ADR dipped to $89.67. Cost increased to more than $650,000. As a result, NOI was -$41,597. Given the competitive pressures in the marketplace discussed above, it is doubtful that the Motel will achieve a positive NOI, but never mind, an NOI sufficiently high to justify continued operations.

Table 3- Magic Beach Motel
Property Valuation of the Building

Description	2024		2023		2022	
Number Of Rooms	24		24		24	
ADR	$ 89.67		$ 91.42		$ 53.50	
Revenues						
Room revenues	$ 785,520	95.2%	$ 800,820	96.6%	$ 468,673	96.3%
Other revenues	39,402	4.8%	28,540	3.4%	18,205	3.7%
Total	824,922	100.0%	829,360	100.0%	486,878	100.0%
Cost of Goods Sold	6,779	0.8%	6,538	0.8%	-	
Gross Profit	818,143	99.2%	822,822	99.2%	486,878	100.0%
Expenses						
Salaries & wages	94,324	11.4%	139,983	16.9%	75,237	15.5%
Repairs & maintenance	30,677	3.7%	7,285	0.9%	12,135	2.5%
Bad debts	709	0.1%	1,076	0.1%	724	0.1%
Taxes & licenses	42,493	5.2%	52,988	6.4%	26,775	5.5%
Liability insurance	16,130	2.0%		0.0%	6,676	1.4%
Property insurance	33,722	4.1%	45,864	5.5%	14,843	3.0%
Other expenses	431,994	52.4%	358,035	43.2%	227,005	46.6%
Total	650,049	78.8%	605,231	73.0%	363,395	74.6%
Reserves for replacements	209,691	25.3%	209,691	25.3%	190,561	39.1%
Net Operating Income (NOI)	**(41,597)**	**-5.0%**	**7,900**	**1.0%**	**(67,078)**	**-13.8%**

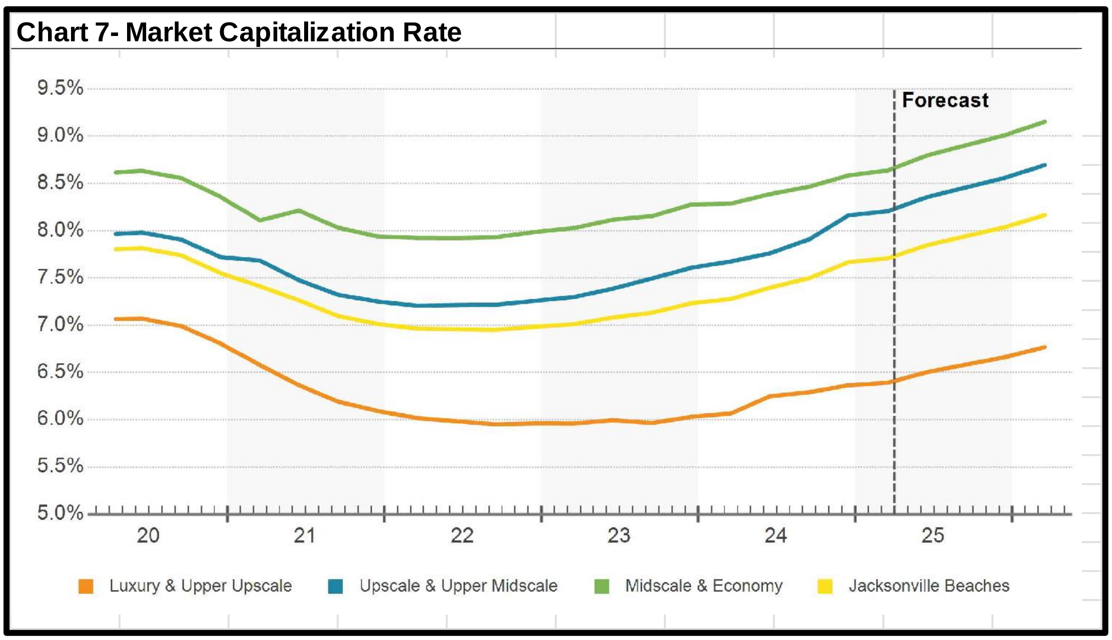
Property Valuation of the Building

The weak financial performance of the Motel casts doubt upon its sustainability. Furthermore, the weak economic performance compromises the Motel's value, especially its physical structure. Below is an analysis of the current value of the Motel building (exclusive of the land) based on the current and reasonably expected future financial performance of the Motel. The income approach to value was used in the analysis.

The Income Approach is used to estimate the value of income-producing properties. This approach involves the following steps:

- Calculate the Net Operating Income (NOI): This is the annual income (2024) generated by the property after deducting all operating expenses, including reserves for replacement, but before deducting taxes and financing costs.
- Determine the Cap Rate: The cap rate is derived from market data, reflecting the returns investors expect for similar properties in the area.
- Estimate Property Value: The property value is estimated by dividing NOI by the cap rate.
- The Cap Rate for the Jacksonville Beach Submarket midscale & economy class is estimated at 8.75% (See Chart 7)
- From the estimated property value deducted, the market value of the land is $1,247,540.

Chart 7-Market Capitalization Rate, often called the cap rate, is a key metric in real estate valuation. It represents the rate of return on a real estate investment property based on the income the property is expected to generate. The cap rate is calculated by dividing the property's net operating income (NOI) by its current market value or purchase price.



Market Capitalization Rate Chart by CoStar

Using the income approach and the latest financial data for the Motel, Table 4 presents the calculations for the value of the Motel building. The NOI for 2024 was -$41,597, as shown in Table 3. At the market capitalization rate of 8.75%, the total value of the Motel (land, building, and intangible business value) is -$475,394. The St. Johns County Property Appraiser estimates the value of the Motel's land at $1,247,540. Subtracting the value of the land from the total value of the Motel (building, land, and intangible business value) produces an estimated value for the Motel's building of -$1,772,934.

Table 4. Estimated Value of the Motel Building

Table 4- Property Valuation of the Building	2024 NOI	Capitalization rate	Property Valuation	Market Land Value	Property Value of the Building
Property Valuation of the Building	$ (41,597)	8.75%	$ (475,394)	$ 1,247,540	$ (1,722,934)

Property Appraiser's Value	
Building	$ 1,032,619
Extra Features	16,061
Land	1,247,540
Appraiser's Adjustment	223,080
Market Value	$ 2,519,300
Exempt Value	
Taxable Value	$ 2,519,300

Note: Capitalization Rate Source:
Costar Jacksonville Beaches
Hospitality Submarket Report - 4/29/2025

Note:Estimate Reserves for Replacement
Building Market Value
$ 1,048,680 at 20% less Depreciation

Conclusions

The Motel has faced significant financial challenges and deterioration over time. While designated as a "Significant Cultural Resource" in 2021, the property's economic viability has declined, as indicated by a negative NOI of ($47,597). Applying the income approach method to calculate the building's valuation generates a substantial negative value of ($1.7 million). Even with the land worth $1.2 million, the overall financial assessment highlights the building's severe depreciation and unfeasibility for profitable operation. Beyond economic concerns, the structure's poor condition likely contributes to safety risks and costly maintenance, making preservation increasingly difficult.

The Motel faces significant structural and financial challenges, necessitating replacement reserves to address deferred maintenance and ensure operational viability. Replacement reserves for the Motel are funds set aside to cover the cost of replacing major property components that wear out over time. As a mid-century motel with multiple renovations, the property has deteriorated over time, requiring substantial investment in essential repairs such as roofing, plumbing, electrical systems, HVAC systems, and flood mitigation.

Given its location in a flood-prone area, the Motel's aging infrastructure increases operational costs, making routine upkeep more difficult. Without sufficient replacement reserves, the property risks falling further into disrepair, impacting occupancy rates and long-term profitability. The absence of formal historic designation limits potential funding sources, making redevelopment more attractive. The property is currently a significant cultural resource and is defined as a historic structure.

The Motel would require consistent financial planning to cover ongoing maintenance costs and unexpected structural repairs to remain competitive. However, given the increasing costs and regulatory hurdles, replacement reserves alone may not be enough to sustain the property, supporting arguments for demolition and redevelopment as a more feasible solution.

Since ADR influences total room revenue, a declining ADR, if not offset by increased occupancy, results in lower gross revenue. If operational costs such as maintenance, utilities, and payroll remain constant or increase due to inflation or repair needs, NOI will contract, reducing the property's profitability.

Motel's historical deferred maintenance and flood-related challenges compound financial strain, as necessary capital expenditures may increase. A flat or declining revenue stream combined with rising costs suggests diminishing NOI margins, making the property less attractive to investors and lenders.

The Motel property valuation typically depends on factors such as NOI, market conditions, and cap rates. Declining NOI reduces the property's financial attractiveness, leading to a lower valuation based on income approach modeling.

The decline in ADR signals weakening pricing power and diminished revenue generation, ultimately impacting NOI and property valuation negatively. Without a strategic repositioning, The Motel risks continued financial decline, further supporting arguments for demolition to maximize the site's potential in an evolving market.

A building with a negative value of $1.7 million presents significant economic challenges, as it indicates that the cost of maintaining, operating, or redeveloping the property far exceeds any potential revenue or market benefit. This negative valuation suggests the structure has deteriorated beyond feasible rehabilitation, lacks profitability, and incurs ongoing financial losses. Factors such as outdated infrastructure, high maintenance costs, structural deficiencies, and a declining market demand contribute to its negative worth. From an economic usage perspective, such a building fails to serve its intended function effectively as a motel. Additionally, negative valuation impacts surrounding properties, leading to economic stagnation within the area. In these cases, demolition becomes a rational consideration, allowing for more economically viable land use.

Justification for Demolition

Economic and Financial Constraints

The owners have completed the HABS documentation phase of the Mitigation Plan. Relocation of buildings is not technically feasible or financially practical.

Rising insurance, financing, and construction costs have rendered continued operation and preservation economically unviable.

Insurance Cost Trends (2021-2025)

- Florida's property insurance market has dramatically increased due to hurricane risks, rising sea levels, and inflationary pressures.
- Premiums for coastal properties have surged 30-50% since 2021, with some insurers withdrawing from high-risk areas.
- Flood insurance costs have escalated due to FEMA's revised flood zone maps, increasing expenses for properties near the Atlantic coastline.

Financing Cost Trends (2021-2025)

- Interest rates on commercial loans have risen sharply, peaking in 2023 due to Federal Reserve rate hikes aimed at controlling inflation.
- Loan approval criteria have tightened, making it harder for small businesses to secure financing for renovations or preservation efforts.
- Investors favor larger, modern developments, reducing financial incentives for maintaining older structures like the Magic Beach Motel.

Construction Cost Trends (2021-2025)

- Material costs have fluctuated, with lumber, steel, and concrete experiencing price hikes due to supply chain disruptions and tariffs.
- Labor shortages have increased wages, increasing construction expenses by 5-7% annually.
- New building codes require elevated foundations and flood-resistant designs, making renovations significantly more expensive than demolition and reconstruction.

Impact on Magic Beach Motel

- Insurance premiums have become unsustainable, particularly given the Motel's low elevation and flood risk.
- Financing challenges prevent the owner from securing funds for necessary upgrades to meet modern standards.
- Construction costs make rehabilitation economically impractical compared to redevelopment.

Industry Trends Affecting Older Motels-

Industry-wide trends favor larger units with modern amenities, making the current structure functionally obsolete.

Shift Toward Larger, Amenity-Rich Units

- Modern travelers prefer spacious accommodations with luxury features like innovative technology, fitness centers, and upscale dining options.
- Boutique motels struggle to compete with new developments offering higher revenue potential per unit.

Decline in Demand for Small-Scale Motels

- The rise of short-term rental platforms (e.g., Airbnb) has reduced demand for traditional motels.
- Chain hotels and resorts dominate the market, leaving independent motels with limited financial sustainability.

Sustainability and Energy Efficiency Requirements

- New construction emphasizes net-zero energy solutions, requiring solar panels, wind turbines, and advanced insulation systems.
- Older motels lack the infrastructure to meet eco-friendly building codes, making renovations costly.

Impact on Magic Beach Motel

- Functionally Obsolete Design: The Motel's small-scale layout does not align with current industry preferences.
- Financial Burden: Rising insurance, renovation, and operational costs make preservation economically unfeasible.
- Regulatory Challenges: Compliance with new flood resilience and sustainability standards would require extensive reconstruction.

Environmental Changes and State Building Code Compliance - Finish Floor Elevation (FFE)

The eastern half of the building lies seaward of the Coastal Construction Control Line, further increasing its vulnerability. FEMA-designated flood zones indicate high risk, and revised maps continue to expand into flood-prone areas. Required upgrades to meet contemporary building standards exceed reasonable investment feasibility.

Rising Sea Levels and Increased Flooding

- Sea levels along Florida's coast have risen steadily, with projections indicating an increase of 6-12 inches by 2050.
- Storm surges have intensified, leading to more frequent and severe coastal flooding.
- Low-elevation properties, such as the Magic Beach Motel, are increasingly affected by tidal inundation and storm-driven flooding.

Coastal Construction Control Line (CCCL) Regulations

- The CCCL program restricts construction in areas prone to erosion and storm damage.
- New building codes require elevated foundations and deep pile construction, making slab-on-grade structures non-compliant.
- The existing structures of the CCCL seaward face higher insurance costs and stricter permitting requirements.
- The Motel's eastern half lies seaward of the CCCL, increasing its vulnerability to storm surges and erosion.
- CCCL regulations require structural modifications that are financially impractical for an older building.

FEMA Flood Zone Designations and Expanding Risk Areas

- FEMA's revised flood maps have expanded high-risk zones, increasing insurance premiums and regulatory requirements.

- Flood Zone X and X-shaded areas are susceptible to storm flooding, making preservation efforts financially unfeasible.
- New flood resilience standards require higher elevation and reinforced foundations, incompatible with the Motel's current design.

Flood Resilience and Elevation Standards

- Florida's updated building codes mandate minimum finish floor elevation (FFE) to mitigate flood risks.
- The Magic Beach Motel's slab-on-grade construction does not meet current elevation requirements, making preservation costly.
- New developments must incorporate deep pile foundations and higher elevation standards to comply with coastal resilience regulations.

Impact on Magic Beach Motel

- Structural Vulnerability: The slab-on-grade foundation is prone to water damage, making long-term preservation impractical.
- Financial Burden: Rising insurance costs, flood mitigation expenses, and regulatory compliance make continued operation economically unviable.
- Regulatory Challenges: Compliance with CCCL and FEMA flood zone requirements would require extensive reconstruction, exceeding reasonable investment feasibility.

Mitigation Measures for the Demolition of Magic Beach Motel

Historic American Building Survey and Cultural Resource Management Plan Compliance. Given Vilano Road's diminished landmark character due to previous demolitions, the CRMP suggests alternative recognition methods, such as historical markers or archival documentation.

Archival documentation through HABS and detailed records of the Motel's architectural and cultural associations will be preserved to acknowledge the Motel's cultural significance while accommodating demolition.

Commemorative recognition can be achieved by installing a historical marker or signage within the Vilano Beach Town Center. Alternative Land Use will consider redevelopment options incorporating elements reflecting the site's legacy.

.Archival Documentation

The history of the Magic Beach Motel has been comprehensively documented through a Historic American Buildings Survey (HABS). The HABS includes a history and physical description, photographs of the building and site features, and digitized copies of the 2012 architectural drawings, which thoroughly document the complex before and after the 2012 renovations and recent photographs.

- The Historic American Buildings Survey (HABS) was conducted to record the Motel's architectural and cultural significance comprehensively.

- This documentation includes photographs, architectural drawings, and historical narratives, ensuring future generations can access detailed information about the structure.
- The records will be archived in local and national repositories.

Commemorative Recognition

Demolition of the structures on site by salvaging and repurposing elements from the Magic Beach Motel as follows:

- Flamingo Plasterwork pieces will be incorporated into the façade of the replacement building.
- A Tribute Area will be established in the new building, featuring historic photography and memorabilia.
- The Magic Beach neon sign will be relocated to a landscaped area on the property.
- The Developer will further determine whether and how to incorporate significant elements, features, fixtures, and furnishings, such as the interior room murals by Artist Gerome Barret, or to allow bona fide nonprofits or agencies with subject matter interest or expertise to salvage cultural significant elements, features, fixtures, and furnishings before demolition.
- A historical marker or interpretive signage will be installed within the Vilano Beach Town Center to acknowledge the Motel's role in the community.
- The site's redevelopment will incorporate design elements that reflect the Motel's legacy, such as nautical or streamlined modern architectural influences.

Final Conclusions

Rising insurance, financing, and construction costs have combined to make the preservation of the Magic Beach Motel financially unviable. Given these economic realities, demolition is the most feasible course of action, allowing for future development that aligns with contemporary market demands and regulatory requirements.

While culturally significant, the Magic Beach Motel faces insurmountable challenges due to shifting industry trends and evolving building regulations. Given these realities, demolition is the most viable option, allowing for redevelopment that meets modern hospitality standards while acknowledging the site's legacy**.**

The Magic Beach Motel faces insurmountable environmental and structural challenges due to rising sea levels, storm surges, and evolving flood resilience standards. Given these realities, demolition is the most viable option, allowing for redevelopment that meets modern coastal construction requirements while acknowledging the site's legacy.

Although the Magic Beach Motel is culturally significant, economic, environmental, structural, and regulatory constraints make preservation impractical. Demolishing the building will allow for future development that aligns with contemporary market demands and building standards, ensuring the site serves the community sustainably. Transitioning to a modern residential or mixed-use development will better align with market trends while serving the community's long-term needs. Local officials ultimately decide, which involves weighing cultural sentiment against practical considerations for the site's future and economic benefits to the community.

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