

PARK CITY MUNICIPAL CORPORATION
HISTORIC PRESERVATION BOARD
MINUTES OF AUGUST 19, 2009

BOARD MEMBERS IN ATTENDANCE: Puggy Holmgren, Roger Durst, Gary Kimball, Ken Martz, Adam Opalek, Sara Werbelow

EX OFFICIO: Thomas Eddington, Kayla Sintz, Mark Harrington, Brett Howser

ROLL CALL

Vice-Chair Holmgren called the meeting to order and noted that all Board Members were present except for Todd Ford, who was excused.

REGULAR MEETING

PUBLIC COMMUNICATIONS

There was no comment.

STAFF/BOARD MEMBER COMMUNICATIONS AND DISCLOSURES

No Staff communication was given.

Vice-Chair Holmgren asked Brett Howser, the City Budget Officer, to talk about finances.

Mr. Howser reported that one capital project has been set aside for the Historical Consent Agreements. He explained that the project is funded out of three pockets. Two are dedicated Redevelopment Agency money consisting of approximately \$200,000 of Lower Park Avenue RDA money, as well as cash from the Main Street RDA. The third is flexible money that is sitting in the General CIP Fund. That Fund totals approximately \$60,000 in cash with another \$69,000 that has not yet been appropriated to a specific grant. Mr. Howser explained that the cash sits in those funds and any money not spent in any given year carries forward in to the budget for the next year. Any newly appropriated money would occur through the budget process, which runs from January through June. A request would be made in January or February through the operating budget process or through the capital process.

Regarding the Main Street RDA money, approximately \$1.3 million in property tax money goes into that fund each year. Mr. Howser stated that \$950,000 of that amount goes straight to debt service and \$400,000 goes towards a mitigation payment to the School District. Therefore, all of the ongoing funds in the Main Street RDA are appropriated. Additional money for a project would require a request for a policy decision by the City Council on appropriating General Fund money towards that project.

Board Member Martz asked if the \$213,000 of Lower Park Avenue RDA money could be moved around. Mr. Howser replied that the money must be spent within the RDA project area. Board Member Martz recalled that money from the CIP Fund was used to move money into the Main Street area. Planning Director Eddington stated that this was correct and money was moved in 2004.

Board Member Durst asked if the HPB could initiate a recommendation for the re-distribution of RDA money. He used the Main Street RDA as an example. Mr. Howser

replied that funds cannot be crossed between the two RDAs. Money must be spent within the existing projects area per State Statute. By policy, the City Council looks at all budget requests at the same time in the Spring so they can all be weighed on equal footing. On an emergency basis, the City Council has the ability to look at budget requests outside of the budget process.

Board Member Werbelow understood that the funds are already established in the three RDA areas for 2010. Mr. Howser replied that this was correct; however, it is possible to adjust the 2010 budget.

Board Member noted that in the years he has been on the Board, the Fund amounts have not changed. Money has been distributed along the way but there has been no initiative to move forward with any new money. Mr. Howser agreed that in looking back over the past few years, no new money has been appropriated into those accounts. It appears that the accounts were set up with a lump sum. He would have to research the documents to find out if there was an original intent when the accounts were established to have some type of ongoing mechanism for future funding. Mr. Howser noted that currently budgeting has been scaled back and if there is a mechanism, he assumed it could be re-evaluated.

Board Member Durst asked if the City Council could ask the State for a re-distribution of money. Director Eddington stated that Statute for re-development agencies was very specific and geo-graphic centric. He felt that would be a difficult request. Mr. Howser noted that RDAs are a combined effort of various taxing entities and they are set up at the agreement of the various taxing entities. He suggested the possibility of a legal restructuring of the RDA's to share that money, however, it would take a lot of work and the likelihood of reaching agreement was minimal because the RDAs have a distinct setup. He noted that the Main Street RDA is capped at \$1.3 million. The other two are not capped but they do have different mitigation rules.

Board Member Werbelow found the CIP Fund to be vague when trying to understand the purpose that particular line item. She asked Mr. Howser for a simple definition of the purpose behind that particular budget allocation. Mr. Howser replied that the fund is flexible and could be spent on historical incentive grants for improvements anywhere in the City. He was unaware of the original intent for having that pocket. Board Member Werbelow asked if the money could be used for anything in addition to the grant program. Mr. Howser replied that historically the fund have not been used for anything else, since those dollars were specifically set aside for the grant program. The City Council could make a budget decision to separate that money and dedicate it to another project instead of historical incentive grants, but currently it is appropriated to grants.

Board Member Martz could only think of one project in the last three or four years in the Lower Park Avenue area. All the other grants proposed or in process are in the other two RDA areas where little money is left.

Board Member Durst understood from Mr. Howser's comment that the taxing entity sets the amounts for these districts. He thought someone at the City level would have recommended or suggested the distribution of resources and through their taxing authority the RDA funds were awarded. Mr. Howser clarified that he had misspoken when he said the tax entities made up the Board for the RDA. City Council is the Board for the RDA and has been since the RDA was created. He explained that another Board

is made up of the RDA representatives that decide on things such as the extension of the RDA. The City Council makes budget decisions for the RDA and how that money is distributed. Mr. Howser assumed the initial proposal was made by Staff a long time ago.

Board Member Durst felt it was obvious that needs have changed since the original determination. He wanted to know why a mechanism could not be initiated to make adjustments and redistribute the resources where it is more appropriate for the preservation of the City.

City Attorney, Mark Harrington, believed the issue goes back to the RDA legislation at the State level. The whole theory is to use the tax increment within that District to help facilitate re-development and avoid blight in that district. By State law, there is limited exception for using allocated money outside of that district. It is not a function of distribution and any changes would require amending the State statute.

Board Member Martz suggested that the Historic Preservation Board should review the grant money at the beginning of 2010 and determine the needs. At that point, they could make recommendations to the City Council for the next budget year relative to future needs.

Board Member Martz commented on projects he has noticed as he walked around town. He noted that a historic building is being renovated at approximately 130 Daly Avenue. It appears to be a panelization project. Board Member Martz noted that the HPB had not reviewed that renovation, and in the past requested that these projects be presented as an information item to keep the Board members updated and informed.

Board Member Martz stated that a second house he noticed was a yellow house with white trim near Puggy Holgren's home. It appears that a handicapped ramp was being added. He recalled that the owner had received a grant to restore the porch. Board Member Martz was told that the project had gone to the Board of Adjustment for a special exception. He was comfortable with that explanation.

CONTINUATION

Determination of Historical Significance for 175 Snow's Lane, 205 Snow's Lane, 115 Woodside and Related Mining Sites on Park City Mountain Resort.

This item was continued to September 2, 2009.

PUBLIC HEARING/DISCUSSION ITEMS

22 Prospect Avenue

Planner Kayla Sintz stated that the applicant has been the owner of the historic house located at 22 Prospect Avenue for approximately 30 years. The site was recently designated as a landmark structure in the HIS adoption in February 2009. The site is not listed on the National Register of Historic Places, but it is categorized as being eligible.

Planner Sintz noted that the applicant was requesting that the HPB grant money for preservation work outlined in the Staff report. The work included window glass repairs,

replace fence and gate, rebuild existing porch, new decking and railing, window trim repair, corner siding repair and exterior paint. The total cost of the proposed renovation was \$23,248. As indicated in the Staff report, \$8,240 of the total amount was identified as exterior painting, which is not typically eligible for grants under the current program. She noted that exterior painting was an eligible item during the time of the previous Historic District Commission. Planner Sintz reported that the total amount eligible for this application was \$15,744. Half of the total cost, \$7,504, was eligible to be granted.

The Staff recommended that the Board review the proposed grant and consider rewarding the applicant a grant in the amount of \$7,504 as itemized in Exhibit B in the Staff report. Planner Sintz pointed out that the Board could also deny the application or award the applicant a different amount based on their decision whether to allow exterior painting.

Board Member Holmgren felt this was a good project for grant money. She explained that exterior painting has not been an eligible item since the HPB has been in effect because it is considered maintenance. Removing the siding and returning a structure to its original color is a different situation.

Board Member Kimball thought the house was a year older than they thought. He had an article from 1884 where Joseph Durkin helped rescue a woman who fell in the flume of the Ontario Mine. That would indicate that the original owner was in the neighborhood at that time.

Vice-Chair Holmgren opened the public hearing.

There was no comment.

Vice-Chair Holmgren closed the public hearing.

MOTION: Board Member Durst moved to APPROVE the grant in the amount of \$7,503.71 for the property at 22 Prospect Avenue. Adam Opalek seconded the motion.

VOTE: The motion passed unanimously.

703 Park Avenue, High West Distillery

Board Member Opalek recused himself from this item.

Planner Sintz reviewed the application for a grant request for 703 Park Avenue, otherwise known as the High West Distillery. On August 5, 2009 the Staff approached the Board in order to get policy direction regarding grant application timing. During that meeting, the Board determined that it was appropriate to hear the grant request, even though the majority of work was completed prior to the submittal of the grant application.

Based on the Board's decision, the Staff recommended that the HPB review this application and consider awarding the applicant a portion of the costs associated with the remodel of the historic home and garage located at 703 Park Avenue.

Planner Sintz corrected two items in the Staff report. She referred to the first paragraph on page 37 of the Staff report and the phrase, "balances of the Main Street RDA is

currently \$5500". Further language indicates an amount of \$13,050. She noted that the actual amount should be \$13,050. Planner Sintz referred to the recommendation section on page 37, which indicates a reduced sale by the City to the owner. She clarified that the building went through a competitive bid process and RFP. The owner, Dave Perkins, competitively bid and was awarded the home and he paid a fair market value based on appraisal. Planner Sintz wanted it clear that it was not a reduced sale.

Planner Sintz noted that this application was different than the typical grant application, which is why the HPB was asked to make a determination on whether it should be considered. She stated that the applicant is applying for Federal Tax Credit money, which follows a rigorous process through historic guidelines and the National Historic Register Rehabilitation process. The two historic structures currently existing on the site are on the National Register with a listed date of July 1994. Planner Sintz stated that the applicant had provided an extensive breakdown of construction costs. The Staff reviewed the eligible costs and came up with a number slightly less, but still over \$600,000. Planner Sintz commented on two past instances, one in 1998 and the other in 2003, in which the HDC awarded grants of \$50,000.

The Staff recommended that the HPB award the applicant an economic development grant in the amount of \$11,000, due to limited funds currently in the fund and the timing of the application. Planner Sintz noted that the HPB could also deny the request or make a recommendation to grant a different amount.

Dave Perkins, the applicant, stated that his goal was to create a project that the community could be proud of and he believed they were headed in the direction. He stated that when he was doing his due diligence on the property, his contract with the City was not necessarily to keep it on the National Register. However, after the property was purchased, he made a gentleman's agreement to try and keep it on the Register. Mr. Perkins stated that he has honored that agreement, but doing so changed his planning assumptions and costs. He wanted the HPB to understand that he put a lot of care in to this building and he did not intend to cause a firestorm by requesting the grant. His intent was to explain the facts and show that he did a good job of restoring a historic building that deserved this type of restoration. In an effort to keep the structure on the National Register, he went above and beyond and set believes he set precedent for policy on how these restorations should be done.

Wally Cooper, the project architect, stated that he has worked on a number of historic projects in Park City. He stated that the care taken to preserve the historic fabric in the High West Distillery is only comparable to the care taken to restore the Miners Hospital. They were able to save over 90% of the historic fabric of the building. Mr. Cooper remarked that two difficult challenges they faced in keeping this building on the National Register was moving the structure and dismantling the building. Either of those events could have caused the building to be pulled off the register. Mr. Cooper explained the process they went through to renovate the building and protect its historic listing and receive the tax credits.

Mr. Cooper stated that the house was moved 6 feet forward and 6 feet to the south. The garage went back to its original location. Moving the house and dismantling the garage were pivotal processes. When the plan for dismantling the garage was presented to the National Historical Society and to the National Park Service, they were surprised at the level of care taken on something as insignificant as a garage. He had to explain why

this particular garage was important to the historic Park City and why the owner was willing to go to such lengths to save this structure. Once that was understood, the National Parks Service was able to get behind the methodology for moving and saving the building. Mr. Cooper described the procedure they used for dismantling the building. It will remain on the National Register and tax credits would be given to the owner. Mr. Cooper reiterated that keeping the structure on the National Register was a gentleman's agreement between Mr. Perkins and Tom Backaly and they honored that agreement. Mr. Cooper believed the building was worthy of a grant larger than the \$11,000 recommended by Staff based on a careful renovation and the amount of money documented as being eligible towards the grant.

Board Member Martz remarked that the HPB had previously voted to hear the applicant. He believed that hearing the applicant's account of the situation this evening helped give the Board some perspective. Board Member Martz also felt the Planning Staff had done a good job trying to put the situation in perspective. He referred to the presentation at the beginning of this meeting regarding the budget constraints they face and the fact that the City may not have additional money. He commented on the need to continue to offer grants for people who are trying to restore historic structures.

Board Member Martz agreed that the proposed project has gone above and beyond and he understands that it is a difficult project. However, the constraint is the budget issue and the reality of funds they have to offer. He felt the Planning Staff had recommended an amount that fits within the budget and he was in agreement with their assessment. Board Member Martz supported the grant as proposed.

Board Member Kimball agreed with awarding the grant in the amount proposed by Staff.

Board Member Werbelow thanked the applicant for the extra effort taken on this project. In addition to the historic significance of the building, she appreciated that the applicant tried to provide an experience that the building deserves, as well as creating economic diversity in an area of Main Street that does not have a current draw. She applauded his efforts to keep the building on the National Register and felt the community was better served because of his effort. Board Member Werbelow stated that in thinking about the grant program, it occurred to her that the real purpose of the funds is to encourage and stimulate rehabilitation that may not otherwise occur. She was unsure if this particular application fits that description. She believed that the greatest majority of items that are appropriate to be considered under the preservation policy have been completed. Referring to a comment by Board Member Holmgren in previous meeting, Board Member Werbelow felt the HPB needed to firm up their policy going forward in terms of applications that are already nearing completion. She was uncomfortable granting funds for this project because it does not meet the intent of encouraging rehabilitation that might not occur otherwise. However, she could support rewarding this applicant for his efforts and would consider granting the \$11,000 proposed. She could see no justification for granting a larger amount.

Board Member Durst felt the project makes a significant contribution to the historic fabric of the City. He complimented the owner and the architect on that goal. Board Member Durst asked if the \$11,000 was a figured that matched a previous contribution made to this project.

Planner Sintz explained that an economic development grant was awarded by the City Council in June to the High West Distillery. Board Member Durst felt that the HPB contribution of adding this grant was gratuitous and complimentary. The amount of money spent on the project, \$11,000 appears insignificant. Noting that the project is nearly completed, he wanted to know why the grant was not applied for earlier. Mr. Perkin replied that it was primarily due to the complexity of the project and estimated costs. He clarified that the money would be beneficial because there is still a lot of work to be done on the project.

Board Member Durst asked if there was an itemized list of things that might not be done without the grant money. Mr. Perkins stated that he could easily provide a list. Board Member Durst stated that he was inclined to vote in favor of this grant, but he would like to know how the money would be spent.

Vice-Chair Holmgren remarked that the HPB has followed the policy of not awarding grants after the fact. She used the Museum as an example of a project that was awarded a grant because they were told that the work had not already been done. They later found that the work had been started before the grant application was submitted. Vice-Chair Holmgren was unsure how she could explain to businesses and residents in Park City who have been turned down for after the fact applications why they were giving money to the High West Distillery. She felt strongly that the procedures implemented since the HPB has been in effect have worked well and she believed they would continue to work well. Vice-Chair Holmgren did not think they should make exceptions to the rule.

Mr. Perkins felt it would be worthwhile if the City made that policy clear in the application packet. It was not clear when he submitted his application. Vice-Chair Holmgren was certain that the Planning Department makes the policy very clear to applicants. The current Planning Staff is the best the City has had in twenty years. They are very thorough and they walk applicants through every application. Mr. Perkins pointed out that his application was accepted by the Planning Department and he was never told that it was after the fact and policy would not allow it. He was at this meeting because his application was scheduled on the agenda.

Planner Sintz stated that when the Staff came before the HPB at a previous meeting and asked for direction, it was based on the fact that the HPB has new members on the Board. A second reason was that the application has an assumption that the applicant applies for a grant prior to building permit. Different areas in the grant application process identifies items that are not typically covered but could be considered in different circumstances. Planner Sintz noted that the HPB had given direction to hear the application, which is why the Staff scheduled it for review this evening.

Board Member Kimball remarked that a grant was given for the coal shed on King Road after the work was completed. Planner Sintz stated that past HDC members were also aware of two or three other circumstances where grants were awarded after the work occurred. That information spurred the Staff to ask the HPB for direction on this application.

Director Eddington agreed that the Staff was looking for policy direction when they came before the HPB at the last meeting.

Board Member Martz felt that his comments this evening acknowledged that the HPB voted to hear this application. The Staff had put it in perspective and he accepted their recommendation. He recognized that listening to this proposal and/or awarding this application would be making an exception.

Vice-Chair Holmgren could not recall why the Historic District Commission was disbanded, but the HPB cannot be compared to the HDC because they are different Boards.

Vice-Chair Holmgren opened the public hearing.

Ruth Meintsma, 305 Woodside Avenue, stated that she walks by the project at 703 Park Avenue every day and it is beautiful. Ms. Meintsma was unaware of the controversy until she read it in the paper. She stated that with the new historic guidelines that were recently adopted, the requirements for someone with a historic house are significantly more than a year ago. There are historic projects that people could have managed before, but because of the new standards they will have to put off their projects for various reasons. These houses are 100 years old and need to be helped as soon as possible. Considering the requirements of the new design guidelines, she estimated that the \$65,000 in the fund would cover six historic projects at a minimum of \$10,000 each. Ms. Meintsma did not believe that was enough money since a new requirement is to make historic houses green and still maintain its history.

Ms. Meintsma stated that the project at 703 Park Avenue is great for the City and neighborhood and it is doing exactly what the funds are intended for, which is to maintain the character of the structure. Being on the National Historic Register is also a great advantage to the commercial building itself. She believed the paneling technique used for the project was a new method identified in the new historic guidelines. Ms. Meintsma felt that \$11,000 would be nothing more than a symbolic gesture in a \$400,000 budget. She felt that same \$11,000 could be a huge benefit to another property owner trying to preserve a historic structure and make it green. Ms. Meintsma believed every cent of the \$65,000 remaining in the RDA fund should be spent on smaller historic residences.

Marianne Serino, stated that she has written letters to the City Council and her issue is with timing. The grant application came in after the fact and she has been watching this project develop for a year and a half. Ms. Serino wanted to know where they would draw the line if the HPB made this exception. She felt they would set a precedent on a very slippery slope. Ms. Serino agreed that a \$11,000 grant would be token. Every other business owner who applied for grants and were denied, including the Crosby Collection, would have reason to reapply. She was bothered by the fact that the HPB was even considering this application since it was submitted late and the project was near completion.

Vice-Chair Holmgren closed the public hearing.

MOTION: Vice-Chair Holmgren made a motion to decline the grant application for 703 Park Avenue. Board Member Durst seconded the motion.

VOTE: The motion passed 3-1. Board Members Kimball and Martz voted against the motion. Board Member Opalek was recused.

Vice-Chair Holmgren stated that she had completed her two terms on the Board and it had been an honor and a privilege to work with everyone.

On behalf of the Planning Department, Director Eddington expressed appreciation for Puggy Holmgren's commitment to the HPB. She had been on the Board for two terms and was a great asset. The Staff hoped to continue to work with Ms. Holmgren in the future on projects she is working on in her neighborhood.

Director Eddington also expressed appreciation to Gary Kimball, who has also completed two terms, and has been a tremendous asset.

Director Eddington noted that the City Council would recognize their contribution to the HPB and the City at the City Council meeting the following evening.

The meeting adjourned at 7:10 p.m.

Approved by _____
Ken Martz, Chair
Historic Preservation Board