

PARK CITY MUNICIPAL CORPORATION
HISTORIC PRESERVATION BOARD
MINUTES OF JANUARY 16, 2019

BOARD MEMBERS IN ATTENDANCE: Douglas Stephens, Lola Beatlebrox, Puggy Holmgren, John Hutchings, Jack Hodgkins, Randy Scott

EX OFFICIO: Bruce Erickson, Anya Grahn, Laura Newberry, Mark Harrington, Liz Jackson

ROLL CALL

Chair Doug Stephens called the meeting to order at 5:00 p.m. and noted that all Board Members were present except Jordan Brody, who was excused.

ADOPTION OF MINUTES

December 5, 2018

MOTION: Board Member Hodgkins moved to APPROVE the minutes of December 5, 2018 as written. Board Member Beatlebrox seconded the motion.

VOTE: The motion passed unanimously.

PUBLIC COMMUNICATIONS

There were no comments.

STAFF/BOARD COMMUNICATIONS AND DISCLOSURES

Planner Anya Grahn announced that she was leaving Park City for a new job out of state. Hannah Tyler will be handling historic preservation matters. The intent is to hire a replacement for Anya fairly soon.

Chair Stephens noted that all the Board members had expressed their appreciation to Planner Grahn for her contribution to the Planning Department and to historic preservation. She has taken them a long way over the last several years.

Planner Grahn requested that the Board switch the order of the agenda and do the work session last.

REGULAR AGENDA

1. Main Street National Register Historic District - Historic Preservation Board will review the draft National Register nomination for the Main

Street Historic District expansion and forward a recommendation to the State Historic Preservation Board for consideration on January 24, 2019.

Planner Grahn announced that if anyone from the public who lives within the expansion area had an objection, a sample objection letter was available in the back of the room. An objection letter needs to be notarized, and a notary was available this evening to notarize it.

Planner Grahn introduced Corey Jensen, the State National Register Reviewer; Amber Anderson, the Tax Credit Reviewer; and Katie Hovanes and Anne Oliver from SWCA who helped draft the National Register proposal.

Corey Jensen briefly explained the National Register process and what was involved in updating this nomination. He noted that Park City was one of the earliest district nominations in the State, and they like to have updates because buildings are always changing within Historic Districts. The period of significance, which is the age buildings are determined to be historic, is updated each year and a new crop of buildings become eligible. Mr. Jensen was pleased to see that Dina Blaes had done an initial survey of the District several years ago. Following that, CRS took over and Park City became an updated District nomination.

Mr. Jensen stated that part of the process of doing a boundary increase or an amended domination, is that all of the buildings are re-evaluated for their significance or eligibility for being contributing buildings in the District. Older buildings are sometimes altered and may lose their historic character defining features. Mr. Jensen remarked that one benefit for the nomination is that the tax credits are a development tool to maintain their historic properties and to keep the architectural features that make them significant. They like to see these Districts in cities as a redevelopment tool to build neighborhood pride and to maintain their residential or commercial district.

Mr. Jensen pointed out that this nomination was a mix of commercial, as well as a boundary expansion to the non-commercial residential aspects. He stated that the Utah State Historic Preservation Board would be reviewing this nomination next week. They are required to put out a public notice to property owners 60 days in advance, to let them know this nomination will be coming forward. The required noticing was done. The noticed property owners are given the opportunity to object or comment on the nomination. He noted that Park City had noticed this public meeting; however, his Board meeting is the official meeting required for the National Register nomination. Mr. Jensen reported that he had been contacted by several people since the notice was sent out. Most were interested in learning more about it or whether their buildings were in the District. No one had voiced objection or asked how to object.

Mr. Jensen stated that a second notice was sent out with a time change for the Board meeting. He believed the property owners were amply notified of the Board meeting that would take place next week.

Mr. Jensen explained that the State Historic Preservation Review Board will review the nomination. He did not anticipate any objection because it is already an existing nomination, and the section that will be added has good integrity in the buildings. He was expecting a unanimous approval to the nomination. Following the Board meeting, the State Historic Preservation Officer will sign the nomination and it will be forwarded to the Reviewers at the National Parks Service Office. He pointed out that the law requires a 45-day review deadline; however, the current government shutdown might be a special circumstance that delays the review period. If the National Parks Service lists the nomination, a weekly email is sent from the Federal Register notifying of all the nominations throughout the Country that were listed that week. Once it is listed, the State Historic Preservation Office sends out another notification to all property owners informing them that the District is listed.

Mr. Jensen stated that the properties determined to be not eligible within the District will not be listed. Only the contributing buildings that retain their historic character and significance will be listed on the Register within that boundary.

Amber Anderson spoke about tax credits. She stated that there are two historic tax credit programs available in Utah; a State program and a Federal program. Both offer a credit that is equivalent to 20% of rehabilitation costs on approved projects. It is not a deduction but rather an actual dollar for dollar reduction in tax liability. Tax credits are available for all properties listed on the National Register and contribute to the historic districts. Any work that is done must comply with the Secretary of the Interior Standards. She believed Park City's local guidelines were based on those same standards. The main difference between the two is that the tax credits programs also review interior work. Once the work is approved, the property owner gets a 20% tax credit.

Ms. Anderson reviewed a list of costs that could be counted towards the credit. It is basically any work on the building itself. Landscaping, site work, and acquisition costs are not eligible. Ms. Anderson stated that the State credit is for residential buildings only. It requires spending at least \$10,000 on rehabilitation in a maximum three-year period. There is no limit on the number of consecutive projects. The preservation standards need to be followed for an additional three years after taking the tax credit. If the property owner is not able to use the full credit in the first year, they are able to carry it forward for an additional five years.

Ms. Anderson remarked that the Federal credits are for income producing properties only, such as commercial, rental, residential rental, or anything else that produces revenue. The amount is significantly more and it is based on an

adjusted basis formula. The adjusted basis is purchase price of the property minus the value of the land, minus any depreciation taken since the purchase of the property, plus any capital improvements. With Federal tax credits the owner can choose either two or five years to complete the project. They have to maintain ownership and follow the standards for five years at the Federal level after receiving the credit. Due to the new tax reform law, the credit has to be taken over five years equally. The unused credits can be carried forward for an additional 20 years.

Chair Douglas clarified that the Federal Tax Credit is not available for single-family homes unless it is a rental home. Ms. Anderson replied that he was correct. She pointed out that someone with a residential rental could take advantage of both the Federal and State tax program. Chair Douglas asked if the Federal tax credit is limited to the income produced on the home if there are difference sources of income. Ms. Anderson stated that it is the taxable income of the ownership entity. It is not reserved specifically to that property. Chair Douglas asked if the tax credit needs to be approved by the National Parks Service before beginning construction. Ms. Anderson replied that the State level credits are sent to her and it does not involve the National Parks Service. The Federal level must be approved by the National Parks Service before taking the credit. She recommended obtaining approval from the National Parks Service before starting construction.

Katie Hovanes with SWCA Environmental Consultants, stated that she had worked on the Main Street update. She provided a brief overview of the project. The idea of the project was that the original nomination was written in 1979; and some things that were not considered historic at that time may be historic now.

Ms. Hovanes stated that the three main goals were to 1) update the nomination; 2) amend the period of significance for being considered historic to include properties up to 1965; 3) to increase the district boundary to include the southern two blocks of Main Street, which previously had not been included. She noted that Park City got its start in 1868 when the first mining claim was staked. It quickly grew until 1898 when a big fire destroyed a significant portion of the town and most of Main Street. At that time the town was forced to rebuild. Between 1898 and 1929 Park City experience a significant period of growth. Mining was at its peak in Park City and there were a number of big strikes. During that period Main Street became a bustling commercial district. Ms. Hovanes remarked that starting with World War I silver prices started to decrease, which affected the mining that was occurring in Park City. By 1930, with the Great Depression, Park City hit hard economic times, which continued through most of World War II and the Post-War Era. World War II brought back some mining but did not have a lasting effect. By the 1950s Park City was on its way to being a ghost town.

Ms. Hovanes noted that in 1958 United Park City Mines conducted a feasibility study to see whether it would be reasonable to create a ski area. The Treasure Mountain Resort opened in 1963 and the skiing and tourism boom started in Park City. It has continued until the present. She reported that for the purposes of their study, they considered the early part of recreation and tourism to be until 1980. From 1981 onwards is considered the Modern Era, and that is outside of their historical purview.

Ms. Hovanes reiterated that the original nomination was written in 1979 and its boundaries extended from the junction of Main Street with Heber Avenue to the Treasure Mountain Inn location. It originally included 64 properties, of which 55 were considered eligible for the National Register. During the boundary increase, they included the southern two blocks of Main Street, taking it to the intersection at the south end. The new nomination includes 108 properties, of which 61 are considered eligible.

Ms. Hovanes reviewed their findings and noted that it represented a significant change. She stated that originally there were very few pre-fire buildings. She presented a slide showing the two that were originally in the survey area. The update added more and they now make up 18% of the overall number of properties dating back to before 1898. The increase was due to the number of residential structures that survived the fire. Ms. Hovanes noted that because most of Main Street is commercial, a lot of the buildings considered eligible are commercial. This period of time makes up a small majority of the buildings they looked at out of the 108 properties. However, it makes up a vast majority of the eligible properties. Nearly 80% date between 1898 and 1929. Ms. Hovanes stated that no commercial buildings dating from 1930 to 1962 were included in the nomination because it was an economically depressed period and people were not building. During the recreation and tourism era they started to see another spike in the number of buildings. Currently, Treasure Mountain Inn is the only building from this period considered eligible for the nomination. However, a number of buildings are not yet within the 50-year mark but soon will be and are significant for the role they played within the growth of recreation and tourism. Ms. Hovanes commented on the number of modern era buildings that were not included, but they are still an important facet of what Main Street looks today. They included some public buildings, but they are not a large proportion of the overall survey.

Ms. Hovanes stated that the original nomination was primarily commercial buildings, but adding the southern two block have added unique and interesting single-family dwellings and multi-family dwellings; particularly the boarding houses that are a unique part of Park City's history.

Ms. Hovanes commented on historic significance, which was also revamped with the survey. Traditionally, for National Register nominations they talk about why

things are important; not just what is old. Park City has a lot to offer. The original nomination featured a discussion about the way that Park City's significance relates to Criterion A, which is how buildings are significant in patterns of history. Because Park City Main Street has so many different types of buildings, it applies to a lot of different patterns ranging from commerce to politics to industry to recreation. Ms. Hovanes stated that while most of the buildings on Main Street would not be considered individually significant enough to be eligible for the National Register, cumulatively, Park City is an intact mining town and that makes it important architecturally.

Ms. Hovanes reported that the National Register nomination is due to be reviewed on January 22nd. She hoped the updated nomination would give the HPB a good sense of what they currently have in the Main Street area, and will provide a useful tool for future management.

Chair Stephens thought the properties included in the updated nomination were already in the Historic District. Planner Grahn replied that they are only in the Thematic District. The Thematic District differs from the Main Street National Register nomination. Planner Grahn explained that Park City does not have as much integrity as a typical town because there have been changes and modifications to the District over the years. The Main Street National Register District has remained an actual district and not a thematic district because there is so much integrity along that street. Even though the residential area differs from the commercial portion, that transition area has a lot of integrity. The rest of the historic district is a thematic district, which means there is not enough integrity in structures adjacent to each other in close proximity to create a district like Main Street. A thematic district can be a neighborhood like Old Town, or it can be statewide or across multiple states. Planner Grahn stated that if a structure is listed in the Thematic District as a Landmark structure and eligible or listed on the National Register, it is not part of a true historic district the same as Main Street.

Corey Jensen thought the nomenclature was confusing. He noted that there is also the Park City mining boom town housing nomination, which is a thematic nomination. It is slightly different than a district. It is usually throughout the whole city, but more a context where individual properties are nominated.

Chair Stephens clarified that his question was whether the homes in the increased boundary were already in a historic district. Mr. Corey replied that they were not in a historic district. He was not sure whether any of those homes were listed individually on the National Register, but it was possible. Chair Stephens asked if an owner would be entitled to apply for the tax credits if they have a home in the historic district. He was told they could if the structure is determined to be contributing to the District. The nomination should call out which structures are contributing and which are not. It is already determined in the system. Mr.

Jensen tried to clear up some confusion. If it is called out as a contributing building it could qualify for tax credits. If it is non-contributing, meaning that it has been altered non-historically or it is not old enough to be considered historic, even though it is within the boundary it still would not qualify.

Chair Stephens stated that he was trying to determine to what extent this would be a benefit to the additional properties being added into the Historic District. He was told that most of the newly added structures are contributing and should be eligible for the tax credit. Currently those structures are not eligible. Mr. Jensen stated that there is a data base with all the evaluations from the survey that was done prior to writing the District nomination. Typically, when an owner contacts SHPO to see if their property qualifies for tax credits, they look in the data base to see if the structure is contributing.

Board Member Hutchings understood that if a structure is outside of the District but still contributes to the historical significance of Park City, it would not be eligible for a tax credit. Mr. Jensen clarified that if a structure is outside of the historic district boundary, the only way to qualify for tax credits is to nominate the building individually. He explained that there is a thematic nomination and a lot of the mining boom era homes are listed individually under a thematic nomination. However, that is separate from a historic district. It is themed and each property owner who wants to nominate their home has done so under the thematic nomination. Mr. Jensen believed that most of the homes from that era that still have historic integrity qualify have been listed. He believed they were listed a few years after the District was nominated.

Planner Grahn clarified that when talking about the historic district boundary, it was specifically the National Register Historic District boundary; not necessarily the H zoning districts in town. She recommended that the Board ignore the local regulations for this discussion because what they regulate locally is completely different. Mr. Hutchings thought other blocks or areas of Old Town have the same continual historic buildings that are similar in character to those at the top of Main Street. Planner Grahn provided background on why this was initiated by the City. She stated that this began in 2007 when they started looking at the Historic Site Inventory and the Design Guidelines that were adopted in 2009. At the time there was an understanding that at least 50% of the buildings in the District had to be contributory to the National Register in order to have a District. The nomination for Main Street occurred in 1978. Between 1978 and 2009 there had been tremendous change. At that time the community was very concerned that they would lose the Main Street National Register District because they no longer met the 50% rule. In 2009 they adopted the Guidelines and the HSI and took steps to better protect the Historic Districts.

Planner Grahn stated that when she came to the Planning Department in 2012, the City was working on hiring CSRA to do an intensive level survey to see if they

were doing a good job with the Design Guidelines and preserving and maintaining the Districts. They began to talk about whether the 50% rules actually mattered and whether Main Street had changed enough to threaten the District. CSRA found that there was not a threat to Main Street and the district was healthy with its historic integrity and character; however, they could strengthen the District by looking at Main Street as a whole rather than limited. That was the reason for adding the expansion area as defined. Planner Grahn remarked that even though the new area is residential, it acts as a transition between the residential neighborhoods uphill and around Main Street. It captures the boarding houses that tend to be centered more around Main Street. Planner Grahn agreed that Park Avenue has a lot of integrity. Many of the individually nominated buildings listed on the National Register are actually located on Park Avenue. She explained that the intent was to make it easy and keep it to the street it was on. Main Street ends after Heber Avenue and continues up to where it disappears into Daly and King.

Board Member Hutchinson understood that it was really a focus on Main Street. Planner Grahn answered yes. He thanks Planner Grahn for the explanation. Board Member Hodgkins pointed out that it was not only an addition to the southern boundary, because they were also talking about expanding the dates of significance. He believed that was a more important piece to the tax credits than expanding the boundary area. Planner Grahn emphasized that the National Register is an honorary designation and it does not impact the zoning, and the City was not looking to add the Ski Era at this time. She stated that if Treasure Mountain wanted to receive tax credits they could work directly with the State, but the City could not protect them from demolition because locally they have not taken that step to designate the Ski Era.

Board Member Hodgkins asked where the 1981 date came from. Anne Oliver with SWCA stated that Deer Valley was established in 1981 and that ushered in the luxury ski era. Nationwide, skiing became more about real estate development and that began in Park City in 1981. Katie Hovanes stated that for Main Street in particular, development increased in a way that it had not previously. A lot of the early development concentrated more on what already existed; whereas, larger buildings were developed post-1981 and in different areas.

Mr. Jensen noted that the period of significance did not go to 1981. It was added in to provide historical context information. The actual period of significance is called out to 1968, which was 50 years ago.

Board Member Beatlebrox thought it was a prestigious award to be on the National Register and she was certain the homeowners would benefit from that prestige.

Chair Stephens disclosed that he owns a restored home at 140 Main Street, he restored a home at 133 Main Street, and he has been involved with his neighborhood in Upper Main Street. Although he could not see the benefit from this nomination, he could see a benefit for Main Street that he agreed with. Chair Stephens did not have a problem with the methodology, but what was missing is that Upper Main Street and Hillside Avenue have been under siege for a few years as a residential area, and it was losing its residential character. He pointed out that they would now become an extension of Main Street when they did ask to be part of Main Street. Chair Stephens recognized that the nomination and extended boundary would not change the LMC and other things; however, he was objecting to the bigger picture of needing support from the City and the commitment that this is a residential area made up of single-family homes that the owners and residents on the street take pride in. It is a pristine area of the Historic District. He felt this would deepen the resolve that they were just another part of the commercial district. He did not believe this nomination took that issue into context.

Chair Stephens understood that SHPO had complied with the State noticing requirements, but it was unclear how people who do not live on the street could object, or what benefits they could expect besides the ones that were already attained. Chair Stephens suggested that before anything moves forward, there needs to be discussions with the City that reinforces the resolve that this is a residential area and not a commercial area. He preferred to have the expansion take place but only after they have the opportunity to have those discussions with the City and learn more about the plan. Chair Stephens requested that this be postponed to the next SHPO Board meeting in October or November.

Mr. Jensen was uncertain whether they could postpone the meeting on one request since they have met the Federal Regulations for 60-day notification and the Board meeting is already set. He suggested that it might make sense to set up a separate residential historic district for the area Chair Stephens talked about. Other cities have done that, except for cities with a City-wide historic district that takes in the entire core of the city and includes commercial and residential. Most larger cities have separate commercial district nominations and residential districts.

Mr. Jensen stated that the property owners in the proposed district boundary increase received notification and a letter stating how they can comment on or object to the nomination. He reiterated that because public notice had already been sent and the Board meeting was posted on the website, he was unsure whether it could be postponed. He suggested that a motion could be made at the Board Meeting to postpone it. Another option would be for the Board to vote on the nomination and for the HPB to hold another public meeting with public comment for further discussion. He thought that would be possible if there was enough public support to do so.

Chair Stephens clarified that the letter he had in hand was the same letter the public received. Mr. Jensen answered yes. In smaller print on the back page were instructions on how to submit an objection through a notarized statement. Chair Stephens understood that Mr. Jensen had suggested making Upper Main Street its own nomination process; however, if the purpose of the extended boundary is to help shore up the Main Street commercial area, he did not believe the residents in the area objected to that intent. The issue was larger unresolved problems that were being aggravated by this nomination.

Mr. Jensen thought Chair Stephens was talking about the City process as opposed to the Federal process. He explained that SHPO was strictly reviewing the nomination based on the merits required for a National Register nomination; regardless of what it means for the economics of the City or impacts to the residents. If there are other City processes, those should have been addressed within the public comment period prior to this point. Mr. Jensen understood Chair Stephen's concerns and he believed there might be a way to address those concerns after the Board meeting.

Chair Stephens stated that he was speaking on behalf of his neighborhood and not on his personal interest.

City Attorney Mark Harrington thought Mr. Jensen was correct that they should not mix the broader use and policy issue with the architectural designation issue. However, if the HPB agreed that the policy direction was important, they could qualify their recommendation to the State Board stating that the HPB supports the nomination conditionally on a recommendation that the City Council take additional efforts to protect the residential integrity of the upper portion of Main Street. A second option would be for the HPB to suggest amending the language on Page 4 of the Recommendation that talks about not only the residential nature, but also the blending of the residential on all of Main Street. He understood that part of the nomination seeks to clarify that all of Main Street has residential components that are part of the original history and should be protected.

Chair Stephens emphasized that the real intent is to protect what has been a thriving residential historic district. Mr. Jensen asked Chair Stephens if he would be attending the State Board Meeting. Chair Stephens replied that he would be there. Mr. Jensen suggested that Chair Stephens make that comment to the State Review Board.

Board Member Hodgkins asked if the LMC considers the National Register designation when projects come into the Planning Department, or whether it was specifically on the City's designation and districting. Planner Grahn stated that from the HDDR perspective, it is specific to the local HSI designation and the

local zoning regulations and Design Guidelines. During a Design Review Team meeting, if they notice that it is a Landmark structure that is eligible for the National Register, the owner is encouraged to reach out to the State if they are interested in the tax credit process. The Staff only makes sure the property owner is made aware of any potential financial option. They do not regulate for the National Register. What they do is strictly local.

Board Member Hodgkins clarified that a designation makes no difference to the homeowner, with the exception that they could pursue other benefits through a Federal process. Chair Stephens pointed out that the homes in the areas being added to the boundary area already have access to Federal and State tax credits through the Historic District. Chair Stephens asked if this change would affect the Main Street RDA grant program. Planner Grahn answered no. The nomination was completely separate from anything that is done locally.

Board Member Scott asked if a historic structure that is vacant and deteriorating and not creating any revenue could be eligible for tax credits programs. Amber Anderson stated that a structure does not have to be currently producing revenue to get tax credits; but the use must be income producing.

Chair Stephens opened the public hearing.

There were no comments.

Chair Stephens closed the public hearing.

Board Member Hutchings supported adding to their recommendation as suggested by Mr. Harrington. He disclosed that he is a resident of Old Town, and he believed the mixing of commercial and residential in Old Town was an issue that needed to be addressed. Aside from this issue, it is an ongoing concern.

Planner Grahn stated that the Staff had been working with the City Council on Design Guideline and LMC Amendments. She suggested that the HPB could forward a positive recommendation to the State Board with additional comments going to the City Council that it does not increase the commercial uses in the residential area, and that they look at additional methods to shore up the residential areas. Planner Grahn remarked that it is already something the Staff has committed to working on with the City Council to make sure they are protecting the neighbors in that area. Chair Stephens stated that it was also a matter of protecting the residential nature of that area. Planner Grahn did not believe the City goal was to change the residential nature; otherwise, they would be looking at the zoning.

Board Member Beatlebrox supported the additional language to the recommendation. She also supports the National Register because it is great for Park City, and in the end it is good for the homeowners and the real estate. She believed they could handle the residential nature in other ways. Director Erickson agreed. He recommended that the HPB make a motion for a positive recommendation for the additional designation of this area, with additional comments to the City Council that it does not: 1) increase commercial use in the residential areas; 2) that the City Council and the Planning Department look at additional methods to protect residential areas south of Swede Alley. Planner Grahn stated that they would designate the location based on where the zone changes from HCB to the residential zoning in that area.

Chair Stephens noted that the recommendation goes to the State Board and not go to the City Council. Planner Grahn stated that they could still say that the Historic Preservation Board is committed to maintaining that residential area.

Director Erickson remarked that the Historic District Guidelines would be coming forward and they could include this language in the recommendation. It could also be included in the next quarterly update to the City Council on these matters. Director Erickson noted that they were also looking at other matters on Hillside Avenue. He believed this provided strength to their work for Hillside, as well as what they need to do south of the district boundary change. Director Erickson stated that there are a few mechanisms, and the HPB needed to send a strong message that they understand the need for the nomination, but on condition that it does not impact the residential area.

Board Member Holmgren stated that another hat she wears is the Historical Park City Business Alliance. She pointed out that those residents are fragile and they have every right to be. They attend many of the meetings to make their voices heard in asking for quiet and privacy. Ms. Holmgren strongly favored what Director Erickson and Planner Grahn were suggesting.

Chair Stephens understood the need to protect the Historic Main Street Commercial District and that the National Register is part of that process. However, they also need to protect the residential area of the Historic District and those two need to be working together. He believed the additional language in the recommendation was an attempt by the HPB to make sure they were doing both.

Director Erickson thought the HPB could make clear to the City Council that the residential neighborhood that is part of the Main Street District contributes to the Main Street District because it is residential. He understood that this was a lot of the boarding house district and not necessarily the mining house district of Daly Avenue. He suggested adding a third condition to represent to the City Council that while this was part of the Main Street Expansion, the residential component

of this neighborhood is what contributes to the District; not necessarily its commercial nature. Director Erickson wanted to give the HPB as much strength as possible to move that goal forward.

MOTION: Board Member Beatlebrox moved to forward a POSITIVE recommendation to the State Historic Preservation Board for the designated Main Street area, with the additional direct comments to the City Council that: 1) this does not increase commercial uses in the residential areas; 2) that the City Council look at additional methods to protect the residential areas; 3) identify to the City Council the importance of the residential portion of the Main Street Historic District and the importance to maintain its character. Board Member Holmgren seconded the motion.

VOTE: The motion passed unanimously.

WORK SESSION – Historic District Grant Program

Planner Grahn remarked that the Grant Program had been discussed at length over the past few months and she believed it was down to the final details. The Staff would prepare a resolution to the City Council to adopt the Grant Program and the HPB would see that in February to make sure everything looks right before they forward an official recommendation to the City Council.

Planner Grahn stated that at the last meeting there was a lot of discussion about whether or not easements and liens were valuable tools in preservation; and there were a number of concerns about how to organize it. The Staff listened to their comments and drafted language stating that if emergency grant funds are used, which is limited to \$5,000, the property owner would be responsible for entering into a lien with the City. If the property is sold within a five-year period, the owner would pay back to the City a pro-rated amount of the total grant that was given. For the Competitive Grant program, which will be reviewed bi-annually, if the grant is \$10,000 or less, the City will do a lien. If the grant is 10,000 or more, the City will recommend a preservation easement.

Chair Stephens asked if the \$10,000 was a number within the Capital Budget that could be done without approval. Planner Grahn explained that whether the Board approves \$1,000 or \$10,000 to an applicant, it goes to the City Council for final approval. The Staff thought \$10,000 was a reasonable number and a more meaningful contribution. The Staff was willing to listen if the HPB felt another dollar amount was more appropriate.

Board Member Hodgkins noted that Planner Grahn had said the City would recommend an easement for \$10,000 or above. However, the Staff report said that an easement was required for \$10,000 or more. Planner Grahn replied that

the Staff recommendation was that the requirement be set at \$10,000 or above. Mr. Hodgkins clarified that an easement would be required on a grant amount of \$10,000 or above. Planner Grahm answered yes. The intent was to make it consistent. At the last meeting the Board talked about letting the Board choose between a lien or an easement, but the Staff thought it was better to treat everyone the same. It would also be easier to administer if it is consistent. Mr. Hodgkins asked if \$10,000 was accumulative. Planner Grahm replied that it would be the amount of the approved grant distribution. Someone could request several grants under that level at various times. Planner Grahm pointed out that if it the same people continually come back with grant requests under \$10,000, they could consider amending the grant program to keep it from being abused.

Board Member Hutchings stated that he was the one who opposed the easement at the last meeting and he thought this was a good compromise. However, he recommended increasing the dollar amount to \$25,000 for the preservation easement. Chair Stephens was comfortable with \$25,000. Planner Grahm was willing to change the amount to \$25,000 if there was Board consensus. Board Member Holmgren agreed with \$25,000.

Board Member Hodgkins asked about the chances of granting more than \$25,000 considering the total amount allocated for the grant program. He thought \$25,000 was too large an amount if the intent is to preserve the historic properties in perpetuity. Being willing to preserve a structure for five years is different than trying to get properties secured for the long term. Planner Grahm did not disagree. She could see the benefit of a lien, but as a preservationist, she has learned the benefit of the easements and the easements are a stronger tool for protecting their investment. Board Member Hodgkins recommended leaving the level at \$10,000 and adjusting it later if necessary. He questioned whether they would see grant distributions above \$15,000.

Board Member Hutchings understood that \$50,000 is the largest grant that could be awarded. Planner Grahm stated that a \$50,000 grant would clear out the fund and there would be nothing left for other grant requests. Chair Stephens remarked that the ultimate goal is for the grant program to be successful and to have people clamoring to use. It is a way to make historic restoration important in the Historic District.

Board Member Beatlebrox recalled that the Board had discussed the fact that an easement is an encumbrance that can go on for a long time. She believed the grant amount should be higher for people who get the easement because they have more to lose. She thought \$10,000 was too low.

Planner Grahm believed there was consensus for the \$25,000 level. Chair Stephens thought it could be re-evaluated after the first round of grants are

awarded. He suggested changing the required amount for an easement to \$20,000. The Board agreed with \$20,000.

Planner Grahn asked if the Board was comfortable with a five-year lien or whether they wanted it extended to 10 years. Chair Stephens thought a ten-year lien would preclude people from applying for grant money because it would be as cumbersome as an easement.

Board Member Hutchings asked if the Board was concerned about whether or not a property is sold. His primary concern is preserving the property; not who owns it. His recommendation was to remove the five-year lien completely because it does not directly correlate to preservation. Director Erickson explained that the direct correlation is the use of public money, not the preservation question. In the absence of the lien or another type of control mechanism, they are subject to the question of why the City would give an owner taxpayer money if the owner could turn around and sell the structure for a profit. They need to be careful not to leverage public dollars for flipping a house. Director Erickson emphasized that the lien is related more to public funding and less to preservation.

Planner Grahn stated that the Staff has been working on ways to improve public outreach and promote the grant program. In looking at how other municipalities handle their grant programs, some of the ideas is to create a website on the City webpage that will help people walk through the grant process. They also thought about doing a brochure or manual. The Staff also talked about doing public outreach to train people on how to apply for a grant. They talked about promoting the grant program in both press releases and the City's social media. Another idea is to spotlight it on the grant website with before and after photos. They also discussed putting up a sign during the duration of construction letting people know that it is a historic district grant project. She encouraged the Board members to contact her if they had other suggestions for promoting the program.

Chair Stephens liked the ideas mentioned. He also thought it was important to make the paperwork process for the applicant as simple as possible and user friendly. At the last meeting they discussed reviewing grant applications in the Spring and Fall, and he originally thought it was a good idea. However, after giving it further thought, he preferred to only have one review period because they would have more money to give out. He recommended doing it that way the first time and then decide whether it is better to do it once or twice a year.

Board Member Beatlebrox stated that she writes grants as her profession. The first time people always miss the deadline and they have to wait another year. She preferred reviewing applications twice a year at least the first time. Chair Stephens suggested that they could choose a date in the middle of the year so

they could get the word out. The original grant program was done in the Spring; but at that time there was a building season that is not as prominent now.

Director Erickson stated that the biggest risk with applying for a grant is the uncertainty of knowing whether or not you will get it. He would like a commitment from the Board to review the applications and make a decision in one or two meetings to add certainty to the process. Director Erickson believed there was middle ground between the pre-HDDR review process and the full HDDR process that could simplify the application. It would help the Historic Preservation Team understand what the application is without the applicant having to go through the rigorous process of a full HDDR before they know they will have grant money. Director Erickson noted that Planner Grahn was working with the Building Department to see if a grant recipient could receive an expedited building permit review. The objective is to 1) entice as many people as possible to apply; 2) simplify the process to keep it moving; 3) provide some certainty. He believed there were other mechanisms to explore.

Chair Stephens pointed out that if they do not get enough applicants the first time and they still have money left, they could do a second process in the Fall. Planner Grahn agreed. The first year, instead of following the Feb/Mar/Sept. schedule, they could review applications in July and August. Chair Stephens suggested May and sync it with Historic Preservation Month. If they do not have enough applicants, they could do it again in the Fall.

Board Member Holmgren referred to page 23 of the Staff report and the paragraph that states, "over time they reviewed applications on a first come/first served basis". She thought they should choose a warm sunny month and do it once a year. Ms. Holmgren asked if there was a sunset clause for using grant money within a specified time frame. Chair Stephens thought it was two years. Planner Grahn stated that two years to complete the project is consistent with the financial guarantee. Board Member Hodgkins wanted to know what would happen to those funds since they came out of a different year budget. Planner Grahn stated that the Budget Director puts a reserve on the funds knowing that the project would be completed in two years. She believed it was use it or lose it funding and the money would not stay with the Grant Program. She understood that the funds would need to be used by the Main Street RDA for other activities or it would be lost. Director Erickson explained that the money goes back to the original fund. It could not be awarded to another recipient because the money was only budgeted for the year it was given.

Board Member Hodgkins asked if there were criteria for shovel ready projects. He thought projects that were ready to start should get preference in awarding the grant because they know the funds will actually be used.

Board Member Hodgkins asked if money was left over in any of the fund accounts, whether that money could be given to the Friends of Ski Mountain Mining History. Planner Grahn replied that they would only be eligible for the General Fund because the mine structures do not fall under the Main Street and Lower Park Avenue RDAs. Mr. Hodgkins asked if funds are granted out of specific funds depending on the project location. Planner Grahn answered yes. Chair Stephens pointed out that the project needs to fit within one of the RDA Districts. For example, Park Avenue funds cannot be used for a Main Street project. In terms of mining sites, Chair Stephens understood that the Friends of Ski Mountain Mining History would submit a grant application and the Board would consider that application with all the other applications submitted for projects. Planner Grahn explained how the Board would consider individual applications that fall under each RDA, and how those applications would compete against each other for specific RDA funding. The General Fund is used for applicants outside of the two RDAs.

Director reminded everyone that the \$5,000 emergency funds needed to come out of the three funds as well. They should not spend 100% of the total funds available in the competitive application process because they would need to leave some funding for unforeseen emergency funding. Director Erickson remarked that the General Fund should be the emergency money as opposed to the two RDAs. Board Member Hodgkins stated that if all three funds cover the emergency fund grants, he thought it would be advantageous to have the grant review process at the end of the year. Board Member Hutchings agreed that it would be the easiest way to divide up the money. Director Erickson agreed with the comment that the construction cycle has varied. However, if they reviewed applications in December and January to award grants in the Spring, it would be slightly less pressure than trying to issue grants in April or May.

Chair Stephens was uncomfortable waiting until December the first year of the program. Planner Grahn suggested that the Planning Department could speak with the Budget Office to get some clarity. She pointed out that the City's budget cycle is not a calendar year. The budget cycle begins in July, which means they have until July of the following year to use the funds. Chair Stephens asked if the funds needed to be used or allocated by June 30th of this year. At that point there would be a new budget cycle with new funds. Chair Stephens remarked that because it is not a calendar year cycle, they could use all the money by June 30th and have a new pot of money for emergency funding at the beginning of the next fiscal year. For that reason, he recommended an earlier deadline. He assumed the Board could review the applications in one meeting.

Director Erickson stated that the Planning Department needed to work backwards from the end of the fiscal year, put a time frame on everything, and then work forward from mid-January to the mid-February meeting. It would go to City Council for action in a time frame to issue the 2019 fiscal year funds on or

before June 30th. Planner Grahn pointed out that when they reach the point of actually reviewing the grant applications, they would have a budget to know how much money is available. Chair Stephens also thought the scorecard would be a helpful benefit.

Planner Grahn commented on the score card. She stated that they created target outcomes and tried to make the points as even as possible so it would be easy to calculate. The Board will do the scoring. The Staff would make a recommendation and walk through the criteria comparing the applications; but in the end the Board has to come to consensus and forward a recommendation to the City Council. Director Erickson stated that in order to expedite the process, the Staff might also make a recommendation like they do on all other applications, as a starting point for the Board to begin their discussion.

Board Member Beatlebrox stated that when she works on grant committees they receive the grants ahead of time along with an Excel spreadsheet. Each person puts in their own scores ahead of time and the scores are averaged. Director Erickson stated that he was not be opposed to looking at other procedures, but he was not comfortable giving the Board these applications cold.

Chair Stephens noted that the Board does not review many applications; and nothing is reviewed in whole. He thought the Planning Department and the Planning Staff have a much better institutional knowledge of how a project fits into the projects reviewed in the past. Chair Stephens preferred to have the applications come to the Board already scored by the Planning Department. Director Erickson believed they could blend the approaches. The Staff could make a recommendation and give the Board the information to make their choice. However, averaging would only include the Board's choices; not the Staff choices.

Planner Grahn asked if the Board had comments or questions on the evaluation criteria. Board Member Beatlebrox referred to Target Outcomes #3. She questioned the language as written, "makes a positive and proactive difference in the lives of residential or businesses". When she first read the written language she thought it meant everyone who lives in Park City or does business in Park City. Ms. Beatlebrox assumed it meant the property owner and she recommended revising the language to make that clear. Planner Grahn agreed. Ms. Beatlebrox thought it would be helpful if Planner Grahn could give an example of what positive and proactive might mean. Planner Grahn replied that it would have to be on a case by case basis. A positive and proactive difference could be introducing affordable housing or doing sustainability. It could be a blighted house that the owner proposes to fully restore and contribute to the economic vitality of the area.

Director Erickson stated that in his review, he thought the target outcomes were the product of the definitions and the impacts. Depending on how they score the impacts, they should be able to see the impacts on the target responses. Director Erickson suggested that they score the target outcome last and use the definitions in the impact sections to understand the positive impacts for residents and business owners.

Board Member Beatlebrox wanted to know how they could score a project if someone only wanted to replace the roof. That would not be preserving or restoring all visible historic elements. Director Erickson stated that part of the mission is to 1) reduce demolition my neglect; and 2) minimize the amount of blight. If redoing the roof is enough to meet the requirement, it achieves the objective. Planner Grahn noted that someone who comes in for a full house renovation would probably score more points than the person who only needs a roof. However, the monetary value would be lower for a roof remodel than with a house renovation. She believed those issues would help the Board sift through the applications.

Board Member Holmgren really liked the scorecard and thought it was a good tool. Planner Grahn noted that Ruth Meintsma had helped the Staff with the score card and she deserved some credit as well.

Director Erickson stated that social equity was something to encourage the City Council to push the Grant Program forward. He believed the idea of a complete community was important to the HPB because they protect historic structures more rigorously than they protect new structures. In his opinion, that is where social equity comes in.

Board Member Hodgkins commented on the amount of criteria for review, and he asked if the grant application needed to address all of the criteria. Planner Grahn thought the score card could be included in the grant application, but she was not expecting people to write essays for why they should be given grant funds. Mr. Hodgkins questioned how the HPB could evaluate the criteria unless they were addressed in the application. Planner Grahn thought that was a fair question and she offered to clean out anything they determined to be unnecessary. Director Erickson suggested that they first look at the emergency grant application to avoid having to use the competitive grant scores for emergency projects. However, it still needs to be between the pre-HDDR and the HDDR so the preservation planners understand the details of what is being proposed.

Board Member Beatlebrox stated that if they add up the possible highest points, some things will not apply because not everyone will be doing the same work. She thought they needed to be clear on the top points and how different projects will compare with one another. Director Erickson understood her point; however, he was unsure how to address it. He needed to give it some thought.

Chair Stephens thought the Staff had come a long way since the last meeting. Board Member Beatlebrox was excited about the program. Chair Stephens noted that Board Member Holmgren was on the HPB when grants were reviewed under the previous program and he believed she could provide valuable input.

Chair Stephens closed the work session.

Ruth Meintsma stated that she attends both HPB and Planning Commission meetings, and the work that Anya Grahn has done is equally effective for the Planning Commission. Projects come forward now that actually fit in the community. The community used to show up after something was built to ask how it was allowed, but that rarely happens anymore. The Design Guidelines are almost finished, but they are already being applied in the Planning Department. Ms. Meintsma remarked that thanks to Anya, when projects come forward they are being handled the way the community wants. When Anya arrived six years she was given a Unicorn, known as the General Plan, to work with, and she was able to make it a “horse she could saddle and ride” to give the community what they wanted.

Planner Tyler commented the framework and the path that Anya paved for Park City and the future of preservation. She inherited Historic Preservation at a crossroads for Park City. They had the General Plan and the Design Guidelines were new. The HSI was also fairly new when Anya came in, and they had not yet established what Park City wanted to be. Whoever takes Anya's place has very big shoes to fill. Planner Tyler remarked that Park City was lucky to have her for as long as they did. She thought it was safe to say that Anya was leaving Park City better than she found it. Planner Tyler appreciated the effort Anya put forth to help her understand the goal, and she hoped she could train the next person to be just as good as Anya. North Carolina is lucky to have her.

Director Erickson announced that Hannah Tyler had been promoted to Senior Planner for the Historic District. Laura Newberry has an accounting degree and she will be recruited to help with Historic Preservation grant program. The Planning Department will start recruiting for Anya's replacement very soon. Director Erickson congratulated Planner Tyler for her good work as well.

The Meeting adjourned at 6:46 p.m.

Historic Preservation Board Meeting
January 16, 2019

Approved by _____
Douglas Stephens, Chair
Historic Preservation Board

APPROVED