

## CORONADO HISTORIC RESOURCE COMMISSION

### MEETING MINUTES

REGULAR MEETING

February 5, 2003

A regular meeting of the Coronado Historic Resource Commission was called to order at 3:01 p.m., Wednesday, February 5, 2003, in the Council Chambers, 1825 Strand Way, Coronado, California, by Florence Draper, Vice Chair of the Historic Resource Commission.

MEMBERS PRESENT: Commissioners Draper, Keith, Ryan and MacCartee

MEMBERS ABSENT:

STAFF PRESENT: Ann McCaull, Associate Planner  
John Swanson, Assistant Planner  
Leticia Martinez, Recording Secretary

#### DIRECTOR'S REPORT

##### **Annual Meeting for Election of Officers**

Commissioner Ryan nominated Florence Draper to serve as Chair.  
Commissioner MacCartee second the nomination.  
The nomination was approved with a vote of 4-0

Commissioner Draper nominated Gerry MacCartee to serve as Vice Chair.  
Commissioner Keith second the nomination.  
The nomination was approved with a vote of 4-0

#### APPROVAL OF MINUTES

There were no minutes for approval.

#### DIRECTOR'S REPORT

Ms. McCaull reported that the Historic Preservation Program has been receiving a lot of interest from the public. There are two pending designation applications and two applications for Mills Act contracts. She said that the Commissioners might be interested to know that one of the properties requesting designation is the Trant Manor at 1401 Ynez Place.

Ms. McCaull also reported that she and Ms. Draper attended the Association of Realtors meeting the previous week. Ms. Draper gave a presentation to the group on the history of historic preservation throughout the country and then focused in on Coronado's Historic Preservation Program and outreach efforts and benefits of the program. She believed that the presentation was well received and there may be some interest from some of the individual realtor firms for additional question and answer sessions at their sites.

### COMMITTEE REPORTS

There were no Committee Reports.

### ORAL COMMUNICATIONS AND OTHER MATTERS

Commissioner Keith asked to have a discussion item regarding "Sourcepoint" on the next agenda. It is a group of citizens that got together with the backing of the City with funding coming from SANDAG that did an overview of the historic homes in Coronado. The final edition of the report had four volumes. Every house that was built before 1942 was looked at and each house has a write up of two pages. Ms. Keith said that the document is not recognized by the City and has been shelved. She thinks that it is time to bring it back out, discuss it, and hopefully decide to send a recommendation on to the City Council to bring it back on the books. She said that she has driven up and down a couple of streets looking to see which houses are still there and has found that there is very good news to report. For example, for the length of A Avenue there were 49 properties listed as historic by that committee. Only one of those homes is gone, one has been remodeled and one has an addition. She said that she expected to see a worse scenario. Of the 59 properties on B Avenue seven are gone and one has been remodeled. Of the 45 "historic" properties on C Avenue five are gone. She said that staff recommended that it be brought before the Commission as a separate, new item at a future meeting, rather than discuss it under another topic during the current meeting. The other Commissioners agreed they would like to discuss the topic at the next meeting.

### APPLICATIONS FOR REVIEW

**HRPA 1-03** **HISTORIC RESOURCE PRESERVATION AGREEMENT MOORE FAMILY TRUST** – 757 Alameda Boulevard in the R-1A (Single Family Residential) Zone.

### STAFF REPORT

Assistant Planner, John Swanson said that the property at 757 Alameda Boulevard was designated as a historic resource on December 4, 2002, by the Historic Resource Commission and is now eligible to apply for a Historic Resource Preservation (Mills Act) Agreement with the City. He explained that the HRC is to review the "list of improvements" that will be attached to the Mills Act application going to the City Council. He mentioned that the Moore's do not

propose any additional improvements to the property other than routine maintenance over the 10-year contract period.

Applicant, Richard Moore, 757 Alameda Boulevard, asked if there were any questions regarding the proposed improvements. He explained that they intend to maintain the garage as it is, but at some point there may be a need to do something more than to just tack some more boards onto it. He understands that they would need to apply to the HRC if they plan to make any modifications.

#### PUBLIC COMMENT

There were no members of the public wishing to speak at this time.

#### COMMISSION DISCUSSION

There was no further discussion.

#### COMMISSION ACTION

COMMISSIONER KEITH MADE A MOTION TO ACCEPT THE LIST OF IMPROVEMENTS FOR HRP A 1-03 CONSISTING OF THE MAINTENANCE OF THE PROPERTY AND FORWARD IT TO THE CITY COUNCIL.

COMMISSIONER RYAN SECONDED THE MOTION.

AYES: Commissioners Draper, Keith, Ryan, and MacCartee

NAYS:

ABSENT:

ABSTAIN:

The motion passed with a vote of 4-0.

**HRPA 4-02** **HISTORIC RESOURCE PRESERVATION AGREEMENT’ BUDINGER TRUST** – 1241 Alameda Boulevard in the R-1A (Single Family Residential) Zone.

#### STAFF REPORT

Assistant Planner, John Swanson said that on December 4, 2002, the property at 1241 Alameda Boulevard was the 19<sup>th</sup> residence to be designated as a historic resource by the Historic Resource Commission and is now eligible to apply for a Historic Resource Preservation (Mills Act) Agreement with the City. He explained that the HRC is to review the “list of improvements” that will be attached to the Mills Act application going to the City Council. He mentioned that the applicant proposes to maintain the property over the 10-year contract period.

Commissioner Keith said that one of her concerns when this property was designated was the garage, which was not considered to be historic and wasn't included in the designation. She wondered how that was treated when the tax benefit is figured. Ms. McCaull said that she didn't know how the San Diego County Tax Assessor's office would calculate this property's taxes, but in a previous Mills Act Contract, the Santos' property at Third Street and C Avenue, the assessor did make some adjustments because their single family residence in front was designated as historic while the apartment complex in the back was not. She said that she would contact the tax assessor's office to see if they can calculate out the garage.

Commissioner Ryan suggested that if this issue comes up again in the future, the applicants should be made aware that the tax benefit would not be based on the full amount of tax for the property, if that is the case; so they are not misled. If the formula were known, then the applicant could be given a more accurate estimate of their possible tax savings. The cap has to be kept in mind as well. Chairman Draper agreed that would be helpful to the program. Commissioner MacCartee said that this issue must come up statewide and the tax assessor must have a method to deal with it. Ms. McCaull said that the county assessor will establish the guidelines to determine what criteria they use to determine the restricted value. She said that staff will talk to the assessor's office to determine their methodology. She did say that every potential applicant does have the opportunity get an estimate from staff as to their potential tax savings prior to submitting their formal application for designation.

Ms. McCaull said that this particular application gives a sizeable property tax reduction and the DiMatteo application will also have a significant impact. She said that this would be discussed later on in the agenda.

Applicant's representative, Dr. Ray Brandes, 230 West Laurel Street, Ste. 406, San Diego, commented that he would like to discuss his concerns regarding Coronado's historic resource program but that this isn't the appropriate forum. Perhaps there would be a future workshop on this subject. He recognized the Commissioners comments regarding the garage, but recollected that the Commission's historic designation was for "the property" and hoped the Commission would move forward with this application.

Commissioner Ryan asked what Dr. Brandes' concerns with the program were. Dr. Brandes said that the rules should be applied evenly to all houses that are designated historic and not be applied differently for different properties. He would not like to see a penalty be applied to an applicant based on their fiscal impact to the City. He said if that were the case the City should either do away with the Mill's Act contracts or work out a solution to provide sufficient funds for the number of structures that are expected to apply. He stated that the current threshold is only a pittance when you consider that the City is already postponing Mills Act contracts until 2005. He said that he had been trying for some time to get the City of Coronado to recognize the inventory that has been mentioned at earlier meetings. It was not approved after it was developed because of several citizens who took out full page ads in the Coronado newspaper and who intimidated the City Council, intimating that the citizen's group and SANDAG didn't know what they were doing. He said that the list has over a thousand buildings listed, he did the title searches himself, and it does have some errors in it so it can't be used in total.

Chairman Draper responded to Dr. Brandeis' comments regarding the designation of the Budinger property. She said that a certain portion of the entire package is historic and the garage was recognized as not being historic. She said that there were times when that situation would come up again. She heard Commissioner Ryan say that they should have ongoing criteria to address those issues rather than just making a judgment per property. Commissioner Ryan agreed that was his intent. His comment regarding the fiscal cap was only in recognition that the early applicants are receiving the benefits and he wishes there was more funding available because he can already see the backup. On the one hand the Commission is trying to get people to designate their homes and on the other hand the full amount of benefit can't be realized without waiting for it.

Commissioner MacCartee asked if Dr. Brandeis had experienced this issue of partially historic properties previously. He agreed that it does happen all of the time. He said that what the Budinger's did by moving their garage building and replacing the door in an authentic fashion in order to make them operable would have been considered acceptable in another city, but the final interpretation would be with the tax assessor.

#### PUBLIC COMMENT

There were no members of the public wishing to speak at this time.

#### COMMISSION DISCUSSION

There was no further discussion at this time.

#### COMMISSION ACTION

COMMISSIONER KEITH MADE A MOTION TO ACCEPT THE LIST OF IMPROVEMENTS FOR HRP 4-02 CONSISTING OF THE MAINTENANCE OF THE PROPERTY AND FORWARD IT TO THE CITY COUNCIL WITH ACCOMPANYING INFORMATION REGARDING THE HISTORICITY OF THE GARAGE.

Commissioner MacCartee said that before seconding the motion she wanted to recognize Dr. Brandeis' comments regarding parts of a garage becoming a new garage. She said these issues do need to be looked at individually for different properties. For instance, at Crown Manor where the stable doors were part of the garage, you wouldn't want to lose that because of a restriction. She understands the decision made, but wanted to be sure there would be some flexibility.

Commissioner Keith said that she simply wanted the City Council to be aware of the discussion.

COMMISSIONER MACCARTEE SECONDED THE MOTION.

AYES: Commissioners Draper, Keith, Ryan, and MacCartee

NAYS:

ABSENT:

ABSTAIN:

The motion passed with a vote of 4-0.

### DISCUSSION ITEMS

#### **Commission Discussion Regarding the Historical Preservation “Mills Act” Program and Fiscal Restrictions**

Ms. McCaull informed the Commission of a telephone conversation she had with Mr. O’Brien, representative for the DiMatteo’s request for a Historic Resource Preservation Agreement (Mills Act contract). Because the City has reached the cap set for Mill’s Act tax benefits he is looking for a solution that would allow the City to approve contracts over the threshold. One of his suggestions was that the City use the historic value of the property, the value prior to the recent sale of the property, as the basis for the tax savings to the property owner and thus reduce the loss in tax revenue to the City. Another idea was to access funds that came into the City’s redevelopment agency, Community Development Agency (CDA), that were in excess of what the City had estimated would be available. Ms. McCaull explained to Mr. O’Brien that she had previously used the argument that the threshold could be raised because property taxes were providing more funds for the City because of the resale value of real estate in the current market. She was informed by the City’s financial officer at the time, Jack Van Sambeek, that they had taken the rising property value into account. As for CDA funds, the City needs all of the funds currently available to carry out the City’s capital programs. Ms. McCaull said that Mr. O’Brien would be sending a memo that would explain his rationale. She said that she doesn’t have any answers at this time, but would work with Mr. O’Brien. She said that the Commission must be aware that this it isn’t a very good time for the City or the applicant to pursue an issue that would impact redevelopment agency funds due to the current situation with the governor’s budget proposal that leaves the City in jeopardy of losing millions of dollars from the budget and in danger of losing funding for such projects as the Glorietta Bay Master Plan.

Commissioner Ryan asked if the funds from the Mills Act are out of CDA funding or the general fund. Ms. McCaull said the funds are out of the general fund; however the analysis takes into account the loss to both CDA and the general fund. Mr. Ryan asked if the Historic Resource Commission’s Mills Act program is competing with the Glorietta Bay Master Plan and low income housing funds. Ms. McCaull said that if property tax revenue to the City is reduced by a historic preservation contract, then it does reduce the amount that can go to the redevelopment agency. Ms. McCaull then corrected her previous response to Mr. Ryan in that the Historic Preservation Program Mills Act Program impacts both General Fund and Redevelopment Agency funds. It competes with Redevelopment Agency projects such as the Glorietta Bay Master Plan. Mr. Ryan asked if there was any disconnect; if the City’s financial people are aware that there are 200-300 property resale’s a year in Coronado, which would create a handsome increase in tax revenues to the City each year. Ms. McCaull said that the Director of Administrative Services did take into account the increase in tax revenues when the plan for bonding was developed and the Glorietta Bay Master Plan was funded.

Chairman Draper brought up the history of how the original budget of \$15,000 was determined for the Mills Act program. Ms. McCaull provided the detail. She said that when the City began to approve Mills Act contracts there were nine properties already designated as historic, of which

five wanted to apply for Mills Act benefits. The loss to the City was determined to be \$15,000 for those properties. The City would then add \$5,000 to the program per year until 2005 for additional contracts and then review the program again at that point. The popularity of the program has far exceeded the current budget available.

Commissioner Ryan said that if the Commission plans to outreach to properties that were previously designed by Coronado Historical Association, and there are no funds available for Mills Act contracts it would be misleading to offer the benefit of a Mills Act contract as an incentive for historic designation. He said that the efforts to entice more historic resources should be slowed down if this problem isn't figured out. Chairman Draper agreed that there is already a significant shortfall in the program for 2004 and 2005. Ms. McCaull said that right now the program must stay within the cap, but the City Council has the authority to decide to make an exception for a property that is in jeopardy of demolition and is extraordinary enough or so valuable to the community and provide some relief from the cap. When the City Council begins to see the issues they may want to change the program somewhat, perhaps by allowing only the most significant properties to receive Mills Act contracts, or allow contracts for smaller properties instead of the larger ones that have a more significant impact on the available funds. She said that the current City Council would want to retain a fiscal cap, but may consider a change to the program.

Commissioner MacCartee suggested that another solution would be to cap Mills Act fiscal impact as a percentage of the increase to Coronado's annual tax base, instead of fixing the cap at a maximum dollar value. Ms. McCaull said it was an option the Council might want to consider. Commissioner Ryan also thought it was a good idea.

Chairman Draper suggested that in the meantime other incentives for designation could be emphasized more in the outreach effort, for example reduced lot lines, no building fees for improvements, reduced parking requirements, etc. There are a lot of little houses that need to be saved right now and you don't need a Mills Act contract to get a lot of benefit from designation.

Commissioner Keith said that the inventory rates the houses on a scale of 1 to 5. Only one property has a 1 on it; the Hotel Del. Perhaps some direction could be provided by those ratings. Perhaps the Commission could provide a rated list to the City Council at the end of the year rather than submitting them one by one during the year. She thought that it would be appropriate for this Commission to review the merits of the properties for the City Council. Ms. McCaull said the City Council might want to hear some recommendations on how to deal with the situation in the interim when there are applications coming in and there are no funds available. They might be receptive to having the Commission act in an advisory role such as Commissioner Keith recommended.

Chairman Draper asked if it could be agreed to propose to the Council not process any more applications for Mills Act contracts until the end of the year and then begin next year with a rating system. Commissioner Keith said that she would have to step down from this discussion since she has an application pending at this time. She recommended that this discussion be continued to a later date because it is also tied up with the discussion regarding Sourcepoint.

Ms. McCaull cautioned that there may be some concern that there is a potential that a large number of the properties on the Sourcepoint list could be designated and therefore be eligible to apply for Mills Act contracts. She remembered when the program was first developed the question

was asked, "How many properties in Coronado could potentially qualify for designation and become eligible to apply for a Mills Act contract?" She had estimated around 250 maximum at the time, but didn't really know for sure. She said knowing this information does give some assurance that there is a limit to the total possible impact. Mrs. Keith pointed out that the Sourcepoint list considered properties built prior to 1942, so not all of them would meet the 75 year or other criteria for designation.

Commissioner Ryan thought it would be helpful to determine the number of homes on the list that meet the requirements for historic designation. He said it might be less controversial and easier to broach the subject if the worst case scenario for fiscal impact was known. He said that most people don't know that there are only 9,000 residential units total in Coronado, but it would make it easier to know that only 200, 300 or what ever number it ends up being, have the potential for historic designation, with the reality that not all that are eligible would be designated. He pointed out that if you can quantify the maximum number it just isn't as large as it seems if you don't know the facts. He said that this would tie in with Commissioner MacCartee's suggestion that the cap would be a percentage of tax revenue as opposed to the solid dollar value cap because you could envision the relationship between the maximum impact on tax revenue and the maximum number of designated properties with Mills Act contracts out of the 9,000 total properties.

Dr. Ray Brandeis, 230 West Laurel Street, San Diego, referenced Ms. MacCartee's comment regarding the increased taxes on real estate through resale. Mr. Brandeis said that two weeks ago he counted the number of houses for sale in the Coronado newspaper and came up with around 200. He said that only two of them were under a million dollars. He said that at that rate, people are going to sell their properties and the City of Coronado is not going to remain the same. Any plan that the Commission comes up with has to take into consideration that something has to be done about demolition. He said the City has no method by which it can prevent the issuance of a demolition permit if someone applies for one; there is no way to stop demolition at this time. He said there needs to be a method to evaluate whether a property is historic or architecturally significant and to deny a demolition permit if it is. Of course there would be an appeal process for a program of this type.

Ms. McCaull said that the way the ordinance is written currently there is no way to deny an applicant the ability to apply for a Mills Act Contract. The way that staff is proceeding at this time is to inform potential applicants that the 2003 cap is exceeded and at this point they are "getting in line". However they can go the City Council to explain that the project is in danger of being demolished.

Ms. McCaull mentioned that the Sourcepoint document is four or five volumes and she is hearing that the Commission is focusing on only homes listed that might qualify under the City's historic program. She said the Commissioners can consider over the next few weeks what their recommendations to Council would be. It may be more desirable to use the inventory to assess how many properties might qualify under today's program in the context of trying to help the Commission figure the fiscal impacts, rather than just getting authorization to open up the entire inventory.

The Commission members discussed making a presentation to the City Council. Commissioner Ryan said that the plan needs to be presented in the right way so that the answer will be "yes" and

the process of designation can continue. He said that they could put together a presentation for the Council that would show the actual size of the issue – the actual numbers involved. The other Commissioners supported Commissioner Ryan's suggestion.

### **Commission Discussion Regarding the Public Outreach Program**

Coronado Flower Show: Chairman Draper announced that the Flower Show is the 25<sup>th</sup> through 27<sup>th</sup> of April. She explained that at the previous Flower Shows the Commission has displayed photos of designated properties, the HR program brochures and other information. The Commission members take turns manning the booth and answering questions. There is also a fun historical quiz. She said that the booth has been very effective at reaching the public. Commissioner Keith said that she had heard the Flower Show committee wasn't planning to provide booth space to outside groups this year because they think it's gotten out of hand and want to keep the Flower Show more flower oriented. Ms. Draper said that she would call Polly Jones to clarify and would inform everyone through Ms. McCaull.

Presentations to Reach the Public: Commissioner Keith mentioned that Commissioner MacCartee does excellent slide show presentations and has created a great deal of interest in the past when she has done them. Ms. Keith wondered if the Commission could convince her to make a presentation of the slide show, perhaps even make it a series of presentations. She said that there are a couple of groups that would be good to invite, such as members of Rotary. Ms. Keith said that she would see if the library might be available. Ms. MacCartee said that there are about a dozen slide shows regarding Coronado's historic past that she and Nancy Cobb developed and she would talk with Ms. Cobb. Ms. Keith said that a perfect opportunity would be in May, which is Historic Preservation Month.

Cottage Tour: Commissioner MacCartee asked if the Commission would be allowed to host a cottage tour, perhaps open about 10 cottages for tours. It wouldn't be a for profit tour, but purely for community outreach. Ms. McCaull said the Commission might want to be careful to only tour homes that had been designated by this Commission so as not to create confusion with homes designated by Coronado Historical Association. Ms. MacCartee said that everyone wants to see inside these homes and there shouldn't be a problem with getting enough homes. The Commissioners decided to look into this possibility.

Plaques: Commissioner Keith wanted to get back on track with designing plaques for the homes that are designated by the City. Chairman Draper said that they had found out in the past that brass plaques obtained through Dr. Brandeis' source were almost \$300 per plaque. At that point the DRC thought that the owners might have to bear the cost of the plaques because there was no budget for them, and there was no further discussion. Commissioner MacCartee thought that there must be cheaper plaques available and they don't necessary have to be brass to be tasteful. Commissioner Ryan suggested that the Commission could provide a nice parchment certificate signed by the mayor and then refer the homeowners to a designated sign maker to provide the approved plaque at the homeowner's expense. He would rather that the City pay for it, but he realized that in these economic times that wouldn't happen. Ms. Draper thought the parchment certificate was a good idea and it could even be presented at the first slide show presentation in May. Ms. Keith asked if the information that has been discussed to date be presented at the next

meeting to catch everyone up to date. Commissioner Ryan talked about plaques in east coast cities that were quite small, but there was a lot of information printed on them. Ms. MacCartee thought that there were similar small plaques in London that were painted and look great. Another idea mentioned was that the plaques could simply carry a number that designated the order the property was designated by the City. Ms. Draper said that an issue to take into consideration was that some of the homes already have plaques that Coronado Historical gave them, so the size and shape of these plaques should blend in with those. Ms. MacCartee said that maybe they wouldn't want them to match so it was obvious they were two separate designations. Commissioners Ryan and MacCartee agreed to form a subcommittee to look into plaque styles and prices and report back. They decided to take the information collected previously and present some ideas over the next couple of meetings. Ms. McCaull said that if there was any new information to share for the next meeting the subcommittee could get it to her to go in the agenda packet.

### **Commission Discussion Regarding Demolition of Single Family Residences within Coronado**

Chairman Draper said that in some communities properties are flagged so that it can't be demolished without going through some review before being demolished. Commissioner Keith suggested that as a starting place it might be a good idea to get a copy of what some other cities that have programs do. Ms. McCaull said that the City also has to have an inventory to say that one of the properties is potentially historic. She said that if the HRC is planning to modify the demolition process it would involve ordinance amendments. Even establishing an inventory may require a change to the Historic Preservation Element which speaks of a voluntary program. If a homeowner has their property on an inventory it tends to not be as voluntary as one would like.

Mr. Swanson informed the Commission that the building permit computer database now has a flag for each historically designated property that will pop up if one of the property owners brings in a set of plans to modify the designated structures. This will alert the building inspector that further review is needed by staff and possibly likely the Historic Resource Commission, depending on what the plans are for.

### MISCELLANEOUS

Chairman Draper said that she would not be able to attend the next meeting of March 5.

### FUTURE ITEMS

### ADJOURNMENT

There being no further business, the meeting was adjourned at 4:35 p.m.

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Tony A. Peña  
Director of Community Development