

HISTORIC RESOURCE COMMISSION
MEETING MINUTES

Regular Meeting

May 16, 2007

The regular meeting of the Coronado Historic Resource Commission was called to order at 3:02 p.m., Wednesday, May 16, 2007, at the Coronado City Hall Council Chambers, 1825 Strand Way, Coronado, California, by Chairperson MacCartee.

MEMBERS PRESENT: Commissioners Crenshaw, Herron, MacCartee, O'Brien, and Wilson

MEMBERS ABSENT: None

STAFF PRESENT: Ann McCaull, Associate Planner
Martha L. Alvarez, Recording Secretary

APPROVAL OF MINUTES

The minutes of May 2, 2007 were approved as submitted.

DIRECTOR'S REPORT

There was no separate Director's Report.

ORAL COMMUNICATIONS AND OTHER MATTERS

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

Vice Chair Wilson thanked Director McCaull for her written response to the letter received by Jones and Stokes regarding a request for historic properties information.

Commissioner Herron said she would like placed on the next agenda a discussion item regarding designating the terrazzo in front of the former Village Theatre as an historic resource.

PUBLIC HEARINGS

HRPA 11-05 HEITZ, DEBORAH & WAGENER, SHAW – Request for Special Exception to the Fiscal Cap established for the Mills Act Program to allow the dwelling addressed as 1156 Isabella Avenue to enter into an Historic Resource Preservation Mills Act Agreement with the City for the year 2007 and to exceed the Fiscal Cap. (*Continued from the meeting of May 2, 2007.*)

Director McCaull introduced the staff report as outlined in the agenda. On March 16, 2005, the Historic Resource Commission designated 1156 Isabella Avenue as a Coronado Historic Resource. The property was designated as an historic resource for representing the Prairie architectural style with Tudor and Craftsman detailing; for being designed by well known architect Irving Gill; and for notable residents Admiral Buchanan and Percival Thompson.

One of the benefits of having the property designated as a Historic Resource is that the property owner is then eligible to apply to the City of Coronado for a Historic Resource Preservation (Mills Act) Agreement. The Mills Act Agreement is not an automatic entitlement rather it is a benefit the City is providing to historic properties with each agreement evaluated on its own merits. On September 28, 2005, Deborah Heitz and Shaw Wagener filed an application to enter into an Historic Resource Preservation (Mills Act) Agreement and on October 19, 2005, the Historic Resource Commission considered the proposed list of improvements associated with the Agreement and recommended approval to the City Council.

When the Resolution was adopted establishing the program, it was recognized that extraordinary circumstances may arise with a unique property where it would be in the City Council's interest to waive the fiscal cap established for the program. The owners have recently filed a request for a "Special Exception" to the Mills Act Cap for this property. Given the current assessment on the property along with the improvements being undertaken, it is very unlikely the Mills Act Agreement for this property would ever fall below the fiscal cap established for the program. The owners would like the Historic Resource Commission to support their request that the property is "special" and warrants special consideration or relief from the fiscal cap established for the Mills Act Program.

The residence and site are rather important and unique to the community. First, the structure is a very prominent dwelling designed by noted architect's Irving Gill. The location of the property, and its very visible location situated on the corner of Ocean, F, and Isabella Avenues also make it important and unique. The structure represents aspects of the City's military, cultural and social history having been owned by Admiral Buchanan who had a distinguished military career and Percival Thompson who held numerous significant events at the residence. Lastly, and perhaps more importantly, this property was in jeopardy of being demolished, and served as the catalyst for the creation of the City's current Notice of Intent to Demolish Permit process.

Ms. McCaull reported that two meetings ago, there was public testimony provided by Karen Smith. Ms. Smith objected to this property being moved ahead of other properties that have been on the waiting list. Additionally, an email was received from Nancye Splinter who also shared a similar view.

Vice Chair Wilson asked about the \$8,000 monthly rental rate the property owner used to calculate the Mills Act tax.

Director McCaull said the amount was part of the calculation used to reduce property tax value. The City and the Counter Assessor do not agree with the estimated rental value. Staff believes the amount is about \$12,000. This is part of the negotiations that will occur with the property owner because as the value of the rent increases, it reduces the amount of loss the City has with the Mills Act Agreement. If the rental value can be frozen at a certain level, the City can then regulate its losses. The County Assessor is currently closing out their books and they are unable to make time for this request until all of their current assessments are completed for this year, which will be sometime in July.

Chairperson MacCartee asked if this exception is retroactive since it is her understanding that this type of exception applies more to buildings that are imminently threatened by demolition.

Director McCaull said this is more of a policy issue for the Historic Resource Commission and the City Council. For example, the City Council recognized the property located at 1043 Ocean Boulevard to be worth preserving even though it was not at risk to be demolished.

Scott Aurich, 1037 Loma Avenue, said the staff report was very comprehensive. He stated the issue today is whether the house has a historicity of stature that makes it a unique and special asset for the community although there is no imminent threat of demolition. He does not feel that the aspect of the house being threatened is as significant or critical to the City Council's ultimate decision. Mr. Aurich also said that the perception of this property being placed ahead of other properties on the list was not the case. He said that this is a matter of taking this property and considering it in a special category by pulling it off the list, which would in fact expedite consideration of the properties listed subsequent to this property.

In response to the Commission's questions about the Spreckels Mansion, Mr. Aurich provided background information with regard to the process leading up to approval of the Mills Act Preservation Agreement.

PUBLIC COMMENT

Bruce Coons, Executive Director, Save Our Heritage Organization (SOHO), 2476 San Diego Avenue, said SOHO would support the request if it did not jeopardize the prioritization order of the other listed properties. They would also support removing the fiscal cap permanently.

COMMISSION DISCUSSION

Vice Chair Wilson said the reasons given in the staff report for the property being important and unique were acknowledged when the designation was originally given. As the new property owners of an historic property, they have already received other benefits, not including the Mills Act benefit. Ms. Wilson felt it was disingenuous to say that the Mills Act benefit is a benefit that the property owners really need as there is no danger of imminent demolition and there is a wonderful renovation/restoration under way. However, she feels that the property owners are responsible for any increased tax assessment caused by additions to their home. Ms. Wilson said she does not see a need for a special exception to the fiscal cap for this home at this time.

Commissioner Herron said she is very happy that the owners designated the home and restored it and believes that the owners are entitled to some form of Mills Act relief.

Commissioner Crenshaw said that of all homes that she would consider worthy of the Mills Act, this home would certainly be at the top. However, because she was not serving as a Commissioner when the list was composed, she asked for an overview of the Mills Act Program.

Director McCaull gave a brief overview of the Mills Act Program. When the Mills Act Program began, there was a \$5,000 fiscal cap. The cap is the amount of funds the City is willing to forego in property tax revenues that a resident pays. Of the one percent of taxes that a person pays on the valuation of a home, 58% goes to the City and the Redevelopment Agency. The City has agreed to forego a maximum of \$10,000 of property taxes a year from different agreements. Each year, an additional \$10,000 a year is added to the program which allows previous

applications to move forward with new ones. Ms. McCaull added that when the program first started, it was on a first-come, first-served basis and was based upon the order that the application was received. About two years ago, the City Council instructed the Commission to prioritize the list by the homes most deserving of the Mills Act Agreement. That is the reason that some homes have been prioritized and some have not. The Commission has come up with a formula for evaluating the significance of the homes.

Vice Chair Wilson reiterated that the Mills Act Agreement is not an automatic entitlement but rather a benefit that the City is providing, and each home is evaluated on its own merits.

Commissioner Herron said the City Manager called it a “privilege.”

Commissioner Crenshaw asked if other cities have the same benefit.

Vice Chair Wilson said other cities do not have the same cap. For example, the City of San Diego has approved one entire district for Mills Act.

Director McCaull said the City of San Diego has a very liberal Mills Act policy. Almost any home that is eligible can enter into an agreement with the City and there is no fiscal cap. Other cities do not have a Mills Act Program as it is up to each city to enact the State legislation as they determine. Some cities have chosen to process four applications per year and other cities process them by the number of applications. Our City has chosen the fiscal cap because we have a very fiscally conservative City Council.

Mr. Coons clarified that for the City of San Diego, the cost of providing Mills Act is about a tenth of what the cost would be for the City of Coronado. There are, however, redevelopment areas in San Diego that restrict Mills Act.

Commissioner Herron asked how repayment could be made for the historic homes which have been restored.

Commissioner Crenshaw said that even if this house deserves to be placed ahead of the other homes, the fiscal cap will only allow a very small portion to be paid.

Commissioner Herron said this house would be an exception and would not be placed on the list.

Director McCaull said the house would be exempt from the cap as it was for the Crown Manor and the Spreckels Mansion.

Chairperson MacCartee said the owner is asking to be removed from the list and be considered as an exception to be granted this request. The owners would not be placed ahead of anyone.

Commissioner O'Brien said that he considers six to eight homes in Coronado to deserve a break – this is absolutely one of those homes that deserve whatever benefit it can get, whether it is an historic designation or Mills Act. Nonetheless, if approval is given by the Commission, it may still fail at the City Council level without a very concerted effort and a completed product. Mr. O'Brien said he was 100 percent behind special consideration for this property.

Chairperson MacCartee said that anything she can do to reward historic preservation, she is willing to do. She said it would be great if the property owners could wait until the landscaping was in before it went to City Council. She hopes the City can see a way to support these projects.

COMMISSION DISCUSSION

COMMISSIONER O'BRIEN MADE A MOTION TO FORWARD TO THE CITY COUNCIL A REQUEST FOR A SPECIAL EXCEPTION TO THE FISCAL CAP ESTABLISHED FOR THE MILLS ACT PROGRAM TO ALLOW THE DWELLING ADDRESSED AS 1156 ISABELLA AVENUE TO ENTER INTO AN HISTORIC RESOURCE PRESERVATION MILLS ACT AGREEMENT WITH THE CITY FOR THE YEAR 2007 AND TO EXCEED THE FISCAL CAP BECAUSE THE COMMISSION FINDS THE SUBJECT PROPERTY IS AN EXTREMELY UNIQUE PROPERTY DUE TO THE EXTRAORDINARY CIRCUMSTANCES ASSOCIATED WITH THE PROPERTY AND ITS RESTORATION.

CHAIRPERSON MACCARTEE SECONDED THE MOTION.

AYES: Commissioners Crenshaw, Herron, O'Brien, and MacCartee.
NAYS: Commissioner Wilson.
ABSENT: None.
ABSTAIN: None.

The motion passed with a vote of 4-1.

DISCUSSION ITEMS

HR 14-04 **CITY OF CORONADO** – Discussion regarding Coronado Property Review (CPR) List to replace the existing Ordinance that uses a 75-year criteria as a trigger mechanism for the Notice of Intent to Demolish Permit process. This List includes single family, multiple family, and non-residential properties.

The Commission proceeded to review the list of potential properties and made a determination as to which properties should be kept, reviewed further, or eliminated from the list.

Public Comment

Bruce Coons, Executive Director, SOHO, 51 Aruba Bend, suggested that the Commission visit residences located on G Avenue, Glorietta Boulevard, and Guadalupe Avenue.

Commission Discussion

Commission discussion ensued.

Commission Action

The Commission agreed to visit the residences located at 344, 720, 749, 751, 764, 858 and 1000 G Avenue, 526, 530, 622, 676, 704, 710, 814, 900 and 1118 Glorietta Boulevard, and 735, 737, 822 and 835 Guadalupe Avenue, to determine if these properties should be added to the List.

The Commission agreed to visit all properties listed on H Avenue, I Avenue, Isabella Avenue, and J Avenue.

ADJOURNMENT

There being no further business, the meeting was adjourned at 4:45 p.m.

Tony A Peña
Director of Community Development