

## CORONADO HISTORIC RESOURCE COMMISSION

### MEETING MINUTES

REGULAR MEETING

September 17, 2003

A regular meeting of the Coronado Historic Resource Commission was called to order at 3:30 p.m., Wednesday, September 17, 2003, at the Coronado Police Department Emergency Operations Center, 700 Orange Avenue, Coronado, by Florence Draper, Chair of the Historic Resource Commission.

MEMBERS PRESENT: Commissioners Draper, Keith, MacCartee, Ryan, and Walsh

MEMBERS ABSENT:

STAFF PRESENT: Ann McCaull, Associate Planner  
Linda Hascup, Administrative Secretary

#### APPROVAL OF MINUTES

The Minutes of the Regular Meeting of August 6, 2003 were approved as amended.

#### DIRECTOR'S REPORT

There was no separate report.

#### COMMITTEE REPORTS

#### ORAL COMMUNICATIONS AND OTHER MATTERS

There was no one wishing to speak at this time.

PUBLIC HEARINGS:  
APPLICATIONS FOR REVIEW

**HRPA 8-03 SUZANNE SCRIBNER TRUST HISTORIC RESOURCE  
PRESERVATION AGREEMENT: 948 D AVENUE, IN THE R-3  
(MULTIPLE FAMILY RESIDENTIAL) ZONE.**

STAFF REPORT

Assistant Planner, John Swanson introduced the staff report as outlined in the agenda. The property at 948 D Avenue was designated as the City's 23<sup>rd</sup> historic resource on July 16, 2003, by the Historic Resource Commission and is now eligible to apply for a Historic Resource Preservation (Mills Act) Agreement with the City. A Mills Act Agreement requires the property owner to preserve the home for minimum period of 10 years, and in exchange there is some property tax reduction. He explained that the HRC's role is to review the "list of improvements" that will be attached to the Mills Act application going to the City Council. He said that the property owner, the Scribner Trust to maintain the property over the 10-year contract period, as well as re-stucco the base of the exterior walls of the dwelling, and repair and paint the wood trim.

PUBLIC COMMENT

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

COMMISSION DISCUSSION

Chairman Draper said she was very happy that the applicant brought this property to the attention of the Commission. She was very happy that it was proposed to be designated.

COMMISSION ACTION

COMMISSIONER KEITH MADE A MOTION TO ACCEPT THE LIST OF IMPROVEMENTS FOR HRPA 8-03 AND FORWARD IT WITH THE HISTORIC PRESERVATION AGREEMENT APPLICATION TO THE CITY COUNCIL.

COMMISSIONER MACCARTEE SECONDED THE MOTION.

AYES: Commissioners Draper, MacCartee, Keith, Ryan, and Walsh

NAYS:

ABSENT:

ABSTAIN:

The motion passed with a vote of 5-0.

## **DISCUSSION ITEMS**

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

**Historic Plaques** - Commissioner MacCartee reported that she sent information to the plaque-maker as requested and they are in the process of drawing up a sample. The plaques will include the "Built In ..." information as well. After seeing what can be done by an outside provider and through the City's Public Services Department she said they will have better information to make a choice.

**Video on Historic Coronado** - Commissioner MacCartee said the video is on track for an October release date and advised that the script is in the agenda packet. Commissioner Keith gave some information on what the video will consist of and added that unfortunately, even though there were several stories received, none of them were usable. Ms. Keith explained that the video is important because it is intended as evidence for the City Council to review in determining if the parks should be designated as historic. Also, this is something we might want to show the children after our generation, that these parks are resources to preserve for their future. Commissioner Draper gave some input on the text.

Daphne Brown, 626 First Street, said that she had heard that Rotary Park, where the Coronado Christmas Tree is located, is the smallest national park in our country. She wanted to know if that could be verified. Chairman Draper said she did a historic survey of the parks and found that Rotary Park was always just a wide space in the road and wasn't meant to be a park. She doubted the story was true.

Commissioner Draper reported on the recent Kim Tolles Show interview on Coronado Cablevision. Ms. Tolles' program was on Historic Preservation. She interviewed Coronado Historical Association Executive Director Paige Harrington, Save Our Heritage Organization member Bruce Coons, City Staff member Ann McCaull and herself.

**Newspaper Articles** - Commissioner Ryan said he was still working on the first article. He asked if the Commissioners would be taking turns on a monthly basis to write the articles. Ms. McCaull said she thought the timeline would be based on everyone's availability to write and suggested that perhaps the Eagle would take the articles on a quarterly basis. Ms. Draper volunteered to be the next contributor. She found some great information on why Coronado decided to break away from San Diego. Ms. Keith thought the Commission meant to write about the locally designated homes so that citizens would have something to go take a look at and should stick to that for the time being.

Ms. Draper asked if the Historic Resource Commission could be listed on the Community Calendar in the Eagle along with all of the other public meetings. Ms. McCaull said she would look into that.

### **Commission Discussion Regarding the Referral of the City's Historic Pictures, Scrapbooks and Maps to the Historic Resource Commission for a Preservation Project**

Ms. Keith reported that this item came out of the search she and Commissioner MacCartee carried out as they were looking through the City's vault for historic maps and photographs for the video. They found that there were a lot of documents that weren't protected in any way, only stored in two or three boxes. Ms. Keith volunteered that members of the HRC could do some cataloguing and preserving of the documents. The City Council approved of the idea. Now a subcommittee can be set up to do the work. They could ask some volunteers if they would like to join in. Ms. MacCartee said it will be important to identify some of the items as soon as possible, before the people who remember aren't here to help. Ms. McCaull added that she uncovered three boxes of historic photos of downtown that are very interesting and could be added to the collection. They will need to be protected as well. Commissioners MacCartee and Keith volunteered to head up the effort. Paige Harrington, Executive Director of Coronado Historical Association said this is an incredible effort and offered any help that CHA can give, such as cross-referencing information, and providing resources for materials that they buy in great quantity and can get good prices.

### **COMMISSION ACTION**

Commissioner Ryan made a Motion to appoint Commissioners Keith and MacCartee as a subcommittee to lead the effort to catalog and preserve all of the historic items as mentioned.

Commissioner Draper Seconded the Motion.

The motion passed unanimously.

### **Commission Discussion Regarding the Historic Preservation "Mills Act" Program and Fiscal Restrictions**

Commissioner Keith recused herself from this discussion.

Ms. McCaull explained that this has been an ongoing discussion item of the Commission for at least the last 6 months. The issue is that when the program was initially approved the budget was limited to a certain amount each year. However the budget was quickly reached while the City continues to receive additional applications for Mills Act contracts. The Commission would like to increase the funding for this program and requested that staff prepare some figures to show the potential fiscal

impact to the City if a certain number of properties were to request and receive Mills Act benefits.

The second issue is that there is only a certain amount of funding remaining during the current fiscal year for Mills Act contracts and several properties with pending requests. Two of the properties on the list could be approved and be within the current budget amount, however if they are approved it would not be in the order in which the applications were received. She suggested that it would be helpful if the Commission were to discuss a recommendation to the City Council regarding how the backlog of Mills Act contract requests should be prioritized for approval.

City of Coronado Director of Finance, Leslie Suelter said that her role is to advise the City Council of financial impacts. She said she has been working with staff and learning about the Mills Act, how it is funded, and how the funding impacts the City's finances, in order to prepare informed advice to the City Council. She explained how the Mills Act tax reductions are calculated annually by the County and said that even with the annual calculations, the annual fluctuations are modest. Ms. Suelter said the assumption for the analysis is that the tax loss would be the same for continuing years, and went on to give further information regarding how the Mills Act funding fits in with the City's finances. She said that in the case of the Black property, which was an exception to the approved budget, there is a much more significant impact on revenue.

Commissioner Ryan commented that the information missing from this presentation is that the total fiscal impact of the program can easily be estimated; and that it would be a manageable amount. He said that the City Council needs to know that out of the approximately 9,000 homes in Coronado only around 150 that would request Mills Act contracts. In addition, there is a significant increase in tax revenue to the City due to real estate transactions each year. 300 of Coronado's properties resell each year and the tax basis is stepped up considerably through the resales. He said he believes the reason property is so valuable here is because of Coronado's historic value for the West Coast, with its beautiful historic homes and one of the finest hotels in the world. He said the report needs to show, in addition to the numbers, the positive impact of these historic properties, and how the historic quality of this location is also responsible for its value.

Commissioner Ryan said if there was a chart showing the increase in taxes from real estate sales relative to a chart showing the maximum amount of tax revenue loss to the City (from Mills Act contracts), it would really show the true picture. He said the argument could then be made on why the cap should be raised. Commissioner MacCartee agreed with Commissioner Ryan's statements and that the City Council must receive additional information in addition to the numbers or they won't see the entire picture. She said the Commission, staff, and the City Council need to work together on this for the betterment of Coronado. Ms. MacCartee wanted to know if there was a way to present all of this information as a package to the City Council.

Ms. Suelter said she didn't have a problem presenting the information requested by Commissioner Ryan. She said she is putting together her understanding of the way the Mills Act work, how it impacts the property, and how it impacts property tax. She said there are other values you could put into the equation that may be judged differently by different philosophical positions.

Chairman Draper asked if there was any information on the number of homes subject to Proposition 13 out of the 150 that might receive Mills Act contracts. There wouldn't be as great an impact on the tax revenue from those properties because they don't have high property taxes now and the taxes can't increase. Ms. McCaull said there isn't any information on that because we don't have a survey. She said she estimated the number would be a conservative one.

Ms. Suelter said there are probably more pre-Prop 13 homes in Coronado than in the rest of San Diego County because people move here and stay here. A lot of turn-over in the properties are to other family members, so they stay in the family. The taxes on those properties are very low in comparison to the non-Prop 13 homes. If the owner of a pre-1978 home enters into a Mills Act contract there would be very little benefit to them. But the person who purchases that home is the one who will receive the huge benefit of the Mills Act contract. She said she was presenting the Commission with the same information she would present to the City Council and she appreciates the Commission's hard work to preserve historic properties because they are part of what makes this community what it is. But there may be other ways the Commission might want to consider that could also be helpful to accomplish that goal, in addition to or instead of this plan. Ms. McCaull responded that there are some benefits that could be offered, that are currently being discussed, that have a one time benefit as opposed to the year after year expense that the Mills Act Program gives.

Commissioner Ryan asked if he was hearing that increasing funding for the Mills Act is not going to be supported by City staff. Ms. McCaull responded that is not the case, staff supports the Mills Act program as authorized by the City Council. There are some concerns regarding an expansion of the program and the long term cost of the program. Ms. McCaull said that staff is providing this information in response to Commission discussions regarding requesting the City Council for an increase in the program. She said when the request goes to the City Council they are going to want to know the fiscal impacts and will then have to weigh the fiscal impact of an increase against the benefits to the community. It is incumbent on staff to provide the information necessary for the City Council to make an informed decision. Ms. McCaull said that staff is sharing this information with the Commission as additional background to consider when making their request.

Ms. Suelter said that Commissioner Ryan's point is well taken that the future growth potential in the City needs to be looked at, and whether the Mills Act impedes that growth or not. She said she would need to evaluate that. Commissioner Ryan said he

would like to make the official request that Ms. Suelter's report contain the information he requested earlier; to show the increase in income to the City over the last few years from all property taxes, all 9,000 properties, and compare those figures the expense of this program. Ms. Suelter said that she would be happy to do that. She said this information would accompany the HRC's request to the City Council.

Ms. McCaull said that a report would go to the City Council soon so they can make a decision on which properties would receive Mills Act contracts next year. Their deadline to take action on those applications is the end of December.

Ms. Suelter said it appears there is between \$9 and \$10,000 left to spend this year for Mills Act contracts. Ms. McCaull said this is better news than expected. She said the reason there is more than previously thought is because the Mills Act contract for the Black property was approved as an exception to the budget. The calculations took the tax loss from the Black property completely out of the equation, including the \$5,000 that would have been taken from the annual budget for their Mills Act Contract. This could open up the door for a third or fourth property in addition to the two she mentioned earlier. Chairman Draper asked if there were any thoughts on how to prioritize the eight pending applications.

#### PUBLIC COMMENT

Rick Moore, 757 Alameda said that we can't have our cake and eat it too. There is \$83,000 worth of pending applications, which will use up all of the funding for the next 10 years. The program will be finished unless the program is increased. He said there are only 150 to 175 properties in the community that are eligible to be designated. Unless that happens over the next 10, 20, or 30 years they will be gone forever.

Karen Moore, 520 B Avenue, said she agrees with Commissioner Ryan. The value of historic preservation isn't something that you can put on a ledger page. Coronado is losing properties very rapidly as lots are being scraped and rebuilt. So there is a sense of urgency. She said the City Council does need to raise the limit. She suggested that if Coronado becomes a whole town of "McMansions" it just won't be the same. She pointed out that when someone preserves a property they have to spend some money to restore it. A lot of the items must be handmade. The people who care about historic resources are willing to spend that money. The Mills Act is a valuable incentive to them. She asked that Mr. Ryan's comments be considered.

Bryan Lippe, 550 B Avenue said he is a financial analyst and could use this same report to prove how it would be impossible not to increase the program. He said it's a "no-brainer" to understand that the value of this town is far more with the historic homes than without. He said he has spent over \$100,000 on his house over the last two years to get it 90% completed. If he is approved for a Mills Act contract it will hardly make a dent in that expenditure. He questioned how much Coronado is willing to spend on its

history. Mr. Lippe said that a half a million a year is “peanuts” compared to what we receive in return.

Chris Ackerman, 765 C Avenue, concurred on the previous comments in regarding the value to the community of historic preservation and the number of homes eligible to be designated. He reminded the Commission of the recent loss of the Steed House at Tolita and E Avenue that was torn down. The lot was split in half and there is now another “McMansion” going onto one half of the lot. He projected that without this property, and other even more valuable historic residences that could be lost, specifically the Budinger residence on Alameda, you could imagine the loss of value to the community. Mr. Ackerman also thought that the comparison needs to be made between property tax increases and the amount it would take to fund the Mills Act program adequately. He said it might be helpful if staff could find out how much other communities are investing (percentage) in their historic fabric, to provide a comparison. He said we don’t know if Coronado is doing more or less than other communities.

Nancye Splinter, 1027 G Avenue, said her home was the first historic home in the Coronado to receive a Mills Act contract, and she and her husband were instrumental in starting it. She said she was speaking from her experience and cautioned that with the state budget deficit the way it is now she doesn’t think this is the year to make the request to increase the Mills Act. She said her feeling was that the program was under funded to begin with and it was shortsighted of the City Council to approve the cap that it did, but at least the program was approved. She said that even though this is the passionate issue for the people in the room, she wouldn’t want the Commission to ask for an increase if they can’t get it this year.

Chair Draper remembered that when the program was adopted there was a provision that the Mills Act cap would be re-evaluated in 2005. She asked if that review would occur at the beginning of the calendar or fiscal year. Ms. McCaull said the program was adopted at the beginning of the calendar year, so the review would come early.

Mr. Ackerman suggested that if the budget couldn’t be increased right away, perhaps there would be a moratorium on any demolition in the interim. Chairman Draper responded that this would also be her suggestion and she would like to address it during the next agenda item. She said she could do some research and find out what other cities are doing, and what state law is.

Mr. Lippe said he forgot to ask previously about how the properties are prioritized to get the little funding there is. He asked if they had thought of a pro-rata distribution of the available funds for the homes on the list. And for the future, he suggested funding the program from a percentage of the increased property tax revenue.

Ms. Draper urged the members of the public who spoke to attend the City Council meetings and voice their opinions there as well.

Commissioner Ryan asked if this item could be continued so that staff can bring back the information that will be presented to Council with the changes that have been requested. He said he would like to see the product. He commented in response to Ms. Splinter's comment that he doesn't think this is the time to back off; it's the time to get started.

Ms. McCaull asked if the Commission would put together a paper that speaks to the issue and present the Commission's position. She would be more comfortable presenting this to the City Council if the Commission puts the request forward in their own words. Commissioner Ryan said the issue has to be presented in the context of the loss to the city if the resources are not preserved.

Chairman Draper said she had no problem postponing the discussion until the position paper is ready and the financial information has been prepared, but she did want to discuss the prioritization of the properties waiting for Mills Act contracts. She asked if the other Commission members would consider recommending to the City Council to approve contracts for the Keith and Dunn homes.

Ms. McCaull clarified that the Dunn residence was designated approximately eight years ago, but the Keith residence was just designated recently. The policy until now has been to process them in the order they were received. She said they could pull the applications forward in the order that fit under the fiscal cap and not process the others at this time. However in the coming years the Council may need some assistance to prioritize the applications. She said there are a few ways the waiting applications could be prioritized; in the order of: 1) date of historic designation, 2) impact on funding, 3) date the Mills Act applications were filed, or 4) some other criteria. The Commission has the opportunity to give the City Council some assistance in determining which applications are most valued to the community.

Commissioner Ryan said he thinks they should be taken in the order of the Mills Act application dates, but he said he does like the idea of pro-rating the remaining dollars for this year. It may be a more fair method to portion out the current funding. Ms. McCaull indicated that the process isn't as simple as dividing up the funds and reducing the tax bills by a set amount. The County Tax Assessor calculates the tax savings each year for each individual property and the Mills Act allowance is based on those calculations. A distribution of funds wouldn't fit within their formula structure.

Ms. MacCartee said her thought is that unless a property is really spectacular, like the Hanson house, they should be processed in the order of the Mills Act applications because each one is of value to our community. Commissioners Ryan and Draper agreed. Ms. McCaull said this gets back to what she mentioned before. The next application in line will have an impact of about \$15,900. That will prevent any other applications from being approved for the next two years. Commissioner MacCartee said that is why the Commission has to get something done about the funding.

Susan Keith, 801 Tolita Avenue, said she doesn't know which property is \$15,000 because she had purposely not been reading the staff reports on this issue. She suggested if it is a particularly noted property and is worth saving, perhaps the Commission would want to recommend it to the City Council to consider it as an exception, as they did with the Black property. If it was a special line item it wouldn't interfere with the remaining \$9,000.

Ms. McCaull recommended that this agenda item be continued to allow staff to put together a modified spreadsheet presentation and some material to share at the next meeting on what might be presented to the City Council, and to give the Commissioners time to put together a point position that could accompany the staff report. Also to give the Commissioners time to formulate some ideas on how to deal with the prioritization. She said staff would also see what information is available regarding what is done in other communities and their programs.

#### COMMISSION ACTION

Commissioner Ryan made a motion to continue the agenda item to the next meeting. Commissioner Draper seconded the motion. The motion passed 4 to 0 with Commissioner Keith absent.

Commissioner Keith rejoined the meeting.

#### **Commission Discussion Regarding the Request to Utilize the Historic Resource Inventory Prepared by Sourcepoint to Create a New, Updated Historic Resource Survey**

Ms. McCaull introduced explained that the City Council recently considered this subject and continued the discussion to give the City Attorney time to do some research on what the potential implications would be of having a new resource document that identifies all of the homes that could potentially be considered historical. She said she is touching base with the Commission now to make sure there is no information she needs to have to share with the City Council.

Commissioner MacCartee said she is in favor of asking for approval to have the list strictly as a guide. She thinks it is vital to have a tool to work with to get a handle on how many properties could possibly be designated historic and potentially have Mills Act contracts. She thought it was silly that you can't have a list of all the homes of a certain age. The age of the home isn't voluntary.

Ms. McCaull said that once there is a list, there are some people who might not want to have their properties listed on it. She wondered if the Commission had some plans to do some community outreach to property owners who might be on the list.

Commissioner Ryan explained that some property owners feel their property rights and values were infringed on due to the fact that someone on the list can't just tear their house down in a day or modify it, etc. There has been a law suit on the issue and City Attorneys pay attention to this type of issue. Commissioner Draper thought that a suggestion was made at the August meeting that a list stating the age of a home and no other criteria might be less of an infringement on property rights. She said that at the recent television interview with Kim Tolles the idea came out that perhaps there wasn't enough education on why the list was being compiled and how it would be used. She suggested the Commission could put together their own list and contact all of the people on it and ask if they wanted to get together and learn more about preservation.

Commissioner Ryan said that based on the discussion regarding the Mills Act funding, he thought maybe they don't want to lead off with the Sourcepoint issue. He wonders what the point is to have the data on the number of homes that can be designated when the issue of funding is unresolved.

Commissioner MacCartee said there is a lot of education left to do. Maybe the timing is not particularly good. Commissioner Draper agreed.

Commissioner Keith said she doesn't see much difference to being on this list and being in the phone book. She realizes she is in the minority in this and the City Council will probably not support putting together a new "historic list". But she thinks the Commission's job is to begin talking to the Council and educate them. Ms. Keith said she would have no problem going to each possible historic home and let them know the Commission would like to put them on the list. But she is realistic enough to know that the Commission should pick the battles, and step back on this issue until they can educate on the importance of historic preservation. Commissioner Keith proposed to put this issue on hold for a few months, pursue other avenues, and come back to it later.

Commissioner Draper said she would like to discuss how to handle demolition of historic homes. She would like to have a method so that in the meantime we won't lose any more to demolition. Commission Ryan suggested that the Commissioners might want to bring this to the new RSIP (Residential Standards Improvement Project) committee that is working on issues in the single family residential zones. He said that may be another venue to carry forward some historic home recommendations.

Doug St. Denis, 1710 Adella Avenue suggested that a great idea for public education just occurred to her. Why not do a "This Old House Coronado" on the local cable channel. There are so many wonderful historic homes here to talk about. Commissioner Draper said it is a terrific idea.

The Commissioners agreed they would like to postpone sending any more reports to the City Council for now. Ms. McCaull asked if they would like to withdraw the earlier

request regarding the historic inventory. They agreed they would like to withdraw that request at this time.

MISCELLANEOUS

None.

FUTURE ITEMS

ADJOURNMENT

There being no further business, the meeting was adjourned at 5:55 p.m.

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Tony A. Peña  
Director of Community Development