

## **Downtown Historic Preservation Task Force Meeting Minutes**

February 4, 2015

8:30 AM

South Side on Lamar Leasing Office Conference Room  
1409 South Lamar St.  
Dallas TX, 75215

### **Task Force Members Present:**

Mitch Paradise, Paradise Development Partners; Connie Cooper, Cooper Consulting; David Preziosi, Preservation Dallas; Bryan Keith, JHP Architecture/Urban Design; Brian Adams, Callison; Larry Hamilton, Hamilton Properties; Scott Remphrey, Brytar; Todd Watson, Hunt Consolidated; Robert Meckfessel, DSGN; Katherine D. Seale, Task Force Chair

### **Task Force Members Absent:**

Jack Matthews, Matthews Southwest

### **City Staff Present:**

Mark Doty, Sr. Historic Preservation Planner; Bert Vandenberg, City Attorney

Katherine Seale called the meeting to order at 8:35 am with a quorum present.

### Overview – Katherine Seale

Katherine briefly reviewed the topics discussed at the January 28 Task Force meeting, and introduced the topic for the current meeting. She introduced the following topics:

- North Star: How to protect the historic fabric of downtown while encouraging development
- Striking a balance between two important goals: Preservation and Development
  - “Historic Downtown reflects a valuable and irreplaceable truth about Dallas”—W. Brown Morton
  - Development is as important to Downtown
    - When Downtown values are their highest, the tax base grows and the entire city benefits.
- Considerations:
  - What is good public policy?
  - Best Practices to achieve preservation
  - Program capacity
  - Advocacy mechanisms

Katherine used the example of the Belmont Hotel to show how preservation is relevant in the revitalization of an area, noting that prior to its redevelopment the highest and best use may have been the site of a gas station, but now the appraised value has quadrupled in ten years. The value increase

was not due to preservation along, but it was a key ingredient that helped usher-in new development, zoning changes, and interest in the area.

Katherine questioned the historic preservation program's effectiveness today, as it is based on the idea of preservation of individual landmarks, and suggested that the preservation of neighborhoods is becoming more difficult with renewed focus on property rights.

Katherine reviewed the presentation of Robin McCaffrey on January 28, and noted that Dallas's early preservation program was unique, and proved to be a powerful tool to revitalize areas. Preservation can be a powerful tool for downtown when value capture transfer is achieved. Katherine reviewed the idea that historic preservation needs to be reconnected with other city departments and made part of a broader planning effort. She also suggested that preservation be integrated with plans for infill.

#### Historic Preservation as a Tool for Urban Planning—Nicky DeFreece Emery, Task Force Facilitator

Nicky presented a chart comparing preservation and development tools used in the City of Dallas, Denver, Austin, Charleston, and Baltimore. This included a more detailed discussion of the types of zoning overlays and districts used in each city. Next, the incentives used in each city were presented. This included tax exemptions, tax increment finance (TIF) districts, state tax credits, community development block grants (CDBGs), transfer development rights (TDRs), parking exceptions, easements, streetscaping, hotel/motel tax grants, appraised value caps, and homeowner incentives. Currently at the City of Dallas the available incentives include city tax exemptions for local landmarks, a city TIF, state tax credits (a new program in the state of Texas), CDBGs (now used entirely for development of low income housing and only in specific areas of the city, but in the past was used for some historic preservation projects, including the Texas Theater), and TDRs (also not currently used, but was used in the past).

Katherine noted that the incentives discussed are still regulatory, and are designed in a way that preserves individual historic structures. They are good tools, but should be evaluated to see if they would be valuable to us to address the broader urban fabric and two-story structures.

#### Discussion

Larry Hamilton noted that the state and federal tax credits are a huge incentive for buildings that qualify for the National Register, but does not help important buildings that are not eligible. He stated that the use of tax credits does have a downside in some situations because by using them, the Texas Historical Commission and National Park Service effectively become a design partner, which can restrict the options available in design and use.

Katherine Seale asked about buildings that are redeveloped successfully, then are threatened once their value increases. She gave the example of the Belmont Hotel again, stating that now that the property has increased greatly in value, there is pressure to further develop the site, which would destroy the very thing that is important about the Belmont. She emphasized that the state tax credit lacks "teeth." She asked the questions, "What do we value?" and how our program can be used to protect the urban fabric. She asked whether the historic preservation program should include the urban form and streetscape to encourage walkability.

Bob Meckfessel stated that this is where planning comes in, to identify what the urban fabric was, and what it wants to be.

Connie Cooper stated that the problem is that we are not looking at the building holistically, we are trying to address the urban fabric one building at a time: "counting trees instead of looking at the forest." She noted that in Memphis the zoning isn't the challenge in redevelopment of historic buildings, it is the building code because buildings are forced to comply in ways that do not justify the investment

compared to the value of the existing building. She stated that in California, there is a special acknowledgement of historic buildings in the building code.

Scott Remphrey stated that the building code in Dallas [International Building Code (IBC) plus City of Dallas amendments] makes it difficult to do retail, and that the building and fire codes should have “grandfather” clauses to provide for historic buildings to allow for redevelopment.

Connie Cooper returned to the topic of incentives, and stated that many people wishing to redevelop historic properties do not know about the ways that incentives can be combined.

Bob Meckfessel returned to the topic of the urban fabric, noting that the value is in the fabric and the streetscape, not necessarily in the “jewel” buildings. He explained that the buildings built starting in the 1950s wrecked the urban fabric, but those have now become historic and some are being put on the National Register and are receiving tax credits. Katherine Seale responded with the example of South Dallas where people are coming in with requests for projects such as roof projects or window replacement that are not sensitive, but they are keeping out the rain. We could be missing the point of why the neighborhoods were designated. For 1950s buildings that harmed the streetscape, it could be counterintuitive to preserve buildings that are in conflict with what we are trying to achieve. She noted that the park service criteria work very well for preserving iconic buildings like Old Red, but perhaps they don’t work very well to preserve 1950s office buildings or 1920s residential structures.

Mitch Paradise emphasized that our focus is specifically the central business district, and asked what we want to eventually achieve in the Task Force. He stated that we need to focus on incentives and implementation.

Brian Keith asked about the current process to identify historic buildings. He also noted that for code issues, additional amendments to the IBC could be introduced to allow for variances for historic buildings.

Scott Remphrey suggested that the facades of the buildings recently demolished in Downtown could have been saved in some way while allowing for redevelopment. Larry Hamilton responded that the buildings themselves and not just the facades were worth something, and that a case could be made for all buildings that have been demolished. Larry noted that development such as Legacy Town Center are trying to achieve the kind of urban fabric that Dallas already has in place, and that is our strength.

Bob Meckfessel stated that a new survey of historic buildings is necessary to identify what Dallas has, but it should identify more than just buildings as has been done in the past. The survey should look at the urban fabric and continuity to see what we have left. He noted that we could also look at fabric that is not necessarily historic or eligible for the National Register to document what we do have left. Mitch Paradise responded that there should be preservation criteria for the urban fabric, and incentivize preservation through identification and inclusiveness on a broader scale. Katherine Seale responded that the preservation process could be a broader program to include the urban fabric in addition to designation. Brian Adams stated that the city needs to lead the private sector by incorporating adaptive reuse themselves.

Connie Cooper stated that a lot of development has happened and is continuing in areas outside of Downtown such as Deep Ellum, and the Task Force should also keep the broader area in mind when formulating strategies.

Katherine Seale stated that a Preservation Plan could be a path forward, and urged the Task Force to think about what the Preservation Plan should focus on.

Larry Hamilton stated that façade easements have been used in the past; gave the example of the façade of the Davis Building, whose façade was sold to the TIF. He noted that in Denver he took a tax deduction and sold façade easements to Historic Denver. Katherine Seale responded that taking a tax deduction on façade easements has come under greater scrutiny from the IRS.

Connie Cooper asked that more detail be provided at the next Task Force meeting about incentives shown on the chart presented by Nicky Emery. The task force then suggested additional cities that should be included in comparing incentives for Dallas, including Portland, Los Angeles, Atlanta, and Chicago. It was also suggested that how preservation is integrated within other city departments be reviewed for other cities.

David Preziosi noted that TDRs could be made stronger, especially to encourage reuse of two- and three-story buildings. Larry Hamilton and Bob Meckfessel responded that the problem with TDRs in Dallas is that the air rights are not that valuable because we have so much empty space downtown.

Katherine Seale introduced the idea of attaching preservation criteria to the TIF funding, and requiring landmark designation on important eligible buildings. Larry Hamilton suggested that TIF funds should also restrict further development of the Downtown Tunnel system and pedestrian bridges that discourage connections that subtract from street activity. Mitch Paradise suggested that a layer added to the TIF would be a mechanism that everyone already understands and is familiar with. Mark Doty responded that there could be some push-back from the Economic Development Office because it could be seen as a restriction.

Katherine Seale noted that there is little communication between city offices, and noted that the strategy of tying TIF funding to preservation should be seen as an ingredient to achieving a service to a higher good. Mitch Paradise stated that the solution can't be at odds with economic development if we are trying to be incentive-based.

Larry Hamilton stated that adaptive reuse would not be perceived as restrictive if the Landmark Commission would focus less on details like paint color and more on the big picture. Asked if there is a way to shift the focus. Katherine Seale explained that this would require reviewing the preservation ordinances to see if it is accomplishing the intent of preservation. She gave the example of the revitalizing South Dallas historic districts, where preservation criteria details often overshadow revitalizing the area. She stated that you could argue that it is not really revitalizing an area when you are requiring certain paint colors or restoring wood windows when owners do not have the economic means to do so. The intent of the ordinance was to instill pride and encourage people to fix up their houses. Katherine then stated that the Landmark Commission is no longer able to play an advocacy role because they are quasi-judicial. David Preziosi emphasized that flexibility is needed when working with individual properties, and we do not need to get to the level of individual paint color.

Bob Meckfessel stated that there is a very strong link between urban design and economic development that has "teeth" and incentives, but it is not the case with historic preservation, which is optional, or seen as a "hammer" when it is used. He asked what the relationship is between the urban design, planning, and preservation departments in other cities. Stated that tying the urban design process to the TIF in the City of Dallas happened overnight, and this could be done for historic preservation as well.

Brian Keith suggested inviting a representative from the economic development department to the Task Force meeting.

Larry Hamilton stated that there is currently no relationship between the parks department and historic preservation department, and noted that the parks department has been responsible for demolition of historic buildings in downtown. Katherine Seale noted that the parks department was also responsible for restoration of historic buildings, including Fair Park and in neighborhood parks.

Katherine Seale emphasized that city departments need to start communicating better, and perhaps this could be implemented through suggestions in a Preservation Plan.

Connie Cooper noted that often people are unaware of the linkages between different urban elements of the fabric in the city and the impact that the loss of those elements has on the urban fabric. She gave the example of people using the tunnel system not understanding why the streets are dead.

The topic of supergraphics was introduced, and how it can result in large amounts of income. Katherine Seale noted that it does get to “beautification” and streetscaping that has been used in other cities, and gave the example of the improvement of the Swiss Avenue median, which was done by the city. Scott Remphrey noted that there are restrictions on what could be done for supergraphics, but could add interest to downtown. Larry Hamilton noted that blank side walls that have been exposed due to demolitions could be a place for advertising, which could help finance building reuse and be an incentive to keep buildings if money could be made. Connie Cooper noted that there are those who disagree with supergraphics and consider them an eyesore.

Katherine Seale returned to the topic of overlays where the street fabric and overall design is considered instead of using the approach of designating individual buildings. Connie Cooper suggested looking at corridor overlays. Brian Keith asked for more information on the context zone technique, which was discussed as a strategy during the city comparison presentation.

Connie Cooper suggested that Task Force members come back with suggestions based on their experience. Task force members agreed to review zoning, the current preservation ordinance, grandfathering of building codes for historic buildings, easements, TIF funds, as well as approaches other cities use to integrate preservation programs with other city departments, and come back with ideas next week.

Brian Keith asked about the benefits of moving the historic preservation department so there is a greater stake in preservation. Mark Doty suggested some of its duties such as the tax abatement program could be moved to under economic development, which would also free up historic preservation staff for other duties and encourage cooperation and communication among departments. Mark noted that the tax abatement program is currently on hold due to lack of staff and suggested that the tax abatement program be reviewed so that it works in tandem with historic preservation and economic development.

#### Approval of January 28 Minutes

Brian Keith moved to approve the minutes from the January 28 meeting. Larry Hamilton seconded the motion. The motion passed with no opposition.

The meeting was adjourned at 10:00 am.

Minutes by Nicky DeFreece Emery