

Downtown Historic Preservation Task Force Meeting Minutes

February 18, 2015

8:30 AM

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

Task Force Members Present:

Jack Matthews, Matthews Southwest; Mitch Paradise, Paradise Development Partners; Connie Cooper, Cooper Consulting; David Preziosi, Preservation Dallas; Brian 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:

none

City Staff Present:

Mark Doty, Sr. Historic Preservation Planner; Karl Stundins, Area Redevelopment Program Manager, Office of Economic Development

Katherine Seale called the meeting to order at 8:34 am with a quorum present.

Overview – Katherine Seale

Katherine Seale briefly reviewed topics discussed to date. This included the concepts of a pluralistic approach to preservation, wherein preservation could be expanded beyond a “building-by-building” approach to capture the essence of an area. She mentioned the approach that was used in the West End to encourage redevelopment of the historic industrial buildings, which emphasized their character instead of stylistic details. She then discussed the approach of fabric integration as opposed to fabric displacement doesn’t look at the restoration of style, but incorporates the remembrance of an area.

Katherine Seale then introduced the “preservation transept,” which combines numerous preservation approaches, including variations of restoration, adaptive reuse, and redevelopment to achieve a holistic and complete preservation program.

Best Practices of Historic Preservation Programs and Development Incentives —Nicky DeFreece Emery, Task Force Facilitator

Nicky DeFreece Emery continued last week’s presentation on comparative analysis of the cities of Dallas, Chicago, and Durham. This looked closer at whether the programs of each city were integrative in their approach, with the involvement/umbrella of urban planning and/or other departments; whether or not they have a holistic preservation plan looking at a broader approach than building-by-building identification, such as streetscapes, corridors, etc.; if they have special or creative incentives to encourage preservation and whether the approaches are carrot- and/or stick-based. Finally, any special or creative outreach and advocacy approaches were investigated. The following was discussed in detail:

Dallas:

- preservation program is under the Sustainable Development and Construction/Current Planning umbrella, which is primarily focused on administrative duties and services
- primary historic landmark survey dates to 1975, not integrated into GIS, not available to public online
- preservation plan dates to a 1987-1988 revision of the 1976 and 1981 plans; plan identifies several goals that are part of the Development Code, and these are similar to the issues we are now revisiting, including protection of landmarks, stabilizing and improving property values, strengthening the economy, and promoting the use of historic properties; the plan recommended expansion of incentives and providing avenues to approaching designation through negotiation rather than confrontation, strengthening enforcement mechanisms, and providing ongoing survey updates
- Dallas once had a demolition delay for all landmarked properties for up to 240 days and a 35-day demolition delay for eligible buildings in downtown to afford the preservation community time to discuss alternatives with the owner
- Per the 1987-1988 Preservation Plan, Dallas once was recognized by the National Trust for Historic Preservation as having “one of the most progressive set of financial incentives in the United States.” This included tax freeze for renovated landmarks at pre-development value, transfer development rights, façade easement program, code revisions for rehabilitation/renovation code standard, industrial development bonds for parking garages used in conjunction with renovated landmarks, and review procedures for all capital improvement plans and CBD plans to ensure compatibility with downtown landmarks
- Currently incentives include 10-year tax abatement for renovation projects involving City of Dallas landmarks or structures in city landmark districts (currently on hold due to lack of staff) as well as tax increment finance districts; the tax abatement requires city landmark designation and has review for appropriateness, the TIF board does not review for historic appropriateness and does not require city landmark designation
- the city also currently offers Public Improvement Districts, which provides for services above and beyond existing city services, the Downtown PID includes approximately 1,777 properties

Chicago:

- preservation department is located within Planning and Development along with several other departments, including economic development
- Chicago Historic Resources survey identifies properties through a ranking system and assigns possible significance; if potentially significant, there is a 90-day hold on the issue of demolition permit to explore options, including designation
- Central Area Plan is broad plan for city development; includes preservation and strengthening the city’s architectural and cultural heritage as one of the goals
- Property tax rate reduction of 12 years for landmarks and contributing properties
- Façade easement program for local and/or National Register contributing residential or commercial properties
- façade rebate program for industrial and commercial building façade improvements for local and/or National landmarks, contributing properties, and non-designated properties
- permit fee waiver for landmarks and contributing properties
- property tax freeze for 12 years for owner-occupied residential properties; for local and/or National Register contributing properties
- Historic Chicago Bungalow Initiative: through department of housing and economic development, encourages sympathetic rehabilitation and energy efficient modifications and

provides training and resources to owners; EnergySavers grants for energy improvements, includes design guidelines and workshops for owners

- Small Business Improvement Fund is a matching grant program that uses TIF revenues for repair and remodeling of commercial and industrial properties such as roof, accessibility, etc.; must adhere to design guidelines, but historic designation is not required
- Innovation Districts: Fulton Street Innovation District is intended to coordinate development patterns, guide zoning changes, provide general design guidelines, and improve streetscape; a historic preservation component and financial incentives are pending
- city website is extensive; offers “virtual tours” of districts
- “Public Suggestion Form” for citizens to propose new landmarks

Durham:

- Preservation program is part of Durham City-County Planning Department
- Operates under a Unified Development Ordinance
- Downtown Durham Master Plan includes focus on maintaining Downtown character, including facilitating and encouraging preservation, streetscapes, and circulation; encourages public/private reinvestment
- Durham Comprehensive Plan has entire chapter dedicated to historic preservation
- Building Improvement Grant program for making existing properties with vacant spaces “retail/restaurant ready;” program for interior and exterior improvements including electrical, plumbing, stairs, sprinklers, etc.; administered through Office of Economic and Workforce Development; historic designation not required
- Retail and Professional Services Grant program for interior and exterior improvements for street level businesses including plumbing, HVAC, electrical, sprinkler systems, exterior repair, lighting, and property improvements including paving; 1:1 matching grant; administered through Office of Economic and Workforce Development; historic designation not required
- Sign and Façade Grant program for exterior improvements including signage, façade repair/restoration, roofs; administered through Office of Economic and Workforce Development; preference for street-level business; design guidelines used where applicable if used for a designated building; designation not required
- Downtown Prime Rate Loan program: low interest business loans for Downtown business property acquisition capital improvements; administered through Downtown Durham, Inc. and uses local banks
- Downtown Low Interest Loan Program: participants in Prime Rate Loan program can have city purchase up to half the loan from the bank at 2% below prime; administered through Downtown Durham, Inc. and uses local banks

Reports from Task Force members on research on incentives

David Preziosi presented information on façade easements, noting that programs exist in Los Angeles, Utah, New Orleans, Philadelphia, Denver, San Antonio, Illinois, and in Texas (statewide, held through the Friends of the Texas Historical Commission). David noted that one thing people are increasingly doing is requiring periodic inspections by the easement holders to make sure that agreement is being upheld. Larry Hamilton noted that the few easements in the city are held by the TIF. Connie Cooper stated that in Atlanta the local non-profit holds easements.

Brian Keith looked at preservation approaches and incentives in the city of Portland. He noted that the city is very different politically, and does not appear to be a comparable example.

Todd Watson investigated the Fulton Street Innovation District in Chicago. He noted that the plan is currently in process. It remains to be seen if it will be successful, as it is all stick and no carrot, with half the document devoted to guidelines, but no incentives yet identified and approval of the historic district it recommends has not been supported by property owners.

Connie Cooper reported on Atlanta, and noted that in Downtown, the zoning ordinance prevents the demolition of a historic building for a vacant lot. It must be replaced by a building; this may also apply to parks.

Discussion

Connie Cooper asked about TIFs downtown and what kinds of mechanisms are in place to protect historic buildings. Karl Stundins stated that the purpose of a TIF is to identify underperforming real estate and work with developers to create plans based on what can be improved upon. He noted that the TIF districts containing historic buildings have buildings that can't be found elsewhere, and these buildings can be improved upon to create value. He stated that Economic Development has focused on getting historic buildings fixed in downtown, and the flexibility that is in the system currently has helped this happen. He gave the Wilson Building as an example of a building that was improved with the TIF. Karl noted that originally the TIF laws related to public infrastructure, and this included facades; now the TIF laws can apply to any kind of improvement. Karl explained that the source of TIF money is the new property taxes that are generated from the increase in property values, and that it doesn't matter what the improvement cost is, the amount that matters to the TIF is the increased property tax valuation, as identified by DCAD. He stated that they try to look at the appropriateness of the improvement, but it really comes down to the value of the building. Karl gave an example of the Downtown Connection project and 1401 Elm where buildings and surface lots will be tied to Uptown. He noted that the Uptown TIF money was used to fix up the Mercantile and other buildings that on their own would not generate enough money.

Karl Stundins noted that the bottom line is how to make historic preservation a priority; historic preservation is cut when the budget is down. He noted that with economic development, when TIF money comes in, money is first taken to pay for staff so that as the economy goes up and down with the real estate market, the department's staff isn't cut.

David Preziosi noted that originally, buildings in the TIF required landmark designation. Karl Stundins responded is that the bottom line is how do we create a sustainable neighborhood with character; he noted that the preferred method used to be using landmark designation, if it was possible. David gave the example of the Statler Hilton where designation is not required to receive TIF funds. Karl responded that in early redevelopment projects, they wouldn't have gone forward without cobbling together TIF and the tax abatement, and this is why many were designated. He stated that when the Downtown Connection project was approved, the landmark designation requirement was removed. Karl Stundins stated that he doesn't think that Deep Ellum would qualify as a landmark, but it does need money for redevelopment.

Brian Keith asked about the Urban Design Peer Review panel and its relationship to preservation. Bob Meckfessel stated that the peer review panel has been asked to uphold the city's urban design standards, and to focus on urban design goals, not to focus on preservation. He stated that most projects have a preservation aspect, especially in downtown, but the "hows" of preservation is not part of the panel's purview.

Connie Cooper asked what plan and standards apply to Downtown. Karl Stundins stated that there are overall standards for the TIF, then for each district there may be particular guidelines. Connie stated that

in some areas there are historic preservation standards, but wondered what they are for downtown. Bob Meckfessel stated that the Forward Dallas and streetscape plans apply; the applicant has usually already worked with the City Design Studio and has received a recommendation and helped frame the project goals. Karl stated that the Urban Design Peer Review panel has weighed in on historic buildings in a positive way and gave the example of a 1965 building that was changed through the peer review process to make the building streetscape better and it still received approval from the Texas Historical Commission. Bob Meckfessel responded that increasingly there are modern buildings that preservation requirements established by the THC do not help the urban design goals due to solid walls, sloping sites, and the difficulty of introducing retail at street level. Karl responded that 1960s buildings will likely be torn down without historic tax credits because they are difficult to redevelop. Bob Meckfessel that a broader approach downtown should urge flexibility with the preservation standards to achieve urban design goals.

Katherine Seale stated that the TIF program is a carrot; the idea is how you imbed preservation sensitivity throughout government since there is no voice for preservation in the process, and the designation process is long and arduous. Connie Cooper asked if there are things that can be done to preempt and hurry the designation process. Katherine responded that in Fort Worth the designation application is one page long. In Dallas we have a template. Mark Doty responded that our preservation criteria are prescriptive, and they should be more of a planning tool instead of being so focused on details like fence height.

Katherine Seale stated that the TIF encourages full restoration, but there is no Landmark Commission liaison on the City Plan Commission; there is a CPC liaison for Landmark Commission, but Mark Doty responded that they do not attend any meetings of LMC. Katherine stated that TIF projects used to go before LMC, but they had no authority and could only encourage preservation so the projects no longer go before the commission. She noted that there has been a task force suggestion to put a LMC liaison on the CPC and TIF boards. Karl Stundins responded that if design guidelines for a particular district focus in part on historic character, the Urban Design Review Board should be able to consider historic preservation. Bob Meckfessel gave an example of a 1960s building where proposed signage was in conflict with the historic character, but it was good urban design and was therefore approved. Connie Cooper stated that if we have an updated preservation plan, it could provide a vehicle for urban design review for historic preservation aspects of projects. Bob Meckfessel agreed.

Mitch Paradise emphasized that preservation has become penalizing and not incentive based. He asked how to align preservation with economic development since the low-hanging fruit downtown has already been harvested. He asked how to work together to be more harmonious and if there is an opportunity for preservation in the TIF. Karl Stundins responded that they have worked to find ways to configure and fix historic buildings so that they have a useful life and have useful value; it often takes a lot of money where a project makes no financial sense. Karl stated that there was a way found for the more significant buildings, but the question is now how to include the small buildings. He asked how to create a good neighborhood and have incentives to save small buildings when it is difficult to explain the level of financial incentives needed in relation to the return when it could take 70 years to realize. Karl stated it is going to be difficult to fix up the buildings that are left, and for a budget you need political support if you have a project that will take money away from other things.

Bob Meckfessel returned to the topic of Urban Design, and stated that in the Urban Design Review Panel, preservation is not the only constraint. They also cannot comment on the function or the architectural quality, except for how a building meets the street. Their urban design purview is narrow and doesn't use preservation as a tool.

Katherine Seale stated that the way that preservation is now done is by taking a hard stance, and asked how the approach can be broadened throughout. Bob Meckfessel responded that if we had an updated preservation plan that included other things like blockface, it would enter into the Urban Design Review Panel, and they could then talk about it. Bob stated that “hard core” preservation can conflict with urban design goals, particularly when the THC is involved. He noted that we need to identify what we mean when we say “preservation” because it should have a broader goal.

Larry Hamilton noted that rehabilitations to residential use in Dallas are for rental so the tax credit can be used. In Denver, renovations are for condo use, and so there are not the restrictions that come along with using tax credits. This allowed for the inclusion of balconies which contributed to an active streetlife. He noted that in Texas the new state tax credits will be contingent upon receipt of federal tax credits, so this will make THC preservation requirements part of the process. Karl Stundins stated that you have to figure out what you want to save and where you want to allow flexibility. He gave the example of Deep Ellum. He stated that you save as much as you can but there may need to be different standards for different needs and goals; he stated that it gets back to how the comprehensive plan documents address preservation. Karl said that if you put yourself in a win or lose situation for preservation, in Dallas you will lose.

Bob Meckfessel expanded on the discussion of Deep Ellum, stating that it is probably not eligible for designation, but there is a fabric to be preserved. He stated that the current proposed projects preserve the character, but it isn’t strict preservation. Bob stated that the streetscapes for the side streets provoked discussion at the Urban Design Review Board, which ended up resulting in a type of “preservation plan” for the large streets with a series of connectors that was made up on the spot. He said that with no go-by this could happen for other areas, and so it would be useful to have a comprehensive preservation plan.

Katherine Seale stated that for the next meeting, we will need to identify the tools for identifying and preserving low-scale buildings.

Larry Hamilton stated that we need to look at how to preserve layers of architecture that have been built over time, and historic preservation in its purest sense doesn’t address this. He stated that Deep Ellum may not qualify for designation, but its character gives us a competitive edge and we have to stop tearing down these kinds of buildings. Katherine Seale noted Los Angeles’s flexible zoning for small commercial buildings, but didn’t prescribe preservation. Connie Cooper noted that in Los Angeles, Melrose is like Deep Ellum with life and that retail dollars create the cash flow as opposed to the number of stories.

Approval of February 11 Minutes

Connie Cooper moved to approve the minutes from the February 11 meeting. David Preziosi seconded the motion. The motion passed with no opposition.

The meeting was adjourned at 10:00 am.

Minutes by Nicky DeFreece Emery