

KALAMAZOO HISTORIC PRESERVATION COMMISSION
Minutes
February 9, 2010

3rd Floor Conference Room
City Hall
241 W. South Street, Kalamazoo, MI 49007

Members Present: Peter Carroll, Vice Chair (Acting Chair); Katie Jacobs; Tony Holewinski; Chris Wright, Chair

Members Excused: Michael Dunn; Claire Milne; Josh Willson

City Staff: Sharon Ferraro, Historic Preservation Coordinator; Amy Thomas, Recording Secretary

Guests: James Dally, Mavcon; Laura Lam, Community Planning and Development, City of Kalamazoo; Curt Aardema, Pam O'Connor

I. CALL TO ORDER

Mr. Carroll called the meeting to order at 7:00 p.m.

II. APPROVAL OF ABSENCES

Mr. Willson and Ms. Milne advised that they would not be present for the February HPC meeting.

Ms. Jacobs, supported by Mr. Holewinski, moved approval of Mr. Willson's and Ms. Milne's absence from the February 9, 2010 HPC meeting. With a voice vote, the motion carried unanimously.

III. APPROVAL OF AGENDA

Mr. Carroll requested a discussion of rolling the grant making funds back into the principal be added to the agenda under O'Connor Fund.

Ms. Jacobs, supported by Mr. Holewinski, moved approval of the February 9, 2010 HPC agenda as amended. With a voice vote, the motion carried unanimously.

IV. INTRODUCTION OF GUESTS AND PRESENTATIONS

a. James Dally – Mavcon – 100 Block E. Michigan – Presentation

Mr. Dally advised that color renderings of the proposed 100 block project are being prepared for the State of the Downtown address on Monday. He thanked the HPC for their support in saving these buildings. Mavcon has worked on several projects in the Kalamazoo area, but most of their work is out-of-state. The Doubleday building on Kilgore Rd. was their first purchase in Kalamazoo.

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Thanks to support from Kalamazoo County, the Brownfield Redevelopment Program and the MEDC (Michigan Economic Development Corporation), the 100 block project is in the process of receiving another \$500,000. Ms. Ferraro and members of the HPC assisted Mavcon with finding historic photos that were needed for the restoration process.

Mr. Dally provided a PowerPoint presentation regarding the proposed restoration of the 100 block buildings. When Mavcon was trying to get an option on these buildings almost two years ago, the “D’s” (Downtown Kalamazoo, Inc., (DKI); The Downtown Development Authority, (DDA), Downtown Tomorrow, Inc. (DTI), etc.) advised that water was running in the buildings and they were unsafe. Mavcon made its first commitment to the buildings by doing roof repairs. The buildings are structurally sound but they need some work. A LEED (Leadership in Energy and Environmental Design) platinum rating will be sought for this project.

The new architectural design was presented. In keeping with historic evidence, a restored façade was created for building #1 (The Metropolitan Building), and missing architectural details have been added to building #2 (The Baumann Building). The first floor will have six retail suites in four buildings, which is the same arrangement the buildings have today. There will be apartments ranging from studio style to two bedrooms on the second and third floors of all the buildings. Lee Larson, Building Inspector, City of Kalamazoo, working with the rehabilitation code materials, has approved the preliminary plans. The city’s building department has been very helpful with this project.

The back elevation of the buildings will be restored. The deteriorated and missing wood windows will be replaced with replicated wood windows. Ms. Ferraro advised that there was at least one example of an original window from each building to use as an example during the restoration process. Mr. Dally advised that every apartment will have a balcony which will replace the fire escapes. The railing design will be copied from the ones used at the Arcadia Festival site.

Historic photos show that a building sign existed on the elevation closest to the Radisson. A seven-foot clock was part of the sign, which will be visible coming from the west down Michigan Ave. A custom clock manufacturer has provided an estimate for reproducing the clock. The words, “Metropolitan Center, Kalamazoo 1884” will be inscribed on the clock.

The “D’s” have a new streetscape design which will be installed the 100 block of E. Michigan along with a snow melt system. Historic photos and building inspections, showed that the first and last building have window wells that extend down into the basement to provide light and ventilation and these will be opened up again. Lot 9 at the rear of the building will be reconfigured with the addition of a monument sign, resulting in the loss of only a few parking spaces. Mavcon doesn’t own lot 9, but city staff have verbally committed to working with them to use part of Lot 9 as a well field for their geothermal system, which will be one step toward attaining the platinum LEED rating.

Mr. Dally advised that as work proceeded on the drainage basin in the parking lot behind 232 West Michigan, hundreds of old bricks were buried behind the building. About 10 pallets of bricks have been salvaged from the site. Some of those bricks will be used during the restoration process in the 100 block.

Mr. Dally provided an overview of the building elevations. Awnings may be used on the upper level windows, which would be consistent with evidence in historic photos.

Ms. Jacobs inquired as to where Mavcon is in the development process. Mr. Dally stated that the closing is scheduled for the first part of the second quarter. State and federal organizations involved with the financing mechanism being used to purchase the property have advised that they will need until the end of the first quarter to complete the process. The construction agreement states that construction should begin

within 45 days after the closing. The architectural drawings are almost complete. Work is still ongoing with regard to the mechanical details of the project.

Consumers Power has a pilot program that will incorporate 10 projects across the United States, and they would like to do energy modeling for the 100 block project which will interface with the mechanical design for the buildings. There are approximately 12 different funding sources on this project. The current construction schedule is 13 months, but that may be extended up to 18 months.

Ms. O'Connor inquired if Mavcon had worked on any other tax credit projects. Mr. Dally advised that the 100 block is Mavcon's first tax credit project. They are looking for more projects of this nature. Mr. Dally stated that he was not previously into historic preservation. Mavcon is currently looking at two more buildings in the city for future development once the 100 block is completed.

Ms. O'Connor stated that she part of a group of people who protested three years ago regarding the demolition of the 100 block buildings. About one week after that, the project that was proposed for those buildings at the time, was abandoned. Ms. O'Connor thanked Mr. Dally for taking an interest in these buildings and for working diligently to show the "D's" that what they said could not be done, could be done. Ms. O'Connor commended Mavcon for what they have accomplished in the face of adversity.

Ms. Ferraro inquired if Mavcon would like to be involved in Preservation Month, which is coming up in May. Mr. Dally advised that Mavcon is working on an event to coincide with Art Hop on May 7th in conjunction with the 100 block project. Ms. Ferraro suggested including that information in the announcements for Preservation Month.

Mr. Wright mentioned that prospective developers for some of the individual buildings in the 100 block were turned away because the "D's" wanted to sell the buildings as a group. Mr. Dally mentioned that if there were fewer than three buildings in the 100 block, the project would probably not have qualified for some of the financing mechanisms that were utilized. The project had to be over \$5,000,000 for the New Market Tax Credit investor to consider it.

Ms. Ferraro advised that she would be happy to forward suggestions to Mr. Dally for his consideration.

b. Laura Lam – City Planning – NSP properties

Ms. Lam referred to the briefing sheet provided. The page that refers to eligible uses provides details regarding Neighborhood Stabilization 1 (NSP1) and Neighborhood Stabilization 2 (NSP2). NSP1 was initiated through the Bush administration. It was a formula-based grant awarded to the city in the amount of \$1.7 million dollars. In contrast, NSP-II was a competitive funding process, which resulting in approximately \$15.6 million coming into Kalamazoo.

In general, the program is geared toward addressing abandoned or foreclosed homes. An Abandoned property is defined as being ready for foreclosure proceedings that haven't started yet. Most of the funding is focused on purchase of those homes, the rehab and resale of those homes, and financial assistance to help people get into those homes. It does not provide assistance to existing home owners.

The eligible uses for NSP1 and NSP2 are as follows:

A. Financing Mechanisms: Establish financing mechanisms for purchase and redevelopment of foreclosed residential properties, including such mechanisms as soft-second, loan loss reserves, and shared-equity loans for low and moderate income home buyers.

B. Purchase and Rehabilitation: Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent or redevelop such homes and properties.

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C. Land Banks: Establish land banks for homes that have been foreclosed upon.

D. Demolition: Demolish blighted structures.

E. Redevelopment: Redevelop demolished or vacant properties.

The financing mechanism is set up as a loan pool for people to receive financing absent other projects. The issue of providing home buyer incentives is included in purchase and rehab projects or redevelopment projects. NSP 1 allows for redevelopment of vacant and/or blighted properties, and it opens the door for the possibility of public facilities like parks or community centers. NSP 2 is limited to housing activities. Another difference is that NSP1 allows 18 months to obligate and 4 years to fully expend the NSP1 funds. NSP2 allows 2 years to obligate, and 4 years to spend the money.

Examples of types of projects to be funded include: demolition & deconstruction of blighted structures, purchase of foreclosed properties, renovation of foreclosed properties, sell/lease of renovated properties, construction of new residences, site improvements & maintenance, homebuyer financial assistance and training.

Ms. Ferraro inquired as to the definition of a land bank. Ms. Lam advised that land banks are a fairly new concept. The Kalamazoo County Land Bank Authority, headed by county treasurer, Mary Balkema, just started in September of 2009. The mission of the Land Bank Authority is acquisition of property, and helping to assemble parcels to encourage future development. While properties are in the land bank, taxes will not be paid on them. When land banks acquire a property, the property tax is capped over the next five years. Fifty percent of any tax increase will go back into the land bank. This is one of the mechanisms for the land bank to create their own funding over time.

Ms. Ferraro inquired as to the types of incentives that might be offered to new property owners. Ms. Lam advised that down payment assistance or buying down mortgages may be offered. Ms. O'Connor inquired if there was a home buyer assistance training element in the city's plan. Ms. Lam stated that as potential home buyers are becoming involved with the NSP funds, they will be required to attend an eight-hour home buyer training program, covered by the NSP funds.

Mr. Aardema inquired if replacement windows and vinyl siding and the cheapest, low-maintenance products would be used. Ms. O'Connor commented that a Section 106 review would come into play if those products were being considered. Ms. Lam advised that a SHPO (State Historic Preservation Office) clearance would be required on any environmental review for demolition or for rehab.

Ms. O'Connor suggested making sure that the Section 106 obligations are met. It is important to not just look at individual buildings, but to look contextually at what else is there. It is important that vinyl siding not be approved at one end of the block and disapproved at the other end of the block. That would be a contextual change and could lead to an eligible (for historic designation) neighborhood changing into a non-eligible neighborhood. She inquired as to how "blight" would be defined in relationship to NSP funds. She also inquired as to where the rehabs would be focused and if block concepts (several properties in a block) would be considered in order to make a big impact. Ms. Lam advised that conversations are ongoing with MSHDA regarding how best to concentrate the available resources and in which areas of the six neighborhoods. MSHDA is strongly encouraging an emphasis and a focus rather than a scattered approach in order to have the most impact over three years and a \$15.6 million investment.

Ms. O'Connor inquired if there were any funds available to update the city-wide historic resources plan for the neighborhoods that will be the focus of the NSP funds. Ms. Lam advised that the update would not be done in the context of the NSP, though other funding might be available through community development block grant (CDBG) funds. Ms. O'Connor mentioned that funding had been set aside to do the survey in 2010, but it was later cut from the budget. The existing survey is 10 years old and needs to be updated. Ms. Lam advised that the CDBG-eligible neighborhoods could make a case for that being an eligible expense.

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Ms. O'Connor inquired if there were any funds available to save the Washington school in the Edison Neighborhood. It is a character-defining, anchor building. Ms. Lam indicated that unless a housing related activity were proposed for the school, it would not be eligible for NSP2 funds.

Mr. Wright inquired about the line of communication between the city and the land bank. Ms. Lam advised that she and Jeff Chamberlain, Director of Community Planning and Development, have been meeting with Mary Balkema to discuss the land bank focusing on agreements rather than the actual funding. The city will play more of a role with the actual rehab projects and looking at redevelopment possibilities. Ms. Lam advised that MSHDA made the land bank aware of the need to include the city in discussions about future land use. The land bank has a role in acquisition but it will be done in partnership with the city. In response to a question from Mr. Wright, Ms. Lam advised that she is comfortable with the amount of control the city has, but nothing has been committed to writing at this point.

Mr. Carroll inquired if there had been any communication regarding funding for other things that are important for neighborhood stability and the development of these properties, such as streetscapes and landscaping to beautify the neighborhoods. Traditionally, a large percentage of CDBG funds have been spent on housing-related projects. However, with the infusion of NSP funds to help with housing, it might be advisable to consider how the CDBG funds could be spent to complement the housing component.

Mr. Aardema inquired if any of the NSP funds were allotted for incentives for middle income people, rather than continuously concentrating these funds on low-income neighborhoods. A brief discussion followed with regard to gentrification. There may be greater opportunities to generate more program income among individuals who are in the 120% AMI bracket. Individuals at that income level may be willing to invest more in houses, which could translate into more program income to supplement other rehab programs that may occur as a result of NSP funds. There may be other tools available to encourage development from the private market, more so than there would be when dealing with traditional levels of HUD funding.

V. CITIZEN COMMENTS ON NON-AGENDA ITEMS

Ms. Aardema suggested watching the Kalamazoo Public Schools issues. It is important for different viewpoints to be heard at the KPS meetings.

Ms. O'Connor's letter to the Editor of the Western Herald was published. She provided a copy of the letter to the HPC. Bob Miller from WMU contacted Ms. O'Connor East Campus and the vacant building inventory she had requested. He talked about the empty buildings in Goldsworth Valley, and Ms. O'Connor suggested that those buildings could be rehabbed so that people would want to use them again.

VI. FINANCIAL REPORT

a. City (Jacobs) (Item B)

Ms. Jacobs advised that she received the \$200 check from the local AIA who sponsored last year's preservation event.

b. O'Connor Fund (O'Connor) (Item C)

Ms. O'Connor referred to the report she provided to the HPC. With the exception of 2007, fundraising for the HPC has continued to go up every year since 2005. Donations were up by approximately \$300 last year. The end of the year report shows the grant making value has gone up to a little over \$8,200. There has been discussion at the Iannelli Fund meetings about the HPC providing the seed funds to the fundraising effort for the fountain. If the HPC were to do that in 2012, even if the HPC returned this year's

grant funds to the principle, there would still be about \$10,000 in 2010 to do that. There have been suggestions consider taking the grant-making funds to augment the HPC annual budget. Ms. O'Connor would prefer that not be done as long as the HPC can make do with income from the book sales. She encouraged the HPC to consideration a motion to request that the Community Foundation return its \$8,249.15 to the principle so that it is not available for the HPC to pull from at this point. Ms. O'Connor mentioned that when grant-making money has been returned to the principle, it was returned so that it continues to earn income. Once grant-making money was separated from the principle in the past (up until two years ago), it did not participate in the growth of the fund. That is no longer the case. The HPC doesn't gain anything financially by doing that. Now is the time to voice any concerns about this issue. There will be a new pot of money (a smaller pot) next year at this time.

Ms. Jacobs inquired as to how the grant-making value works. In 2008 it was not rolled over so in 2009 it made more. Ms. O'Connor advised that there is a formula based on the principle every year. The HPC is allowed to take a certain percentage of a portion of the fund.

Mr. Carroll inquired if the HPC already has the budget for things they have planned for, such as Preservation Month, through book sales and DVD sales. Ms. Jacobs reported that the budget was written, as it has been in years past, with the amount of money that was available at the time.

Mr. Wright, supported by Ms. Jacobs, moved to roll over the grant making value back into the O'Connor Fund. With a roll call vote, the motion carried unanimously.

Ms. O'Connor will write the letter and send it out. She will provide a copy to Ms. Ferraro.

c. Kalamazoo: Lost and Found book project (O'Connor) (Item D)

VII. ACTION AND DISCUSSION ITEMS

a. Work Plan Reports from Team Leaders

i. Designation (D) – Jacobs

No report

ii. Communication (C) - Milne

No report

iii. Partnership Development (PD) – Willson

No report

iv. Preservation Month (PM) – Holewinski

Mr. Holewinski had no further updates to what he already provided. Mr. Carroll mentioned that Beth Timmerman of the Kalamazoo Public Library Local History Room will be presenting a program on researching house histories on May 17th at the library. Mr. Wright suggested keeping in contact with Ms. Timmerman so we can include it in Preservation Month publicity.

Ms. O'Connor inquired as to how Preservation Month would be promoted. Mr. Holewinski advised that Ms. Ferraro would be doing a media release and flyers. Ms. Ferraro suggested that it

would be helpful to have a graphic artist involved with the flyers. A graphic artist has volunteered to help with the historic homes tour; she might be willing to assist with Preservation Month also. Mr. Wright advised of someone he knows who might also be willing to help.

v. Iannelli Fountain (IF) – Carroll

Ms. O'Connor advised that she has not heard from the Weisblatt Family Foundation despite several attempts to contact them. She did hear from Bob Christensen about the fact that the Fountain of the Pioneers is only mentioned in passing in the existing Bronson Park National Register listing. He suggested writing a thorough description of the fountain, which the National Park Service calls additional documentation. Discussion followed about taking out the description of the house that had been demolished behind the First Methodist Church. Mr. Christensen also suggested writing about the Kirk Neumann sculptural group of children in the west reflecting pool. Ms. Ferraro advised that the sculpture was done for the Bicentennial in 1976 and is not old enough to be considered historic. Ms. Jacobs inquired if the Iannelli Fountain is part of the National Register Historic District. Ms. O'Connor advised that it is not considered a contributing resource since at the time the nomination was written in 1980, the fountain was not 50 years old yet. Ms. Ferraro advised that a similar updates need to be made regarding East Campus. Further details can be discussed when the subcommittee meets.

vi. Operations (O) – Wright

No report.

VIII. OLD/NEW BUSINESS

a. Vote on David Brose Application for KHPC

Mr. Wright mentioned that a couple of commissioners' terms will be ending shortly. He suggested taking care of the nominations now. Ms. O'Connor cautioned against proceeding with that unless all the members under consideration for reappointment are actually present at the meeting. Mr. Wright advised that terms for Ms. Jacobs and Mr. Willson are about to expire. Ms. Jacobs agreed to serve another term. Ms. Ferraro mentioned that the City Commission only approves appointments to boards and commissions once per month so it would be helpful to have people reappointed before their terms are over.

Mr. Wright, supported by Holewinski, moved to reappoint Katie Jacobs and Josh Willson, to another term on the HPC, under the assumption that Mr. Willson is willing to serve another term. With a roll call vote, the motion was approved unanimously.

Discussion followed with regard to Mr. Brose. Ms. Ferraro advised that Mr. Brose will be an amazing asset to the HPC.

Mr. Wright, supported by Ms. Jacobs, moved to recommend to the City Commission that David Brose be appointed to fill the vacant seat on the Historic Preservation Commission. With a voice vote, the motion carried unanimously.

b. Elections of KHPC officers

Mr. Wright, supported by Mr. Holewinski, nominated Peter Carroll as Chair and Katie Jacobs as Treasurer of the Historic Preservation Commission. With a voice vote, the motion carried unanimously.

Ms. O'Connor suggested voting on the entire slate of candidates. Mr. Carroll suggested nominating a Chair and Treasurer at this point. A candidate for Vice Chair has not yet been determined.

c. KHPC Strategic Planning Session – February 13th

Mr. Carroll advised that the strategic planning session will be held from 9 a.m. until noon on Saturday, February 13th at David Brose's house. Mr. Ferraro stated that a planning session would not be subject to the Open Meetings Act. Ms. O'Connor advised that she would not be able to attend the meeting on Saturday. Mr. Brose's house is located on the northeast corner of Waite and Evanston. Coffee will be provided; Mr. Wright volunteered to bring doughnuts. Mr. Carroll suggested looking at the work plan and evaluating what has been done and what needs to be done. Ms. Ferraro requested that Ms. Thomas call the HPC members later in the week to remind them of the planning session. Mr. Carroll advised that he would be providing the most updated form of the work plan. Ms. Jacobs will be updating the work plan from scratch. The work plan can be two pages long if necessary.

IX. APPROVAL OF MINUTES (January 12, 2010) (Item E)

Mr. Holewinski, supported by Ms. Jacobs, moved approval of the January 12, 2010 HPC minutes as submitted. With a voice vote, the motion carried unanimously.

X. CORRESPONDENCE

There was no correspondence to discuss.

XI. COORDINATORS REPORTS

a. Site Watch & Issues (Item F)

Ms. Ferraro reminded everyone that the public hearing on the study committee report will be held at 3 p.m. on Thursday, February 25th in the Community Room at City Hall. It would be helpful if a couple members of the study committee (HPC) were present at the hearing. Ms. Ferraro will provide a Power Point presentation at the hearing. Ms. Jacobs and Ms. O'Connor advised that they would not be available to attend the hearing. Mr. Carroll stated that he would be at the hearing. Ms. Ferraro has provided a copy of the reports to all of the owners of the properties in the studies. The final hearing with the City Commission will be scheduled as soon as possible, hopefully in mid-April.

The window workshop is going very well. Two of the students dropped out, leaving a class of 10. The press releases went out yesterday. The workshop is being held at 1006 S. Park, next door to the location of the previous workshop (1010 S. Park). Bartholomew Heating and Cooling will do a blower test tomorrow at this year's workshop house at 1006 S. Park; there will be a follow-up test after the work is done. Any change will be attributable to improvements on the windows.

b. Old House Network Expo Report (Ferraro)

This year's Old House Expo broke even with a little over 300 attendees.

XII. COMMISSIONER COMMENTS

Mr. Wright inquired if there were any updates regarding the demolition ordinance. Ms. Ferraro advised that no further progress has been made in that regard. Staff time has been focused on the NSP funds and the Master Plan rewrite. Ms. Ferraro advised that she has been saving information from the National Trust Forum list serve regarding demolitions for possible use at a later date.

ADJOURNMENT

Ms. Jacobs, supported by Mr. Wright, moved to adjourn the February 9, 2010 meeting of the Historic Preservation Commission. With a voice vote, the motion carried unanimously.

The meeting adjourned at 9:25 p.m.

Submitted by: _____
Recording Secretary

Dated: _____

Reviewed by: _____
Staff Liaison

Dated: _____

Approved by: _____
HPC Chair

Dated: _____