

Dahlonega Historic Preservation Commission

Minutes

October 21, 2015

Members present: Lucy Rogers, Chris Worick, Rich Green, Bebe Blount, Larry Mannis, Paul Bennett and Mary Owens. Members absent: None. Staff present: Chris Head, City Manager Bill Schmid and City Attorney Doug Parks.

Chairman Rogers called the meeting to order and noted a quorum present. Members introduced themselves.

Minute approval – Larry Mannis made a motion to approve the Minutes of the September 28th meeting. The motion was seconded by Bebe Blount and approved by all. Mary Owens made a motion to approve the Minutes of the October 7th meeting. The motion was seconded by Larry Mannis and approved by all.

Consideration of Amended Rule V(G)(10) for Final Adoption –Chairman Rogers noted this amended rule was approved as to form at the October 7th meeting and is ready for approval. Rich Green made a motion to approve the Amended Rule. The motion was seconded by Paul Bennett and approved by all.

Chairman Rogers made the following statements which also established the process for allowing further comments: The purpose of this meeting is to continue deliberations on the Certificate of Appropriateness (COA) application for the demolition of the structure located at 40 East Main Street.

The application before the Historic Preservation Commission is only for the demolition of this building. Any future construction on this site will require a separate COA. Again, this application for COA is only for demolition and that is what the Commission will consider at this meeting.

The public hearing portion of the HPC meeting was held during the September 28th meeting. At the end of the public hearing a motion was made, seconded and passed unanimously to table further consideration of this COA allowing Commissioners time to thoroughly review evidence presented by the applicant, persons speaking in support of as well as persons speaking against the demolition. This also allowed extended time for all interested parties to provide additional information to HPC for consideration.

The HPC has at all times conducted itself in accordance with City Ordinance, Rules of Procedure and the Historic Preservation Guidelines. No agreement was made between the HPC and the applicant in advance of the September 28th meeting. In order to provide the HPC with some flexibility, the city manager asked the applicant if she would be willing to stipulate to an extension if necessary allowing time for all parties to gather more information if necessary. No one on the HPC was aware a document had been signed prior to the meeting on the 28th. Mr. Bailey stated in his presentation the applicant had agreed to give HPC more time to consider the request. Members of the HPC felt the additional time was necessary to consider all points in favor of and in opposition to the application. Had we tabled our decision on the 28th without the applicant agreeing, the COA would have automatically been approved.

The Commission has been an open book during this process. All information obtained has been posted to the city's website for review by the public.

Although the Commission is not required to hear further public comments, I will allow comments at this time from the applicant, persons in support of and persons opposing the COA. Comments will be allowed only from persons who have not previously addressed the commission. Since all parties had the additional 3 weeks to provide factual information, strict time limits will be imposed. Each speaker will be given 3 minutes to address HPC. Only factual comments that may impact the decision will be allowed.

After the time allotted for additional public comment, the commissioners will begin their deliberation. The commissioners may ask questions of the applicant at that time. After questions, discussions and review of pertinent standards and guidelines; the commissioner will render a decision of the application for COA to demolish property located at 40 East Main Street. The Commissioners decision will be based on the application, facts presented, City of Dahlonega Historical Preservation Guidelines and City Ordinance.

Next Chairman Rogers asked Chris Head to list the exhibits that Members have used in their review of this application. Rogers also stated these items have all been posted to the website and have been made available to the public. Chris Head noted the following items: Roberta Green/Garrett's Application and additional information, termite letter, Mr. Bailey's additional comments, the Lord Aeck Sargent report, City Inspector Summary, Mr. Mullinix report, Fire Department Letter, the Oppositions Binder, Downtown Development Authority information given to Woodrow Parks a few years ago of a proposal renovation plan, data from Tax Assessors information regarding tax assessment. Many other items to include Design Guidelines and Historic Data.

Bebe Blount made a motion that Chairman Roger's statement be entered into the record. The motion was seconded by Larry Mannis and approved by all.

Chairman Rogers asked Jack Bailey, who is Applicant's representative if he had new information to submit. He presented a letter from Ann Gaddis a member of the Parks family which stated she did not have a problem with the Parks Building being torn down. Mr. Bailey stated he feels they have met all seven items that should be considered for a building to be demolished. He stated if approval to remove the building is given, another application would be submitted which would note what the building would look like, type materials, what is parking situation. He stated all questions could be answered. Mr. Bailey asked Gary Osley to present additional information.

Gary Osley stated he has put some numbers together to see what might be done financially on this investment for a ten year budget. He stated he prepared estimates for rental income which could yield approximately \$300,000 over the 10 years. Mr. Osley stated he looked at renovation cost of stabilizing the building and then foundation and outer walls costs which would be approximately \$280,000. He stated there was no need to proceed with estimates of interior walls roof, etc...because financially he could not make it work.

Chairman Rogers asked for comments from anyone who has not spoken before. There were five people who wished to speak.

Frank Gilkerson, 16 Ashleywood Drive, Lumpkin County resident - stated the applicant overpaid for the property which was not a sound investment. He noted people will not pay \$250 a night to stay there. City has Historic District which needs to be protected.

Robert Bridges, 82 Golden Avenue, City resident - stated if approved this will set a precedent for others.

Jeff Evans, 73 Bill Anderson Road, Lumpkin County resident- stated he is a builder and disagrees with Gary Osley's numbers and believes building can be repaired for less money.

Gail Whonic, – 585 North Chestatee St. City resident - noted this house can be saved, you replace the windows and replace the rotten material. You fix the foundation, the plumbing etc... You have to want to save the house.

Karl Goellwer, Misty Way, City resident- stated hopes the decision is not based on financial benefit of Mrs. Garrett as she knew what she was buying.

Ian Flynt, Settlers Bluff, Lumpkin County resident – stated she knew what she wanted to do when she bought the property.

Darlene Kaletta, Whispering Way, ? resident – stated she sees both sides and people should be able to do what they want to with their property. She stated people don't trust Roberta to help downtown. She stated these buildings can be kept. She asked that Roberta consider what the people want. She has the money to do it.

Chairman Rogers asked if Members had any new information. Chris Worick presented a 1 page document and noted he wanted it included in the record. The document contained information which possibly establishes the age of the building as 1840.

Chairman Rogers summarized as follows:

The application for Certificate of Appropriateness filed on August 14, 2015 is for Demolition of the building located at 40 East Main Street. Town Lot 87 is also referred to as the Jeremiah Payne home and the Park's Clothing Store. These terms may be used interchangeably throughout the discussion.

The applicant has provided HPC with an opinion submitted with application by the architectural firm Bailey Associates. In his opinion, Mr. Bailey states he was asked by applicant to inspect the building to determine opportunities for redevelopment either as a renovation or demolition to make way for an appropriate new structure. Mr. Bailey recommended the building be demolished and the property be redeveloped.

As required, the applicant stated her proposed use of the property after demolition was the construction of a 21,000 sq. feet hotel. While applicant provided some detail about proposed new construction, a new application for COA for new construction is required.

Upon request of HPC, applicant provided a copy of the termite inspection report.

At the request of HPC, the city obtained an independent assessment of the property. This assessment was conducted by Karen Gravel of Lord Aeck Sargent. The conclusion stated "The Parks Building has contributed to the history and building fabric of downtown Dahlonega for 160 years. It is intact with meaningful historic elements and with strategic improvements it has the potential to be rehabilitated for reuse." The report also said "Reasonable measures could be taken to save this structure. The cost of these measures is not known this time." "The scope of this effort did not include alternatives analysis, structural integrity evaluation by a structural HPC

engineer, determination of reasonable economic return or probable costs for rehabilitation to correct identified deficiencies.”

In addition the two architectural firm assessments, additional inspections were completed by local code enforcement and emergency services. A thorough inspection of the building was also completed and documented by City Code Enforcement officer Tim Martin. The report included numerous pictures of the building including the foundation. Lumpkin County Services conducted a life safety code survey on the building at the request of the city manager. The report stated it must be brought up to all Fire and Life Safety Code requirements as well as ADA requirements before the building could be occupied.

Based upon conflicting and incomplete reports submitted from both architectural firms, HPC requested an independent review by a structural engineer. The assessment was completed on October 15th by Gary Mullinix with Safebuilt Corporation. Mr. Mullinix states the building is in an advanced state of disrepair and deterioration and is not in compliance with applicable codes. He states the cost to repair the basic elements would run between \$500K and \$750K. In his opinion reasonable measures could not be taken to save the building from further structural failure and the building cannot be repaired, altered and or improved to bring it into compliance with applicable codes at a reasonable cost in relation to fair market value. Despite these conclusions and with knowledge of the significant cost and limited benefit, the building owner should be given the option at his or her discretion to be permitted by the City to obtain permits it may require, so as to effect required repairs in lieu of demolition.

During public comments on September 28th, no one spoke in favor of the application, ten residents spoke in opposition to the application for COA approving demolition of the Park’s building. Six individuals spoke in opposition of the demolition tonight. It was noted the building’s original construction occurred during the 1850’s and is the second oldest building in Dahlonega. It was stated the structure represents the transition from a wild gold mining town to a community populated by families. The building survived the Civil War and the Burnside Hotel Fire of 1904. It was noted that Richard Russell had made repairs to the building. Stressed throughout the public comments was how the building had been part of the city’s downtown tourist attractions. Other points made by speakers were – A person with a history of renovating old buildings could use the current structure as a pass through to a new structure, potential buyers are willing to purchase and rehabilitate this structure, Dahlonega is the second most visited city by tourists in Georgia with over 250,000 visitors annually – this is attributed to our historic downtown – this is the 2nd oldest building and does have historic significance, All over the world people keep historic buildings – we need to preserve, Concerns were raised about the rear of the property including chimneys, porches, green space ; Preservation of historic and cultural heritage is essential to promotion of health, prosperity and general welfare of the people, Concerns about parking were raised – what will this do to parking for downtown shopping, Beautiful downtown & we need to keep it, If building is removed the new building must be built to comply with guidelines.

During research by HPC Chris Worick located documentation this structure may have been built as early as 1840. Chris also found documentation regarding several renovations / remodeling of the original building. The building changed hands at least 6 times. The original look of the building was changed as evidenced by photographs that have been shared with all on the city web site.

A 2007 document from DDA states “The historic building occupies an important corner in Dahlonga’s downtown. As such, it is essential to preserve and sensitively rehabilitate this building so it can continue to serve the community proudly.” This document from DDA showed recommendations for rehabilitation of the Parks building. Included in the recommendation for the rehabilitation there was a recommendation to build another store in the vacant lot adjoining the building. At that time the cost to restore the interior and exterior of the building at \$125 per square foot came to \$580,000. It was estimated tax incentives of \$174,000 would be available leaving the cost of rehabilitation at \$406,124. Cost was also projected for construction of a new building next to the store. This cost was estimated to be \$883,250. The total cost of proposed project would be \$1,244,374.

The DDA document went one step further to project revenues from rental of space in the new building. It was estimated \$160,660 could be earned annually through retail space lease payments. The projected revenues more than offset mortgage payments estimated at 6% interest.

A report was prepared by Joel Cordle on October 8, 2015 in reference to the Parks Property proposal from 2007. He states he had requested Curtis Whitsel, a prominent, immensely qualified preservation contractor with extensive experience in restoration to look at the exterior of the building the next time he was in Dahlonga. In this report Mr. Cordle clarifies the numbers reflected in the 2007 proposal were based on a “ballpark” cost per square foot. Mr. Whitsel’s estimates were based on a “drive-by” look at the exterior. He did not visit the interior or the crawl space.

The information was provided to Mr. Parks but as reported “he kindly and appreciatively” said he would defer this to the younger generation after his passing and settlement of estate. Mr. Parks did have the exterior repainted at that time.

Chairman Rogers asked Mr. Bailey if he agreed with summary. Mr. Bailey stated he does not disagree with factual information, some other information is based on opinions. He noted the building is old and historic but it should be demolished.

Chairman Rogers stated this concludes public comments and noted members would start deliberation. Chairman asked members if they have questions. Rich Green noted the guidelines note demolition is last resort and there has been no mention of salvaging materials if approved for demo. Rich asked is there parts of the exterior of the building that will be saved. Jack Bailey stated there may be some heart pine. Rich Green also clarified that members decision will be based on guidelines not what the family wants them to do.

Larry Mannis stated from all the information it is obvious the building will need a lot of work, and the reports say the building can be restored. Larry Mannis stated but the question is “How much has to be invested and how much would the return be?” He asked Gary Osley how they plan to demo and if anyone has looked at the cost to demo and savings from salvaged material. Gary Osley stated removal would have to be with a crane as he did not think insurance would cover removal by hand. Gary Osley stated Roberta had offered to give the building away but when the man came to look at the building he backed out, because the cost to remove and what he could save from the building wasn’t worth it. Gary Osley stated you can’t save the siding, or the roof, the man estimated the cost to remove at \$75,000. Larry Mannis stated this is a cost you would save if you were to restore. Gary Osley stated there would be additional costs to stabilize the building before any repairs could be started. Larry Mannis stated this is confusing, some of

the info indicates there may be a reasonable return, but it is unclear if this could be achieved. Gary Osley stated Roberta will give the building to anyone who wants it.

Bebe Blount asked Mr. Mullinix if he had considered any potential economic return in his report. Gary Mullinix stated no; his analysis is based on the construction costs to bring the building up to a reasonable standard for occupancy. Chris Worick noted Mr. Mullinix's estimates were between \$500,000 and \$700,000. Mr. Mullinix stated this is a generalized figure.

Chris Worick asked Joel Cordle, DDA Director how much grant money could the building qualify for? Joel stated he is not aware of grants, but there are low interest loans and tax credits available and this information was included in the DDA Analysis. Bill Schmid, City Manager noted the DDA Analysis did not consider whether the proposal met City's Zoning Regulations, such as parking for any particular use. Joel stated Woodrow also owned the building at the time so there wasn't monies factored in for a purchase price.

Chairman Rogers stated there being no further questions, Members will start deliberation. She stated to aid in the review Members will take the factors from section 6.2.2 of the Design Guidelines Demolition Criteria item by item.

a. The historic, scenic, or architectural significance of the building, structure, site, tree, or object- Bebe Blount this is one of the oldest buildings and this is sufficient to find significance, Chris Worick noted this is the last example of 19th century building on East Main Street that is still standing.

b. The importance of the building, structure, site, tree, or object to the ambiance of the district- Bebe Blount stated the building has historic ambiance. Rich Green stated there is a historic story with this building. Chris Worick stated this building has been a store since 1875. Larry Mannis stated this house is also on the historic tour.

c. The difficulty or impossibility of reproducing such a building, structure, site, tree, or object because of its design, texture, material, detail, or unique location - Chris Worick stated the house could be repaired and restored using appropriate period correct materials that are available.

d. Whether the building, structure, site, tree, or object is one of the last remaining examples of its kind in the district - Rich Green states yes, it is especially on East Main. Chris Worick noted there are others of this type. It is not the last.

e. Whether there are definite plans for use of the property if the proposed demolition is carried out, and what the effect of those plans on the character of the surrounding area would be - Chairman Rogers stated Roberta has stated she plans to use the property as a hotel but tonight's application is for COA for demolition, applicant would submit plans later.

f. Whether reasonable measures can be taken to save the building, structure, site, tree, or object from collapse - Chris Worick. stated LAS Report noted it could be renovated, but did not include estimated costs. Larry Mannis stated Gary Mullinix report indicates the building could be repairable, but are the costs reasonable, is the question.

g. Whether the building, structure, site, tree, or object is capable of earning reasonable economic return on its value - Larry Mannis it has not been demonstrated that it can't earn a reasonable return, there are conflicting numbers noting all the items have not been analyzed. He noted if

you consider using money to restore instead of demo, possible grants, tax savings, it may be possible to earn a reasonable return. He stated there might be people out there who want to purchase.

Mary Owens stated the comment reasonable is a concern. In fairness to both opinions, it is unknown what the cost of renovation might be and how long it would take to recover cost. Chris Worick noted because of location he feels the building can make a profit.

Chairman Rogers summarized the items.

- a. Building is historically significant, the last example of its type on east side of Square – Bebe Blount states factors into a denial.
- b. Building age and history is important to the ambiance of the square. The building has been a store since 1875, Bebe Blount stated warrants denial.
- c. The difficulty/impossibility of reproducing building, Bebe Blount noted repair would be difficult but not impossible. Chris Worick stated the foundation can be repaired using modern materials as it will not be visible.
- d. Two other buildings of its kind – Larry there are others, so this one does not pertain.
- e. Plans for replacement discussed – Warrants approval.
- f. Whether reasonable measures can be taken to save the building from collapse –Larry Mannis stated it just takes money. Mary Owens stated how reasonable is it for the building to be refurbished, this is an unknown to us. Chairman Rogers noted because we don't have this information it does pose a concern for members. Chris Worick stated the building could qualify for grants which would offset out of pocket expenses.
- g. Whether building capable of earning reasonable economic return on its value– Chairman Rogers stated, what is known is purchase price and we know Mullinix has stated it would take 500,000 to 700,000 to bring up to code. Chairman Rogers asked Bailey/Osley have there been projections run on what would be generated from the hotel. They noted, no. Larry Mannis stated it is not clear whether it could or could not earn a reasonable return.

Chairman Rogers called for a motion of finding of fact. Bebe Blount moved that the building has historic significance and is important to the ambiance of the district and that it would be possible to reproduce and repair the building and the building is one of the few remaining examples of its kind in the city; that the applicant has provided plans for the use of the property and that we are unable to determine whether the measures taken to save the building would be reasonable; and we are unable to determine whether the building is capable of earning a reasonable economic return on its value. Chris Head read the motion back, some items were clarified by Bill Schmid. Motion was seconded by Rich Green and approved by all. Chris Worick stated at this time we do not know what the effect of the replacement plans would have on the district. It was noted motion has been approved but Chris Worick's comment would be included in the Minutes.

There were no further comments. Chairman Rogers asked if there were any conditions that needed to be considered. Hearing none Chairman Rogers called for a motion on the COA for

property located at 40 East Main Street, Chris Worick added this is also town lot 87. Chairman Rogers stated motion can be - to approve, to approve with conditions or to deny.

Bebe Blount made a motion to deny the COA, the motion was seconded by Paul Bennett and approved 5-1 to deny the application. Voting yes to the motion – Bebe Blount, Rich Green, Chris Worick, Larry Mannis and Paul Bennett. Voting no to the motion Mary Owens.

Chris Head informed there is an appeal process, appeals need to be filed with City Clerk within 15 days.

There being no further business to conduct a motion to adjourn was made by Chris Worick and seconded by Mary Owens. The motion was approved by all and the meeting was adjourned.

Respectfully submitted,

Patricia L. Head, Secretary