

## MEMORANDUM

To: Mayor & City Council

From: William E. Schmid, AICP  
City Manager

Date: January 15, 2016

Re: Payne-Parks Building Demolition Request Appeal

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The complicated issues associated with the Payne-Parks building demolition request filed August, 14 2015, have required careful review. Staff has given their best effort during the unprecedented research and analysis process to provide objective information to the applicant, the HPC, the public and now the City Council. In combination the various material collected and reports prepared by the City or hired consultants show the following:

- 1) The building is old, but has not been previously identified as a building of significant contributing historical importance to the overall district.
- 2) The building's original construction date and configuration is uncertain. It has been modified at various points in time and the age of various building elements is unknown.
- 3) The building's overall condition is poor. The condition will not resolve itself without significant intervention by a party willing to spend significant money. For liability reasons, it is not my recommendation the City be the party to do so, or even be in the chain of title.
- 4) The building's poor condition has a negative impact on other buildings, adversely effects the character of the district, and may be a hazard to the public. It is not fit for occupancy for any purpose.
- 5) Despite its major structural issues and lack of working systems with enough money someone could in theory put the building in some form back to use.

Whether someone "could" mothball, renovate, preserve, restore or rehabilitate the building is not the question before the Council. In consideration of this application for demolition, as in other cases, the seven criteria of the Historic Preservation Ordinance found at Section IV F 1. (c) in combination essentially ask, for an old non-landmark building what would a reasonable person do given the value of the property relative to expectation of reasonable economic return, how much of the original historic structure would still be left, and would this be of sufficient benefit to the district to warrant the expenditure, particularly when the request to

demolish is not speculative, but is intended to allow a reasonable alternative use or uses within the district?

Asked more directly, how much money would you be willing to spend if you owned the building and land in its current condition, would that allow you to make a reasonable economic return on your total investment, and what kind of “historic structure” would you have in the end?

Asked on a broader level, should all property owners of historic buildings in Dahlonga be forced to use major efforts to rebuild a substantially damaged structure of limited historical importance, or should major/heroic efforts be reserved for outstanding examples?

For several reasons particularly related to evidence in the record I see which answers Section IV F. 1 (c) 6 and 7, I respectfully recommend the City Council reject the determination made by the Historic Preservation Commission. Concurrently, I recommend a reasonable course of action balancing public and private interests regarding the subject building and property in light of the economic vitality of East Main Street, other historic properties and the City as a whole. The net effect would be approval of the applicant’s request with conditions, possible preservation or repurposing of the building, new historically themed construction in the downtown area consistent with City design requirements, and facilitation of other beneficial actions related to historic properties.

In the public meeting of October 21, 2015, among other comments the spokesman for the applicant described:

- (1) unwillingness of the applicant to preserve the building because of the costs of doing so relative to expected economic returns;
- (2) committment to delaying the demolition of the Payne-Parks building, if approved, until approval of a Certificate of Appropriateness, not yet filed, for the balance of the property, which is to include new construction and/or renovation of 24 Main Street East (the Butler Mini-mall) commonly known as the Piazza building; and
- (3) offered the Payne-Parks building for donation to anyone who would relocate it in a reasonable time frame.

Accordingly, my recommendation is as follows:

(1) The Council should reject the determination made by the Commission and instead approve the request of the applicant conditioned as follows:

- A. The applicant shall, within two weeks of Council action, remove the vegetation growing on the building and properly secure the building from access by humans or animals. Under the guidance of the applicant’s architect the structure shall be temporarily shored and braced internally and/or externally as needed to prevent

collapse. The building shall not be mothballed with boarded windows or hazard tape. It shall be maintained through approval of a Certificate of Appropriateness, not yet filed, for the balance of the applicant's property, which is to include new construction and/or renovation of 24 Main Street East (the Butler Mini-mall) commonly known as the Piazza building, unless ownership is otherwise transferred or the building is relocated as provided in subsections B or C below.

- B. The applicant is encouraged, but is not required, to subdivide the property to create a parcel that could be sold or retained at the owner's preference, in order to allow the sale or lease of the main part of the structure (pre 1890s Ell addition) to any entity willing to undertake in situ the restoration, preservation or rehabilitation of the older portion, including foundation, fronting East Main Street to any date or style documented in the building's past. The rear portion Ell is of less significance and contributes less to the district, so is exempt from this provision. The older front portion will be exempt and not subject to parking requirements for up to eight parking spaces, if renovated in place. If the applicant subdivides the tract, reasonable effort (no less than 30 days from Council action) shall be made to market the property to willing for-profit or non-profit entities for them to ascertain costs needed to make necessary repairs and improve the building to be in compliance with codes for the purpose(s) they intend, subject to use allowances of the B-3 zoning district. This may allow the property owner and/or building rehabilitator access to federal, state, and/or local incentives for rehabilitation.
- C. If the applicant elects not to subdivide the property to allow preservation, restoration or rehabilitation in place, the applicant shall nonetheless be required to make the building available for removal and relocation to another property in Lumpkin County, where it may be reconstructed and repurposed. The period of this delay shall be no less than sixty (60) days from Council action and may run concurrently with evaluation of the lot subdivision option, development of a new COA, or consideration by the HPC of a new COA for the property.

(2) As part of the FY2017 budget the City should perform an update of the historic structures survey last performed in 2001 with particular emphasis on the historic district. The survey should include clearly written determinations of historicity (age, integrity and historical significance). It should also distinguish between contributing and non-contributing buildings of the district to facilitate the ability of owners to secure rehabilitation tax credits from the US Department of the Interior. Buildings in need of repair should be identified by the City and appropriate required corrective actions be taken.

(3) The Historic Buildings Survey of 2010 for Park Street was not completed although many in the public believe it was. The field work was completed, but public hearings were not

held. Staff recommends public hearings be held and a decision to move forward or stop development of the Park Street Historic District be formally determined.

(4) Some jurisdictions make use of building codes written specifically for existing buildings to make the reuse of historic buildings safer, easier and less expensive. The most notable examples of this are the New Jersey Rehabilitation Subcode (1998), Maryland Building Rehabilitation Code (2001), and North Carolina Rehabilitation Code (2010 update 2015). These are different than the International Building Code Congress' Existing Building Code, which has been adopted by Dahlonega. Staff recommends review and development of a Rehabilitation Code for Dahlonega as a supplement to its adopted Standard Codes.

As an alternative to rejection of the HPC's action, the Council should remand the matter for further consideration by the HPC. However, for several reasons, it is my recommendation the Council should not accept/affirm the initial action by the HPC.

Please feel free to get with me, if you have specific questions.