

MINUTES

HISTORIC PRESERVATION COMMISSION

FEBRUARY 9, 2022

Minutes of the regular hearing of the Historic Preservation commission, of the City of Tempe, which was held at the Hatton Hall, 34 East Seventh Street, Tempe, Arizona.

Regular Meeting 6:02 PM

Present:	Staff:
Chuck Buss, Chair	Steve Abrahamson, Principal Planner
Chris Garraty	Robbie Aaron, Interim Historic Preservation Officer
Jim Garrison	Brittainy Nelson, Administrative Assistant
Elizabeth Gilbert	Ambika Adhikari, Principal Planner
Laurene Montero	Shelly Seyler, Interim Com Dev Director
Joe Nucci	Ryan Levesque, Deputy Director, Com Dev
Reylynne Williams	
Kyle Woodson	

1) Voting of the Meeting Minutes

Motion by Commissioner Montero to approve the Meeting Minutes of December 08, 2021; second by Commissioner Woodson. Motion passed on **8-0** vote.

Ayes: Chuck Buss, Chris Garraty, Jim Garrison, Elizabeth Gilbert, Laurene Montero, Joe Nucci, Reylynne Williams, Kyle Woodson

Nays: None

Abstain: None

Absent: Gregory Larson

2) Update on BUTLER (GRAY) HOUSE.

Presentation by Staff, Robbie Aaron, Interim Historic Preservation Officer

Mr. Aaron informed the commissioners that the Butler Gray House demolishing was denied at the meeting on December 8, 2021, and it was the start of the 180 day stay of demolition. During that time, City Staff worked with the property owner to try and come up with a solution to save the property. Staff has been working with the property owner and has taken a tour of the property. Staff has talked to the property owner about what their goals are, and how much the owner wants for the property. They took that information and started to work with other departments within the City of Tempe that could possibly purchase the land from the current owner. Housing division in Human Services Department showed possible interest in buying the property. A letter of intent was then drawn up to inform the owner that there are several items that need to be done before they could purchase the property. Housing would be using federal funding. Using federal funding will need an appraisal. An appraisal is needed to ensure that the land and the property is purchased with fair market value. The property owner did not like the ideal of the land being purchased at fair market value. The owner gave the City till February 15, 2022,

to meet his demands, and stated that if an agreement for purchase is not reached by then, he would like the demolition permit on March 31, 2022. The code does not allow for a demolition permit to be issued before the completion of the six month stay of demolition. The soonest that a permit can be issued would be June 7, 2022. That is the 181 day since denial was made by the HPC. Planning Staff has been working with the legal department and Housing. Planning will be taken this to the E-session on Thursday February 10, 2022, to get the City of Tempe Council's input. Friday February 11, 2022, Mr. Aaron and Mr. Levesque will be meeting the property owner on site to discuss what options are available after the City Council provides direction.

Commission Discussion

Mr. Aaron stated that staff did mention that the owner could add an accessory dwelling unit per the City Code at a maximum of 800 sq ft. livable space. The Owner could also add another 400 sq ft. of garage space. Staff suggested that would help maximize the value of the property. Staff also mentioned potentially splitting the lot and the city buying the front portion of the lot, and the owner can build on the rear portion of the lot. Staff discussed several available options to develop the property. However, the owner did seem to state his preferred option. As a result, the Planning Department is going to council to seek their guidance.

Chair Buss asked what the appraised value of the home was.

Mr. Aaron clarified that the staff do not have an appraisal done but according to Zillow was about \$675,000. This is below the owner's idea of the value of the property.

Chair Buss stated that he hopes that the owner will become more reasonable because the value that he is coming up with is based on his idea of adding value to property. His idea of increased value includes tearing down the existing house and rebuilding there. Staff feel that the value does not go from 675,000 to a 1,000,000, which the owner thinks is the potential value of the property.

Commissioner Montero asked if housing has indicated what they are going to do with the property.

Mr. Aaron stated that the Housing Division can use more rental units. In the past, they would potentially buy other historic properties to have housing inventory in the City to provide people with an affordable place to live within the City of Tempe. There may be some discussion about the potential of adding an additional unit on the subject. Nothing is finalized because the City of Tempe does not own the property yet.

Mr. Levesque stated that Mr. Aaron has been doing very good work on trying to negotiate with the property owner. The property owner has an unrealistic expectation of what the value of the property is. The owner has given several different scenarios of how he would develop the property. One of his plans would bring the property value to up to 1.5 million. However, City Staff has considered a lot of different scenarios and to the lowest hanging fruit that the City of Tempe is to process a subdivision plat for the property and he would walk away from the demolishing permit. However, that does not guarantee anything for the long term. But it would give some grace time in the immediate future. Then the owner would be able to sell the property as two separate lots. There was discussion about a conservation façade easement. The owner said the price of that would be \$250,000. The owner is looking for an answer or commitment from the City of Tempe by February 15, 2022. Otherwise, he is going to start preparing or reaching out to development consultation. The property owner's plans are to retire and move to California and sell off the property. So, the owner does not have any long-term interest in preserving the property. He is just trying to get maximum value out of it.

Chair Buss stated that is what he is understanding is that the owner is trying to get the maximum value on the property as possible. To make the property worth \$1.2 million will require a lot of work.

Commissioner Woodson stated that he would like to say Thank you to Mr. Aaron for pursuing this. One of the questions was: did anyone analyzed the document that the Owner provided the City that the commission saw last time in December. And from the information that was provided it seems like the city staff has looked at the information. Hopefully the City can find a good solution.

Mr. Levesque stated that what the owner is asking as a price for the property is unrealistic. What the owner is asking is to base the value of the property as if it were already prebuilt with constructed units on it. Fact that remains is that if you demo the property you are going to reduce your current value on the property. The City staff has discussed and shared with the owner his concerns and explained that the duplex would exceed the allowable density of the property. The existing R-2 zoning on the property would allow only two units on the site, and not three in total. A lot split is a potential option for accessory dwelling, with access off the alley to preserve the historic building on the Mill Avenue front.

Chair Buss asked if this item can be put on the agenda for next month.

Mr. Aaron stated that he will put it on the agenda for next month.

3) Update on Hayden Flour Mill RFP Process

Presentation by Chair Buss

Chair Buss informed the Commissioners that the information for the RFP went public on February 4, 2022. Last Fall around September 2021 the City of Tempe put a request for Hayden Flour Mill. The City of Tempe gave developers about a month to respond to the request. What the committee ended up with was response from DMB and a joint venture between Venue projects and Sunbelt Holdings. The RFP committee that meets in December 2021 and then again in January 2022. They were given a lot of material from the developers about what they envision for the property. DMB is very qualified to put up a new building. They have done a lot of new buildings one being the Chase building with PF Chang's on the north-west corner of Mill and University. The feeling from the committee was that DMB was better suited to building new rather than doing adaptive reuse. Venue Projects and Sunbelt Holdings talked a lot about the flour mill and less about themselves. The Committee was very impressed with Venue projects and Sunbelt Holdings team. They have done a lot of projects around the valley and in Arizona and other states. There were several projects that were done by the team in Texas and North Carolina that were old factory buildings into adaptive reuse. The team did the high-rise between Central and 7th Avenue on the Northside of Camelback Road. It was a 60's office building that was converted into a hotel. Benedict University in Mesa wanted more space. Venue was able to use historic tax credit to convert the building into space for the University. Sunbelt did projects like Marina Heights and is currently building the cul-de-sac project on Apache Blvd between McClintock and Price. It was great that they are both together as one team. The RFP Committee had them consider all sorts of factors including sight lines to consider the views of the Mountains. The biggest goal they said was to stabilize the buildings that are there on the property. After that they would start to worry about adding things and what they would want to add would be low structures the drawings indicated about 3 or 4 stories. This would allow for the Silos to stand out as the most important features of the site. The Committee called them in for an interview and asked lots of questions. The Committee did not call in DMB they presented what seemed like a boiler plate proposal. DMB's proposal seemed like they used it for other projects too. It was not very specific to this one. They did not seem to have a passion for historic preservation. Where Venue projects and Sunbelt Holdings has done projects that use historic tax credit to get projects done.

Commission Discussion

Commissioner Woodson asked for clarification on the date that the meeting was held.

Chair Buss stated that the meeting was in Mid-December and another in January. The committee did decide to make a recommendation to City Council to consider opening formal investigations with Venue projects and Sunbelt Holdings to use them as the developers on the project. This is something that is going to be discussed at the Council Meeting on February 10, 2022.

Mr. Levesque stated that is correct. This an item that is on the agenda for taken action on.

Chair Buss stated that he did ask about the process and how long it was. It is a very lengthy process. It could take a year or so to come to some form of financial agreement. Then after that start the process on making designs and getting permits.

Commissioner Montero asked if there were any discussion about the landscaping plan that was talked about in the Historic Preservation Commission meeting in November.

Chair Buss stated that he did bring up that project and it is a little early to bring up the specifics on the landscape plan, but they were interested in working with someone on it. One of the things that Venue projects and Sunbelt Holdings site plan had was a water feature that will be on the property. It would be a reminder of the water that flowed through the Mill a long time ago.

Commissioner Garraty stated that Peter Buseck from the Venue-Sunbelt Holding team put a lot of his own time effort and personal money on the proposal. Peter is also willing to put up a lot more of his own personal money to make sure that this stayed the Flour Mill site would also include park that is accessible to pretty much anyone. Has anyone reached out to Peter? It would be nice to see him involved in the project. He had an excellent vision and the tribes were happy with it. Things do not have to be done exactly the way that he designed it, but Peter should be a part of the process.

Mr. Levesque stated that he does have a news update that he can share with the Commissioners. Deputy City Manager Steven Methvin had reached out to Peter in anticipation of the Flour Mill project going to City Council. If the City Council approves the RFP, then there will be a coordinating meeting with economic development and Meet with Peter Buseck to discuss his plans and visions for the area and start the collaboration now.

Commissioner Garraty asked if there was any discussion on maintaining this as a public park. Peter wanted part of the Flour Mill site to be a city park.

Mr. Levesque stated that the goal of the RFP was for the city to still own the land put lease it back to the Ventures. There are going to a lot of the project sites that will remain open to the public. Put this is going to be a phased project. It was nice to hear that the first phase of the project is looking at rehabilitation of the Flour Mill silos.

4) Discussion of future chair & Vice Chair Nominations

Mr. Aaron informed the Commissioners that as of March 31, 2022, Chair Buss will be terming out. And there be no Chair, and the HPC does not have a Vice Chair now either. If anyone aspires to become a Chair or Vice Chair and have questions Chair Buss would be happy to go over the information with the Commissioners. Also, Commissioner Nucci will be terming out as of March 31, 2022. Come April, there will need to be Chair and Vice Chair nominations

Chair Buss asked if this is something that could be put on March agenda.

Mr. Aaron stated that if there are existing members on the commission who would like to serve, it could be on the agenda. If not, then the new members could serve as well. It is something that can be assessed based on how things evolve.

Chair Buss stated that he can talk to anyone that may be interested in being the Chair. They can email or call, and he would gladly discuss with anyone.

5) Chair/ Staff Updates

Mr. Aaron informed the Commissioners that in the March agenda there will be a request for a certificate of appropriateness for a two-story addition in the Date Palm Manor Neighborhood.

On Monday February 14, 2022, is the official start of the new Historic Preservation Officer Zachary Lechner. He is currently on the road and sent a greeting video for the commissioners to view.

Ms. Nelson showed the introductory Video of Zachary Lechner to the commissioners.

Mr. Aaron informed the commissioners that the City of Tempe Planning department did receive a Stie Plan Review application for the property located on the Southeast Corner of 5th St. and Roosevelt. There is a house there that is Historic eligible. There could be a demolition permit filed for that parcel in the future.

Mr. Adhikari informed the commissioners that it will be good to have the new Historic Preservation Officer weigh in on the draft Historic Preservation plan that was prepared by the consultants ACS. This will also give staff more time to view it more in depth especially because it could be reformatted for the ease of reading. It would come back to the Historic Preservation Commission in the May meeting and then to Council again at the end of May meeting. In the goal of making the plan more user friendly. Mr. Adhikari sought any guidance from the HPC on this approach.

The Chair and the commissioners felt this was a good plan and schedule to finalize the HP Plan.

Hearing adjourned at 6:52pm

Prepared by: Brittainy Nelson, Administrative Assistant
Reviewed by: Ambika Adhikari, Principal Planner

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