



STAFF REPORT

Meeting Date: December 1, 2015

To: Honorable Mayor & City Council

From: Ryan Gohlich, Assistant Director of Community Development /
City Planner

Subject: REVIEW OF IMPLEMENTATION ACTIONS FOR THE HISTORIC
PRESERVATION ORDINANCE:

1. PROPOSED FEES FOR HISTORIC PRESERVATION APPLICATIONS, INCLUDING LEVELS OF COST RECOVERY
2. LIST OF LOCAL MASTER ARCHITECTS ADOPTED BY THE CULTURAL HERITAGE COMMISSION

Attachments:

1. Exhibit A – Processing Costs and Proposed Fee Amounts
2. Exhibit B – List of Local Master Architects adopted by Cultural Heritage Commission – October 14, 2015

INTRODUCTION

The City Council adopted an amended Historic Preservation Ordinance on July 21, 2015. This report provides background information on two steps for implementing the revised historic preservation program:

Historic Application Fees – A resolution adopting these application fees is scheduled for action on the City Council's December 1, 2015, formal session agenda.

List of Local Master Architects – This report transmits the revised List of Local Master Architects, which was adopted by the Cultural Heritage Commission on October 14, 2015.

DISCUSSION

Analysis of fees is based on time estimates to perform the tasks required to process the various applications. The analysis uses fully burdened rates for staff time in order to express the City's full and complete cost of processing applications. In summary, the fully burdened rate includes not only the direct staff costs that are involved with

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processing an application, but also portions of non-personnel costs including, for example, items such as legal services, informational technology support, office supplies, liability insurance, etc., as well as charges to an Internal Service Fund for administrative support.

The application types addressed in the proposed fee resolution pertain to historic preservation applications, including:

1. Determination of Eligibility Tiers (*Historic Property Confirmation Letter; Certificate of Ineligibility – Checklist; and Certificate of Ineligibility – Full Analysis*)
2. Landmark Designation
3. Historic District Designation (*districts are not permitted in R-1 zones*)
4. Certificate of Appropriateness (*administrative and commission-level determinations*)
5. Certificate of Economic Hardship
6. Appeals
7. Historic Incentive Permit

The proposed application fees are intended to enable the City to recover some or all of the costs of processing applications. However, the level of cost recovery is at the discretion of the City Council.

City Council - Cultural Heritage Liaison Committee Meeting

The Liaison Committee (consisting of Vice Mayor Mirisch, Councilmember Brien, Chair Greer and Vice Chair Pynoos) discussed historic preservation fees at its meeting on November 9, 2015, and focused specifically on the level of cost recovery that would be appropriate in the various application categories. The liaisons agreed that certain fee categories warranted full cost recovery, but that other categories could benefit from less than full cost recovery.

The purpose of the Historic Preservation Ordinance is to preserve historic resources, particularly in terms of encouraging property owners to willingly designate their properties. Establishing fees at the full cost-recovery level for certain types of applications might serve as a disincentive for voluntary designations and therefore, reducing some of the fees to a less-than-full-cost-recovery level would be appropriate.

Additionally, the Liaison Committee discussed the need to avoid high fees that could burden owners, especially those whose properties may not be eligible for designation, from taking advantage of the new Certificate of Ineligibility application. The Certificate of Ineligibility allows property owners to request City confirmation of their property's ineligibility for historic designation under landmark criteria set forth in the Ordinance. The committee discussed the need to make this application accessible to property owners. There was also a discussion about creating different tiers of fees for the Certificate of Ineligibility application. The idea of creating different fee tiers was to allow the simplest of cases to be processed quickly and at lower costs.

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The following discussion will describe the various applications and the recommended fee amounts.

Certificate of Ineligibility (BHMC §10-3-3221)

The new Certificate of Ineligibility application in the amended Ordinance can offer more certainty to property owners about whether a property is subject to the Historic Preservation Ordinance and/or eligible under local landmark criteria. Once issued, a Certificate of Ineligibility remains valid for seven (7) years and bars the City from initiating landmark proceedings during that time. The certificate also exempts the property from the restrictions or holds on demolition or alteration permits.

Based on direction from the Liaison Committee, staff has developed a three-tier system for providing historic eligibility determinations. The first two tiers would enable the City to provide a less expensive confirmation in writing for properties whose size, background or other details make such a determination relatively simple, while the third is reserved for more complex properties or determinations. Staff believes these three tiers will provide property owners with options, based on the level of certainty an applicant is seeking.

Recommendation: Adopt a three-tier fee structure for making determinations of eligibility, including the new Certificate of Ineligibility.

Tier 1: Historic Property Confirmation Letter

Full Cost: \$383

Proposed Fee: \$383

Cost-Recovery Level: 100%

This tier provides written confirmation concerning the status of a property with respect to the historic ordinance. It requires staff to perform some research, but it is not extensive. This is a good option for owners whose properties are, for example, not 45 years old or not designed by a master architect. In these types of cases the City can quickly confirm in writing whether the property is subject to the Historic Preservation Ordinance and/or possible landmark designation.

Tier 2: Certificate of Ineligibility (Checklist)

Full Cost: \$3,864

Proposed Fee: \$1,545

Cost Recovery Level: 40%

This tier is recommended for relatively straightforward determinations of eligibility for properties whose background facts and details are well documented, which are expected to take less staff and consultant time than a full analysis. In these cases, staff and the historic consultant envision using a checklist of landmark criteria to conduct the preliminary evaluation and guide the determination. The resulting determination would be conclusive and it would enable staff to issue the Certificate of Ineligibility, or decline to issue it as the case may be. While the recommended level of cost recovery for other applications is generally 10%, for this application a 40% cost recovery level is recommended to ensure that application fees will cover the historic consultant costs that will be incurred by the City.

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Tier 3: Certificate of Ineligibility (Full Analysis)

Full Cost: \$7,911

Proposed Fee: \$7,911

Cost Recovery Level: 100%

This tier would relate to the most complicated properties, because of their size, background and complexity. These properties will require a more thorough analysis, including a more detailed evaluation by the City's historic preservation consultant. However, it is not expected that this application type will be necessary for a large number of properties, based on past experience.

Landmark Designation (BHMC §10-3-3215)

Full Cost: \$19,864

Proposed Fee: \$1,986

Cost-Recovery Level: 10%

This application is for property owner initiations for landmark designation. It does not apply to landmark nominations initiated by the Cultural Heritage Commission or City Council. There are no fees to a property owner for these City initiated nominations. A property owner may choose to apply for such a designation for various reasons including their support of historic preservation ideals, the prestige of historic designation and/or financial and other benefits available to historic properties. This same fee would be applicable to amendments or rescissions to existing landmark designations. It is recommended that this fee be set at a less-than-full-cost-recovery level in an effort to encourage and incentivize voluntary landmark designations.

Historic District Designation (BHMC §10-3-3215)

Full Cost: \$17,500 (plus consultant deposit)

Proposed Fee: \$1,750 (plus deposit)

Cost Recovery Level: 10%

Historic districts are not permitted in any area of the City zoned for single-family development, such as the R-1 zone. However, property owners in other areas of the city may nominate their properties to become part of a historic district. Initiating a historic district requires substantial support (50%) of affected property owners. This same fee would be applicable to amendments or rescissions to existing historic district designations. It is recommended that this fee be set at a less-than-full-cost-recovery level in an effort to encourage and incentivize voluntary designation of historic districts.

Certificate of Appropriateness (BHMC §10-3-3219)

Cultural Heritage Commission-level

Full Cost: \$12,607

Proposed Fee: \$1,261

Cost Recovery Level: 10%

Administrative-level

Full Cost: \$5,562

Proposed Fee: \$556

Cost Recovery Level: 10%

Substantial alterations or changes to a designated historic resource requires a Certificate of Appropriateness to ensure that there would be no change to the design, material, appearance, or visibility of the character defining features of the designated landmark, or property within a historic district. A Certificate of Appropriateness is not required for projects that only involve ordinary repair and maintenance of a landmark. A Certificate of Appropriateness can be processed either administratively by staff for smaller, less significant alterations or by the Cultural Heritage Commission for larger, more extensive alterations. The same fee would be applicable to amendments to existing Certificates of Appropriateness. However, staff believes that the application process should maintain a relatively lower cost to ensure that the application fee doesn't become a barrier to owners in voluntarily designating and maintaining historic resources. Thus, setting the fee at a less-than-full-cost recovery level is recommended for incentive purposes.

Certificate of Economic Hardship (BHMC § 10-3-3220)

Full Cost: \$19,735

Proposed Fee: \$19,735

Cost Recovery Level: 100%

This is the process through which the City may allow demolition or alteration of a landmark when it finds that denial of a certificate of economic hardship would cause an undue economic hardship for the property's owner(s). Processing a certificate of economic hardship is expected to require substantial staff and consultant resources. Such an application would require intensive analysis to determine whether an economic hardship does or does not exist. While staff does not anticipate receiving many of these types of applications, full cost recovery is recommended.

Appeals

Proposed Fee: \$3,714.20 (*appeals to Cultural Heritage Commission*)

Proposed Fee: \$5,062.90 (*appeals to City Council*)

An applicant may appeal any decision on the application by the Director or by the Cultural Heritage Commission. The City's Comprehensive Schedule of Taxes, Fees & Charges established flat fees for appeals to the commission or for appeals to the City Council. In order to maintain consistency with the appeal process for similar actions, the City's existing appeal fees are recommended for appeals on historic preservation applications.

Historic Incentive Permit (BHMC Title 10, Chapter 3, Article 32.5)

Full Cost: \$14,989

Proposed Fee: \$14,989

Cost Recovery Level: 100%

A historic incentive permit is intended to incentivize the protection of significant historic resources by providing a process by which owners of locally designated historic landmarks may request waivers or deviations from certain development standards. Setting this fee at a less-than-full-cost-recovery level is recommended to ensure it would not be contrary to the intent of the permit – to incentivize the preservation of significant historic resources.

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Project Review for Eligible Resources

Section 10-3-3218 of the ordinance provides for a staff determination after review of changes in design, material or appearance of properties on the inventory, or involving a structure designed by a master architect that is more than forty-five years old. These determinations typically require assistance from the City's historic preservation consultant as well. The review focuses on whether the work would alter character defining features. If the work does not alter such features, the director may waive the thirty day hold that would otherwise apply. While these determinations do require staff and consultant resources, staff does not recommend a fee at this time pending further review of the amount of staff/consultant time they require. For more substantial projects, a deposit is currently collected to cover consultant review costs. Staff will continue to monitor this work for the time being; and will return to the City Council with an analysis and recommendations when and if they are warranted.

Mills Act

The City enacted a two-year Pilot Mills Act Program in 2011 and later extended it through 2016. The pilot program established an application fee of \$1500. This fee is not recommended for change at this point. Should the City Council act to make the Mills Act Program permanent in 2016, staff can provide an analysis and recommendation for revising the application fee.

List of Local Master Architects

Since its inception, the historic preservation program has relied on a list of master architects as one of the bases of determining a structure's eligibility as a landmark. The updated historic ordinance revised certain aspects of the definition of master architect and how it is to be applied. Accordingly, the revised ordinance required that the Cultural Heritage Commission compile and approve a new list of master architects.

The Cultural Heritage Commission appointed a two member ad hoc committee to work with staff and consultants in the update to the master architect list. The ad hoc committee, staff and consultants presented the recommendations for the revised list to the Cultural Heritage Commission, which approved the list at its meeting on October 14, 2015.

The List of Local Master Architects is presented to the City Council in Exhibit B as an information item only. Pages five and six of Exhibit B show the names eliminated between versions one (2012) and two (2015) of the list for reference only, but will not be a part of the new list. As noted earlier in this report, it does not require any action by the Council. However, should the Council have comments on the list that was adopted, the Council could direct the Cultural Heritage Commission to revisit the list.

RECOMMENDATION

This report is provided for information only and no action is required. However, an item pertaining to historic preservation fees is presented on the December 1, 2015, formal agenda for City Council action.

Susan Healy Keene
Director of Community Development

Approved By



Attachment 1

EXHIBIT A

HISTORIC PRESERVATION APPLICATION FEE SCHEDULE (PROPOSED)

APPLICATION TYPE	COST ANALYSIS			COST RECOVERY LEVEL	RECOMMENDED FEE
	Staff Time (hours)	External Peer Review/ Analysis	TOTAL COST (= Full Cost Recovery)		
Certificate of Ineligibility					TOTAL
Tier 1: Historic Property Confirmation Letter	1	n/a	\$383.00	100%	\$383.00
Tier 2: Certificate of Ineligibility (checklist)	8	\$800.00	\$3,864.00	40%	\$1,546.00
Tier 3: Certificate of Ineligibility (full analysis)	17	\$1,200.00	\$7,911.00	100%	\$7,911.00
Landmark Designations (or amendments or rescissions)	46	\$1,800.00	\$19,864.00	10%	\$1,986.00
Historic District Designation (or amendments or rescissions)	Deposit Req'd.	Deposit	\$17,500.00	10%	\$1,750.00 deposit
Certificate of Appropriateness - Administrative (or amendments)	14	n/a	\$5,562.00	10%	\$556.00
Certificate of Appropriateness - Cultural Heritage Commission (or amendments)	29	\$1,200.00	\$12,607.00	10%	\$1,261.00
Certificate of Economic Hardship (or amendments)	45	\$2,000.00 (deposit)	\$19,735.00	100%	\$19,735.00
Appeal to Cultural Heritage Commission	Flat Fee	n/a	\$3,714.20	Flat Fee	\$3,714.20
Appeal to City Council	Flat Fee	n/a	\$5,062.90	Flat Fee	\$5,062.90
Historic Incentive Permit - Planning Commission (same fee for amendments)	33	\$1,500.00	\$14,989.00	100%	\$14,989.00

*fees in **bold** are recommended amounts

Attachment 2

EXHIBIT B



LIST OF LOCAL MASTER ARCHITECTS

The List of Local Master Architects is an official list maintained by the City of Beverly Hills that includes those individuals and firms that are now known to have contributed to creating the built environment in Beverly Hills.

As defined in the Beverly Hills Municipal Code, a Master Architect is, “an architect of widely recognized greatness in the field of architecture whose individual genius influenced his or her age.”

This list has been compiled and adopted by the Cultural Heritage Commission to assist in the identification and evaluation of properties throughout the city for historical significance.

INCLUDED

Adams, Charles Gibbs

Ain Johnson, and Day

Ain, Gregory

Allison & Allison

Austin, John C.

Becket, Welton David

Beckett, William S.

Beelman, Claud / Beelman, Claude

Black, Milton J.

Buff, Straub & Hensman

Burgess, Carleton

Byers, John

Byrd, Robert

Chambers, H. C.

Clements, Stiles O.

Coate, Roland Eli, Sr.

Colcord, Gerard

Cook, Wilbur C.

Curllett, Aleck (Alexander)

Curllett and Beelman

Daniel, Mann, Johnson & Mendenhall

Derrah, Robert

Dickason, James

Dolena, James E.

Dorman, Richard L.

Dubois, Charles

Dworsky, Daniel L.

Earl, Robert L.

Eckbo, Garrett



LIST OF LOCAL MASTER ARCHITECTS

Eckbo, Royston & Williams

Greene, Charles Sumner

Johnson, Kaufmann, & Coate Architects

Ehmcke, Casper

Greene, Henry Mather

Johnson, Reginald Davis

Eisenshtat, Sidney

Grey, Elmer

Jones and Emmons

Ellwood, Craig

Grossman, Greta Magnusson

Jones, Archibald Quincy

Emmons, Frederick Earl

Gruen, Victor David (Gruen Associates)

Kappe, Ray

Farquhar, Robert

Haines, William (Billy)
(decorator/designer)

Kaufmann, Gordon Bernie

Fickett, Edward H.

Kelly, Arthur

Flewelling, Ralph C.

Harris, Harwell Hamilton

Kelley, H. Roy

Froehlich, Arthur FAIA

Heitschmidt, Earl

Koerner (Henry) & Gage (William)

Gable and Wyant

Honnold & Lautner

Koolhaas, Rem

Gage, William J.

Honnold, Douglas

Krisel, William

Gehry, Frank O.

Honnold, Douglas and Rex, John

Laszlo, Paul ASID (decorator/designer)

Gesner, Harry

Hudson, W. Asa

Lautner, John

Gibbs, Hugh

Hunt, Myron

Legoretta, Ricardo

Greene and Greene

Hunt, Sumner P.

Lee, S. Charles



LIST OF LOCAL MASTER ARCHITECTS

Levitt, Harold	Matcham, Charles O.	Neutra, Richard Joseph
Lewis, Percy Parke	May, Cliff	McAfee, Harry
Lind, George Julius (w/Van Pelt)	Mayne, Thom	Nomland, Kemper
Lind, Kenneth	McAfee, Harry	Northman, Edith Mortensen
Lotery, Rex	McAllister, W	Palladino, Michael
Luckman, Charles	Meier, Richard	Parkinson & Parkinson
Lumsden, Anthony	Meyer & Holler	Parkinson, Donald
Lundberg, Armet & Davis	Milwaukee Building Co.	Parkinson, John
Lustig, Alvin	Moore, Charles Willard	Pei, I.M.
Marston & Maybury	Moore Rubell Yudell	Pelli, Cesar
Marston & Van Pelt	Morgan, Julia	Pereira and Luckman
Marston, Sylvanus Boardman	Morgan, Walls, & Clements	Pereira, William L.
Marston, Van Pelt & Maybury	Morphosis	Pierpoint and Walter S. Davis
Martin, Albert C. Sr.	Muir, Edla	Price, Roy Seldon
Maston, Carl	Neff, Wallace	Priteca, B. Marcus



LIST OF LOCAL MASTER ARCHITECTS

Rex, John L. (Rex & de Swarte)

Walker, Rodney

Yoch, Florence

Richard Meier & Partners

Walker & Eisen

Zwebell, Arthur

Rivierre, Rene (designer)

Warnecke, John Carl

Rotondi, Michael

Webber, Staunton, & Spaulding

Schindler, Rudolph M.

Wilkinson, Marshall P. Sr.

Sheets, Millard (designer)

Williams, Paul Revere

Skidmore, Owings & Merrill

Winslow, Carleton M. Sr

Smith & Williams

Witmer & Watson (David J. Witmer & Loyall F. Watson)

Starkman, Maxwell

Wong, Gin Dan

Stephenson, William

Woolf, John Elgin (designer)

Stone, Edward D.

Woolf, John Elgin & Robert Koch (designers)

Thiene, Paul

Tyler, Frank M.

Wright, Frank Lloyd

Urban Innovations Group

Wright, Lloyd

Van Pelt, Garrett Beekman, Jr.

(ELIMINATED FROM 2012 LIST)

Ache, William	Holmes & Sanborn	McCarty, Walter G.
Alperson, Edward	Honnold & Russell	Morgridge, Howard Henry
Arganbright, C.S.	Houseman Brothers	Nordstrom and Anderson
Black, Eric	Hunter, Paul R.	Oliver, Henry C.
Bollenbacher, John C.	Kennedy, Frederick Jr.	Pacific-Ready Cut Homes, Inc.
Carpenter Brothers	Kieffer, Ray J.	Parker, Max
Cornelius, James	King, Richard Douglas	Peck and Canfield
Dentzel, E.P.	Kolyar, Clinton B.	Pillsbury, Arthur C. (engineer)
Dryden, Nathaniel L.	Ladd & Kelsey Architects	Polsky, Donald P.
Eggers, Henry L.	Lincoln Mortgage	Reisbord, Samuel
Fowler, David	M. Burgbacher and Sons	Riesenberg, Herbert
Froehlich, Arthur & Associates	MacLean, George	Rothenberg, Albert (contractor)
Gogerty, Henry "Hank" L.	Marston, Carl	Russell, H. Vernon
Hillock & Son	Marston, Keith Palmer	Salisbury, Bradshaw & (Arthur) Taylor (engineers)
Hillock, J.H.	Marx, Samuel	Schutt, Burton A.
	Maybury, Edgar W.	

**Entries Eliminated on Version 2 of List of Master Architects
For Comparison Only**

Siple, Allen G.	Werner, Harry E.
Skinner, Robert H. (engineer)	Weyl, Carl Jules Sr.
Smith, Louis A. (engineer)	
Stanberry, F.E. (contractor)	
Staunton, William F. Jr.	
Stephenson, William	
Stone, Hicks	
Taylor & Taylor (engineer)	
Taylor, Arthur (engineer)	
Taylor, Edward Cray (engineer)	
Taylor, Ellis Wing (engineer)	
Trousdale, Paul	
Van Pelt & Lind, Architects	
Van Pelt, Garrett Beckman, Jr.	
Verge, Gene	
Waldo, M. (builder)	

**Entries Eliminated on Version 2 of List of Master Architects
For Comparison Only**