

**CITY OF BLACK HAWK
HISTORIC PRESERVATION COMMISSION
MEETING MINUTES
TUESDAY, MARCH 15, 2016**

1) CALL TO ORDER

The regular meeting of the Historic Preservation Commission was called to order by Chairman Hailey at 2:00 p.m. in the City of Black Hawk Council Chambers, 211 Church Street, Black Hawk, Colorado.

Commission Members Present: Lynnette Hailey, Chairman
Patricia Torres, Vice Chairman
Tom Gish, Commissioner
Curtis Linder, Commissioner
Larry Linker, Commissioner

Staff Members & Elected Officials Present: Cynthia Linker, Community Planning & Development Administrator
Sara Lang, HPC Secretary
Liz Cross, Legal Counsel

Public Present: None present.

Chairman Hailey noted for the record that a quorum was present.

2) CONFLICTS OF INTEREST

A. None

3) APPROVAL OF MINUTES

A. HPC Meeting Minutes – February 16, 2016

Chairman Hailey opened this item for approval and requested a motion to approve the meeting minutes from February 16, 2016, as amended. Commissioner Linder moved to approve the minutes as amended, and was seconded by Commissioner Gish. There was no discussion and the motion passed unanimously.

4) CONSENT AGENDA

A. None

5) HISTORIC GRANT APPLICATIONS

A. None

6) CERTIFICATES OF APPROPRIATENESS

A. None.

7) RECOMMENDATIONS FOR LOCAL HISTORIC DESIGNATION

A. None

8) COMPREHENSIVE PLAN AND/OR OTHER PLANS

A. DRAFT – Guides to Programs – Historic Preservation and Rehabilitation Grant

Administrator Linker shared with the Commission a proposed Request for City Council Action regarding the Black Hawk Historic Restoration and Community Preservation Fund Guide to Programs.

The City requested that a third party evaluate the City of Black Hawk Historic Restoration and Community Preservation Fund Guide to Programs and it was recommended that it be separated into 2 separate and distinct Guides to Programs (Rehabilitation Grant and Preservation Easement). Furthermore, it was recommended that the tax implications be explained in more depth in both the Rehabilitation Grant Guide to Programs and the Preservation Easement Guide to Programs.

Substantive changes to the Preservation Easement Program include:

1. Properties Owners with eligible property must submit a program application for a grant under the Rehabilitation grant Program.
2. By applying for a grant under the Historic Restoration and Community Preservation Fund grant Program (“Rehabilitation Grant”), a Property Owner agrees to participate in the City of Black Hawk Historic Preservation Easement Program.
3. The Historic Preservation easement work will be performed by the City.
4. The City will pay for all work performed pursuant to the Historic Preservation Easement Program.
5. The City does not consider the cost of the work performed by the City under the Historic Preservation Easement program taxable income under State and Federal income tax laws.
6. The City will not report the cost of the work to State and Federal taxing authorities.
7. If it is determined by the Internal Revenue Service or the Colorado Department of Revenue that the cost of the project is taxable income to the Property Owner, the City will reimburse Property Owners for additional State and Federal taxes paid by recipients that are directly attributable to the cost of the project.
8. Regardless of the City’s agreement to reimburse Property Owners for the initial State and Federal tax burden of a grant, the obligation to pay any taxes shall remain the responsibility of the Property Owner.
9. The section referencing “Any Project that expends funds in excess of fifty thousand dollars (\$50,000)... has been deleted in its entirety.
10. The Historic Preservation Easement agreement is signed prior to the Project, but recorded subsequent to Project completion.
11. The term of the Historic Preservation easement shall be ten (10) years and runs with the property to any new Property Owner. After ten (10) years, the then Property Owner may request release of the Easement.
12. Determination of what work will be performed pursuant to the Historic Preservation Easement Program is at the sole discretion of the Board of Aldermen,

and is subject to the annual budget and appropriation of the Historic Restoration and Community Preservation Fund.

Substantive changes to the Rehabilitation Grant Program include:

1. The Grants Awarded under the Rehabilitation Grant Program is considered income under State and Federal income tax laws.
2. Any Rehabilitation Grant that is approved by the City will be reported to State and Federal taxing authorities. As part of the Rehabilitation Grant Program and to the extent permitted by law, the City will reimburse Rehabilitation Grant recipients for additional State and Federal taxes paid by recipients that are directly attributable to the disbursement of grant funds if required documentation is timely filed with the City. [alternative. Grant recipients may be required to apply for the Colorado Historic Preservation Income Tax Credit.]
3. Regardless of the City's agreement to reimburse Grant recipients for the initial State and Federal tax burden of a Grant, the obligation to pay any taxes remains the responsibility of the Grant recipient.
4. Section 3.a.8 of the Rehabilitation Grant Guide to Programs is modified to read:
Reimbursement. In the event the amount of the Award plus the Tax Burden (the "Combined Amount") exceeds fifty thousand dollars (\$50,000.00) and the Property Owner sells or transfers the Property within five years of the Effective Date, the Property Owner shall reimburse the City the amount of the Combined Amount less an amount equal to one-sixtieth of the amount of the Combined Amount for each full month occurring between the date of this Agreement and the date of the sale or transfer of the Property (the "Reimbursement Amount").
5. Section 3.a.12 of the Rehabilitation Grant Guide to Programs is modified to read:
Receipt of the Rehabilitation Grant is taxable income to the recipient. The City of Black Hawk provides for reimbursement of a Property Owner's state and federal income tax liability in association with the receipt of a Rehabilitation Grant, per Resolution 10-2010. The City encumbers dollars in its accounting system to accommodate payment of the tax reimbursement. The Property Owner should consult with his or her tax advisor about whether the reimbursement here mentioned is itself income and gives rise to additional state and federal income tax liability. The City of Black Hawk does NOT reimburse the Property Owner for any additional state and federal income tax liability that might arise from said reimbursement.
 - i. The Property Owner is responsible for completing the necessary paperwork that establishes his or her payment of state and federal tax attributable to the receipt of the grant and delivering it to the City of Black Hawk Finance Department. A Property Owner shall be required to submit documentation for the tax payment reimbursement during the calendar year(s) following the receipt of the grant funds. If the reimbursement has not been requested within the time limits set forth herein, the encumbered funds will no longer be available to the Property Owner for state and federal tax payment reimbursement and such encumbered funds will be reallocated back into the City budget for other purposes.
 - ii. Property Owners may seek partial reimbursement for state income tax liability through the Colorado Historic Preservation Income Tax Credit, based on fund availability and subject to approval. [Alternative: If the Colorado Historic Preservation Income Tax Credit is available and if the Property Owner qualifies for it,

the Property Owner must apply for it. The City of Black Hawk will only reimburse Property Owners for their state income tax liability, net of the Colorado Historic Preservation Income Tax Credit that could have been claimed.]

6. Section 1.2 of the Rehabilitation Grant Program Agreement is modified to read: Receipt of the Rehabilitation Grant is taxable income to the recipient. To the extent permitted by law, the City hereby agrees to reimburse Property Owner for personal state and federal income taxes owed by Property Owner that are directly attributable to funds disbursed under the Award (the "Tax Burden"). By the due date established by the City, Property Owner shall provide evidence of the Tax Burden that is satisfactory to the City, in its sole discretion, prior to any payment of the Tax Burden by the City. In the event that Property Owner requests payment from the City prior to payment of his/her taxes, the City shall pay the Property Owner directly. In the event that Property Owner pays the Tax Burden him/herself and requests a reimbursement from the City, the City shall make such payment directly to the Property Owner. Property Owners may seek partial reimbursement for state income tax liability through the Colorado Historic Preservation Income Tax Credit, based on fund availability and subject to approval. [Alternative addition: If the Colorado Historic Preservation Income Tax Credit is available and if the Property Owner qualifies for it, the Property Owner must apply for it. The City of Black Hawk will only reimburse Property Owners for their state income tax liability, net of the Colorado Historic Preservation Income Tax Credit that could have been claimed.]

The Historic Preservation Commission recommends to the Board of Aldermen APPROVAL and ADOPTION of the two separate Guides to Programs for Rehabilitation Grant and Historic Preservation based on the criteria set forth in the staff report dated March 11, 2016. Creating the two separate Guides to Programs meets the intent of the criteria as outlined in Sections 16-328, 16-421 and 18-141 thru 18-144 of the Black Hawk Municipal Code.

9) COMMUNITY OUTREACH AND EDUCATION

A. The Jefferson County Historical Commission & Arvada Historical Society – Historic Preservation Symposium

Administrator Linker shared a flyer with the Commissioners. If anyone is interested in attending, there is money in the budget to cover the registration fee.

10) OTHER BUSINESS

A. Mark Rodman, Preservation Technical Services Manager; Lunch with Black Hawk/Central City/Gilpin County Representatives

Mark Rodman introduced himself to representatives from the City of Black Hawk, Central City and Gilpin County at a joint lunch held on March 2, 2016. He proposed some ideas for educational outreach opportunities which might showcase the beneficial historical preservation work the City of Black Hawk has been doing.

One idea was a joint educational/training event, such as the proposed 2016 Masonry Workshop, in conjunction with Gilpin County and Central City. Chairman Hailey suggested we ask Central City and Gilpin County if they would be able to share in

some of the expense and planning of the event or else simply invite them, along with CPI Board Members, to attend the Workshop organized by Black Hawk.

Another suggestion Mr. Rodman had was to invite CPI Board Members for a tour of the City of Black Hawk's historic preservation renovation projects to showcase how the funds have been spent. After discussion among the Commissioners, Chairman Hailey suggested that the CPI Board Members, instead, be invited to the May HPC meeting since it's Historic Preservation Month.

B. 2016 Grant Projects; Update

- **401 Chase Street** has been rented out
- **301 High Street** should have Substantial Completion by Friday and be turned over to the Homeowner by end of March
- **400 Chase Street:** Administrator Linker and Scott McClelland, the City's Owner's Rep, will meet with the City Manager on March 17th to go over the Construction Drawings. The Construction Drawings Meeting with the Homeowner will be held on March 22nd. The project will go out to bid soon. Administrator Linker noted that this is the last of the abandoned houses in the City of Black Hawk.
- **241 Dubois Street:** The Introductory Meeting with the Homeowners took place today. Once the revised Guides to Programs have been approved by City Council, the Homeowners can get documents signed and the project can begin.
- **211 Horn Street:** The City Attorney was finally able to speak with a representative from HUD regarding their concerns about the Guide to Programs and Subordination Agreement. It appears they may sign the paperwork by the end of the month.
- **Exterior Paint Program:** Six applications have been received so far, including a few from property owners who have never participated in the Program before. Scott McClelland and Secretary Lang will be doing site visits and developing scopes of work for each property. If any of the applicants choose to change the existing colors on their houses, the color changes must first be approved by the HPC. Chairman Hailey offered to move one of her applications to 2017 if the money budgeted does not cover all of the applicants for 2016.

11) COMMISSIONER COMMENTS:

- A. Vice Chairman Torres thanked the Commission for voting her in for another term as Vice President in her absence at the last meeting.

12) ADJOURN

With no other business, Chairman Hailey adjourned the meeting, seconded by Commissioner Gish at 2:45 p.m.

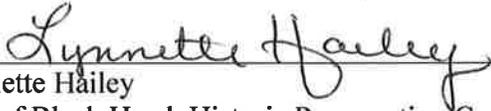
RECOMMENDED AND APPROVED:

BY:



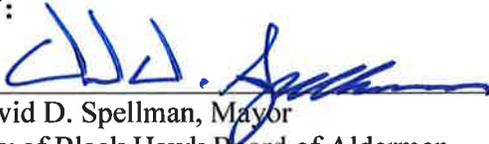
Sara Lang
HPC Secretary

BY:



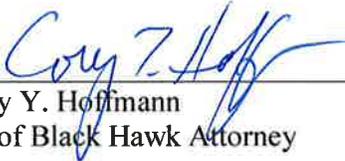
Lynnette Hailey
City of Black Hawk Historic Preservation Commission - Chairman

BY:



David D. Spellman, Mayor
City of Black Hawk Board of Aldermen

BY:



Corey Y. Hoffmann
City of Black Hawk Attorney