



DeKalb Public Library
Zimmerman Room
309 Oak St.
DeKalb, IL 60115

MINUTES
CITY OF DEKALB
LANDMARK COMMISSION
Special Meeting
May 18, 2016, 5:30 PM

The LANDMARK COMMISSION held a Special Meeting on MAY 18, 2016 at DEKALB PUBLIC LIBRARY.

Chair Donna Gable called the meeting to order at 5:42.

A. Roll Call

The following members of the Landmark Commission Members were present: Chairman Donna Gable, Donna Schultz-Xidis, Robert Glover, Amanda Durik. Members absent at roll call were: Pam Collins and Don Whitmore. Commissioner Don Whitmore was present arrived at 6:30 P.M.

Also present were City of DeKalb Community Development Director Ellen Divita, City Planner Derek Hiland, and Administrative Assistant Natalie Nelson. Darius Bryjka, Project Reviewer at the Illinois Historic Preservation Agency (IHPA), was also present. Natalie Nelson acted as recording secretary.

B. Approval of Agenda

Chairman Gable requested for a motion to approve the agenda. A. Durik move to approve, and R. Glover seconded the motion. All approved the agenda by voice vote.

C. Public Participation

None.

D. Approval of Minutes

None. April 18, 2016 minutes will be approved at the next regular meeting.

E. Old Business

None.

F. New Business

Chairman Gable asked if anyone received the emails from Landmarks Illinois. She reported upon the Chicago Suburban Preservation Alliance meeting, to take place on May 21, 2016 in Plainfield. She invited other members of the Commission to go along and possibly carpool with her. She asked the Commission to let her know if anyone else would like to come by the end of May 19th. She reminded the Commission that to retain Certified Local Government status, one member of the Landmark Commission must attend at least one annual training event on landmark preservation.

Director Divita read for the record the methods by which the Landmark Commission advertised the day's events. Two press releases were sent to local newspaper, radio, and TV stations on May 6th and May 16th, 2016. Flyers were sent to City Council members, City of DeKalb Planning and Zoning Commission members, City of DeKalb Building Board of Appeals members, DeKalb Downtown Merchant Group members, DeKalb Builders and Developers Association (with a request for their distribution), DeKalb Chamber of Commerce, local banks, Northern Illinois Realtor Association (with a request for their distribution), DeKalb Park District Director, and specific local businesses interested in construction and preservation work, including hardware and home improvement stores. Commissioners also made personal calls to people they felt would be interested. A letter of invitation was sent via USPS Mail to all property owners of records in the City's two historic districts and the Central Business District zoned properties. In total 268 letters and 180 emails of invitation were sent. The listserv for the Ellwood House Neighborhood also distributed the event information to its members.

Commission members introduced themselves. Mr. Bryjka introduced himself and explained his role in the IHPA and the work he has performed. He stated that Dee Coover, Library Director, with whom he had spoken before the Commission meeting began, reminded him that Secretary of State provided a grant to the DeKalb Public Library to allow for the building addition, and the IHPA also reviewed and approved the addition project. He explained that the IHPA overviews many projects and may make multiple site visits depending upon the extensiveness of the project. Site visits, like today, were his favorite part of his job.

Mr. Bryjka spoke about the differences between rehabilitation, restoration, preservation, and reconstruction, even though those terms are often used interchangeably. He explained that the IHPA follows the 10 rehabilitation standards of the National Parks Service (NPS). The NPS has also developed sustainability guidelines. Many of these guidelines are currently being reviewed and may be updated soon to allow for more currently acceptable practices.

Director Divita asked Mr. Bryjka if he was able to view DeKalb's downtown Central Business District. He replied that he became familiar downtown DeKalb during Main Street, a project Jennifer Groce headed when she was employed by

ReNew DeKalb several years ago. Mr. Bryjka explained that the survey of the Central Business District, which should begin this summer, is necessary before the area can be nominated to the National Register as a recognized historic district. This survey will require assessment forms for each building, including the address, a physical description of the building, and the history of the building's purpose. Mr. Bryjka noted that the larger the proposed district, the less the individual property descriptions weigh in the consideration by the National Register.

Mr. Bryjka discussed the meaning of "contributing" properties. Once the boundaries of the proposed district are determined, the period of significance dates can be set. These dates, as well as the integrity of a building, are factors that help decide whether a property in the district is considered contributing.

Appropriate façade cleaning methods were discussed. Mr. Bryjka warned against the use of sandblasting, which can destroy historic elements. He recommended using the Landmarks Illinois guidelines for cleaning of limestone facades.

Mr. Bryjka gave a brief overview of his presentation on tax incentives and guidelines for rehabilitation.

Director Divita asked Mr. Bryjak if he had any recommendations for the City. He advised following through and completing the National Register nomination process for the downtown Central Business District. He also recommended learning from other communities' successful downtown building historic preservation efforts and highlighting incentives for property owners. He pointed to his experience with Morrison, Illinois, which had a grain elevator that was excluded from the historic district while the downtown buildings were included. A. Durik asked Mr. Bryjka if he could point to other cities that are similar to DeKalb. Mr. Bryjka mentioned St. Charles, Geneva, Batavia, Peoria, and Plainfield. Aurora and Elgin are also good cities to model after; however, they both have used a different special funding program for historic preservation efforts due to their location on a river.

A. Durik asked Mr. Bryjka what he considered the best way to spread interest in historic preservation. He responded that often interest grows from a grass roots effort or when a significant event or building sparks a community's concern. He explained that historic register nomination is honorary and can help communities participate in historic preservation. Adhering to the rehabilitation guidelines is still voluntary for owners of nominated buildings and districts.

A short technology intermission occurred between 6:23 and 6:36 P.M.

When the group reconvened, Mayor Rey welcomed the guests in the audience and thanked the Landmark Commission for organizing the day's events. He

spoke upon the importance of remembering the DeKalb's history. He encouraged the preservation of historic DeKalb icons.

Director Divita spoke upon the City's Community Development's responsibilities and plans. Divita thanked Natalie Nelson for organizing the event. She introduced the Landmark Commission members and talk about the City's proposed plan to survey the historic structures in downtown DeKalb this summer. She introduced Mr. Bryjka to the audience.

Mr. Bryjka described his responsibilities at the Illinois Historic Preservation Agency, including his office work and community site visits. He told about his past experience with the DeKalb Main Street project in downtown.

Mr. Bryjka clarified the difference between a Historical Preservation Society and a Historical Preservation Agency. He explained that the Illinois Historic Preservation Agency does not enforce any guidelines or prevent demolition. Rather, it is a resource for people who are interested in responsibly rehabbing historic properties. He emphasized that there is some flexibility for when deciding whether to restore a building to its original state or a later state that still qualifies as historic. Historic preservation work should be compatible with the surrounding elements, so there is some decision-making is involved in historic preservation.

Mr. Bryjka then turned to present tax incentive information, beginning with Federal Rehabilitation Tax Credits, which apply to owners of commercial properties and their federal income taxes owed or to future tax eligibilities. Eligible owners may be individuals or businesses and must pay federal income taxes. This incentive is worth a percentage of the renovation cost. Either a deduction or a credit can be applied, not both.

The 10% Rehabilitation Tax Credit applies to non-historic commercial (non-rental) buildings built before 1936 that are not on the National Register or non-contributing in a National Register district. Work must pass a physical retention test and be "substantial rehabilitation"—at least 20% of the value of the building. There is no application fee. This program is administered by the IRS, and there this no review by the Illinois Historic Preservation Agency or National Parks Service.

The 50% Disabled Access Tax Credit for improvements to small businesses in existing buildings helps allow handicap accessibility improvements, including ramps, restrooms, elevators, sidewalks or walkways, and the redesign of entries and interior circulation. Work must meet current ADA Standards. Eligible expenditures must be between \$250 and \$10,250, and the maximum annual credit is limited to \$5,000. This program is administered by the IRS.

The two tax incentive programs that were the focus of Mr. Bryjka's presentation were the Property Tax Assessment Freeze and the 20% Federal Rehabilitation Tax Credit.

The first incentive presented was the Property Tax Assessment Freeze, which occurs over a twelve-year period: for years 1 through 8, the property's assessed value is frozen; for years 9 through 12, the property's assessed value steps up to an amount based upon its current market value, an increase of 25% per year. As property values increase over time, this can be a very valuable way to save money. This program essentially does not punish homeowners who increase the value of their homes through historic rehabilitations. The Property Tax Assessment Freeze criteria are as follows:

- **Significance:** Must be a Certified Historic Building, individually listed on the National Register, a contributing building within a National Register historic district, an individual landmark in certain municipalities, or a contributing building within a local landmark district in certain municipalities (including DeKalb).
- **Use:** Must be current or proposed use, not historic use, including single-family home, multi-family home up to 6 units (as long as the owner lives in one), condominiums, and co-ops.
- **Budget:** Must be a "substantial rehabilitation" with the owner investing at least 25% of the assessor's "fair cash value" of the building during a 24-month period (can push 24 months into the past for a start date of 48 months ago). Qualified rehabilitation expenditures include architectural and construction costs and depreciable soft costs (not purchase price, new additions or site work).
- **Work:** Must meet the Secretary of the Interior's Standards for Rehabilitation, including preserving existing significant features and materials on both exterior and interior, but does not require restoring a building or its features to their original appearance. Non-historic features may be removed or retained if desired. New, compatible alterations or additions may be added, but new additions outside the existing envelope cannot be claimed for the credit.

The Secretary of the Interior's Standards for Rehabilitation reviews both elements of the exterior (front of building, porches, rooflines, windows) and interior (foyers, living rooms, dining rooms, stairwells, and rooms with fireplaces). Work performed in kitchens, bathrooms, basements, attics, and bedrooms do not usually require review. In general, additions, garages and outbuildings, landscaping, and driveways do not qualify for this tax freeze. If a garage is historic and being rehabilitated, it may qualify.

The IHPA application process for the Tax Freeze requires:

1. Contacting IHPA,
2. Submission of application Parts 1 and 2, “before” photos, and architectural drawings,
3. IHPA review of application (may require providing additional information),
4. IHPA site visit (may or may not be necessary),
5. Completion of rehabilitation work according to application Part 2,
6. Submission of application Part 3 and “after” photos,
7. Upon approval, IHPA issuance of a Certificate of Rehabilitation to the property owner and the County Assessor
8. County Assessor application of the tax freeze after IHPA approval.

This tax freeze is transferable from the current owner to the first new owner, so the property may be flipped. The developer must submit application Parts 1 and 2 and complete the rehabilitation work. Then, the developer can sell the home with the freeze. The buyer (first “owner-occupant”) must submit application Part 3.

The second tax incentive presented was the 20% Federal Rehabilitation Tax Credit requirements. DeKalb has only a few buildings that would qualify for this program, those on the National Register, primarily. The 20% Federal Rehabilitation Tax Credit criteria are as follows:

- Significance: Must be individually listed on the National Historic Register or a contributing building within a historic district that has been listed on the National Register, or a local district certified by the National Park Service,
- Use: Current or proposed use (not historic use) must income-producing property, including commercial, hotel, office, industrial, agricultural, or rental residence,
- Budget: Must be a “substantial rehabilitation” with the owner spending \$5,000 or the Adjusted Basis (purchase price minus land value minus annual depreciation plus capital improvements), whichever is larger within a 24-month period or 60-month period for pre-approved phased projects, Qualified rehabilitation expenditures are architectural and construction costs and depreciable soft costs (not purchase price, new additions or site work),
- Work: Must meet the Secretary of the Interior’s Standards for Rehabilitation, including preserving existing significant features and materials on both exterior and interior, but does not require restoring a building or its features to their original appearance. Non-historic features may be removed or retained if desired. New, compatible alterations or additions may be added, but new additions outside the existing envelope cannot be claimed for the credit.

The IHPA application process for the Federal Rehabilitation Tax Credit requires:

1. Contacting IHPA,
2. Submission of application Parts 1 and 2, “before” photos, and architectural drawings,
3. IHPA review of application (may require providing additional information),
4. IHPA site visit,
5. IHPA forwarding application Parts 1 and 2 to the National Park Service,
6. Completion of rehabilitation work according to application Part 2,
7. Submission of application Part 3 and “after” photos.

The National Park Service assesses a sliding review fee based upon budgets. No fee is assessed for projects with costs up to \$80,000. Larger projects are assessed a fee of \$845 to \$6,500.

Owners of properties receiving the Federal Rehabilitation Tax Credit must retain the building for 5 years or return a pro-rated portion of the credits. Credits can be “syndicated.”

The IHPA reviews all steps of the project and forwards the project to the National Park Service for its review. This may extend the time it takes to get work preapproved. The IHPA has a 30-day limit to review projects, and the National Park Service has another 30-day limit to review projects.

Mr. Bryjka provided the following tips for all historic rehabilitation projects:

- Do not replace windows without contacting IHPA,
- Do not gut the building without contacting IHPA,
- Work with the building’s own history; non-original alterations may be significant on their own right,
- Before work begins, submit application Parts 1 and 2, “before” photos, and submit plans,
- Consult an accountant if interested in tax incentives.

The next portion of the presentation addressed the Secretary of Interior’s Standards for the Treatment of Historic Properties, which apply to both owner-occupied and income-producing historic buildings, regardless of the program and resource:

- Retain and repair the materials, features, finishes, spaces, and spatial relationships that give a property its historic character,
- Rehab Standards do not seek to freeze a property in time,
- Identify what’s historic and significant,
- Keep that and everything else can be sensitively changed.

IHPA reviews projects only if they receive federal or state funds (income tax credits) and license or permits (highway, sewage plant, or bank construction) to determine whether the project will negatively affect any historic resources, in particular whether the proposed work meets the Secretary of the Interior's 10 Standards for Rehabilitation:

Standard 1 states, "A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment."

Standard 2 states, "The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided."

Standard 3 states, "Each property shall be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or architectural elements from other buildings, shall not be undertaken."

Standard 4 states, "Most properties change over time; those changes that have acquired historic significance in their own right shall be retained and preserved."

Standard 5 states, "Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved."

Standard 6 states, "Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence."

Standard 7 states, "Chemical or physical treatments, such as sandblasting, that cause damage to historic materials shall not be used. The surface cleaning of structures, if appropriate, shall be undertaken using the gentlest means possible."

Standard 8 states, "Significant archeological resources affected by a project shall be protected and preserved. If such resources must be disturbed, mitigation measures shall be undertaken" (applicable for subdivisions and roads mostly).

Standard 9 states, "New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment."

Standard 10 states, "New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.

Mr. Bryjka concluded his presentation with photos of examples of IHPA rehabilitation projects, including Buck's Building in Springfield and Metropolitan Hall in Rockford. He noted that the IHPA also reviewed the addition to the DeKalb Public Library, as well as the rehabilitation work.

F. Announcements

None.

G. Adjournment

Hearing and seeing no additional comment from attendees, Chairman Gable closed the meeting at 8:10 P.M.

The next Landmark Commission meeting will be set at a future date.

NATALIE NELSON, Administrative Assistant

These minutes were approved by the Landmark Commission on August 4, 2016.