


TO: James L. App, City Manager
FROM: Ronald Whisenand, Community Development Director 
SUBJECT: Grand Jury Report on Historic Preservation
DATE: June 19, 2007

Needs: Review the Grand Jury's report and recommendations and provide a response as required by law.

Facts:

1. The 2006/2007 County Grand Jury investigated and reported on the City's handling of Smart & Final's 2005 request to demolish the Farmer's Alliance Building (Attachment 1).
2. On July 5, 2006, the City Council designated the Farmer's Alliance Building an historically significant resource meeting the criteria for listing on the National Register of Historic Places and directed staff to add the building to the City's inventory of historic resources.
3. Council's decision, which was supported by evidence in the public record, followed the City's Municipal Code requirements for the review of potentially historic properties and fully complied with the California Environmental Quality Act.
4. Subsequent to the 2006 determination, the Grand Jury reviewed Council's action and the process by which the City treats potentially significant buildings and properties.
5. Section 933.05 (c) of California Penal Code requires the City Council to respond to the findings and recommendations contained in the Grand Jury Report. The deadline for response is July 20, 2007.

Analysis &
Conclusion: The Grand Jury's investigation did not identify any violations of local or State laws. In fact, the City:

- Followed Municipal Code procedures on the treatment of potentially significant historic properties
- Investigated the potential significance of the building in accordance with the Secretary of the Interior Standards for the Treatment of Historic Properties and the California Environmental Quality Act
- Based decisions and findings on facts and information in the public record

There are a few factual errors contained in the Grand Jury's Report. A detailed analysis of those factual errors and omissions is provided in Attachment 3. These comments provide a more complete picture of how Smart & Final and their application were handled and document the factual information that supported the Council's finding of historical significance.

The Grand Jury Report includes four findings and three recommendations. The findings and recommendations focus on the need to update the City's historical preservation inventory and develop a program to preserve historic resources. As pointed out in the draft response letter (Attachment 2), update of the City's historic inventory and preparation of an Historic Ordinance is a Council goal that grew out of the February 15, 2007 Community Goal Setting Workshop. The update work program is waiting for inclusion in a future budget.

Policy

Reference: Not applicable

Fiscal

Impact: The Council previously inquired about the cost to update the City's Historic Inventory and development of an Historic Preservation Ordinance. As outlined in the attached Memo dated 8/31/06 (Attachment 4), the total cost to address recommendations contained in the Grand Jury Report would be approximately \$80,000. The workscope would include recommendations on the creation of a committee or commission that would be responsible for historic preservation.

Options:

- a. Authorize the Mayor to sign a letter responding to the Grand Jury Report (draft attached, Attachment 2)
- b. Amend, modify or reject the foregoing option.

Attached:

1. Grand Jury Report
2. Draft Mayor Response Letter
3. Detailed Comments on Grand Jury Report
4. Cost Summary of Historic Preservation Program



Grand Jury
P.O. Box 4910
San Luis Obispo, California 93403

RECEIVED
CITY MANAGER
MAY 23 2007
CITY OF PASO ROBLES
R. Whisenand

May 23, 2007

City Manager
Paso Robles, CA

Att: City Manager

The San Luis Obispo County Grand Jury has completed a review of **“Historic Preservation.”** The attached copy of the Grand Jury report is being provided to you two days in advance of its public release, as required by California Penal Code (PC) §933.05 (f), which states:

A grand jury shall provide to the affected agency a copy of the portion of the grand jury report relating to that person or entity two working days prior to its public release and after the approval of the presiding judge. No officer, agency, department, or governing body of a public agency shall disclose any contents of the report prior to the public release of the final report.

Your attention is especially directed to the requirement that this report be kept confidential until its public release by the Grand Jury.

California PC § 933.05 (c) also requires that the governing body of the public agency concerned shall respond to the findings and recommendations of the Grand Jury report within 60 days (or 90 days, whichever applies) from the above date. Please address your response directly to:

Presiding Judge
San Luis Obispo County Superior Court
1035 Palm St Room 385
San Luis Obispo, CA 93408

Should you have any questions, please contact the San Luis Obispo County Grand Jury at 805/781-5188.

Respectfully,

Handwritten signature of Joanna Hamburg in cursive.
Joanna Hamburg, Foreperson
2006/2007 Grand Jury



Grand Jury
P.O. Box 4910
San Juan Capistrano, California 92675

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HISTORIC PRESERVATION:

PRESERVING THE PAST TO ENRICH THE FUTURE.

Farmers Alliance Bldg, Paso Robles, CA

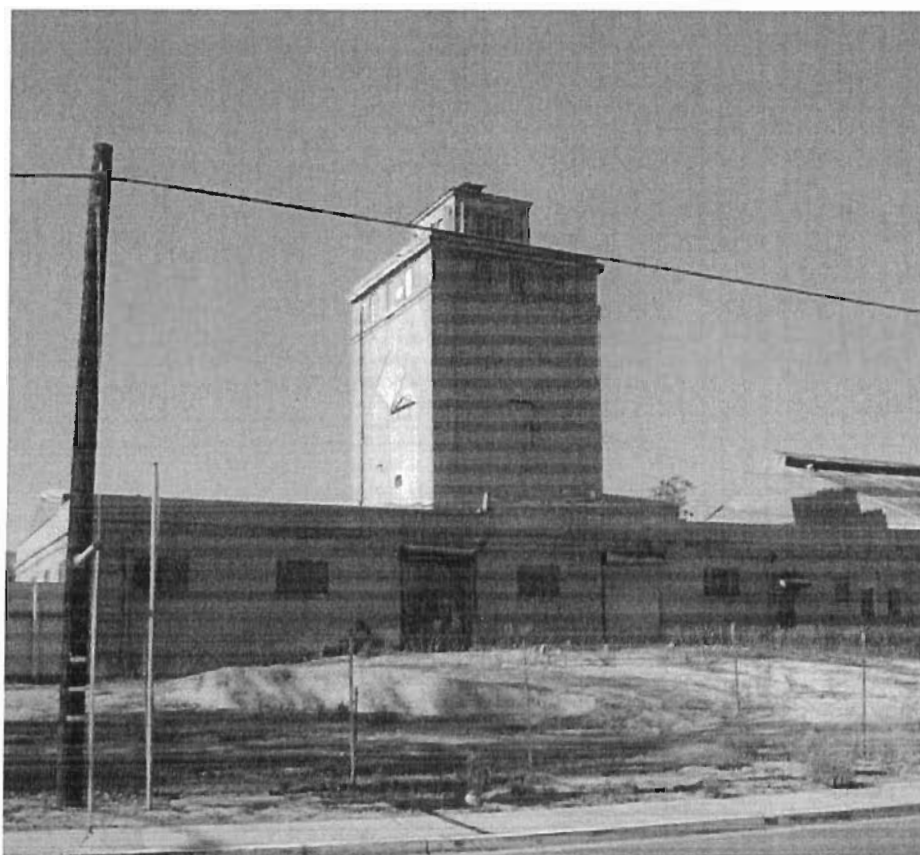


Photo by Sal Crespo, Jan. 2005

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HISTORIC PRESERVATION:

PRESERVING THE PAST TO ENRICH THE FUTURE

INTRODUCTION

The County of San Luis Obispo possesses a mixture of natural beauty with generally moderate climatic conditions that have made it a desirable location for human habitation for thousands of years. The rugged mountains contribute to both the existence of local microclimates which favors a variety of agricultural opportunities, and challenging overland access which has historically limited development and population growth. Ocean access has provided sources of food, resources for trade and transportation to distant markets.

The pattern of steady but limited growth has left distinct communities intact, each with a unique history of settlement and development. As a result, the county has become a desirable destination, both for tourists and for prospective new residents seeking refuge from a more hectic metropolitan life. This combination of tourism and a growing influx of new residents has contributed to a strong desire among many to have the area maintained largely as it is, while others have come to accept the need for change as part of the cost of providing new jobs and maintaining the health of existing local businesses that are not directly supporting tourism.

Often residential neighborhoods and commercial communities in the county still contain many older buildings due to the slow pace of development. Unlike some other parts of California, this county gives visitors a 'going back in time' feel, caused in large part by the prevalence of intact historic structures. Residents have sensed the need for identifying and defining the historic character of areas within their communities, and cataloging significant historic buildings, both commercial and

67 residential. All communities in the county, however, do not approach the issue of historic
68 preservation in the same way.

69

70 Private preservation efforts, beginning perhaps with Mt. Vernon in 1848, eventually led to the
71 National Historic Preservation Act of 1966, which requires states to administer the federal program.
72 California law gives local governments tools to help identify cultural resources and provide
73 incentives for rehabilitation and maintenance, while seeking a balance between property rights and
74 the public's interest in preserving local heritage.

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ORIGIN

78 The Grand Jury elected to inquire into the purchase of the Farmers' Alliance Building, Paso Robles,
79 by the Smart & Final Corporation in March, 2005 and the ultimate decision of Paso Robles' City
80 Council, denying the issuance of a demolition permit which would have enabled Smart & Final to
81 build a new store.¹ The investigation into this City Council action included an inquiry concerning
82 Paso Robles' process for identifying historic resources. The Grand Jury then began an investigation
83 of other communities in San Luis Obispo County and their processes for identifying and preserving
84 historic resources.

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86

METHOD

87 Grand Jurors interviewed Smart & Final's Corporate Vice President for Construction and Purchasing
88 along with the Director of Community Development for Paso Robles. They collected past and

¹ The Paso Robles City Council was supportive of Smart & Final coming to town and encouraged them to consider a restoration and adaptive reuse of the Farmers' Alliance Building. However, Smart & Final did not believe it was economically feasible to do so.

89 present data concerning historic relevance, City Council actions and how Paso Robles' procedures
90 for designating historical significance compares with that of other San Luis Obispo cities and San
91 Luis Obispo County (for the unincorporated areas).

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93

NARRATIVE

94 In 1891 heavy rainfall led to record wheat crops, prompting San Luis Obispo and Monterey County
95 farmers to come together and form the Farmers Alliance Business Association (FABA) for the
96 purpose of building a warehouse in Paso Robles and utilizing the railroad to ship their grain. They
97 purchased land and developed the site fronting the Southern Pacific sidetrack that served local
98 facilities of a competitor, Southern Pacific Milling. The competitor denied FABA the use of their
99 sidetrack and FABA filed a grievance with the newly formed California State Railroad Commission.
100 In August, 1891 the Commission voted that the Alliance was equally entitled to use the tracks with
101 the Southern Pacific Milling Company. This ruling helped save FABA while establishing a tradition
102 of supportive agricultural cooperation in California.

103

104 Paso Robles, once known as the "Almond Capital of the World," is home to the building now known
105 as the Farmers' Alliance Building. In 1922, the building was constructed as the Paso Robles Almond
106 Growers' warehouse and processing plant. In 1936, the FABA expanded warehouse operations and
107 purchased this building, just blocks away from its original site, which then became a cornerstone for
108 the FABA's processing operations. It functioned through the last half of the Great Depression,
109 World War II and into the prosperity of the 1950's. The FABA owned the warehouse until 1975
110 when, vacated and not used again until June 27, 1985, a Grant Deed was filed in the County of San
111 Luis Obispo in favor of a William Jacobson, who retained the property under the name "Riverside

112 Centre” until March 2, 2005 when it was sold to the Smart & Final Corp., City of Commerce,
113 California.

114

115 Prior to the purchase, Smart & Final attempted to do their due diligence. A representative from
116 Smart & Final reported to the Grand Jury the following events: In May, 2004 the company discussed
117 the subject site with the city’s Associate Planner and asked whether they would be able to build a
118 Smart & Final store on the site and if the site had historical significance. The Associate Planner
119 responded that the site was not historically significant, and that the company could build what they
120 were requesting, as long as they followed the Table of the Land Use requirements. On September
121 24, 2004 Smart & Final returned to the city and the same Associate Planner repeated/reassured them
122 that the demolition permit would not be a problem. On December 16, 2004 Smart & Final met with
123 several Paso Robles departments, including Planning (both the Community Development Director
124 and Associate Planner), and no indications were given that the project could not proceed as
125 envisioned. Based on information received from the City of Paso Robles, Smart & Final proceeded
126 with the purchase and escrow closed on March 5, 2005.

127

128 In September, 2005 The City of Paso Robles printed a notice of Smart & Final’s demolition permit
129 request in the San Luis Obispo *Tribune*, as required by Municipal Code chapter 17.16. The notice
130 generated approximately seven² e-mails/letters from concerned citizens imploring the council to
131 disallow the permit.

132

133 A public hearing was held on October 4, 2005. The outcome of which was to direct the preparation
134 of an historical evaluation on the Farmers’ Alliance Building.

² The Paso Robles Community Development Director, on May 3, 2007, indicated that there were nine emails/letters. However, when the Grand Jury originally asked for copies, only seven documents were supplied to us.

135 In November, 2005 The City of Paso Robles sent Smart & Final a request for \$50,000 to cover the
136 cost of a comprehensive “Historic Significance Report” by the “Historic Resources Group,” Los
137 Angeles, California. In July, 2006, based on the “Historic Significance Report,” the Paso Robles
138 City Council denied Smart & Final’s demolition request.

139

140 On December 6, 2006, San Luis Obispo Grand Jury members met with the Community Development
141 Director, City of Paso Robles, and inquired into the manner in which the city processes and allows
142 demolition permits, specifically with regard to Smart & Final. At that time, the Community
143 Development Director replied that the City Council acted within its jurisdiction and guidelines. The
144 Grand Jury was supplied with copies of the City’s process for building demolitions, CEQA
145 legislation regulating demolition of historic resources, and copies of documents related to demolition
146 requests for other buildings in Paso Robles.

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148

TIME LINE OF EVENTS

149 The following time line of events helps to explain the history of the Farmers’ Alliance Building, as
150 well as other buildings in Paso Robles which may have historical significance:

- 151 • 1922—Farmers’ Alliance Building (as currently known) was constructed and completed as a
152 warehouse and distribution facility for the Paso Robles Almond Growers’ Association.
- 153 • 1936—Farmers Alliance Business Association purchased the building.
- 154 • 1975—Building became vacant.
- 155 • 1978—Permit issued for interior work for office space.
- 156 • 1985—William Jacobson (known as “Riverside Centre”) purchased building.
- 157 • 1987—Permit issued for electric meter installations.
- 158 • 1988—Permit issued for re-roofing.

- 159 • 2001—Permit issued for cellular equipment work.
- 160 • December 16, 2004—Smart & Final’s Vice President submitted to Paso Robles Acting
161 Community Development Director plans to demolish the FABA building and replace it with
162 a new structure, leaving the tower section, if structurally sound, for use by the Smart & Final
163 store. Per Smart & Final, he “met with several departments, including planning” (“head
164 planner and associate planner”). “We really never got a negative response from the city nor
165 did they provide us with a letter indicating either a positive or negative response to our
166 proposal.”
- 167 • March 2, 2005—Escrow closed between sellers, Jacobson (Riverside Centre), and buyers,
168 Smart & Final.
- 169 • Owners of other structures in Paso Robles requested and received demolition permits:
- 170 ○ April 5, 2005: 2127 Oak Street, Paso Robles, application for demolition permit granted
171 (structure included in City’s 1984 Historic Resources Survey and Inventory.).
- 172 ○ April 19, 2005: 1344 Oak Street, Paso Robles (Methodist Church), application granted
173 for demolition permit (structure included in City’s 1984 Historic Resources Survey and
174 Inventory).
- 175 ○ June 21, 2005: 1319 Spring Street, Paso Robles, application for demolition permit
176 granted (structure included in City’s 1984 Historic Resources Survey and Inventory).
- 177 ○ August 2, 2005: 733 23rd St., Paso Robles (Mennonite Church), application to expand
178 outdoor playground for pre-school. Permit for expansion was granted (structure included
179 in City’s 1984 Historic Resources Survey and Inventory).
- 180 • September 12, 2005—Smart & Final filed demolition application with city to remove the
181 building and tower based on conceptual drawings for a new building with a new tower.

- 182 • September 14, 2005—Notice of Public Hearing regarding demolition application appeared in
183 the *Tribune*.
- 184 • October 4, 2005—Seven (see footnote 2) emails/Faxes were received between 11:30 am and
185 5:01 pm by City Council from concerned local citizens and others. No previous
186 correspondence was received from citizens regarding this matter. See Appendix A for times
187 received).
- 188 • October 4, 2005—Per City Council minutes, “The building that is proposed for demolition
189 [i.e., the building that was the subject of Smart & Final’s demolition request] was previously
190 listed in the City Inventory of Historic Resources, although at this time the information is
191 missing from the inventory.”
- 192 • November 29, 2005— Letter from City of Paso Robles to Smart & Final requesting \$50,000
193 for making bids to five firms with experience in historic resource evaluation.
- 194 • January 20, 2006—City of Paso Robles hired Historic Resources Group to prepare an historic
195 evaluation report on the Farmers’ Alliance Building.
- 196 • June 23, 2006—City of Paso Robles received report from Historic Resources Group finding
197 that Farmers’ Alliance building meets the criteria for listing on the National Register of
198 Historic Places and California Register of Historic Places and therefore is considered a
199 historic resource subject to the CEQA process.
- 200 • July 5, 2006— City Council adopted a resolution stating the Farmers’ Alliance Building is a
201 historic site that meets criteria for listing on national and state registers of historic places and
202 directing staff to add the building to the City’s Inventory of Historic Resources. City Council
203 then denied the demolition permit requested by Smart & Final.

204 As the above time-line shows, several other permits for demolition or expansion of facilities for
205 buildings on the City’s Historic Resources Survey and Inventory were granted. None of those

206 applicants were requested to either deposit funds or provide historic resource evaluations. Smart
207 & Final, however, was treated differently. After citizens complained about the proposed
208 demolition of the Farmers' Alliance Building, the company was required to obtain a \$50,000
209 historical evaluation and, based on the results of that evaluation, their demolition permit was
210 denied, even though the building was not currently included on the City's Inventory of Historic
211 Resources. City Council action on July 5, 2006 placed it there.

212
213 The Grand Jury requested from the Paso Robles Community Development Director
214 documentation pertaining to the process of denying or approving demolition requests for the
215 Farmers' Alliance Building and the other four properties mentioned earlier in the time line. Only
216 the farmers' Alliance documentation included the public notice required by CEQA.

217

218 **UPDATED RESPONSE SINCE GRAND JURY'S INQUIRY FROM**
219 **COMMUNITY DEVELOPMENT DIRECTOR, PASO ROBLES:**

220 The Grand Jury received the following information, dated March 16, 2007, from Paso Robles'
221 Community Development Director: "As a follow-up action to the Council's July 5, 2006 decision to
222 designate the Farmers' Alliance Building as historically significant, the Council directed staff to
223 explore and report back on the process to update the City's Inventory of Historic Resources and
224 adopt a Historic Preservation Ordinance. Staff has received a preliminary scope of work and cost
225 estimate to do so and will be presenting it to the Council for consideration as part of their 2007-09
226 budget. Budget adoption is still a few months away and we are unsure at this time how this program
227 will compete with many other worthwhile community goals. You will see that all demolition
228 requests followed the same process contained in Chapter 17.16 of the Municipal Code. The different
229 outcomes related to the historic significance of the buildings."

OTHER CITIES AND UNINCORPORATED AREAS

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SAN LUIS OBISPO:

For comparison purposes, the Grand Jury investigated the procedures used by other entities in the county, and the county itself, beginning with the City of San Luis Obispo. We found that inquiries to the San Luis Obispo Community Development Department's Planning Staff regarding possible demolition of any residence or commercial structure not listed on the City Inventory of Historic Resources or List of Contributing Properties, but having potential historical significance would result in the Community Development Director requiring an initial environmental study for historic resources in compliance with the California Environmental Quality Act (CEQA). That initial study would be forwarded to the City Cultural Heritage Committee (CHC) for review and recommendations. While approval of demolition is possible in cases of threat to the health, safety and welfare of the community, or where rehabilitation is economically infeasible, we found it likely that in the case of a structure such as the Farmers' Alliance building, the initial recommendation would be to seek alternatives, with demolition as the least favored option. A free brochure entitled *Owning and Renovating Historic Property in the City of San Luis Obispo* is available in the lobby of the Community Development Department which summarizes the above described procedures.

The City of San Luis Obispo created a Cultural Heritage Committee in 1981 consisting of seven volunteers, appointed by the City Council, and one City Planning Staff member whose duties include maintaining and updating a Master List of Historic Resources and a List of Contributing Properties, first published in 1983, that currently total about 725 structures. The CHC makes recommendations to the City Council on any renovation or demolition project on listed structures, nominations for additions to the lists, and other related matters the Council may so direct.

255 In 1987, the City established by resolution an Historical Preservation Program that defined three
256 historic districts, with a fourth added in 1994, and published *Historical Preservation Program*
257 *Guidelines* which provide a variety of information and assistance to anyone seeking to purchase or
258 renovate an historic property.

259

260 Owners of qualifying historic properties within the city who agree to renovate and maintain that
261 property for a period of at least ten years may apply for property tax relief under the terms of the
262 statewide Mills Act of 1972, which the City of San Luis Obispo adopted by resolution in the late
263 1990's. Of all the adjoining counties, only the Cities of San Luis Obispo and Monterey, and the
264 County of Monterey have qualified to participate in tax abatement offered by Mills Act contracts.
265 Currently, 82 cities and counties in California participate, and the City of San Luis Obispo has 25
266 such contracts with property owners, out of about 2,500 statewide.

267

268 Renovation projects of qualifying properties may use the State Historical Building Code (SHBC)
269 which allows for reasonable alternatives based on performance rather than the strict prescriptive
270 Uniform Building Code (UBC). Also, the SHBC does not automatically call for a full upgrading of a
271 facility undergoing a partial renovation as required in the UBC. The City of San Luis Obispo
272 Planning staff routinely recommends the SHBC and city inspectors are familiar with it.

273 The Grand Jury believes the Historical Preservation Program in the City of San Luis Obispo is the
274 best historic preservation program in the county and can serve as a model for other local
275 communities. However there are additional steps available, beyond what San Luis Obispo has taken.

276 One such step would be the Certified Local Government (CLG) Program established by the National
277 Historic Preservation Act of 1966 as amended in 1980. The 53 cities and counties in California that
278 are CLGs are eligible to apply annually for federal grants from the Historic Preservation Fund, and
279 receive technical assistance and training for local staff and volunteers. Some of the qualifications for

280 CLG status are, upgrading the local CHC to commission level by ordinance, committing to annual
281 training sessions for each commissioner, and establishing an Historical Preservation Program as an
282 ordinance.

283
284 In addition to investigating how the cities of San Luis Obispo and Paso Robles determine whether a
285 resource has historic significance, the Grand Jury inquired about similar processes in the other cities
286 within the county, and in the county government itself with respect to the unincorporated area of the
287 county. Below are brief summaries of each city's and the county's process to determine if a resource
288 has historic significance. These summaries are brief because they are essentially how the cities and
289 county described their processes, in writing, to the Grand Jury.

290
291 Arroyo Grande:

292 The first source of information used to determine if a building has historical significance is the city's
293 1991 Historical Resource Survey. In 2003 the city expanded the survey area. If a building lies
294 outside the overlay district the Community Development Director determines whether or not an
295 archeological report is required. In 2005 the city created an Historical Resources Committee (HRC),
296 but appointment of the HRC members did not take place until January 23, 2007. The role of the
297 HRC is to assist the Community Development Director with additional surveys and determination of
298 historical resources. Implementation of a new process and development of criteria for determination
299 of local historical resources is thus under way.

300

301 Atascadero:

302 The city's General Plan includes "Goals and Policies re: Historical Buildings/Cultural Resources."
303 In the 1990s the Atascadero Historical Society inventoried historic houses, known as "Colony
304 Homes." They are included in the city's Geographical Information System (GIS) which provides

305 map details based on satellite information. When an application for development or demolition is
306 received, Planning Department staff checks the application against the GIS map. Staff also reviews
307 all buildings in excess of 50 years old, including the architectural quality and integrity of those
308 buildings. If the permit request involves a listed historic building or a 50+ year old building
309 exhibiting historical architectural quality and integrity, staff follows procedures identified in CEQA
310 and federal standards and guidelines established by the Secretary of the Interior for Historic
311 Preservation, which includes preparation of an historic analysis by a qualified professional.

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313 Grover Beach:

314 The environmental documents prepared for the establishment of the City's Industrial Enhancement
315 Project Area in 2002 referenced the fact that there are no buildings or sites in the City listed on the
316 National Register of Historic Sites. The City's General Plan and Local Coastal Programs contain the
317 following policy: The applicant for a development or demolition permit must complete a
318 "Development Application and Environmental Information Form." Planning staff visit the site and
319 take photos. Based on the application, photos, and Environmental Information Form, staff
320 determines if further review is needed. The City has contracted with a local environmental
321 consulting firm to provide on-call assistance with this process, when it is deemed necessary.
322 City staff met with the Northern Chumash Tribal Council and completed official tribal cultural
323 awareness training.

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325 Morro Bay:

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327 A City Planner assigned to a specific project reviews and analyzes the applicable information in the
328 Historical Resources File System Information Center to ascertain whether the resource is cultural and
329 listed in the California Register of Historical Resources (CRHR). If it is, then the property qualifies

330 as a significant historical resource. If the property is not listed in CRHR, the City Planner then
331 reviews and analyzes whether the property is listed in a local historic register or deemed significant
332 in an historical resource survey. If the City Planner makes a determination that the property is not
333 significant even though it is listed in a local register or survey, he or she must cite for the record the
334 specific, concrete evidence which supports that determination.

335

336 If a resource that is not listed in, or determined to be eligible for listing in, the CRHR, is not included
337 in a local register of historic resources, or not deemed significant in an historical resource survey, it
338 may nonetheless be historically significant. Thus, the Planning Staff may determine that a resource
339 of historic significance exists where none had been identified before. The City Planner utilizes
340 recognized criteria to determine whether a previously unrecognized significant historical resource
341 exists.

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343 The steps described above are called an Initial Study. Based on the Initial Study, it is then
344 determined whether to prepare a Categorical Exemption, Negative Declaration, or EIR for the
345 project. After the City Planner prepares one of those three documents it is filed with the State
346 Clearing House and/or the County of San Luis Obispo and legal notice is given for review and
347 comment from any concerned members of the public.

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352 Pismo Beach:

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354 When the city receives an application to replace or reconstruct an existing building, staff examines a
355 title report or does a site visit. If the building is stated to be more than 50 years old or appears to be

356 an older building, the applicant is required to provide a professional assessment of the building's age
357 and significance. This assessment is used by the city to determine the next step.

358

359 Certain areas of the city may contain archeological material. These areas require an archeological
360 survey (Phase One Report) with submission of the development application. For all areas in the city,
361 work must cease if archeological material is discovered during construction.

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364 County of San Luis Obispo:

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366 The County Planning Department deals with historic resources on two levels:

367 1. Recognition of a limited number of structures and sites through the application of a General

368 Plan "H" designation, and

369 2. During the evaluation of individual projects through the California Environmental Quality

370 Act (CEQA) process.

371

372 The "H" (Historic) designation in the General Plan has been applied to a limited number of sites

373 in the unincorporated area. These designations are typically requested by property owners or

374 communities and the designation occurs during the update of the individual planning areas. An

375 evaluation (usually by the owner, the community, or staff) is conducted in order to support the

376 designation. The "H" designation requires a different level of permitting for alteration or

377 demolition, and encourages preservation of these designated structures or sites. These "H"

378 properties constitute the County's list of historic designated properties in the unincorporated area.

379

380 Any discretionary project is also subject to environmental review under CEQA. The State CEQA

381 guidelines include criteria for what is considered an historic resource. If a site meets any of the

382 criteria, the impacts to the historic resource need to be considered and evaluated during the
383 environmental review process. Due to the rather specialized nature of evaluating potentially
384 historic resources (e.g., historic, architectural expertise), and the need to apply the criteria
385 consistently, the county often requires an Historic Resource Evaluation be prepared by a
386 qualified professional. This report is used by the county in its determination as to whether a
387 structure qualifies as an historic resource and what mitigation measure may be appropriate.

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FINDINGS

- 390 1. Information pertaining to the Farmers' Alliance Building was missing from the City's Inventory
391 of Historic Resources, per the October 4, 2005 City Council minutes.
- 392 2. The Grand Jury believes a thorough local historic preservation process would decrease the
393 likelihood of situations similar to Smart & Final's purchase of a building they later learned they
394 were unable to use because of its historical significance.
- 395 3. Historic Preservation Committees/Commissions appear to be a key factor in assisting local
396 governments to identify historic resources and maintain continuity of processes across historic
397 resources and permit applicants.
- 398 4. The provisions of CEQA are intended to assist local governments in the proper identification and
399 treatment of historic resources consistent with Federal regulations. A significant degree of local
400 discretion exists, however, which allows local citizens to influence the degree of preservation in
401 their communities through their elected representatives. The Historical Preservation Program in
402 the City of San Luis Obispo, while it does not include all possible provisions of CEQA, can serve
403 as a model for other communities in the county, including making information available to
404 residents.

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RECOMMENDATIONS

- 1. The City of Paso Robles should review and improve their documentation procedures specific to their Historic Resources Survey and Inventory. (Finding 1)
- 2. Local governments in San Luis Obispo County that do not already have an Historic Preservation Committee/Commission should study the feasibility of creating one. Information about these committees/commissions can be obtained from the state Office of Historic Preservation (www.ohp.parks.ca.gov). (Finding 3)
- 3. If they are not already doing so, local communities should make available to their residents a handout/brochure containing information such as the following: (Finding 4)
 - Does the community have an historic preservation program?
 - Does the community have historic districts?
 - How does the community identify historic properties?
 - What benefits and services are available to owners of historic properties?
 - Can historic properties be changed? If so, what is the process?
 - Can historic structures be demolished? If so, what is the process?
 - What changes can be made to an historic structure without a building permit?
 - How can property owners find out more about their historic properties?

REQUIRED RESPONSES

County of San Luis Obispo Board of Supervisors (Recommendations 2 and 3)
Department of Planning and Building
(Recommendations 2 and 3)

430 City Council and City Administrator
431 for the Cities of: Arroyo Grande (Recommendation 3)
432 Atascadero (Recommendations 2 and 3)
433 Grover Beach (Recommendations 2 and 3)
434 Morro Bay (Recommendations 2 and 3)
435 Paso Robles (Recommendations 1, 2, and 3)
436 Pismo Beach (Recommendations 2 and 3)

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APPENDIX A

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List of e-Mails and Faxed Information Received Regarding Farmers' Alliance Building

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1. October 4, 2005 11 :30 am
2. October 4, 2005 1 :41 pm
3. October 4,2005 3:27 pm
4. October 4, 2005 Faxed letter
5. October 4, 2005 3:44 pm
6. October 4, 2005 4:22 pm
7. October 4, 2005 5:01 pm

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REFERENCES

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1. *California Public Resources Code*, Section 21084.1, Historic Resource Guidelines.
2. *California Environmental Quality Act (CEQA)*, Section 15300.2, Exceptions.
3. *California Environmental Quality Act (CEQA)*, Section 15300, Categorical Exemptions.
4. Remy, M. H. et al., 1999, *Guide to the California Environmental Quality Act*, Point Arena, California: Solano Press Books, 1999.
5. City of Paso Robles Municipal Code, Demolition of Buildings and Structures, Chapter 17.16.
6. Office of Historic Preservation web site: www.ohp.parks.ca.gov.

Attachment 2 Draft Grand Jury Response Letter



CITY OF EL PASO DE *"The Pass of the Oaks"*

June 20, 2007

The Honorable Roger Picquet, Presiding Judge
San Luis Obispo County Superior Court
1035 Palm Street Room 385
San Luis Obispo, CA 93408

Dear Judge Picquet:

Response to 2007 Grand Jury Report – "Historic Preservation"

The City Council reviewed and discussed the above referenced Grand Jury report at its meeting June 19, 2007. On behalf of the City Council I would like to thank the Grand Jury for its thoughtful evaluation of the status of the historic preservation in the City of Paso Robles.

We are pleased the report confirms that the City of El Paso de Robles followed all adopted local and State laws and supported their actions with findings of fact that are part of the public record. However, there remain a few factual issues contained in the final report that merit attention. I have attached a detailed summary of these matters for your reference.

As for the recommendations of the Grand Jury, the City Council agrees that the City of El Paso de Robles should update its historic resource inventory. In fact on July 5, 2006 after designating the Farmers Alliance Building as an historically significant building, the Council directed staff to report back on the process and cost to update the City's inventory and adopt an Historic Preservation Ordinance. This update effort was confirmed as a City Council Goal on February 15, 2007 and awaits future funding and implementation. The update process will also explore the merits of creating an Historic Preservation Commission/Committee (Grand Jury Recommendation No. 2) and informational handouts/incentive program (Grand Jury Recommendation No. 3).

Once again, we appreciate the Grand Jury's recognition of the importance to preserve the City's rich historical past.

Sincerely,

Frank R. Mecham
Mayor

Attachments

cc: Council
Planning Commission
Jim App, City Manager
Iris Yang, City Attorney
Ronald Whisenand, Community Development Director

Attachment 3 Comments on Grand Jury Report

Response to May 23, 2007 Grand Jury Report Historic Preservation: Preserving the Past to Enrich the Future

1. Page 4 (lines 115-126) The report states; “Prior to the purchase, Smart & Final did their due diligence. A representative from Smart & Final reported to the Grand Jury the following events: In May, 2004 they discussed the subject site with the city’s Associate Planner and asked whether they would be able to build a Smart & Final store on the site and if the site had historical significance. The Associate Planner responded that the site was not historically significant, and that the company could build what they were requesting, as long as they followed the Table of the Land Use requirements.” The report seems to imply that Smart & Final was unfairly treated and misled by City staff. Without the complete story, it is understandable how one could draw such a conclusion. However, for the record, City staff met with representatives of Smart & Final and outlined the process that all buildings proposed for demolition must go through (consistent with Municipal Code requirements). The Associate Planner has no authority under the Municipal Code to authorize demolitions, he did not advise the applicant that a “demolition permit would not be a problem.”
2. Page 4 (line 115) As to Smart & Final’s due diligence on the property, it has been previously pointed out that Smart & Final’s own representatives brought into the City a copy of an August 20, 1922 newspaper article about the completion of the Almond Grower’s Warehouse.
3. Page 4 (lines 128-131 and footnote 2) Copies of the following letters and emails were provided to Grand Jury investigators:
 - a. Michael Buhler; Regional Attorney, National Trust for Historic Preservation
 - b. Milford Wayne Donaldson, State Historic Preservation Officer
 - c. Paula Juelke Carr
 - d. Thomas Wheeler; Board Member, Heritage Shared
 - e. Matt Masia
 - f. Barbara Bilyeu
 - g. Michael Magliari; Profession of History, California State University Chico

In addition, a copy of the minutes from the October 4, 2005 Council meeting (previously provided to the Grand Jury) show that in addition to the Smart & Final representative, the Council also heard testimony from Bob Tomaszewski, Ron Rose, Dennis Judd, Norma Moye, Gene Ernst, Walt Heer, Tom Hardwich, and Charles Narrow.

4. Page 4 (lines 133-134) The outcome of that hearing, as previously reported to the Grand Jury, was to direct the preparation of an historical evaluation to verify input received at the hearing that the building was “historically significant” as defined by the California Environmental Quality Act (CEQA) and to explore alternatives to demolition.
5. Page 5 (lines 135-138) As directed by the City Council, a “Historic Resource Evaluation” was required in order to assess the historic significance of the Farmer’s Alliance Building pursuant to the California Environmental Quality Act. The report

- concluded the building meets the criteria for listing on the National and State Register of Historic Places. Based on this report and public testimony, the Council determined that the building was a significant historical resource to the City of El Paso de Robles. The demolition permit was denied due to the finding that doing so “would have a significant and adverse impact to the environment in accordance with CEQA.” (see Council staff report and minutes from the meeting of July 5, 2006 previously provided to the Grand Jury)
6. Page 6 (lines 160-166) Plans for demolition were submitted to the City of el Paso de Robles. The Planning Director at that time was Robert Lata. Since City staff has no authority to authorize demolition, it is understandable why no “adverse or positive response to the plans” was provided.
 7. Page 6 (lines 169-179) The report cites four examples of other buildings that received approvals for demolition. Important facts missing from the report are as follows:
 - a. All four buildings went through the same Municipal Code process for demolition as did the Farmer’s Alliance Building.
 - b. All four demolition requests were approved based on findings in the record that the structures in question “were not historically significant.”
 - c. Based on evidence in the record, that same finding could not be made with the request to demolish the Farmer’s Alliance Building.
 8. Page 7 (lines 184-187) See statement of facts in response 3 above.
 9. Page 7 (lines 202-203) As previously stated in 5 above, the Council’s denial of the demolition request was based on the finding that doing so “would have a significant and adverse impact to the environment in accordance with CEQA.” Demolition would have had an “adverse impact to an environmental resource” and thus triggered an EIR in accordance with State law.
 10. Pages 7 & 8 (lines 204-211) The Farmer’s Alliance Building and the “several other permits for demolition” all followed the exact same process outlined in the City’s Municipal Code. Smart & Final was not treated differently. The only difference was that their building was identified during this process to be a significant historic resource unlike the other buildings that were removed. Also as explained to Grand Jury members, the California Environmental Quality Act defines “historically significant buildings” as:
 - a. Those designated on the National Register of Historic Places;
 - b. Those designated on the California Register of Historic Places;
 - c. Those designated on a local list of Historic Places (not on a local inventory of properties); and
 - d. **Those properties not previously listed, but eligible for listing based on new information or evaluation.**
 11. Page 8 (lines 213-216) The Grand Jury concluded that the Farmer’s Alliance Building was the only demolition request to include “public notice required by CEQA.” The Council minutes (previously supplied) clearly state that the Council adopted the required Negative Declaration pursuant to CEQA. Public notice was supplied in each case in a manner required by law (see attached).
 12. Page 15 (lines 392-394) The Grand Jury concludes that Smart & Final will be unable to use this building because of its historical significance. It is important to point out that in denying the request for demolition; the Council encouraged Smart & Final to explore an adaptive re-use of the building for their operations. It is also

important to point out that adapting restored historic buildings for commercial enterprises is a common practice throughout the nation.

13. Page 16 (lines 407-408) Recommendation 1 is unclear. Current procedures are clearly called out in the Municipal Code (copy provided to Grand Jury members). Those procedures were followed in each and every case cited in the report. Given the relationship to Findings 1 and 2, the City is assuming that the Grand Jury is recommending that the City update its Inventory of Historic Resources and prepare an Historic Preservation Ordinance and/or procedures for the treatment of potentially historic properties.

Attached:

Verification of Public Notice (ref. comment 11)

THE *Newspaper of the Central Coast*
TRIBUNE

3825 South Higuera • Post Office Box 112 • San Luis Obispo, California 93406-0112 • (805) 781-7800

In The Superior Court of The State of California
In and for the County of San Luis Obispo
AFFIDAVIT OF PUBLICATION

AD #6159670
CITY OF PASO ROBLES

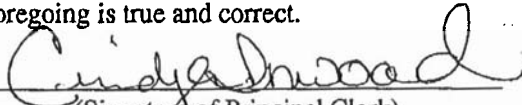
STATE OF CALIFORNIA,

SS.

County of San Luis Obispo

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen and not interested in the above entitled matter; I am now, and at all times embraced in the publication herein mentioned was, the principal clerk of the printers and publishers of THE TRIBUNE, a newspaper of general circulation, printed and published daily at the City of San Luis Obispo in the above named county and state; that notice at which the annexed clippings is a true copy, was published in the above-named newspaper and not in any supplement thereof – on the following dates, to-wit MARCH 30, 2005; that said newspaper was duly and regularly ascertained and established a newspaper of general circulation by Decree entered in the Superior Court of San Luis Obispo County, State of California, on June 9, 1952, Case #19139 under the Government Code of the State of California.

I certify (or declare) under the penalty of perjury that the foregoing is true and correct.


(Signature of Principal Clerk)

DATED: MARCH 30, 2005
AD COST: \$68.08

CITY OF EL PASO DE ROBLES
NOTICE OF PUBLIC HEARING
NOTICE OF NEGATIVE DECLARATION
OF ENVIRONMENTAL IMPACT
NOTICE IS HEREBY GIVEN that the City Council of the City of El Paso de Robles will hold a Public Hearing to consider Demolition 05-002, a request by Pults & Associates on behalf of First United Methodist Church of Paso Robles, to demolish the building located at 1344 Oak Street (Parcel No. 009-037-012).
The property owner has not indicated in what form they plan on replacing the building. Any application for new construction would be subject to separate consideration consistent with Zoning Code requirements.
The public review period for the Draft Negative Declaration commences on March 30, 2005 and ends at the Public Hearing, which is scheduled to take place on Tuesday, April 19, 2005 at the hour of 7:30 pm in the Conference Center (First Floor) at the Paso Robles Library/City Hall, 1000 Spring Street, Paso Robles, California. All interested parties may appear and be heard at this hearing.
Copies of the staff report to the City Council will be available for review in the City Library and City Hall on the Friday before the City Council meeting. Photocopies of the staff report may be purchased for the cost of reproduction.
Written comments on the proposed demolition may be mailed to the Community Development Department, 1000 Spring Street, Paso Robles, CA 93446 provided that such comments are received prior to the time of the public hearing. Oral comments may be made at the hearing. Should you have any questions regarding this application, please call Darren Nash at (805) 237-3970.
If you challenge the demolition application in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing.
Darren Nash, Associate Planner
March 30, 2005 6159670

April 19, 2005

PROOF OF PUBLICATION

LEGAL NEWSPAPER NOTICES

PLANNING COMMISSION/CITY COUNCIL
PROJECT NOTICING

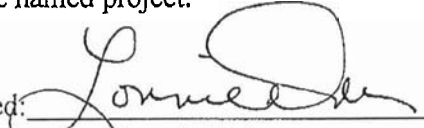
Newspaper: Tribune

Date of Publication: March 16, 2005

Meeting Date: April 5, 2005
(City Council)

Project: Demolition 05-001
(Murrell/Searidge Investments)

I, Lonnie Dolan, employee of the Community Development Department, Planning Division, of the City of El Paso de Robles, do hereby certify that this notice is a true copy of a published legal newspaper notice for the above named project.

Signed: 
Lonnie Dolan

forms\newsaffi.691

CITY OF EL PASO DE ROBLES
NOTICE OF PUBLIC HEARING
NOTICE OF INTENT TO ADOPT
A NEGATIVE DECLARATION

NOTICE IS HEREBY GIVEN that the City Council of the City of El Paso de Robles will hold a Public Hearing to consider adoption of a Negative Declaration (statement that there will be no significant environmental effects) in accordance with the provisions of the California Environmental Quality Act (CEQA) for the following project:

DEMO 05-001: a proposal filed by Tom Murrell on behalf of Searidge Investments, for the demolition of the existing house located at 2127 Oak Street. The applicants are proposing to demolish the structure and rebuild new residential dwelling units on the site.

The notice is consistent with the processing procedures for Significant Buildings or Structures as described in Section 17.16.050 of the City of Paso Robles Zoning Code.

The public review period for the Draft Negative Declaration commences on March 16, 2005 and ends at the Public Hearing, which is scheduled to take place on Tuesday, April 5, 2005 at the hour of 7:30 pm in the Conference Center (First Floor) at the Paso Robles Library/City Hall, 1000 Spring Street, Paso Robles, California. All interested parties may appear and be heard at this hearing.

The proposed Negative Declaration may be reviewed at the Community Development Department, 1000 Spring Street, Paso Robles, California. Copies may be purchased for the cost of reproduction.

Written comments on the proposed Demolition Permit and Negative Declaration may be mailed to the Community Development Department, 1000 Spring Street, Paso Robles, CA 93446 provided that such comments are received prior to the time of the public hearing. Oral comments may be made at the hearing. Should you have any questions regarding this application, please call Darren Nash at (805) 237-3970.

If you challenge the Demolition Permit or Negative Declaration applications in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing.

Darren Nash, Associate Planner
March 16, 2005 6140693

PROOF OF PUBLICATION

LEGAL NEWSPAPER NOTICES

PLANNING COMMISSION/CITY COUNCIL
PROJECT NOTICING

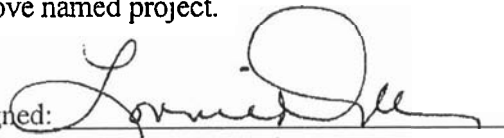
Newspaper: Tribune

Date of Publication: June 1, 2005

Meeting Date: June 21, 2005
(City Council)

Project: Demolition 05-003
(Norm Bridge-1319 Spring St.)

I, Lonnie Dolan, employee of the Community Development Department, Planning Division, of the City of El Paso de Robles, do hereby certify that this notice is a true copy of a published legal newspaper notice for the above named project.

Signed: 
Lonnie Dolan

forms/newsaffi.691

CITY OF EL PASO DE ROBLES
NOTICE OF PUBLIC HEARING

NOTICE OF NEGATIVE DECLARATION OF ENVIRONMENTAL IMPACT

NOTICE IS HEREBY GIVEN that the City Council of the City of El Paso de Robles will hold a Public Hearing to consider Demolition 05-003, a request by Ralph McCarthy on behalf of Norman & Frances Bridge, to demolish the unreinforced masonry building located at 1319 Spring Street (Parcel No. 009-037-010).

The property owner has not indicated in what form they plan on replacing the building. Any application for new construction would be subject to separate consideration consistent with Zoning Code requirements.

The public review period for the Draft Negative Declaration commences on June 1, 2005 and ends at the Public Hearing, which is scheduled to take place on Tuesday, June 21, 2005 at the hour of 7:30 pm in the Conference Center (First Floor) at the Paso Robles Library/City Hall, 1000 Spring Street, Paso Robles, California. All interested parties may appear and be heard at this hearing.

Copies of the staff report to the City Council will be available for review in the City Library and City hall on the Friday before the City Council meeting. Photocopies of the staff report may be purchased for the cost of reproduction.

Written comments on the proposed demolition may be mailed to the Community Development Department, 1000 Spring Street, Paso Robles, CA 93446 provided that such comments are received prior to the time of the public hearing. Oral comments may be made at the hearing. Should you have any questions regarding this application, please call Darren Nash at (805) 237-3970.

If you challenge the demolition application in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing.

Darren Nash, Associate Planner
June 1, 2005 6192067

PROOF OF PUBLICATION

LEGAL NEWSPAPER NOTICES

PLANNING COMMISSION/CITY COUNCIL
PROJECT NOTICING

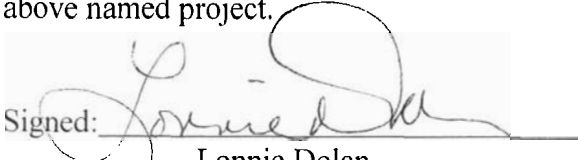
Newspaper: Tribune

Date of Publication: June 29, 2005

Meeting Date: July 19, 2005
(Planning Commission)

Project: Demolition 05-004 (First
Mennonite Church 733-23rd St.)

I, Lonnie Dolan, employee of the Community
Development Department, Planning Division, of the City
of El Paso de Robles, do hereby certify that this notice is
a true copy of a published legal newspaper notice for the
above named project.

Signed: 
Lonnie Dolan

forms/newsaffi.691

CITY OF EL PASO DE ROBLES
NOTICE OF PUBLIC HEARING
NOTICE OF INTENT TO ADOPT
A NEGATIVE DECLARATION

NOTICE IS HEREBY GIVEN that the City Council of the City of El Paso de Robles will hold a Public Hearing to consider adoption of a Negative Declaration (statement that there will be no significant environmental effects) in accordance with the provisions of the California Environmental Quality Act (CEQA) for the following project:

DEMO 05-004: a proposal filed by First Mennonite Church, for the demolition of the existing house located at 733 23rd Street. The applicants are proposing to demolish the structure so that the pre-school play ground can be enlarged.

The notice is consistent with the processing procedures for Significant Buildings or Structures as described in Section 17.16.050 of the City of Paso Robles Zoning Code.

The public review period for the Draft Negative Declaration commences on June 29, 2005 and ends at the Public Hearing, which is scheduled to take place on Tuesday, July 19, 2004 at the hour of 7:30 pm in the Conference Center (First Floor) at the Paso Robles Library/City Hall, 1000 Spring Street, Paso Robles, California. All interested parties may appear and be heard at this hearing.

The proposed Negative Declaration may be reviewed at the Community Development Department, 1000 Spring Street, Paso Robles, California. Copies may be purchased for the cost of reproduction.

Written comments on the proposed Demolition Permit and Negative Declaration may be mailed to the Community Development Department, 1000 Spring Street, Paso Robles, CA 93446 provided that such comments are received prior to the time of the public hearing. Oral comments may be made at the hearing. Should you have any questions regarding this application, please call Darren Nash at (805) 237-3970.

If you challenge the Demolition Permit or Negative Declaration applications in court, you may be limited to raising only those issues you or someone else raised at the public hearing described in this notice, or in written correspondence delivered to the City Council at, or prior to, the public hearing.

Darren Nash, Associate Planner
June 29, 2005

620/679

Attachment 4 Cost Summary of Historic Ordinance

Memorandum

To: Mayor and Council

From: Ronald Whisenand, Community Development Director 

CC: Jim App, City Manager

Date: 08/31/2006

Re: Historic Preservation Ordinance Options

As a follow-up to your July 5th action to designate the Farmer's Alliance building as a historical resource, you asked about updating the City's Historic Resource Inventory and preparation of an Historic Preservation Ordinance.

The City's current inventory of historic properties was last updated in 1984. The needed historical research and property surveys that would lead to an updated Historic Resource Inventory would cost approximately \$40,000.

Preparation of the Ordinance, evaluation of possible historic districts, and historic preservation training for staff and decision makers has been estimated to cost an additional \$35,000, therefore, both components would cost \$75,000-\$80,000 to complete.

Historic preservation is one of several valuable programs that are called for in your recently adopted Economic Strategy. It would, therefore, seem advisable that each of those programs be evaluated together during the 2007 goal-setting and budget update process. In the meantime, staff will continue to evaluate impacts to historic properties through the regulatory guidelines provided by the California Environmental Quality Act.