



**CITY OF BOULDER
CITY COUNCIL AGENDA ITEM**

MEETING DATE: April 16, 2019

AGENDA TITLE

Consideration of a motion to support the exploration of a lease for the Harbeck-Bergheim House at market rate favorably considering community values but in no instance at less than full cost recovery.

PRESENTERS

Jane Brautigam, City Manager

Yvette Bowden, Director, Parks and Recreation Department

Ali Rhodes, Deputy Director

Jeff Haley, Planning, Design and Community Engagement Manager

Tina Briggs, Parks Planner

Caitlin Berube-Smith, Historical and Cultural Asset Coordinator

EXECUTIVE SUMMARY

Last April, staff began a planning initiative to engage the community and decision makers in determining the long-term approach to the future use, management and ownership of the locally designated historic Harbeck-Bergheim House (house), an asset with a long, rich history in Boulder. The project began with multiple options considered for the future use and ownership of this landmarked amenity and is now in the final phase having identified the preferred option based upon in-depth research, robust community engagement and thoughtful consideration of both the Parks and Recreation Advisory Board (PRAB) and the Landmarks Board.

The purpose of this memo is to present the identified preferred option and request City Council's consideration of a motion for approval. The identified preferred option is City retained ownership with the exploration of a lease of the house that would be sourced and

negotiated considering community-identified values. Such lease exploration, if and as supported by City Council, would seek market rate but would allow a reduced offer in lieu of implemented community values identified during the above-referenced engagement process. In no instance, however, would staff negotiate a lease option less than a cost recovery thereby allowing the department to cover the costs of general maintenance and adequate funding for basic repair and replacement (R&R) needs of the house.

STAFF RECOMMENDATION

Suggested Motion Language:

Consideration of a motion to support the exploration of a lease for the Harbeck-Bergheim House at market rate favorably considering community values but in no instance at less than full cost recovery.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- Economic – A home inspection (Attachment A) report and an in-depth house appraisal (Attachment B) were relied upon to understand the current state and value of the home to calculate average annual costs of ownership and management that were ultimately used to evaluate options. Key data below shows how industry standards (verified as accurate by Facility Asset Management staff and City Property Agent) is used to calculate the total cost of ownership.

Estimated Value	
Final Reconciled Value	\$ 3,066,000
Insurable Value (IV)	\$ 1,045,000
Annual Cost Calculation	
Operations and Maintenance <i>(industry standard is 2% of IV)</i>	\$ 20,900
Repair and Replacement <i>(industry standard is 2.5% of IV)</i>	\$ 26,125
Total Cost of Ownership	\$ 47,025
Annual Market Rent Conclusions 'as is condition'	
Single Family Residential	\$ 39,600
Office Space	\$ 81,929

Cost recovery is calculated as the total cost of ownership, excluding daily operational expenses such as heat, lights, internet etc., which would likely be the responsibility of the future lessee. An estimated full cost recovery rate is calculated at \$36,000/yr allowing \$11,000/yr in expected daily operational costs.

In appreciation of precedents (local and/or in other communities nationwide) and how those experiences and initiatives have been successful with similar historic municipal properties, case studies (Attachment C) were pursued demonstrating

success in meeting community values in a wide variety of ways with a varying degree of cost recovery. These case studies provided a base of knowledge for development and evaluation of refined options. Staff also learned from the case studies that there is not a single best practice in such instances, but rather many successful models from which our community might benefit.

- Environmental – Overall environmental impacts would be consistent with existing use, assuming a similar use will follow in its place. Considerations for current codes and historic integrity would be made with any renovation proposal.
- Social - Staff recognized the rich history of the house, community desires and perceptions of the property and developed a decision-making process with an early and robust community engagement plan to ensure all community members and key stakeholders could participate.

Typical to any asset within the department's portfolio, staff must carefully consider house ownership and management based upon the direction of the department's master plan, the PRAB and City Council and as aligned with community values. Early in the process, staff also convened a stakeholder committee that has been influential in guiding the process, reviewing the research and background information as well as providing input on options and deliverables.

OTHER IMPACTS

- Fiscal – The identified preferred option which is the subject of this memorandum provides minimal funding towards the ongoing care of this Boulder landmarked asset. Any negotiated lease amount above full cost recovery might provide additional funding to support capital funding for this and/or other Parks & Recreation assets as outlined in the Parks & Recreation Master Plan.

In addition, funding for recommended repairs to the stairwell window are currently not funded but would be absorbed as part of the department's capital planning efforts.

- Staff Time – Implementation of the preferred option would be performed by exiting staff and/or consulting personnel. Staff resources would be utilized to develop and evaluate responses to the request for proposal (RFP). The support of professional leasing organization specializing in local historic properties may be considered for the widest reach of lease opportunities.

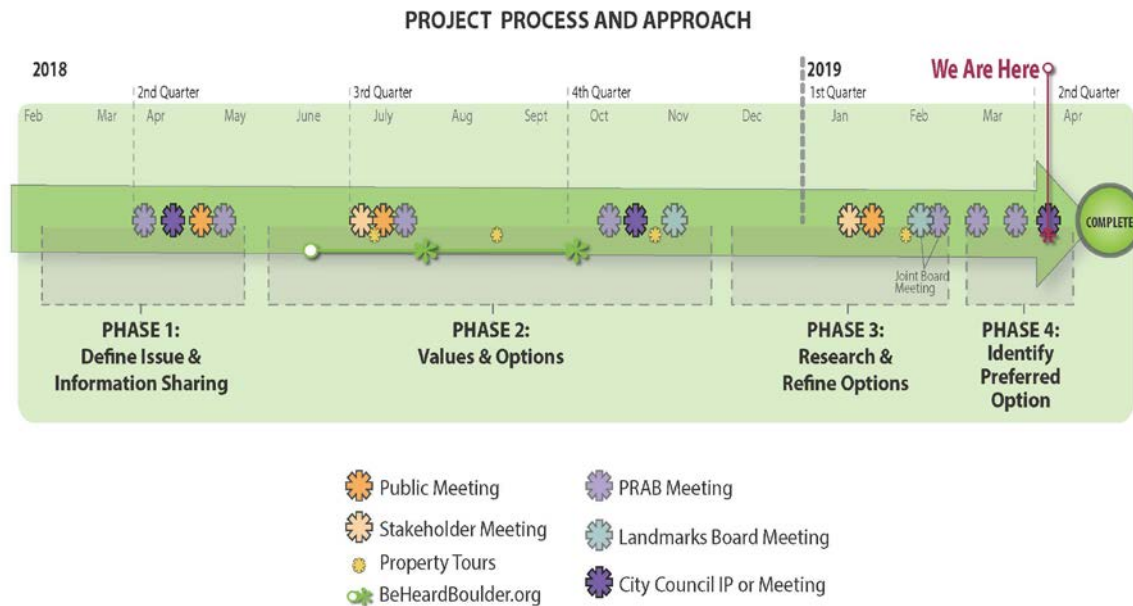
BOARD AND COMMISSION FEEDBACK

Strong support for the motion has been demonstrated by the community and boards. The PRAB unanimously voted to approve the motion after 8 community members representing organizations such as the University Hill Neighborhood Association, Historic Boulder and Friends of the Harbeck-Bergheim House spoke in support of the motion at the PRAB public hearing held on March 25. A representative of the Landmarks

Boards spoke in support of the motion at the hearing in addition to a letter of support (Attachment D) submitted to PRAB in March.

PUBLIC FEEDBACK

The process and public engagement plan for this project follows the city's [Engagement Strategic Framework](#), adopted by City Council in November 2017, which developed as a result of work completed by the community-based Public Participation Working Group appointed to explore public participation and develop recommendations to enhance engagement.



Project Process and Approach (Attachment E)

Process engagement efforts consisted of many techniques and opportunities to inform and reach a broad audience. Staff utilized citywide (What's Up Boulder) and department-wide open house events along with interactive online outreach (BeHeardBoulder.org) with participation incentives to take advantage of cross-promotion from other departments and divisions with active engagement projects to reach community members outside of their normal scope of interest.

Staff invited a stakeholder group (Attachment F) of approximately 16 community leaders for more in-depth conversations regarding the process, research, values and refined options. This group was an integral part of the project, working alongside staff in open dialogue to develop and consider recommendations.

Comprehensive background research of the property, process approach, community engagement outcomes and monthly updates are available by visiting the [project website](#).

During Phases 1 through 3, the community developed a set of shared values to be considered for any recommended option. While the community focused on developing values, staff developed refined options based on exploration of ideas with the community and research of successful models around the nation found in the case studies

(Attachment C). Feedback from the boards, stakeholders and community members, combined with previously developed community values and department master plan themes, guided the development of the preferred option for consideration.

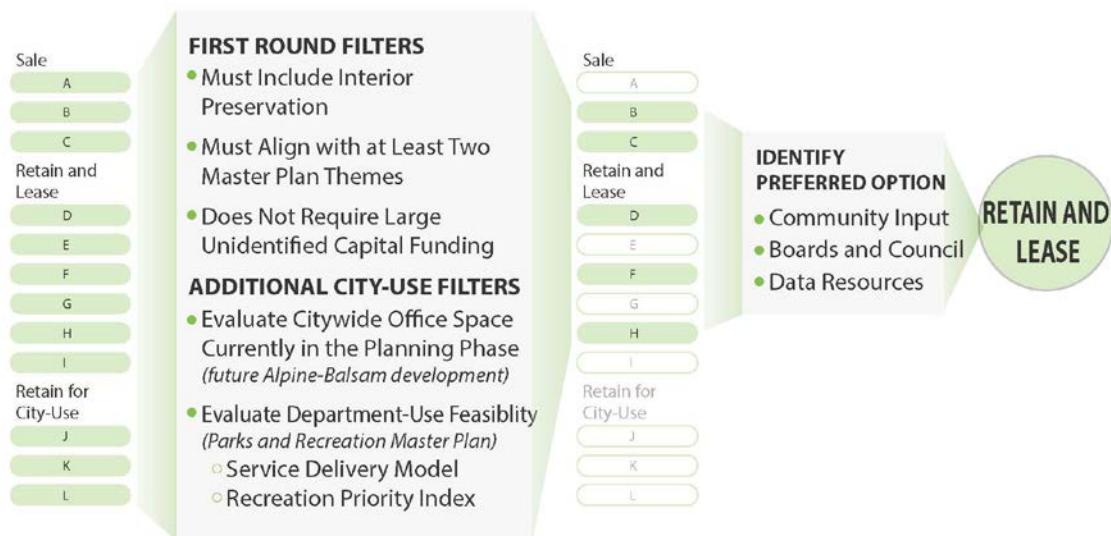
Community Values:

- Interior Preservation
- Neighborhood Compatibility
- Public Access
- Community Benefit
- Community Use

Master Plan Key Themes:

- Financial Sustainability
- Taking Care of What We Have
- Building Community and Relationships
- Organizational Readiness

Community values, master plan alignment and city-use evaluations were used to filter the options ultimately resulting in the advancement of five refined options (Attachment G). While these options provide alignment with community values, they also appreciate the actual financial implications of both ongoing capital and management costs. The five refined options were reviewed and discussed at a stakeholder meeting, public meeting and the joint PRAB and Landmarks Board meeting to advise staff on development of a preferred options.



Preferred Option Selection Process (Attachment H)

The preferred option presented for a motion to support was the result of the Phase 4 community engagement and board discussions.

Key outcomes and summaries from each of those recent meetings can be viewed here:

- Jan. 16 Stakeholder Meeting #2 Discussion Summary (Attachment I)
- Jan. 31 Public Meeting #3 Community Feedback (Attachment J)
- Feb. 21 PRAB and LB Joint Board Meeting Minutes (Attachment K)
- Feb. 25 PRAB Discussion Item Minutes (Attachment L)
- Mar. 25 PRAB Public Hearing Minutes will be available on the PRAB web page after approval at the April meeting

Following the PRAB public hearing on Mar. 25, letters of support were submitted by organizations that have expressed some interest in working together to develop a proposal for the possible lease opportunity.

- Historic Boulder (Attachment M)
- Friends of Harbeck-Bergheim House (Attachment N)

BACKGROUND

The Harbeck-Bergheim House, located at 1206 Euclid Ave., was leased by the City of Boulder with an option to buy in 1970 and finalized the purchase in 1979 for a total of \$82,500, utilizing Permanent Parks and Recreation Funds. Since 1985, the Museum of Boulder (MOB) leased the building operating and managing it as a museum. Throughout that lease, the department facilitated the MOB lease with the Facilities and Asset Management Division of Public Works. In 2018, the MOB vacated the house and relocated the museum and operations to their new location, giving rise to the department's consideration of the landmarked house's future use, management and ownership in the context of the department's mission, Master Plan, capital planning and asset management efforts.

The house was designated as a local landmark in 1980. Landmark designation honors preserve and protect buildings and areas determined to have a special character and historical, architectural or aesthetic interest or value to the city. Any exterior alterations to the house are and will continue to be subjected to the same review procedures required since the designation.

The house is currently zoned as [RL-1](#) with a non-conforming use approved to function as a museum. According to B.R.C. 9-10-2(a), the nonconforming use expires after one year of discontinued use (May 31, 2019) unless an extension is requested. An extension approval was granted for a one-year extension of the non-conforming use through May 31, 2020. Application to change the current non-conforming use will need to be submitted for any use outside of currently approved uses.

The department initiated the first of a four-phase planning process (Attachment E) in April 2018 to evaluate and determine the future use, management and ownership after the MOB vacated the property and to identify a preferred option based upon master plan direction and supported by the community. This process began with an information

packet (IP) delivered to City Council on April 5, 2018 (Attachment O), laying out three basic options, followed by an IP update for City Council on the research, community feedback, progress to date and the core values as defined by the community on October 25, 2018 (Attachment P). The PRAB and Landmarks Boards were updated regularly throughout the process including a joint board meeting on January 31, 2019 (Attachment Q), where staff facilitated a discussion centered on the five most viable refined options (Attachment G). A culmination of feedback from Phase 3 of the process was used as the basis for the latest discussion item at the PRAB meeting on February 25, 2019 (Attachment R). The following PRAB meeting on March 25 was a public hearing (Attachment S) regarding the house which resulted in a unanimous vote of support from the board.

ANALYSIS

A review of feedback received throughout the process (including City Council, boards, stakeholders and community members) revealed a high level of alignment in some areas with opportunities for more discussion in others. Key outcomes of the discussion with the PRAB on Feb. 25, 2019 (Attachment R), are outlined below with a summary of community feedback from Phase 3 and analysis of the five most viable refined options.

Highest Level of Alignment:

- Lease as Preferred Option
 - Community, stakeholder and boards were most unified on the lease options
- Sale as a Contingency Plan
 - Second option for exploration only after other options are explored thoroughly
- Values and Themes
 - Community, stakeholder and boards were in support of the community values with interior preservation as a priority and wide variation of other supported priorities
- Zoning
 - All in agreement that application for nonconforming use extension is a high priority

Areas of further discussion:

- The lease rate was discussed in terms of cost recovery (covering annual and long-range anticipated total cost of home ownership of approximately \$36,000/year) to market rate (an average square foot estimation based on current market rates to rent office space of \$82,000/year)
 - The PRAB showed more interest in seeking a rate above cost recovery to support other department assets while the stakeholders and community showed more support for a base of cost recovery only.
- Use of any proceeds above cost recovery was a consideration
 - Some community members and stakeholders would like to see the funding used solely to support other department historic assets while the PRAB overwhelmingly felt confident that the department would make the best

use of funds based on previous demonstration of fiscal responsibility as required by the master plan.

- A contingency plan and time limit for lease proposals were discussed.
 - Support for a timeframe to collect multiple proposals for comparison like a competitive grant or project bid was expressed. Some deemed a contingency plan (necessary should a lease arrangement meeting the above objectives not arise) as premature. They encouraged a greater short-term focus on finding and developing a lease arrangement meeting the highest-level community values and master plan alignment.

There was some support for sale in all engagement experiences. There was interest in the opportunity to use the proceeds for greater service reach more aligned with the department's mission and vision (i.e., funding other department capital projects, including but not limited to, other department owned historic assets) while a lease still requires staff support for ongoing lease management.

Some community members expressed a broader consideration that the city might consolidate ownership of all landmarked amenities under one department and pursue funding for ownership, operations and maintenance on a citywide basis. While this is beyond the purview of this project, that opinion has been shared with the Landmarks Board and will also be shared with the Facilities Management Department.

Removing a sale option from future opportunity is not recommended to allow flexibility for any future transfer of the house to combine all historical assets under one department as commonly discussed with stakeholders (potentially requiring sale from one department of the city to another). In addition, there remains some strong opinions in the community discouraging a sale of the house at any time in the future for any reason. Any future consideration of sale would require a process including PRAB and City Council approval of disposition ([B.R.C. Article XI, Sec. 162](#)). Sale is not the preferred recommendation of this project and is, therefore, not further addressed in this memorandum.

There was some interest from board members to explore department use of the house for city programming needs or even city office space. [The 5-Year Master Plan Progress Report/Overview of 2019 Priorities](#) presented to the PRAB on February 25, 2019, reviews the Service Delivery Model and the Recreation Priority Index used to measure and to evaluate new and continuing programs. Application of this standardized measurement and evaluation process excluded options for city use based on upon the feasibility.

The Landmarks Board has been included in regular updates and served as a consultative body throughout the process. A letter from the Landmarks Board has been submitted to the PRAB (Attachment D) outlining their support and recommendations taken into consideration in the staff recommendation.

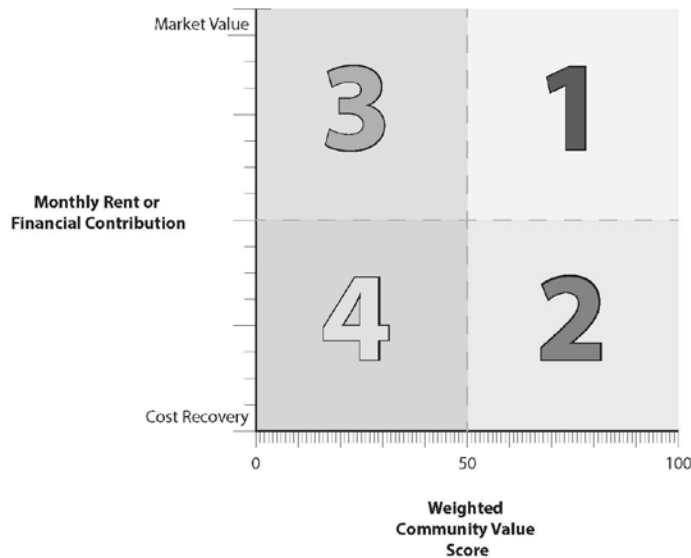
MATRIX OF OPTIONS

Staff further analyzed the process if the preferred option is supported. The community required a preliminary process of proposal evaluation to ensure that it would be offered in a competitive, transparent manner weighing community values as criteria for evaluation, accepting no less than the cost recovery rate satisfying, at a minimum, the estimated general maintenance and adequate annual funding for repairs and replacement.

Next Steps

If supported, an RFP would be developed and issued. The RFP would clearly state the selection criteria and how each will be weighted. A preliminary evaluation model (below) provides insight into how the weighted criteria will be evaluated in relation to the proposed lease rate. The evaluation model shows the priority of high financial contribution and high community value score but also demonstrates that high community value is prioritized over high financial contribution. The model does not consider proposals below cost recovery rate or negative community impact.

Sample Evaluation Model



Priority Description

- 1** High Financial Contribution
High Community Value Score
- 2** Low Financial Contribution
High Community Value Score
- 3** High Financial Contribution
Low Community Value Score
- 4** Low Financial Contribution
Low Community Value Score

In addition to the request for consideration on the above, the department intends to pursue the following:

- The department will work towards granting and easement for interior protection and protective measures will be written into any lease agreement based on the interior defining feature memo (Attachment T) with reliance on historic preservation staff's available consultation.
- At the department's expense, the stained-glass window along the main stair landing will be restored with a goal of completing the work onsite while the proposal process is underway. This onsite restoration work will reduce any risk to transport the window and will provide some occupancy in the house during the work period.
- The department will have further discussions regarding short-term use and activation while the RFP and lease agreement are analyzed and negotiated.

If supported, PRAB and Council will be kept informed throughout the RFP process. Assuming the exploration produces an acceptable proposal and a lease agreement is negotiated, the council may by motion grant the lease, but only upon the affirmative vote of at least four members of the parks and recreation advisory board ([B.R.C Article XI, sec.164](#)).

ATTACHMENTS

Attachment A - Inspection Exec Summary
Attachment B - Appraisal Summary
Attachment C - 2018 Case Studies
Attachment D - Landmarks Board Letter
Attachment E - Project Process and Approach
Attachment F - Stakeholder Group
Attachment G - Five Refined Options
Attachment H - Preferred Option Selection Process
Attachment I - Stakeholder Meeting 2 Summary
Attachment J - Public Meeting 3 Community Feedback
Attachment K - PRAB and LB Joint Meeting Minutes
Attachment L - PRAB Discussion Item Minutes
Attachment M - Historic Boulder Letter
Attachment N - Friends of Harbeck Letter
Attachment O - IP to Council 04-05-2018
Attachment P - IP to Council 10-25-2018
Attachment Q - PRAB and LB Joint Memo 02-21-2019
Attachment R - PRAB Discussion Item Memo 02-25-2019
Attachment S - PRAB Public Hearing 03-25-2019
Attachment T - Interior Defining Feature Memo

PROFESSIONAL INSPECTION REPORT



Subject 1206 Euclid Ave
Property: Boulder, CO

Inspection Date: 08/21/2018

Client: Tina Briggs
City of Boulder

Inspector: Bruce Czech
Building Consultant/Master Inspector
ASHI® Certified Inspector # 207435
Member, Historic Building Inspectors Association



Colorado Professional Inspections

Item 5A - Harbeck-Berghem House
970-430-1819

www.ColoradoProfessionalInspections.com

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EXECUTIVE SUMMARY

At your request, a visual inspection of the property at 1206 Euclid Ave, Boulder was conducted on 08/21/2018. These are the key findings and visual conditions. This is not the complete inspection report. There may be additional defects and details listed in the report that are not listed here. **The Executive Summary section is provided as a convenience, but is not intended to be a substitution for reading and understanding the main body of the report.**

Defects/Areas of concern:

STRUCTURAL COMPONENTS

Exterior Walls

Condition Details:

Overall, the structure has very little evidence of structural instability. There are some isolated areas where deterioration has occurred. There is significant damage to the tile work in the second floor bathroom. There are also several cracked blocks and damaged masonry joints visible on the outside of the structure in this area. This may be caused by seasonal or past structural movement.

Recommend evaluation and documentation by a structural engineer that is familiar with historic home construction.

ROOF COVERING AND ATTIC

Chimney

Condition Details:

Repair and stabilize the chimneys and install metal waterproof caps on top to prevent and reduce future damage.

HEATING - AIR CONDITIONING

Heating

Condition Details:

During operation of the boiler the pressure relief valve releases water. This is most likely because the operating pressure of the boiler according to the gauge is higher than the set point of the pressure relief valve. The expansion tank needs replacement. It has a hole in the side of it. The boiler appears to be undersized for the heating needs of this structure. The state boiler inspection certification has expired. Recommend complete evaluation of the condition and the adequacy the entire heating system by a mechanical contractor specializing in historic home hydronic heating systems.



INTERIORInterior Walls and Ceilings*Comments:*

Recommend testing for lead-based paint.

Deferred maintenance, general deterioration, areas of concern, and/or useful upgrades

EXTERIORFuel System*Condition Details:*

Verify that the gas service is adequate for the building.

Grading*Condition Details:*

There is poor landscape grading at several areas abutting the home. Poor landscape grading can cause water infiltration into the basement and foundation damage. Pitch slope of soils away from foundation. Slope should fall away from the foundation at a approximately 1/2 inch per foot and extend at least 10 feet away from the foundation. Verify proper operation of the subterraneous drainage vault and set up maintenance schedule.

Maintain soil levels at least 6 in below all wood or organic materials.

Exterior Surface(s) and Cladding*Condition Details:*

The exterior stone and mortar are in good condition overall. Identify the areas that need minor repairs and determine if waterproofing would be beneficial in the long run for the stone.

Repair or replace the bulkhead cover on the east side.

At the right hand side of the front door there is some cracking, deterioration, and evidence of past repairs. Verify that the flashing where the porch roof meets the wall of the structure is adequate to protect the stone work from damage.

There are several areas on the porch wall that are scaling and deteriorated. Repair and stabilize as needed.

Replace any missing grates and verify all sources of water intrusion have been sealed and verify the Integrity of corroded steel structural members.

Remove the vines from the structure.

There is discoloration of the building exterior at the downspout on the east side of the building and most other downspout areas. Verify proper operation of the downspouts.



Comments:

The window sill is cracked on the first floor, North east window. Repair and seal.

There is discoloration that appears to be water damage visible below the stained glass window.

Windows and Doors(exterior)*Condition Details:*

Repair and refinish all deteriorated areas on the wood surfaces. Be aware that any painting operations may be susceptible to newer lead paint guidelines.

Comments:

Verify entries, bathrooms, stairs, and parking for proper ADA compliance.

There is a cracked window at the rear entry.

Porch and Patio:*Condition Details:*

Repair and restore the portico railing. Verify proper drainage.

STRUCTURAL COMPONENTSExterior Walls*Condition Details:*

There is evidence of repairs, missing mortar, and evidence of potential structural movement where the chimney on the West wall meets the northwest corner of the building.

ROOF COVERING AND ATTICRoof*Inspection Method:*

The roof was not inspected due to height limitations. There are several areas on the second floor ceiling where there is visible water staining. Recommend a comprehensive inspection of all roofing surfaces, penetrations, and flashing areas by a qualified roofing contractor or consultant specializing in historic homes.

Comment:

Re-point the mortar above the stained glass window on the west side. Assess the roof covering in this area for a more durable replacement.



Roof Drainage (Gutters)*Condition Details:*

Install a downspout on the front porch gutter to stop the damage to the stairs and railing. Inspect the gutter and roof edge areas where the wood appears to be damaged. Verify proper operation and water tightness of all gutter components.

PLUMBINGService Pipe*Comments:*

Obtain service and testing records for the fire suppression system.

Supply Piping*Condition Details:*

Some of the fixtures were not functional at the time of inspection. Recommend complete evaluation of the plumbing system by a plumbing contractor familiar with historic home construction.

Drain, Waste, and Vent Piping*Condition Details:*

There were no backups during our 10 minute flow test. I recommend camera inspection of the under ground sewer lines because homes of this vintage tend to have clay, underground sewer lines, and are more likely to have unseen damage.

Drainage Sumps, Sump Pumps, and Related Plumbing*Condition Details:*

Install a sump pit and pump to protect the basement from flooding.

Plumbing Fixtures*Comments:*

The second floor shower is not functional. Some of the toilets need minor repairs.

HEATING - AIR CONDITIONINGHeating*Comments:*

Recommend contacting the mechanical service company to obtain service records on the heating system.



Attic HVAC*Condition Details:*

These supply trunk is located in an unconditional area and is not insulated.

ELECTRICAL SYSTEMPanel(s)*Condition Details:*

The outside light circuit was tripped at the time of inspection. Recommend inspection and repair by electrician.

Switches, Outlets, and Lighting*Condition Details:*

Some light fixtures were not functional.

Smoke and Carbon Monoxide Detectors*Recommendations:*

Add more smoke detectors in the appropriate locations for safety. Install CO detectors within 15' of all bedrooms.

INTERIORWindows*Condition Details:*

The circular windows in the attic need restoration and repair. All other windows may need repair on an individual basis.

Interior Walls and Ceilings*Wall and Ceiling General Condition:*

The plaster walls and ceiling are in remarkably good condition for this age house with isolated areas of cracking and damage. I recommend consulting with a plaster specialist to determine the feasibility of minor restoration procedures.

Wall Condition Details:

The sprinkler head in the main floor bathroom and several other areas are leaking and dripping. Recommend immediate assessment and repair.

Fireplaces and Solid Fuel Burning Appliances*Condition Details:*

Recommend cleaning and inspection of the firebox and flue before use.

Floor Coverings*Condition Details:*

The floor and wall tile in the 2nd floor bathroom is substantially damaged and likely will need significant restoration.



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Cell: 303-842-9852**Summary of Important Facts and Conclusions****Value Indications**

Land Value (Sales Comparison Approach):	Not developed/Not applicable
Cost Approach:	Not developed/Not applicable
Insurable Value (Replacement Cost New):	\$1,045,000
Sales Comparison Approach:	\$3,066,000 ("As is" Market Value)
Income Approach:	\$1,230,000 ("As is" Market Value)
Final Reconciled Value:	\$3,066,000 ("As is" Market Value)

Market Rent Conclusions

Market Rent Conclusions				
Use	"As is" Rent/mo	"As is" Rent/SF/YR	"If Renovated" Rent/mo	"If Ren." Rent/SF/YR
Single-Family/One-Unit Residential (3 +) *	\$6,895	\$12.98	\$7,905	\$14.89
Single-Family/One-Unit Residential (3 -) **	\$3,300	\$6.21	\$4,500	\$8.47
Office ***	\$6,827	\$12.86	\$10,462	\$19.70

* Assumes more than 3 unrelated people (7 unrelated people) leasing. Similar properties are doing it but it's not currently legal for the subject.

** Assumes less than 3 unrelated people (3 unrelated people). Currently the subject can only lease to a max of 3 unrelated people.

*** Would require use variance or special use permit and may not meet parking requirements.

Office Rent Breakdown

Area	SF	"As is" Rate psf	"As is" Total	"Renovated" Rate psf	"Ren." Total
Above Finished	5,384	\$13.00	\$69,992	\$20.00	\$107,680
Below Finished	988	\$9.00	\$8,892	\$15.00	\$14,820
Below Unfinished	1,015	\$3.00	\$3,045	\$3.00	\$3,045
Total	7,387	\$11.09	\$81,929	\$17.00	\$125,545

One Estimate of Update Costs

Office Update Costs				SFR Update Costs			
Area	SF	Cost psf	Total Cost	Area	SF	Cost psf	Total Cost
Above Finished	5,384	\$60.00	\$323,040	Above Finished	5,384	\$65.00	\$349,960
Below Finished	988	\$60.00	\$59,280	Below Finished	988	\$60.00	\$59,280
Below Unfinished	1,015	\$0.00	\$0	Below Unfinished	1,015	\$0.00	\$0
Exterior	7,387	\$8.00	\$59,096	Exterior	7,387	\$8.00	\$59,096
Total	7,387	\$59.76	\$441,416	Total	7,387	\$63.40	\$468,336

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Salient Facts & Conclusions

Property Type:	Residential
Location:	1206 Euclid Ave. Boulder, Colorado 80302
Date of Report:	September 27, 2018
Date of Inspection:	September 10, 2018
Effective Date of Value:	September 10, 2018
Property Rights Appraised:	100% Fee Simple Estate Interest, real estate only
Year of Construction:	1899
Total Building Area (GBA):	7,387 square feet (Per Appraiser)
Total Finished Gross Living Area (GLA):	6,372 square feet (Per Appraiser)
Total Finished Above Grade Gross Living Area (GLA):	5,384 square feet (Per Appraiser)
Land (site) Area:	21,959 square feet; 0.504 acres (Per Survey)
Zoning:	RL-1 - Residential - Low 1
Highest and Best Use:	
<i>As Vacant:</i>	Residential, Public, Special-Use.
<i>As Improved:</i>	Existing building for single-family residential use.
Owner of Record:	City of Boulder
Legal Description:	Lots 1 - 7, Block 13, University Place Park Historical Building, City and County of Boulder, State of Colorado (per Assessor/Deed).
Tax ID:	R0085163
Parcel Number:	146331315001
Value Perspective:	Current (as of date of inspection)

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Value Type(s):	"As is" Market Value, Insurable Value & Market Rent
Client:	City of Boulder - Parks and Recreation
Intended Use:	The intended use of the appraisal is for establishing market value for potential sale, market lease rates for potential lease and establishing the replacement cost new purposes.
Intended Users:	City of Boulder - Parks and Recreation.
Real Estate Taxes:	2017 Payable 2018: \$57,865.53 *Ownership is tax exempt. The figure above is estimated based on current actual and assessed amounts. Refer to the Subject Assessment and Taxes Analysis section for further details.

Harbeck-Bergheim House

CASE STUDIES

OVERVIEW: The City of Boulder is working with the community to explore options related to future ownership/operation of Harbeck-Bergheim House. On April 5, 2018, Boulder Parks and Recreation staff provided City Council with an [Information Packet \(IP\)](#) that outlined three, broad potential future options for ownership/operation of this historic local landmark.

The following case studies seek to explore similar property types in other communities with a variety of ownership/operation models. These case studies will guide city staff in demonstrating the consideration of community values in each of the refined options.

Each study aligns with one of the three options presented in the IP to council. While each use varies greatly from one another, consistency in initial municipal ownership remains at the core. The case studies are grouped to reflect the following:

Option 1 - Sale of the property to fund Parks and Recreation Department capital backlog priorities, including historic and cultural assets in City of Boulder Parks

Option 2 – Retain ownership of the property and lease at current market rate

Option 3 – Retain property for city use pending identified funding source

Case studies are intended to provide a brief overview and are not comprehensive of all details. The level of information is structured different for each study based on available information during the study period.

November 14, 2018

**City of Boulder
Parks and Recreation**



Case Study #1

Sold as Private Residence



SNAPSHOT

Property: Beattie House

Location: Greenville, South Carolina

Population: 68,219

Historic Designation Type: National Register of Historic Places

Owner: City of Greenville

Purchaser: Private, Ryan and Jori Magg

Pre-Sale Use: Non-profit location of Greenville Women's Club, rented for \$1 per year

Post-Sale Use: Private residence

OVERVIEW

Listed on the National Register of Historic Places in 1974, this house initially was saved from demolition when proposals were made to build a highway where the home was located. The Greenville Women's Club pursued the city to purchase the home and move it to prevent demolition. The home was moved a second time in the 1980s. When the women's club dismantled in 2014, the maintenance of the home deferred back to the city.

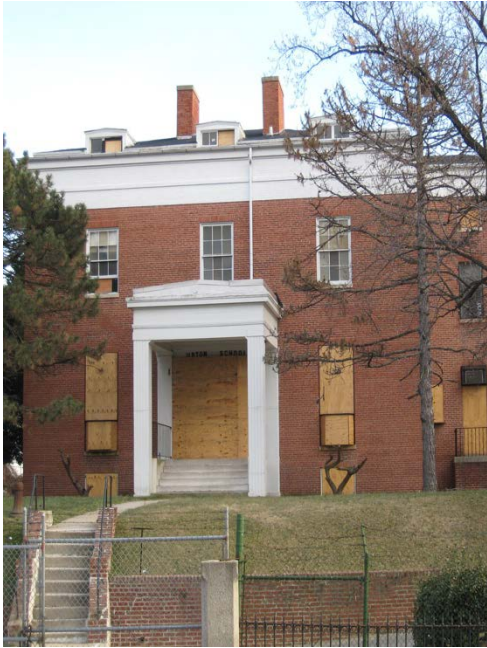
Initial plans were in place with Black Knight International to purchase the home and develop offices; however, these plans fell through. In 2017, the city sold the home as a private residence to the Maggs, who both have extensive experience in renovating and maintaining historic properties, as shown in their current 101-year-old residence.

The Greenville community and council support and look forward to reviving the home's original context and use as a private residence.

More Information: <https://greenvillejournal.com/2017/01/13/historic-beattie-house-will-return-private-residence-sale/>

Case Study #2

Sold to Community-Conscious Co-Developer



SNAPSHOT

Property: Upton Mansion

Location: Baltimore, Maryland

Population: 616,958

Historic Designation Type: Old West Baltimore National Register Historic District and Local Landmark

Previous Owner: City of Baltimore

Purchaser: Co-developers C&A Inc., and Redbrick LMC LLC

Pre-Sale Use: Department of Education, Homes and Hospital Program

Post-Sale Planned Use: High-tech job training facility for community

OVERVIEW

With many city-owned houses in Baltimore facing blight due to vacancy and lack of use, the city created a 'Vacants to Value' surplus property sale program. The Upton Mansion is a success story of this program. The property was purchased by co-developers who assessed gaps in the community and identified the need for a job training facility. The following statement by Preservation Maryland offers support for the project, though they will be monitoring the progress of the re-development:

"Since this is a city landmark, we'll want to make certain it is treated with respect and any future uses will not damage the historic fabric -- something we believe is completely possible," Nicholas Redding said in an email. "Preservation Maryland is pleased to hear about this development for the historic Upton Mansion which has long been threatened by vacancy and vandalism. We strongly support the adaptive reuse of historic structures and believe it is an ideal way of saving Baltimore's rich history while also providing space for current community needs like job training." Redding serves as the Executive Director of Preservation Maryland.

More Information:

Vacants to Value - <http://www.vacantstovalue.org/Default.aspx>

Re-use of building - <https://baltimoreheritage.org/preservation/upton-mansion-druid-health-center-awarded-developers-vacants-value-surplus-sale/>

Case Study #3

Sold to Non-Profit Re-Development Organization

SNAPSHOT



Property: Compton-Bateman House

Location: Roanoke, Virginia

Population: 99,837

Historic Designation Type: Virginia State Register of Historic Places and Local Landmark

Previous Owner: City of Roanoke

Purchaser: Restoration Housing, Non-profit Organization

Pre-Sale Use: Roanoke Recreation Center, with a few offices

Post-Sale Planned Use: Boys and Girls Club for underprivileged youth programming/community center

OVERVIEW

The city was transferred the property in the late 1950s and used it as a recreation center until 2007. Following the cease of that use, the property was occupied as a child care facility. In 2011, the home suffered from a fire and stood vacant until the city sold the property to a non-profit developer with experience in restoration for adaptive re-use. They agreed to purchase the home for \$1, as well as receive the fire insurance monies from the city. An additional sum of \$800,000 is needed to restore the home. The organization will seek funds from donors, grants and federal tax credits to fund the restoration.

More Information:

Sale - https://www.roanoke.com/news/local/roanoke/developer-seeks-to-give-damaged-historic-mansion-a-second-chance/article_5fc033fc-b9dd-5880-86f8-ea597ff0e192.html

SRHP Listing - https://www.roanoke.com/news/local/roanoke/historic-mansion-in-northwest-roanoke-added-to-state-landmarks-register/article_aed8b386-444e-5872-95db-9306eecebed7.html

Case Study #4

Subsidized Lease



SNAPSHOT

Property: Hatfield House

Location: Philadelphia, Pennsylvania

Population: 1.581 Million

Historic Designation Type: Philadelphia Register of Historic Places

Owner + Lessor: City of Philadelphia via the Fairmount Park Conservancy

Lessee: Amber Art and Design

Pre-Lease Use: Boarding School, Recruiting station for WWI, Recently vacant

Post-Lease Use: Community gathering center and artist collective

OVERVIEW

The city is the official owner, whereas the Fairmount Park Conservancy (Conservancy) acts as the manager, steward and property landlords of the homes located within Fairmount Park. All leases in the park are operated and managed by the Fairmount Park Conservancy. Many serve long-term 30-year leases (long-term example in case study #7), and some serve as one-year short-term leases.

The Conservancy is also able to offer concession opportunities within a few select properties. For homes in need of light restoration, or where restoration is not required to fit the needs of the tenant at that time, a short-term lease is offered with the lessee managing all ongoing interior and exterior maintenance costs, utilities, commercial and building insurance, as well as paying for and completing landscape maintenance.

Amber Art and Design rents the Hatfield House on a short-term lease at a reduced rate and has had success in its first year as a tenant with spurring community conversations, hosting public meetings, and providing a think tank for the community to air thoughts on local development. It has been so successful that the Conservancy and Amber Art and Design co-applied for, and received, a \$3 million programmatic grant from the National Endowment for the Arts ARTplace grant program to continue over the next future years.

More Information:

Fairmount Park Conservancy Programs - <https://myphillypark.org/what-we-do/leasing-concession/>

Tenant as Artist Collective + ARTplace Grant- <http://planphilly.com/articles/2018/09/19/fairmount-park-gave-artists-the-keys-to-a-historic-mansion-one-year-later-they-aren-t-leaving>

Case Study #5

Subsidized Lease



SNAPSHOT

Property: Fleming Mansion

Location: Denver, Colorado

Population: 704,621

Historic Designation Type: Local Landmark

Owner: City of Denver

Lessee: The Park People

Pre-Lease Use: Vacant

Post-Lease Use: Non-profit office space, city managed rental

OVERVIEW

This property was once the mayoral home of James Fleming and was gifted to the city. Within the past decade, the home stood vacant until The Park People, the City of Denver Parks and Recreation's official non-profit partner, raised funds to restore the interior and exterior of the home making it eligible for use once again. The Park People now rent the upper floor as their office space for a considerably subsidized annual rental amount. The lower floor is rented out for community meetings and special events for a rental fee ranging from \$50 to \$100 per hour, other non-profits are offered a 50 percent reduced rate to rent the space. The city pays for ongoing maintenance, manages the rental program for this property, as well as offers and staffs guided tours for the public.

More Information:

Fleming Mansion Rental Information- <https://www.denvergov.org/content/denvergov/en/denver-parks-and-recreation/rentals-permits/rental-facilities/fleming-mansion.html>

About The Park People- <http://theparkpeople.org>

Case Study #6

Subsidized Lease



SNAPSHOT

Property: Pleasant Home

Location: Oak Park, Illinois

Population: 52,261

Historic Designation Type: National Register of Historic Places and a National Historic Landmark

Owner: The Park District of Oak Park

Lessee: Pleasant Home Foundation

Previous Use: Private residence

Current Use: Historic House Museum and special event rental facility

OVERVIEW

The municipal Park District of Oak Park owns the Prairie Schoolhouse style home, originally built in 1897. The district leases the home to the Pleasant Home Foundation (Foundation) for \$1 per year. The Foundation's mission is dedicated to restoring, preserving and operating Pleasant Home as a historic house museum while presenting a year-round schedule of tours, educational programs, community events and cultural performances. The Foundation can execute these tours, programs and event rentals, though major grant funding provided by the municipal Park District of Oak Park and private donations. Supplemental funding is raised from daily admission fees to tour the home and rental fees from special events. The district pays for the insurance and utilities. Beyond those ongoing operation costs, the foundation is required to maintain day-to-day upkeep such as cleaning and gardening; as well as identifying restoration and rehabilitation projects with which the district supports financially, when means are available.

More Information:

Pleasant Home + Foundation Information- <http://pleasanthome.org>

Park District of Oak Park Snapshot https://www.pdop.org/assets/1/24/Municipal_Directory_PDF2018.pdf

Case Study #7

Lease at Market Value



SNAPSHOT

Property: Glen Fern Livezey House

Location: Philadelphia, Pennsylvania

Population: 1.581 Million

Historic Designation Type: Philadelphia Register of Historic Places

Owner + Lessor: City of Philadelphia via the Fairmount Park Conservancy

Lessee: Craig Johnson, Interpret Green

Pre-Lease Use: Valley Green Canoe Club, tenant for 100 years

Post-Lease Use: Private residence and location of resident's company, Interpret Green

OVERVIEW

The city is the official owner, whereas the conservancy acts as the manager, steward and property landlords of the homes located within Fairmount Park. All leases are operated and managed by the Conservancy. Many serve long-term 30-year leases, and some serve as one-year short-term leases (short-term example in case study #4).

Most of their long-term leases are below market value but require the lessee to contribute a significant financial sum up front to pay for major restoration and rehabilitation of the property they are leasing. The amount may be well over \$200,000, based on level of restoration needed. The funds are used toward restoration of the home and classified as tenant rent and restoration costs. The Glen Fern Livezey House is a unique example of a long-term lease where the lessee pays near market value because the home was previously restored. As a lessee, he is required to pay for 100 percent of maintenance, major renovations, utilities, insurance, snow removal and maintenance of the one-acre parcel on which the home sits.

The conservancy struggled to find a long-term tenant for the property after the Valley Green Canoe Club moved out in 2000. In 2010, Craig Johnson leased the property as a home and business, exploring ecological improvements to everyday life.

More Information:

Fairmount Park Conservancy Programs - <https://myphillypark.org/what-we-do/leasing-concession/>
Tenant as Residence and Offices- <https://philadelphianeighborhoods.com/2014/07/14/northwest-built-history-and-natural-future-combine-at-glen-fern/>

Case Study #8

Retain for City Use



SNAPSHOT

Property: Callahan House

Location: Longmont, Colorado

Population: 94,341

Historic Designation Type: Local landmark

Owner: City of Longmont

Previous Use: Private residence

Current Use: Special event center and community meeting space

OVERVIEW

City staff manages the Callahan House, reservations, specials events, community meeting requests as well as coordinates ongoing maintenance. The property has a dedicated city board to relate all matters having to do with the home and responsible governance to City Council. Multiple areas of the home can be rented for an hourly fee ranging between \$200 and \$35 dollars per hour. The home is only ADA accessible to the main level. Each year the home is open for two public events, ARTwalk which happens twice, and a Holiday Celebration where Santa is present and holiday décor is in place. At all other times of year, the interior of the home is closed to the public, unless accessed through a fee-based meeting or special event reservation. The garden is open to the public year-round, unless otherwise being rented for a private event.

Finances for the home are captured in the “Callahan House Special Revenue Fund.” In the City of Longmont’s Comprehensive Annual Financial Report for year ending in December 31, 2017, the Callahan House had a total revenue of \$66,711, the majority from rental fees and a small portion (under \$1,000) from investment income and private grants. Expenditures totaled \$131,287 requiring a general fund transfer of approximately \$84,000 to cover the expenditure gap.

More Information:

Home, Board, Staff and Rentals - <https://www.longmontcolorado.gov/departments/departments-a-d/community-services-department/callahan-house/history>

Budget “Schedules in Revenues, Expenditures and Changes in Fund Balance” see page 155-
<https://www.longmontcolorado.gov/home/showdocument?id=23328>

Case Study #9

Retain for City Use



SNAPSHOT

Property: Coulby Mansion

Location: Wickliffe, Ohio

Population: 12,736

Historic Designation Type: National Register of Historic Places

Owner: City of Wickliffe

Previous Use: Private home and former Catholic Girls School

Current Use: Municipal Hall, houses council chambers and city offices, tours are offered, and it is open to the public

OVERVIEW

In 1954, the City of Wickliffe purchased the Coulby Mansion for its municipal offices. Previous owners maintained many of the home's original fixtures, such as chandeliers, skylight, wallpaper and hand-carved woodwork and hardware.

Exterior restoration efforts began in 2011. The first phase involved re-roofing the wings and back vestibule. The second phase consisted of replacing the main roof and adding a covering over the mansion's Tiffany skylight. Phase three began in 2013, which included restoring terra cotta tiles, exterior window refurbishment and removing additions to be more consistent with its original appearance. The city completed exterior restoration of all three phases had a total cost of \$1.7 million dollars.

More Information:

Wickliffe Restoration -

https://www.cleveland.com/wickliffe/index.ssf/2013/06/wickliffe_continues_restoratio.html

City Website Listing - <http://www.cityofwickliffe.com/government/coulby-mansion/>



City of Boulder Planning

Landmarks Board

1739 Broadway, Boulder, CO 80302
303-441-1881

www.boulderhistoricpreservation.net

Letter to the Parks & Recreation Advisory Board from the Landmarks Board

March 14, 2019

Dear Parks and Recreation Advisory Board Members,

Thank you for the opportunity to discuss the Harbeck-Bergheim House with you at the joint board meeting on February 21, 2019. We want to compliment you and staff on your thorough process and analysis to date. Our meeting was educational and productive.

We are writing to follow up on our discussion, and to voice our support in retaining the City's ownership of the Harbeck-Bergheim house and pursuing opportunities that meet the goals outlined in staff's report. We believe that the report demonstrates how the house and its property have a unique opportunity to meet the multiple objectives of historic preservation, neighborhood compatibility, public access, the BPR Master Plan, community use, community benefit and the fiscal responsibilities of City.

Retaining and leasing the Harbeck-Bergheim House to a long-term tenant that has been vetted through a competitive community process meets all these objectives. We believe that adequate time should be given to determine the best partnership and suggest a short-term lease during this time of exploration if there is concern about the costs associated with maintaining the property, to aid in bridging any financial gaps. If in the future, the City finds that ownership does not provide sufficient a revenue to properly preserve building then alternatives should be sought.

We also recommend placing a protective easement over character-defining features on the interior of the house. This would allow for long-term preservation of intact key interior details, as occupants and space planning may change to accommodate the next user and future users of the space.

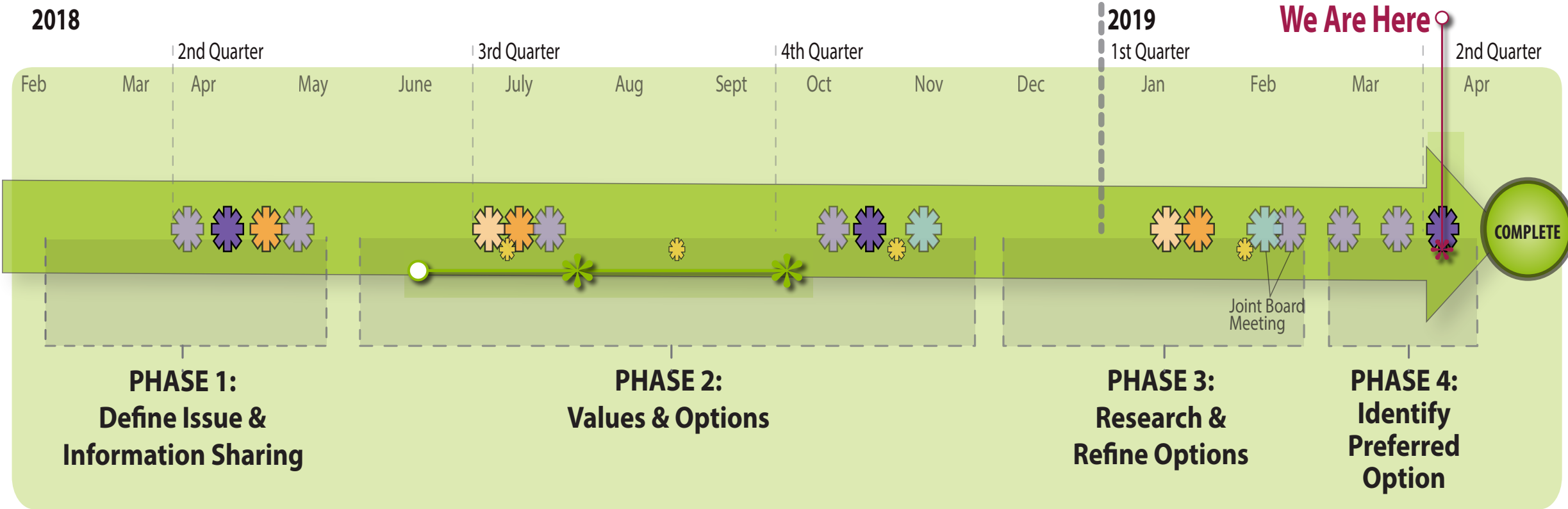
Thank you for your consideration, diligence and commitment in determining a next chapter for the Harbeck-Bergheim's that honors this historic resource and benefits the community.








Cordially,

The Landmarks Board
Fran Sheets, Chair
Abby Daniels
John Decker, Vice & Acting Chair
William Jellick
Ronnie Pelusio

PROJECT PROCESS AND APPROACH

Attachment E - Project Process and Approach



-  Public Meeting
-  Stakeholder Meeting
-  Property Tours
-  BeHeardBoulder.org
-  PRAB Meeting
-  Landmarks Board Meeting
-  City Council IP or Meeting

Stakeholder Meeting #1

June 21, 2018

Attendees

1. Stephanie Baldwin, CU, Assistant Director Greek Life
2. Linda Sparn, University Hill Neighborhood Association
3. Derik Silva, CU Real Estate and Facilities Director
4. Mary Ann Mahoney, Boulder Convention and Visitors Bureau
5. Carol Taylor, Historic Boulder, Director
6. Sean McIlwain, Historic Boulder, Board President
7. Joyce Davies, Community Member, Past Historic Boulder President
8. Karl Anuta, Community Member, Past Historic Boulder and Boulder Historical Society Board Member, Current Historic Boulder Preservation Committee Member
9. Susan Osborne, Hannah Barker House Committee

Staff

1. Jeff Haley, City of Boulder Parks and Recreation, Planning and Community Engagement Manager
2. Tina Briggs, City of Boulder Parks and Recreation, Planner
3. Marcy Cameron, City of Boulder Planning, Housing and Sustainability, Historic Preservation Planner
4. Caitlin Berube-Smith, City of Boulder Parks and Recreation, Historical & Cultural Assets Coordinator
5. Matt Chasansky, City of Boulder Office of Arts and Culture

Stakeholder Meeting #2

January 16, 2019

Attendees

1. Carol Taylor, Historic Boulder, Executive Director
2. Jyotsna Raj, University Hill Neighborhood Association
3. Karin Hoskin, Community Member
4. Karl Anuta, Friends of Harbeck-Berghiem House
5. Linda Sparn, University Hill Neighborhood Association
6. Mary Ann Mahoney, Convention & Visitors Bureau
7. Renny Phaegan, Colorado Non-Profit Association
8. Rishi Raj, Friends of Harbeck-Berghiem House
9. Sean McIlwain, Historic Boulder, Board President
10. Stephanie Baldwin, CU, Assistant Director Greek Life
11. Tom Thorpe, Historic Boulder Finance Committee, Former Hannah Barker House Committee

Staff

1. Jeff Haley, City of Boulder Parks and Recreation, Planning and Community Engagement Manager
2. Tina Briggs, City of Boulder Parks and Recreation, Planner
3. Marcy Cameron, City of Boulder Planning, Housing and Sustainability, Historic Preservation Planner
4. Caitlin Berube-Smith, City of Boulder Parks and Recreation, Historical & Cultural Assets Coordinator

Table of Refined Options for the Harbeck-Bergheim House

Community Value Assessment														
Title	Description	Assumptions	Neighborhood Compatibility	Public Access	BPR Master Plan Alignment	Community Use	Community Benefit	Allowed use within current RL-1 zoning	Interior Protection	Capital Cost Impact	Income	Annual O&M Cost Impact	Annual R&R Cost Impact	Rough estimation of bottom line
Option 1 - Sale														
B	Sell of home for highest market value with easement	· Easement defined as condition of sale · Interior protection · Public access defined	Likely result in a single family residential use similar to surrounding neighborhood and consistent with historic use/intent of the home.	Need to define level of access in easemetn	· Taking Care of What We Have · Financial Sustainability	No formal requirement for community-use to the home.	Single family home not likely not to directly provide community benfit	Yes	Easement	None	\$3.1M	\$0	\$0	\$3.1M
C	Sell of home for highest market value with easement and window restoration	· Easement defined as condition of sale · Interior protection · Public access defined · Invest in window restoration	Likely result in a single family residential use similar to surrounding neighborhood and consistent with historic use/intent of the home	Need to define level of access in easemetn	· Taking Care of What We Have · Financial Sustainability	No formal requirement for community-use to the home.	Single family home not likely not to directly provide community benfit	Yes	Easement	(\$30k) Window Restoration	\$3.1M	\$0	\$0	\$3.1M (\$30k)

Title	Description	Assumptions	Neighborhood Compatibility	Public Access	BPR Master Plan Alignment	Community Use	Community Benefit	Allowed use within current RL-1 zoning	Interior Protection	Capital Cost Impact	Rent	Annual O&M Cost Impact (\$21k/yr)	Annual R&R Cost Impact (\$26k/yr)	Really rough estimation of bottom line
Option 2 – Reatain and Lease														
D	Retain and Lease at Market Value Private Residence in 'as is' condition	· Minimal work needs to be done for a habitable residence (ex. window restoration, bathrooms, heat) and to meet City code requirements (Smart Regs)	Single family residential use similar to surrounding neighborhood and consistent with historic use/intent of the home.	Depends on Lessee	· Taking Care of What We Have · Financial Sustainability · Organiational Readiness	No requirement for community-use to the home.	Depends on Lessee	Yes	Lease Agreement	(\$50k) Yes, minimal needs for residential occupancy	\$40k/yr rent	\$11k/yr op - lessee (\$10k/yr) maint - dept. Assuming responsibility of operations is lessee, maintenance is dept.	(\$26k/yr) - Dept. Assuming responsibility of R&R is dept.	Cost Recovery of \$36k/yr with an ROI of 13 years, profit of \$4k/yr after 13 yrs
F	Retain and Lease at Market Value Office Space in 'as is' condition	· Lease in 'as is' condition · Any improvements by lesse would need City approval	Dependant upon proposed use and number offices. Zoning and parking need to be considered.	Depends on Lessee	· Taking Care of What We Have · Financial Sustainability · Organizational Readiness	No requirement for community-use to the home.	Depends on Lessee	No	Lease Agreement	None	\$82k/yr rent	\$11k/yr op - lessee (\$10k/yr) maint - dept. Assuming responsibility of operations is lessee, maintenance is dent	(\$26k/yr) - Dept. Assuming responsibility of R&R is dept.	Cost Recovery of \$36k/yr, profit of \$46k/yr
H	Retain and Lease Below Market Value Office Space in 'as is' condition	· Require lessee to cover all operation and maintenance · Any improvements by lesse would need City approval · Competitive process for supplemented lease	Requirement of compatibility in competitive process	Requirement of public access in competitive process	· Taking Care of What We Have · Financial Sustainability · Building Community and Relationships	Requirement of community use in competitive process	Requirement of community benefit in competitive process	No	Lease Agreement	None	\$36k/yr rent (\$46k/yr) potential rent loss compared to market rate	\$11k/yr op - lessee (\$10k/yr) maint - dept. Assuming responsibility of operations is lessee, maintenance is dept.	(\$26k/yr) - Dept. Assuming responsibility of R&R is dept.	Cost Recovery of \$36k/yr, profit of \$0

Sale

A

B

C

Retain and
Lease

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Retain for
City-Use

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K

L

FIRST ROUND FILTERS

- Must Include Interior Preservation
- Must Align with at Least Two Master Plan Themes
- Does Not Require Large Unidentified Capital Funding

ADDITIONAL CITY-USE FILTERS

- Evaluate Citywide Office Space Currently in the Planning Phase (*future Alpine-Balsam development*)
- Evaluate Department-Use Feasibility (*Parks and Recreation Master Plan*)
 - Service Delivery Model
 - Recreation Priority Index

Sale

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Retain and
Lease

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Retain for
City-Use

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IDENTIFY PREFERRED OPTION

- Community Input
- Boards and Council
- Data Resources

**RETAIN AND
LEASE**

Harbeck-Berghiem House Public Engagement Stakeholder Meeting #2 (1/16/2019)

Stakeholder Attendees:

Carol Taylor, Historic Boulder, Executive Director
Jyotsna Raj, University Hill Neighborhood Association
Karin Hoskin, Community Member
Karl Anuta, Friends of Harbeck-Berghiem House
Linda Sparn, University Hill Neighborhood Association
Mary Ann Mahoney, Convention & Visitors Bureau
Renny Phaegan, Colorado Non-Profit Association
Rishi Raj, Friends of Harbeck-Berghiem House
Sean McIlwain, Historic Boulder, Board President
Stephanie Baldwin, CU, Assistant Director Greek Life
Tom Thorpe, Historic Boulder Finance Committee, Former Hannah Barker House Committee

Staff Attendees:

Jeff Haley, City of Boulder Parks and Recreation, Planning and Community Engagement Manager
Tina Briggs, City of Boulder Parks and Recreation, Parks Planner
Marcy Cameron, City of Boulder Planning, Housing and Sustainability, Historic Preservation Planner
Caitlin Berube-Smith, City of Boulder Parks and Recreation, Historical & Cultural Assets Coordinator

Stakeholder Discussion Summary:

General appreciation from the stakeholders that the research and background information conducted to date is satisfactory and all questions and comments from first stakeholder meeting have been resolved.

Consistent appreciation from attendees related to the refined options presented and that the communities' values have been represented.

Overall support for the process and next steps.

Overall support of first round of filters to the select refined options.

Several questions about the basis of financial information were asked regarding the background and development of identified costs and potential revenue.

General awareness relating to the department's financial status and goals supporting cost recovery as one aspect of the stewardship model.

Majority of the stakeholders understand the challenge that the house presents to the department regarding financial responsibility and competing priorities.

Energy efficiency goals should be considered for any future occupancy

City staff will apply for an extension of the non-conforming use that would otherwise expire in June 2019.

Lessons learned from the past need to be addressed in this process

- Zoning restricts use and will need to be addressed prior to some of the options

- Will need a high level of community support for non-conforming uses

- The ideal option may not exist, having a back-up plan

What length of time is needed to find ideal option?

Clear expectations for maintenance, repair and replacement versus operations.

We have a better understanding going into the future of what the house needs.

Concern that this project could set a precedent that all historic assets will be expected to become revenue generating.

Stakeholders noted that this house is a unique opportunity for cost recovery.

Chautauqua is an example of an effective partnership model that requires some level of cost recovery and has had long-term success.

Some concern that this house should not be used to support all historic assets, reinvest in the house only.

The University Hill Neighborhood Assoc. does not support profit from either sale or lease of the house if the sole reason is to make profit to support other departmental capital efforts, and especially maintenance backlog.

Request for community meetings in the house (currently not set up or staffed for this use).

A few concerns were expressed about the Jan. 31 public meeting being held in conjunction with other projects at an open house. The preference for a single-issue venue was expressed by a few members.

Request for materials available on web page (will be posted after public meeting and open for comment for 2 weeks).

If lease option is the preferred option:

High level of support in the room for a cost recovery lease.

Cost recovery lease would protect lessee from incurring large unexpected overhead expenses.

A few stakeholders commented that option H was preferable because it retains city ownership while lifting the financial responsibility from tax payers and allows for an innovative approach to long-term partnerships and use of the house.

Consider the long-term implications of the property lease requiring the property to be self-sufficient including incremental rent increase in alignment with maintenance cost increases.

Consider a master tenant with option to sublease.

If leased for more than the amount to cover costs, stakeholders briefly discussed a requirement that any additional funding should be dedicated to support other historic assets.

Pros: more funding would be readily available to support other historic assets and match future grants

Cons: Sets a precedence of historic assets needing to make revenue to support themselves

General appreciation that there should be a term limit to find an appropriate tenant to best match community values, if not under serious negotiation, at some point the City should consider sale.

Parking Lot:

Structure for citywide financial support and ownership of historic assets should be reviewed.

Department specific ownership and management of assets is inconsistent across the City.

Consider placing all historic assets under 1 dept.

The City should increase funding to Chautauqua.

Details of lease negotiation tabled until a decision is made.

Historic assets should be managed differently than cultural assets.

Harbeck- Bergheim House Phase 3**Community Feedback****Jan. 31, 2019 Open House Comments**

Sell it! This old house (emphasis on old) does not fit with BPR's mission. Maintenance, up keep, renovation will cost more than you think (\$ Pit) and renovation expenses are growing at 10% a year. PR has many, many projects that lack funding, e.g. pools, fields, reservoir and I would like to see sale proceeds support accelerated PR projects that support the mission. Please do not give into not-for-profits who want the City to bear the cost and who want a \$1/year lease. IT's maddening! And not fair to other for profits who pay much more to lease City facilities

Phi Gamma Delta froternity is looking for a perminant housing (?) and would be extremely intrested with talking to the city about theis location- Thomas Gohon

I am most interested in option H- Rent below market rate. Hopefully a non-profit such as Historic Boulder who would be perfect stewards. Allow access to the public, provide historic events to engage community - Thank you, Kurt Young

Thank you for involving citizens who want to see this valuable asset retained for community use. Option H is a first step in moving forward. Once lost to private use, another historic important building in the history of this city will be lost forever. - B Gigone

Would encourage preservation of this historic building even it is necessary to elase it at a loss. I Think that retention of items of early Boulder significance is important in the overall community attitude. Thank you for the thoughtful analysis- Jim B Gone

Should consider the whole area as a historic district, surrounded by the university and Chautauqua it rollsmay university building in the area such as sororities and fraternities. We should encourage visitation and give public access. It should also generate revenue. My though is for a city-run B&B which is like a family home.

Think of it as a part of a group of assets rather than singally e.g. such as historic district. Use should mirror this like city run B&B which gives public access, creates revenue for cover maintenance and encourages use.

Feb. 13, 2019 Self-guided House Tour Comments

This is a lovely, amazingly well-built (the exterior stone, fireplace file and wood paneling) home. But I think considering all the parks and rec needs, it should be sold. I wouldn't want to live here, despite the beauty, but I could see a group home, coop, putting the multiple bedrooms to good use. Large walk-in closets and storage spaces are a bonus. the gorgeous attic - I could see kids playing fort, ball - so much fun. Thanks for the tour.

I think the city should sell the building because the P&R Dept doesn't have the resources. It would be more appropriate for an organization dedicated to historic preservation or a private party

Jan. 31 - Feb. 18, 2019 Online Presentation Comments or direct e-mail

I'm currently Vice President of Historic Boulder and would appreciate your updates. Thanks.

Put option A back on the list of options. While this building has a beautiful exterior and some beautiful interior (maybe 20%), the building is already landmarked to preserve the exterior and trying to put an easement on the interior limits the pool of potential buyers. Also, I don't see any "parks and recreation" use for this building in these materials and since this City has many P&R needs, proceeds should go to filling those needs. Thanks from a Boulder City tax payer.

Thank you for the opportunity to share my opinion about the future of the Harbeck House. As a preservationist that was very active when I lived in the Georgetown neighborhood in Washington, DC, I support returning the house to its historic purpose as a single-family home. This is often the preference of the Secretary of the Interior's Standards for Historic Preservation. If the house is sold, please ensure that covenants are placed on the character-defining features on the interior.

I am delighted that PRB is at least willing to consider the option of dedicating HBHouse for Community Benefit, including historic preservation.

The Community however needs more time to organize a good plan for cultural and community activities that we believe will flourish at HB House because of its unique location, surroundings and history. I believe the community will treasure it and take immaculate care of it in perpetuity.

This is a beautiful, historical house that should be preserved and used by the community. It should not be a single family home. It should not be sold. Many of our non-profits have to pay a lot for fundraisers and concerts. Let's use it for non-profit, community events and perhaps personal events. Of course, they could pay for the use. I support Historic Boulder's involvement in managing it. We should consider transferring it out of Parks & Recs because I don't really see the mission match. Thank you!

Over the past several months, I have had the opportunity to meet with two incredibly competent individuals and learn about their vision for the future of the Harbeck-Bernheim house. Tom Thorpe, an architect, and Ruth McHeyser, a city planner, headed up the successful effort to restore the Hannah Barker house. I encourage members of the PRAB and Landmarks Board to weigh carefully the recommendations of these two individuals. Although it is my understanding neither Tom nor Ruth is available to commit to another large scale preservation project, their shared expertise in project planning, community engagement, fund raising, construction management and collaborative team building make them an invaluable resource for our city boards to call upon for advice and guidance. Tom and Ruth have a unique perspective on how the Harbeck-Bernheim project might evolve and I hope their views will be given very serious consideration by the PRAB and Landmarks boards.

Please keep the Harbeck house city owned either by lease to a community agency or for city use. Under NO CIRCUMSTANCES should sell it

It's clear that competing interests are complicating discussions of re-use (in whatever capacity) of the Harbeck-Bergheim House. I would hope that as the City moves through their processes the focus remains on preserving and protecting this architecturally and historically significant locally designated landmark that retains a high degree of integrity.

It's noted that the exterior is "protected"; however, current City regulations would encourage "energy upgrades" that could/would negatively impact the significance, integrity, and architectural character of the House (e.g., replacing windows to increase thermal efficiency when studies demonstrate that the majority of heat loss is **not** through the windows or the glazing). The interior is not similarly protected, and efforts to improve energy efficiency could lead to loss of historic interior features and finishes (e.g., removing historic plaster in order to provide wall insulation, which is **not** recommended for exterior masonry walls by the National Park Service).

These are just two of several potential "threats" to this important historic resource no matter the resolution for its future. Potentially, plumbing, mechanical, and electrical upgrades are sure to be desired as well. City Codes and policies as well as other requirements such as accessibility can prove problematic and will demand creative problem solving to avoid an adverse effect on the Harbeck-Bergheim House. An interior as well as exterior easement could help assuage these concerns, provided the easement-holding organization has staff experienced with proper preservation treatments and practices when dealing with historic properties.

I hope for the best resolution for this significant resource.

Clearly Option H presents the optimum scenario; whereby the City retains ownership and leases below Market Value to non-profits allowing for an innovative approach to long term partnerships and use of the house. The Harbeck-Bergheim house has been open to the public for years (History Museum) and should remain as such. It is a treasure in the University Hill Neighborhood and must be protected. The preservation of this building is a public COMMUNITY and NEIGHBORHOOD BENEFIT. It is short sighted to consider any other option.

Hello: - I reviewed the materials and was disappointed to see in the spreadsheet that there was no option for retaining this building for city offices. However I understand that there may be financial limitations.

Given that: - one thing that is extremely important is that the city retain ownership of this building. It absolutely should not be sold. It is an amazing treasure and it would be extremely shortsighted to sell it. I support the city retaining ownership and leasing it at less than fair market value to a non-profit - preferable one that is well known and trusted by the city. (Historic Boulder?)

Do not go down the path of requiring that this building be profitable. It is an important icon and asset to the Uni Hill neighborhood - and yes I am a resident of Uni Hill and have been living here continuously since 1976. I have been to exhibits and weddings at the Harbeck House. Yes you may need to spend some money to fix it up, but it will be money well spent.

Please do not sell this building. That would be a decision that you would regret in the future. As for the economic vitality of the city - this building should not be considered part of that puzzle. Fix up the UniHill commercial area and focus on the eastern part of the city, but leave this building out of that mix.

Sue Ellen Harrison

I do see merit to all of these options. However, I believe the city should retain ownership of the home and make it available to Boulder citizens for free meeting space. It could also be an event center with a low-cost fee attached. I have been on several non-profit boards in town and we had a very difficult time finding free options for meeting space. We had 15 members on these boards and a coffee shop didn't cut it. Other space that was designated (Community Room at 29th street) simply evaporated for some reason. Most meeting space in town charges a lot of money and/or with little availability.

I am a Boulder native and have seen and experienced this house and Beach Park in a variety of conditions. I believe that the city will maintain a continuum of care that is necessary for a property of this size...something that can't be guaranteed if it becomes a private residence.

As a Boulder native, I would like very much for this historic house to remain city controlled.

However, perusing the various options and economics of the six plans, provided the city could net \$3+/- million from the sale of the property to a buyer that is willing and able to perpetually use it as a residence in its historic state, I could be persuaded for that option. If the net funds could be utilized by parks and recreation(p & r) as an endowment fund, the resulting 4% annual distribution to p& r could fund many of the sought after uses for the community benefit.

The city's purchase of the BCH property at Broadway and Alpine should have space available for community events and meeting space. Should local non-profits need space for events and meetings and can't afford the going rent, the endowment contribution to p& r's annual budget would be an appropriate use.

Short of setting aside the net proceeds in an endowment fund for p & r, I would elect the City retain ownership.

I strongly oppose selling the Harbeck-Bergheim House because of it's historic place in our city. I support the lease at below market value to Historic Boulder. I believe they will be the best stewards of the property. They can apply for grants to repair the infrastructure and the interior, and they also have connections with people who can do the work. I also trust them to ensure public access to the property. In their hands, the house will become a significant landmark that will connect the commercial district with the residential neighborhood, encouraging people from all over the city to visit the house and the Hill.

I am unsure of the process and therefore whether my comments have already been recorded. I did attend the stakeholder discussion on 16 Jan. I feel that the unusual location of the Harbeck-Begheim house (between Chautauqua and the University) has not been fully taken account of in the current plans, and also the need for the community to have access to the inside of the house. My feeling is that a city-run B & B or restaurant (whether fully owned or leased) would be a great use for the house - making the area more attractive to higher-income visitors.

It's clear that competing interests are complicating discussions of re-use (in whatever capacity) of the Harbeck-Bergheim House. I would hope that as the City moves through their processes the focus remains on preserving and protecting this architecturally and historically significant locally designated landmark that retains a high degree of integrity. It's noted that the exterior is "protected"; however, current City regulations would encourage "energy upgrades" that could/would negatively impact the significance, integrity, and architectural character of the House (e.g., replacing windows to increase thermal efficiency when studies demonstrate that the majority of heat loss is **not** through the windows or the glazing). The interior is not similarly protected, and efforts to improve energy efficiency could lead to loss of historic interior features and finishes (e.g., removing historic plaster in order to provide wall insulation, which is **not** recommended for exterior masonry walls by the National Park Service).

These are just two of several potential "threats" to this important historic resource no matter the resolution for its future. Potentially, plumbing, mechanical, and electrical upgrades are sure to be desired as well. City Codes and policies as well as other requirements such as accessibility can prove problematic and will demand creative problem solving to avoid an adverse effect on the Harbeck-Bergheim House. An interior as well as exterior easement could help assuage these concerns, provided the easement-holding organization has staff experienced with proper preservation treatments and practices when dealing with historic properties.

I hope for the best resolution for this significant resource.

Feb. 17, 2019 Submitted to PRAB and Landmarks Board and forwarded to staff

Friends of Harbeck-Bergheim House is an unincorporated non-profit association of many individuals concerned about the future of the Harbeck Bergheim house. During your discussions at the joint meeting on February 21 we urge you to consider:

- Although the City has not been a good steward of its historic properties no one wants to see this house transferred to private ownership!
- The City must retain ownership of this important asset. A qualified third party should assume responsibility, but there must be oversight.
- The interior of the house is as valuable as the landmarked exterior. Protective conditions need to be included in any long or short-term agreement. In particular the window, the staircase, the pocket doors, the fireplaces and the buffet must be considered.
- Both the interior and the exterior must remain available for members of the public to enjoy and appreciate.
- The value of the house has appreciated considerably since its acquisition by the City, and it will continue to appreciate. This appreciation is an asset of the entire City, not just the Parks Department. The appreciation far exceeds costs of maintenance and repair over the ownership period.

We look forward to your careful consideration of the future of Harbeck-Bergheim.

CITY OF BOULDER
BOULDER, COLORADO
BOARDS AND COMMISSIONS MEETING MINUTES

To listen to the Parks and Recreation Advisory Board meetings in their entirety, please go to the following link: www.boulderparks-rec.org

Name of Board/Commission: Parks and Recreation Advisory Board and Landmarks Board
Date of Meeting: February 21, 2019
Contact Information Preparing Summary: Sarah DeSouza, 303-413-7223
PRAB Members Present: Tom Klenow, Jennifer Kovarik, Mary Scott, Pamela Yugar Val Yates, Alli Fronzaglia
Landmarks Board Members Present: Bill Jellick, Ronnie Pelusio, Abby Daniels, John Decker
Board Members Absent: Raj Sherman
Staff Present: Yvette Bowden, Ali Rhodes, Jeff Haley, Sarah DeSouza, Tina Briggs, Caitlin Berube-Smith, Marcy Cameron, James Hewat
Guests Present: Some members of the community attended the Joint Meeting
Type of Meeting: Joint Board Meeting
Agenda Item 1: Start of Meeting The meeting was called to order at 5:00 p.m.
Agenda Item 2: Introductions/Roles and Responsibilities Haley initiated the meeting, welcomed participants and reviewed the meeting agenda.
Agenda Item 3: Project Background Briggs provided project background information including property information, process and approach review, research, engagement outcomes and option analysis. A short large group discussion occurred prior to breaking into smaller groups. <ul style="list-style-type: none"> • Renovations in the original list of option were removed because not current funding is identified for large scale renovation. • The annual projected costs include O&M and R&R costs. • A rental agreement rate would at least cover maintenance and R&R. Operations (lights, electricity, etc.) are generally the responsibility of the lessee. • Timeframe of 1-year needs was related to the expiration of the nonconforming use and anticipated extension. • The elimination fo the retain for city use option needs more explanation as to the alignment to the BPR master plan • Procedurally, Parks and Recreation would have to follow the procedure for property disposition to sell to another department or another entity. • Parks and Recreation has 12 historic assets in the current system. • Some concern was expressed about how historc assets align with the BPR mission and vision.
Agenda Item 4: Discussion The group broke apart into 2 smaller groups. Each table had a similar mix of board members and staff. Each table discussed 5 refined options with the guidance of group discussion questions: <ul style="list-style-type: none"> ○ Do you have any questions about the information presented this evening or process

to determine the options?

- As a board member, what aspects of the options do you most align with and how do they relate to the 5 refined options?
- What would be your preferred option within each category (sale/lease) and why? Which option would you explore first and do you support the execution of a second option if the first is not successful?
- Understanding the time constraints that exist, would you support a time limit for exploring options? (reduce time of vacancy, non-conforming use expiration, financial liabilities)

Agenda Item 5: Report Out Summary

Tables re-grouped and reported out the conversion to the other table and community members present.

- Exterior and interior preservation is of utmost importance. There was overall agreement that protections are a necessity for support.
- Support that important values were being discussed, although priorities of those values ranged widely between groups
- It was agreed that any of the 5 options presented could fulfill the values and key themes with the right lessee or buyer
- There was support for both lease and sell with some minor support of continued city use with more interest in focusing on the lease options
- Lease aligned more closely to values with a wide range of flexibility and creativity
- Some community and board members have expressed strong opposition to a sale and stated they could not support a sale without exploring other options
- Sale supporters expressed some level of support for sale as a contingency plan
- A sale would provide a large one-time capital opportunity while a market rate lease could provide smaller ongoing opportunity
- Timeframe needed more definition
- Contingency plan should be set in place to avoid duplicate process and additional resources
- This house is a unique opportunity and not intended to set precedence or preclude future consolidation of historic resources
- Equitable use should be considered as criteria for lessee
- Nonconforming use extension is underway
- Consider industry professional for lease or sale to solicit proposals with staff guidance of criteria

Agenda Item 6: Next Steps

- Feb. 25 PRAB Discussion Item
- Mar. 25 PRAB Action Item with Public Hearing
- April 2 City Council

Adjourn: There being no further business to come before the Board at this time, the meeting was adjourned at 6:50 p.m.

CITY OF BOULDER
BOULDER, COLORADO
BOARDS AND COMMISSIONS MEETING MINUTES

To listen to the Parks and Recreation Advisory Board meetings in their entirety, please go to the following link: www.boulderparks-rec.org

Name of Board/Commission: Parks and Recreation Advisory Board
Date of Meeting: February 25, 2019
Contact Information Preparing Summary: Sarah DeSouza, 303-413-7223
Board Members Present: Tom Klenow, Jennifer Kovarik, Pamela Yugar, Mary Scott, Alli Fronzaglia and Valerie Yates
Board Members Absent: Raj Seymour
Staff Present: Yvette Bowden, Ali Rhodes, Jeff Haley, Mora Carrillo, Bryan Beary, Caitlin Berube-Smith, Tina Briggs, Keith Williams, Jackson Hite, Meghann Lohman, Tim Duda
Guests Present:
Type of Meeting: Advisory/Regular
Agenda Item 1: Call to Order The meeting was called to order at 6:00 p.m.
Agenda Item 2: Future Board Items and Tours Rhodes reviewed upcoming community touch opportunities. These events can be found at www.BoulderParks-Rec.org
Agenda Item 3: Public Participation Lisa Spalding , resident and member of the Executive Committee of the University Hill Neighborhood Association spoke in support of Option H for the Harbeck-Bergheim House. The organization believes this option ensures the long term care and maintenance of the building and that public access to the house for community uses as long-term partnerships is retained.
Agenda Item 4: Consent Agenda A. Approval of Minutes from January 28, 2019 Minutes from January 28, 2019 were approved as amended. B. Parks and Recreation Development and Operations Update Consent agenda was submitted as written.
Agenda Item 5: Action Item A. Public Hearing and Consideration of a Motion to Approve the Rocky Mountain Hang Gliding and Paragliding Association Agreement Rhodes presented this item to the Board. The Board had the following questions and/or comments: <ul style="list-style-type: none"> In response to last month's comment regarding the city's opportunity to partner with hang gliders who take aerial photographs of city property, will the city be required to

pay for access to these photographs?

The public hearing was opened for this item.

No one spoke at the public hearing.

Scott made a motion to:

Approve the Agreement between Rocky Mountain Hang Gliding and Paragliding Association and the City of Boulder.

The item was opened for Board discussion.

There was no Board discussion on this item.

The Board voted on the motion on the floor.

The motion passed 6-0 (**Seymour** absent).

B. Public Hearing and Consideration of a Motion to Approve the Agreement Between Verizon Wireless and the City of Boulder

Beary presented this item to the Board.

The Board had the following questions and/or comments:

- Would there be any changes in how 5G technology is applied to the building and how it impacts users in the building?

The public hearing was opened for this item.

No one spoke at the public hearing.

Fronzaglia made a motion to:

Motion to approve the Agreement between the City of Boulder and Verizon Wireless and authorize the City Manager to make minor amendments prior to or during the term of this agreement in order to ensure that the lease is managed in a manner that is consistent with applicable laws and the policies and regulations of the City of Boulder.

The motion was seconded by **Kovarik**.

The item was opened for Board discussion.

There was no Board discussion on this item.

The Board voted on the motion on the floor.

The motion passed 6-0 (**Seymour** absent).

Agenda Item 6: Discussion Item

A. Master Plan Implementation Update: Policy and Outcomes Overview

Rhodes presented this item to the Board.

The Board had the following questions and/or comments:

- Appreciation and thank to department staff for effectively implementing the Master Plan.
- When will department fee structures going to be discussed with the community?
- What audience or user group(s) will receive the recreation user surveys being developed by staff?

B. Harbeck-Bergheim House Update

Haley and **Briggs** presented this item to the Board.

The Board had the following questions and/or comments:

- Request for clarification to distinguish between market value and cost recovery.
- Are the options all “as is” and exclude city renovation of the property?
- In option H, retain and lease below market value, is there still an opportunity for the city to make money off the use of the property?
- Is there a way to keep both options F and H open while exploring interest in leasing the property?
- Not interested in selling the property for fear the property would be destroyed or changed irrevocably.
- Not interest in selling the property as a contingency plan because of the community’s value of the building.
- Sale of the property is the last option.
- What is the timeframe associated with the grant application process?
- While not first preference, Support the contingency option but also believe the city should not be spending a great deal of time looking for a lessee. The city cannot retain property and “sit on it”.
- Believe in the compromise of leasing first as close to market value as possible.
- Revenue from lease or sale of property could also bring a lot of community value and could expand the community’s access to parks and recreation services.

- Interested in protecting the house and sale to a local family would protect the interior due to the limitation of traffic.
- Like the compromise proposal and recognize the work that has gone into developing the proposed options.
- Prefer that the house is not left empty for any length of time.
- Not concerned about how department will spend any proceeds due to the department's history of appropriately doing so in accordance with Master Plan priorities.
- Impressed by all the work and time that has been invested into the outreach and community conversation about this property.
- Clarify the difference between department Historical and Cultural Assets versus deferred maintenance.
- Does the department prefer to dedicate significant funds to one project to address deferred maintenance needs, or to "sprinkle" money across a number of other deferred maintenance needs?
- How does the current non-conforming use permit expiration affect the future use of the property?
- If the house is put on the market for sale it could also be vacant for a considerable period of time.
- Selling the house and identifying the correct buyer will be a very challenging process.
- Support contingency plan moving forward.
- Not interested in contingency plan but interested in enacting the right of first refusal if council determined that the selling the property is the preferred option.
- Department does an excellent job of prioritizing money to address CIP needs and believe that any proceeds achieved from the house would be used appropriately.
- Would the leasing option be for one tenant, or could it be a shared work space?

Agenda Item 7: Matters from the Department

A. City Council 2019 Priorities Update

Bowden presented this item to the Board.

The Board did not have questions on this item.

B. Alpine-Balsam Project Update

Bowden presented this item to the Board.

The Board had the following questions and/or comments:

- Is there a chance that North Boulder Park would become a flood plain if the site plan includes high density housing or use?

Agenda Item 8: Matters from the Board

A. PRAB Community Engagement Updates – Members of the PRAB participated in the following outreach activities over the course of the last month: Joint meeting with the Landmarks Board; and Parks and Recreation Department-Wide Open House.

Adjourn: There being no further business to come before the Board at this time, the meeting was adjourned at **7:55** p.m.

Approved by:

Tom Klenow

Board Chair

Date _____

Attested:

Sarah DeSouza

Board Secretary

Date _____



April 3, 2019

Dear Boulder City Council Members,

Historic Boulder has been saving important places since 1972. We helped write the city's landmarks ordinance and we have successfully restored or protected over a dozen buildings. We believe that the Harbeck-Bergheim House is one of Boulder's most important historic and cultural assets and should be preserved, restored, and enjoyed by the entire community. And, just as Milton Bergheim intended in 1969, the house should be utilized for the public good.

Our vision is that the property become a vibrant and welcoming community hub offering a wide variety of programming options including space for community meetings and offices, concerts, lectures, exhibitions, and holiday and impromptu gatherings. The house could also serve as an important cultural anchor that would benefit all the residents of the University Hill neighborhood.

In a letter dated July 6, 2018 and sent to the Parks and Recreation Department, Historic Boulder referenced two appropriate preservation models that could be implemented moving forward: The Emerson School in Denver, an historic school which is home to Colorado Preservation, Inc., the National Trust for Historic Preservation, Historic Denver Inc., and several other non-profits; and Pleasant Home in Oak Park, Illinois, an estate (similar to the Harbeck-Bergheim House also located in a park setting) owned by the City of Oak Park, but operated by a separate foundation.
<https://www.pleasanthome.org/>.

Historic Boulder has participated in all stakeholder and public meetings and has been impressed by the Parks and Recreation Department's thorough, respectful and transparent process. We look forward to continuing to work with the City to bring a vibrant new chapter to the life of this unique property.

Sincerely,

Cheri Belz, President

And Historic Boulder Board of Directors

1200 Pearl Street, Suite 70 | Boulder, CO 80302

FRIENDS OF HARBECK-BERGHEIM HOUSE

(an unincorporated Colorado nonprofit association)

P.O. Box 1001, Boulder Colorado 80306-1001

April 3, 2019

Boulder City Council

Re: Harbeck-Bergheim House

Before you on April 16 is approval of the Parks & Rec board decision regarding Harbeck-Bergheim. I cannot be present. Other members of our group will likely speak. These comments substitute for my absence. The P&R staff did an excellent job seeking public participation and gathering ideas concerning Harbeck-Bergheim House. I especially commend Jeff Haley, Tina Briggs and Caitlin Berube-Smith.

Friends of Harbeck-Bergheim strongly supports the motion of the P&R board. We are pleased that Harbeck-Bergheim House will remain available for enjoyment and use by the public. Friends of Harbeck-Bergheim has advocated for such use since before the History Museum (Boulder Historical Society) returned the home to the City.

I did note, in speaking to the P&R Board on March 25, that in 1982, when the Museum took possession, the house was not in good condition; it was in far better condition when returned to the City last summer. (My wife and Barbara Gigone were joint presidents of the Historical Society in 1982. I know well the issues faced. I also served as Museum president and trustee for over 9 years.) The City has not been a good caretaker of its properties, especially the historic venues. The study currently underway as to care for such City properties, held by Parks, Open Space, and others, is an excellent effort to seek a remedy for this problem.

The investor's concept that "every buy is a sell" does not apply to City assets whether open space, office buildings, or historic structures.

As to the motion approved by the Parks & Rec Board, we request that you advise staff to be flexible in negotiating the rent. Recovery of all expenses and obtaining a market rate should not be the primary goal. Rather the City should first seek a tenant who will properly care for a valuable City asset. And a City asset should not be expected to provide financial support for other City activities.

Commercial landlords want a tenant to care for leased property and also pay all costs, both operating and major maintenance. They expect the tenant to return the property in at least as good condition as when received. They especially want to benefit from the

appreciation. But they do not want to compensate the tenant for the care the tenant has given. (Thomas Piketty questions that concept in *Capital in the 21st Century*.)

The City acquired Harbeck-Bergheim for \$82,500; the Museum cared for it some 35 years and it is now worth \$3 million. The total expenses of the City did not approach that figure. The Museum only received a “thank you” for 35 years of care. That may be fair in the commercial field, but is it fair for a City to not share in the cost of care during the lease?

Those of us in the legal or real estate field have a hard time getting our minds around this as a problem. But is it right that the landlord, who has been fully compensated for all expenses during the term of the lease, should be the sole beneficiary of the appreciation, while the tenant, who has had the obligation to care for the property, gets nothing?

The point here is that the City (P&R Staff) in negotiating a lease should have the flexibility to accept something less than market rate or full compensation for expenses. The tenant will be performing an important public service caring for a valuable City asset. Perhaps the tenant should receive some compensation for its service and care.

We hope that the Council makes clear to the Parks and Rec staff that negotiation of rent should be flexible and that the “market rate” condition in the motion might be modified by both P&R Board and Council.

One other matter: A thorough historic assessment is necessary before a tenant takes possession. The memo of 10/11/2018 regarding the interior is inadequate. Many repairs should be done by the City beforehand. Strenuous efforts should be made to preserve the historic features while complying with ADA and energy efficiency requirements.

Thanks again to the Parks and Rec staff.

/s/ Karl F. Anuta

Karl F. Anuta,
for Friends of Harbeck-Bergheim House



INFORMATION PACKET MEMORANDUM

To: Members of City Council

From: Jane S. Brautigam, City Manager
Yvette Bowden, Director, Parks and Recreation
Alison Rhodes, Deputy Director, Parks and Recreation
Jeff Haley, Planning, Design and Community Engagement Manager
Margo Josephs, Manager of Community Outreach and Partnerships
Brenda Richey, Business Services Manager

Date: April 5, 2018

Subject: Information Item: Harbeck-Bergheim House
Council members are encouraged to contact, Yvette Bowden, Parks and Recreation Director (bowdeny@bouldercolorado.gov or 303-413-7215) by April 13, 2018 with questions related to this Information Packet Item or with input regarding the department's proposed timeline and community engagement approach.

EXECUTIVE SUMMARY

The Harbeck-Bergheim property, located at 1206 Euclid Ave., was first leased and ultimately purchased by the City of Boulder in 1989 for \$82,500, utilizing Permanent Parks and Recreation Funds (PPRF). Since 1984, the former Boulder History Museum, now the Museum of Boulder (MOB), has leased the building operating and managing it as a museum. Throughout that lease, the Parks and Recreation Department (department) has facilitated the lease with the MOB and managed the property along with the Facilities and Asset Management (FAM) Division of Public Works. In 2012, the MOB signed a contract to purchase the Masonic Lodge located at 2205 Broadway in downtown Boulder indicating their intention to relocate museum operations. The MOB has announced plans to vacate the Harbeck-Bergheim property this year, giving rise to the department's consideration of the landmarked property's going-forward use and maintenance in the context of the department's mission, Master Plan, capital planning and asset management

efforts. Since the property is landmarked, once it is vacated by the MOB, will require currently unfunded annual O&M dollars to maintain the asset. The purpose of this item is to provide council with the property's historic, financial, use, maintenance and zoning-related background information, options related to the future use of the property and a proposed process and timeline for engaging the community in considering next steps.

FISCAL IMPACT

The Harbeck-Bergheim property was purchased in 1989 using the PPRF. This fund was created for the acquisition of park land and the permanent improvement of park and recreation facilities. According to the Charter, expenditures from the PPRF must be made only upon the favorable recommendation of the Parks and Recreation Advisory Board (PRAB) for appropriation by City Council. This funding source has supported the department's ability to maintain a baseline of parks and recreation necessitated repairs and deficiencies (such as neighborhood park renovations and recreation center upgrades), address emergency repairs (supplementing FEMA-related Parks and Recreation asset recovery for example) and adequately investing in enhanced public spaces as the community evolves (such as the upcoming projects at the Boulder Reservoir South Shore and renewing the Scott Carpenter Pool).

Over the last several years, the City of Boulder has invested approximately \$500,000 in maintenance and upkeep to ensure the building's general upkeep. Annual O&M costs are estimated at approximately \$40K with additional capital funding anticipated every few years to maintain the asset in an acceptable and safe condition. This amount excludes funds necessary to maintain utilities and basic operational upkeep in utilizing the space, amounts previously paid by the tenant. These required amounts are not currently funded in either FAM or Parks and Recreation's budgets.

In considering the property's potential future use options, it should be noted that the Charter (B.R.C. 161) specifies that any proceeds from the sale of the property must be returned to the same fund, in this case the PPRF, and expenditures can only be made upon the favorable recommendation of the PRAB for appropriation by City Council.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- **Economic:** The property is a locally designated historic landmark. A January 2005 appraisal valued the property at between \$3 million and \$3.2 million. An updated appraisal was completed in 2013 valuing the house at \$2.6 million. As noted above, the city has recently made roughly \$500,000 in repairs to the property and basic operations must assume a minimum amount in annual expenditures (comparable to the \$40K annually incurred by MOB as the current property tenant). Currently the building is being leased to the MOB, and that tenant is required to pay for basic utilities and modest internal repairs.
- **Environmental:** The Harbeck-Bergheim property could be subject to recent code changes related to energy efficiency and code compliance. Due to the landmark designation of the property, code compliance will be subject to sensitive historic preservation of the property.

- Social: Since 1985, the property has been leased to the MOB for use as a museum. The MOB intends to move to another location in 2018. The property has also been discussed several times by the PRAB, which took a tour of the property in 2016, and discussion of this property was included in published capital-related department reports between 2015 and 2017.

BACKGROUND

Built in 1899, the property was originally owned by J. H. Harbeck, a New York stockbroker and chain store owner. After the death of the last member of the Harbeck family, the house went into estate proceedings and was bought by a Mr. Blystead. Mr. Blystead never occupied the house but acted as an agent for the property. In 1939, the property was purchased by a Boulder clothing store owner, Milton Bergheim, who lived there for nearly 30 years. In 1970, the city entered into a ten-year lease and purchase option agreement with the Bergheim family for \$8,250 per year. Building uses were subject to approval by the PRAB. The purchase option was exercised by the City in 1989 and the \$82,500 purchase price was, as noted above, funded by the PPRF.

According to documents, the goal of the purchase was to, "...provide a cultural center for encouragement of nature study and interpretation, conservation, gardening and related activities..." as well as "various recreation classes." Between 1978 and 1985, the Parks and Recreation Department used the property for recreation classes, community or organization meetings and social occasions. At that time, the house was used 8 to 12 times per week for an average of 26 hours per month. Approximately 75 percent of the use was dedicated to recreation classes and departmental meetings with the balance made up of public and other governmental uses. In 1980, the Harbeck-Bergheim House was designated a local landmark (Boulder Historic Places, State ID# 5BL620) for its architectural, historic and environmental significance.

Four years later, the Boulder Historical Society (now the MOB) approached the department with a proposal to use the house as a museum, replacing the Boulder Historical Society operation located in the Squires-Tourtellot House at 1019 Spruce St. The department supported the request. In 1985, the Boulder Historical Society entered into a \$0 annual lease agreement with the city for the use of the site for the Boulder Museum (MOB). The original term of the lease was for five years with an option for three extensions. The original lease required the tenant to provide a classroom/meeting space to the department and to provide some historically oriented recreation classes as a sub-contractor to the department. In December 2004, a lease renewal was approved. The MOB purchased the former Masonic Temple property located on 2205 Broadway for \$2.5 million. Subsequently, and with community support (including 2015 Community Cultural and Safety Tax funding), the MOB renovated their new facility and announced plans to vacate the Harbeck House in 2018. Anticipating that move, the department must now consider the use, maintenance and future sustainability of the Harbeck-Bergheim property as those plans further the Parks and Recreation Department's mission and Master Plan goals, fiscal sustainability and broader community health and well-being needs.

In 2014, City Council accepted and approved the department's master plan that outlined several key themes developed by research findings, community input and policy directive from the PRAB and City Council. These key themes allow the department to ensure decision-making and direction is always supporting the vision of the community. Two significant outcomes of these themes that relate to the Harbeck-Bergheim property include, "Taking Care of What We Have" and "Financial Sustainability." Since master plan acceptance, the PRAB and staff have developed a capital investment strategy that outlines key capital needs of the department, that include historic and cultural assets. This capital strategy includes a backlog of several million dollars that must be funded through the PPRF. Staff and the community also recognize the limits to public funding, the need to focus on core services and the most effective methods of allocating budgets in serving the community's health and wellbeing. Balancing multiple and increasing demands from the public within the existing resources is an ongoing challenge, and staff are consistently evaluating programs and services to ensure the most impactful use of funding. This priority setting benefits from the PRAB's annual input and considers the community's existing and future parks and recreation-related needs and expressed desires.

ANALYSIS

Parcels and Deed Restrictions

The 0.5021 acres (125 ft by 175 ft) Harbeck-Bergheim property, located at the corner of 12th Street and Euclid Avenue (1206 Euclid Ave. - Lots 1 through 7, Block 13), is situated adjacent to the two-acre Beach Park on the east and south sides and 12th Street and Euclid Avenue on the north and south sides. Beach Park is located on lots 8-15 and 31-44 in Block 13 of University Place. The park was gifted to the city through multiple deeds between 1937 and 1939. Each deed contains a condition on the use of the park property for "park purposes and as a playground for children forever." The department considers the Beach Park public park asset critical to its system of greenspaces in terms of its proximity to nearby residences and continues to care for the park.

There are no similar use restrictions in the deed conveying the Harbeck property as there are in the deeds for Beach Park. The P.R. deed conveying the house to the city lists no specific restrictions on the property. Further, the deed conveying the house from Leonard Blystad to Milton Bergheim in 1937 does not contain any restrictions. Because there are no use restrictions in the deed, lots 1-7, **the Harbeck property is not restricted by the covenant of Beach Park that the property must be used for park and playground purposes only.** However, it does have other PPRF restrictions, as well as zoning and use restrictions more fully discussed below.

Permanent Park and Recreation Fund

The Harbeck-Bergheim property was purchased in 1989 using the PPRF. According to Charter Section 161, the PPRF shall only be used for the acquisition of park land or the permanent improvement of park and recreation facilities and any proceeds from the sale of the subject property must be returned to the same fund (B.R.C. 1981). Because the Harbeck-Bergheim property was purchased with the PPRF, any proceeds from the sale would need to be returned to the same fund and could only be used for the acquisition of park land or for the permanent

improvement of park and recreation facilities. Furthermore, expenditures from this fund shall be made only upon the favorable recommendation of the PRAB and appropriation by council.

In addition, Charter Section 154 defines "park land," "park property," and "recreation facilities" to include all lands donated to the city *for park or recreation purposes*, acquired by the city through purchase, dedication, deed or condemnation *for park or recreation purposes*, or purchased or improved in whole or in part with funds from the permanent park and recreation fund. Since PPR funds were used for the purchase of this "park land" it is strongly suggested that the continued use align with park or recreation purposes.

From a procedural perspective, any sale of the property would be governed by Charter Section 162 that states that park lands may be disposed of by the city council but requires the affirmative vote of at least four members of the PRAB. In addition, an advisory recommendation, which shall not be binding on the council, shall be obtained from the planning board prior to the disposition or lease of park lands.

Zoning and Uses

The use of the Harbeck-Bergheim House currently as a museum is considered, by code, a nonconforming use. This nonconforming use status will expire if discontinued for a year without first receiving approval to extend the nonconforming status prior to the one-year period. Nonconforming uses can continue and may be substituted with other nonconforming uses subject to the provisions of 9-10-2 B.R.C. 1981. Changes or expansions to existing nonconforming uses may be possible through the Nonconforming Use Review process of 9-2-15 B.R.C. 1981.

The Harbeck-Bergheim property is currently zoned Residential – Low 1(RL-1), the current designation of the former Low Density Residential-Established (LR-E) zoning district. This zoning designation is primarily used for established detached residential development at low residential densities. As such, permitted uses in RL-1 zoning districts include:

- Detached dwelling units;
- Daycare, home;
- Public elementary, junior, and senior high schools;
- Public colleges and universities;
- Religious assemblies;
- Parks and recreation uses;
- Crop production; and
- Accessory buildings and uses.

Other uses (including, potentially, continued nonconforming use) could be considered through the appropriate administrative review procedures as outlined in the City's Land Use Code in Title 9 Chapter 6.

Conditional uses in RL-1 districts include:

- Detached dwelling unit with two kitchens;
- Cooperative housing units;
- Accessory dwelling units;
- Limited accessory units;
- Group homes;
- Home occupation;
- Transitional housing; and
- Community gardens.

Use Review approval is required for the following uses:

- Daycare center with ≤ 50 children;
- Daycare center with > 50 children;
- Emergency shelter;
- Essential municipal and public utility services;
- Governmental facilities;
- Private elementary, junior, and senior high schools;
- Adult education facility with $< 20,000$ square feet of floor area;
- Adult education facilities with $\geq 20,000$ square feet or more of floor area; and
- Automobile parking lots, garages, or car pool lots as a principal use.

Regardless of any City determined action as it relates to the property, it will remain a landmarked and subject to the historic preservation provisions within the code.

Landmark Designation

In addition to the zoning restrictions on the property, it is landmarked and subject to protection through the city's historic preservation program. This means that any exterior changes to the property will need to be reviewed through the landmark alteration certificate process and meet the Standards for Issuance of a Landmark Alteration Certificate per 9-11-18 BRC. In addition to these requirements, the owner must maintain and repair the property, "as is necessary to prevent deterioration of the exterior of the structure, including weed control, garbage, and housing maintenance." **In summary, regardless of the ownership or use of the property, the Harbeck-Bergheim House and property will always be a local landmark and therefore will be protected.**

Value and O&M Costs

The appraised value of the Harbeck-Bergheim property in 2005 was between \$3 million and \$3.3 million. At that time, it was estimated that \$300,000 in high quality rehabilitation work was required to return the property to residential use. An updated appraisal was completed in 2013 valuing the house at \$2.6 million. Approximately \$500,000 in capital maintenance and O&M for

the property has been completed by the City of Boulder over the last several years. As the property is well over a century old, it needs significant repairs. At a minimum, the house requires a roof replacement, kitchen upgrade, and painting and plaster repair. In addition, its public use should consider that the building has no central air, requires additional restrooms and has no ADA accessibility to the upper levels. On the main floor, ADA access is only accommodated by an exterior ramp on the rear of the building and there is no ADA access to the basement level. Finally, depending upon the determined future use, energy code requirements may require additional consideration as evaluated in sensitivity to the landmark designation.

Parks and Recreation Asset Management and Capital Strategy

The Parks and Recreation Department manages a portfolio of many assets ranging from parks, pools, ballfields, recreation centers and specialized facilities such as a golf course and the Boulder Reservoir Recreation Area. The approximate replacement value of these assets is \$215 million with a current backlog of capital repairs around \$16.6 million. Ten percent of these assets are in a facility condition rating of poor or serious, including the Harbeck-Bergheim House. The department has limited funding each year to address this backlog of maintenance and must prioritize projects based on the community benefit and the core services of the department. Based upon the department's current asset portfolio valued at \$215 million, \$4 million to \$6 million must be spent each year to keep assets in appropriate condition through ongoing capital maintenance and enhancements budgeted through the six-year Capital Improvement Program. This equates to about 2 to 3 percent of the overall value and allows the assets to remain in "good" condition with an overall Facility Condition Index (FCI) of .07.

Each year, construction costs increase and funding is further limited. The options for the future of the Harbeck-Bergheim House must be considered in the context of the department's overall asset management program and the priorities that exist.

Future Use and Maintenance – Options Exploration

With the MOB vacating the property this summer, the department has evaluated all of the information presented and identified options for consideration by City Council, the PRAB and the community. These options were identified through extensive consideration of all the topics described through the analysis section of this memo and align with the overarching goal of finding a financially sustainable option that meets the department's mission and capital investment strategy. These options are described below and will be presented to the community as outlined.

Option 1 - Sale of the property to fund Parks and Recreation Department capital backlog priorities, including historic and cultural assets in City of Boulder Parks

The Harbeck-Bergheim property was purchased in 1989 using PPR funds. According to Charter Section 161, the PPRF shall only be used for the acquisition of park land or the permanent improvement of park and recreation facilities and any proceeds from the sale of the subject property must be returned to the same fund (B.R.C. 1981).

If the Harbeck-Bergheim House were competitively sold, with the one-time revenue received from the sale of the property, the department would have the ability to implement a portion of capital needs that are illustrated in the department's master plan. The master plan outlines key action items that need to be implemented if the department has the opportunity.

According to the Charter, expenditures from the fund must be made only upon the favorable recommendation of the PRAB for appropriation by City Council. By selling the property, the proceeds could be used to meet the goals of the department's capital investment strategy including, for example, considered improvement and rehabilitation of many other historic assets within the department's portfolio such as:

- Columbia Cemetery;
- Glen Huntington Bandshell;
- Roney House (Valmont City Park);
- Boulder Pottery Lab; and
- Chautauqua Park Improvements (including the children's play feature).

Funds would also allow staff to explore expedited implementation of many critical projects currently within the department's capital strategy including the next phase of Valmont City Park, replacement of restrooms at the Flatirons Golf Course facilities removed due to the 2013 flood, Gunbarrel parkland provision, potential enhancements of the Mapleton Ballfields and many ongoing neighborhood park renovations including ADA compliance initiatives and new amenities within community parks.

Option 2 – Retain ownership of the property and lease at current market rate

This option would not provide the capital funding opportunities described above through the sale of the property but would allow the department to relieve the ongoing O&M costs from the department budgets by leasing the property at current market rate and developing a lease agreement that would meet the needs of the department and community desires. Additionally, the lease terms would need to follow all criteria described previously related to zoning and use.

Option 3 – Retain property for city use pending identified funding source

Many ideas have been presented to staff about future use of the property once the MOB vacates, and staff have been contacted by several local non-profit agencies about leasing the property as it has done in the past. These ideas range from arts and cultural uses, potential opportunities associated with the University of Colorado as well as with other city departments. The department recognizes much has changed since the MOB began leasing the property in 1985 and

the department must consider the goals and objectives of the master plan as well as budget realities. This option would require the department to determine a new and sustainable funding source that would allow continued ownership and management of the property outside of current capital and operating budgets. Lastly, since PPR funds were used for the purchase of this parkland it is strongly suggested that the continued use align with park or recreation purposes.

NEXT STEPS

A comprehensive public engagement plan is being developed for this initiative to ensure the community understands the background and history of the property, learns about the options and has opportunities to provide feedback and ideas. While no recommendation on the options is being proposed at this time, staff anticipates working closely with the PRAB through this process to refine the options and final recommendations that will be provided to City Council for consideration. Pending any additional direction from the PRAB or City Council in April, staff will begin the following process and approach:

Defining the Issue and Information Sharing (Q2 2018)

It is important to engage the entire community in this initiative and to ensure the community has a thorough understanding of the situation and issues involved with the property. Staff will be facilitating a variety of opportunities to share information and outline the options, so all community members can be involved in the project. At least two open houses, including tours of the property will be hosted, along with virtual online tours, facilitating online dialogue and providing notifications related to the history of the property and the potential options. This will include articles as needed in the Community Newsletter and press releases from the department. Staff will be sharing the outcomes of this outreach with the PRAB in July 2018 with updates provided to City Council, the Planning Board and the Landmarks Board through their department liaisons.

Identify Recommended Option (Q3 2018)

Based on the outcomes of the community outreach including discussions with the PRAB (tentatively in July and August), staff will evaluate all ideas and feedback to identify a recommended option for consideration by the community and the PRAB. The goal of this phase is to get final feedback prior to seeking consideration and approval from the PRAB and ultimately City Council. Staff anticipates providing the PRAB and City Council with the identified option by September 2018 with informational outreach conducted thereafter.

Determination of Final Option and Implementation Strategy (Q3/Q4 2018)

Once all feedback has been received related to the recommended option, staff will prepare a memo outlining the final option for review and consideration of approval. Depending on the option that is selected, staff will also outline the implementation strategy and next steps. This is anticipated to occur within Q4 of 2018. As part of this phase of the project, staff will be clearly communicating the decisions and rationale as well as reflecting and evaluating the overall process and approach.

Council members are encouraged to contact, Yvette Bowden, Parks and Recreation Director (bowdeny@bouldercolorado.gov or 303-413-7215) by April 13, 2018 with questions related to this Information Packet Item or with input regarding the department's proposed timeline and community engagement approach.



INFORMATION PACKET MEMORANDUM

To: Mayor and Members of Council

From: Jane S. Brautigam, City Manager
Yvette Bowden, Director, Parks and Recreation
Alison Rhodes, Deputy Director, Parks and Recreation
Jeff Haley, Planning, Design and Community Engagement Manager
Tina Briggs, Parks Planner II

Date: October 25, 2018

Subject: **Information Item: Harbeck-Bergheim House – Update on Research, Community Feedback and Next Steps**

EXECUTIVE SUMMARY

The purpose of this item is to provide City Council with an update concerning the current Harbeck-Bergheim House planning process exploring a preferred ownership/operation model and community values in determining future use of the landmarked City of Boulder property. This update provides a summary of research and background information about the property's use and financial history as well as community feedback to date. Further, this memo outlines an overview of the remaining process including research to be completed and additional community engagement planned before council's next review in early 2019.

Council members are encouraged to contact, Yvette Bowden, Parks and Recreation Director, (bowdeny@bouldercolorado.gov or 303-413-7215) by Nov. 1, 2018 with questions related to this Information Packet Item or with input regarding the department's proposed timeline and approach.

BACKGROUND

Last April, ahead of an Information Packet to City Council, staff kicked-off a planning process considering options for the house meant to determine a preferred ownership/operation model supported by the community. Typical to any asset within the department's portfolio, staff must carefully consider property ownership and management factors based upon comprehensive community engagement and recommendations from the Parks and Recreation Advisory Board

(PRAB) and City Council. A comprehensive background of the property and the process approach can be viewed by visiting the [project website](#).

The Harbeck-Bergheim property, located at 1206 Euclid Ave., was first leased and ultimately purchased by the City of Boulder in 1979 for \$82,500, utilizing Permanent Parks and Recreation Funds (PPRF). Since 1985, the former Boulder History Museum, now the Museum of Boulder (MOB), leased the building operating and managing it as a museum. Throughout that lease, the Parks and Recreation Department (department) has facilitated the MOB lease with the Facilities and Asset Management (FAM) Division of Public Works. In 2012, the MOB signed a contract to purchase the former Masonic Lodge in downtown Boulder indicating their intention to relocate museum operations. The MOB has since vacated the Harbeck-Bergheim property, giving rise to the department's consideration of the landmarked property's going-forward use and maintenance in the context of the department's mission, Master Plan, capital planning and asset management efforts.

Additional highlights of the property's history are provided in the following links:

[History at a Glance](#)

[1972 Appointing official name of House](#)

[1979 Unrestricted Deed](#)

[1980 Landmark Designation](#)

FISCAL IMPACT

To complete the process and approach outlined for this project, staff budgeted approximately \$25,000 for a variety of studies, assessments, outreach initiatives and collecting background information related to the property.

A home appraisal report was submitted on Sept. 27, 2018. The "as is" market rate value for the property is estimated at \$3,066,000 with an estimated real estate tax estimated at \$57,865.53 per year. Current ownership is tax exempt.

Annual operation and maintenance (O&M) costs of facilities, as a citywide standard, are 4.5 percent of the total replacement value. According to the appraisal report, total replacement value is estimated at \$1,045,000 placing O&M cost at approximately \$47,025/yr.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- **Economic: The house is a locally designated landmark through the city's landmark ordinance.** An updated appraisal was completed in 2018 valuing the house at nearly \$3.1 million. The city has recently made roughly \$100,000 in repairs to the property and basic operations must assume a minimum amount in annual O&M expenditures of \$47,000 annually, not including additional capital projects and historic restoration. Currently the building is vacant, and funding has not been identified to cover previous tenant requirements of basic utilities and modest internal repairs.
- **Environmental:** The Harbeck-Bergheim property could be subject to recent code changes related to energy efficiency and code compliance. Due to the landmark designation of the property, code compliance will be subject to sensitive historic preservation of the property.

- Social: From 1985 to 2018, the property was leased to the MOB for use as a museum. The MOB vacated the property in June 2018. The property is currently zoned Residential – Low 1 (RL-1). Use as a museum is considered, by code, a nonconforming use. This nonconforming use status will expire if discontinued for a year without first receiving approval to extend the nonconforming status prior to the one-year period. This circumstance limits future use to permitted uses in RL-1 zoning districts or would need to be considered through the appropriate administrative review procedures.

ANALYSIS

A) REPORTS AND ASSESSMENTS

As outlined in the April 5, 2018 Information Packet to City Council, staff compiled a variety of studies and assessments to inform the project, give context to the community and inform decision-making. The following sections provide overview of the research completed to date with more detailed information found in attachments.

Inspection

An inspection report is a written evaluation of current conditions at the time of the inspection. It provides a level of deficiency but does not prioritize or provide cost estimates for repairs. It also provides information on projected capital needs for repair and maintenance, not considering restoration efforts which were not a part of the inspection.

A [home inspection report](#), dated Aug. 21, 2018, revealed no immediate safety hazards. This report was used to determine that there were no immediate safety concerns and allowed the department and FAM to identify short-term capital needs versus those efforts that might be addressed once future use is determined. Many property features were recommended for repair to prevent deterioration typical of structures of its age. In accordance with the report's findings, however, no major repairs or renovations are scheduled as the city's decision-making process continues. The department and FAM are working together to insure all critical systems are reviewed and monitored (e.g.: security and fire suppression systems).

Appraisal

The appraisal provides current market value for lease or sale of the home. In addition, it provides the current replacement value which is necessary to accurately approximate the annual O&M.

A home appraisal report was submitted on Sept. 27, 2018. **The “as is” market rate value is estimated at \$3,066,000 with an estimated real estate tax estimated at \$57,865.53 per year.** Current ownership is tax exempt. For standard facilities, FAM uses an industry standard formula (4.5 percent of the replacement value) in approximating the cost of annual O&M. In this instance, staff anticipates some lower costs due to minimal use, but such savings are offset by anticipated higher repair and renovation costs associated with historic buildings. To that end, application of the standard O&M valuation is deemed appropriate. **Assuming the appraisal report's total replacement value (estimated at \$1,045,000), O&M would be approximately**

\$47,025/yr. Exact O&M cannot be accurately accounted for due to the variety contract packages and service bundles developed for cost savings.

Ascertaining appropriate market rate rent for the building is more complicated. In several instances, determining “as is” suitability and appropriate rent would vary based on anticipated property use. For example:

- The building would require certain interior amendments to accommodate single-family home use. Most notably, the building has had interior modifications and would require the reconstruction of at least one full-service bathroom (four-piece) to function as a residential home (allowable use under current zoning).
- Multi-unit housing, if desired, might require zoning change and would warrant further consideration based on several factors (structural, etc.).
- Office use would also require some changes. Office space is a prohibited use under RL-1 zoning and would require at least 21 parking spaces based on square footage. The property currently has 11 parking spaces with one accessible space.
- Other uses (or combination of uses) would also require amendments to the property’s infrastructure.

Lease Related History and Potential Valuation for Lease

The Harbeck-Bergheim property was purchased by the City of Boulder in 1979 for \$82,500, utilizing PPRF. The original suggested purpose of the facility was, “to provide a cultural center for the encouragement of nature study and interpretation, conservation, gardening and related activities for persons of all ages within the Boulder community.” As noted in the May 14, 1970 memo to PRAB recommending the purchase of this property on a lease-option basis over a period of ten years. Unfortunately, interest among then-existing community groups never materialized and original planned use never became reality. The building was subsequently used intermittently for classes, special events, fund raising activities (Santa’s House), meetings, housing interns and drama workshops.

In 1985, the property was leased to the MOB. The original lease terms included no annual fee in return for:

- Payment of all utilities
- Provision of insurance coverage
- Addition of fire sprinkler system
- Provision of free classroom/meeting space to City
- Provision of historically oriented recreation classes (20 percent of class fee paid to the city)
- Repair and maintenance to the building

A prerequisite to the opening of the museum at this location was the installation of a fire suppression system, back door ramp installation and bathroom alterations for accessibility.

When the organization’s trustees entered into the lease, they realized that certain capital improvements were necessary, and this would result in a partial depletion of the MOB’s reserves. The capital expenses exceeded their original estimates. Between 1990 and 1992 requests for

matching funds for the operating budget were made in addition to having the city fund all capital improvements and maintenance, including electrical, plumbing and heating systems at the property. Moreover, the MOB requested that the city waive the balance of \$10,907 due for the fire suppression system while the City additionally funded the ramp and bathroom improvements. The city appears to have released the MOB remainder capital obligations listed above while eventually supporting the Museum budget using the Historic and Cultural Fund. Records show at least \$115,000 of such city expenditures between 2006 and 2015. In addition to the city's ongoing investments in the property, staff has identified and acknowledges prior grants awarded by the [State Historic Fund \(1993-2017\)](#) related to the home. Initial study suggests that the State Historic Fund has contributed \$46,175 received by the MOB for exhibits, brochures and exterior restoration of the Harbeck-Bergheim House.

Historic Feature Assessment

The exterior of the home is protected as a local landmark. There are no current proposals underway concerning changes to the exterior of the property and, should there be any in the future, city ordinance requires the formal review by the Landmarks Board. The property's interior currently has no similarly required level of protection. As previously highlighted, the property's interior includes several features suggested worthy of further study and, perhaps protection or preservation. A third-party evaluation of the home's interior features is underway. This assessment should aid in property valuation and prioritization of any easement or covenant designed to protect such features. Easements or covenants sought to protect interior features may increase sale value estimations but may also reduce the lease or sale value or interest depending on the breadth of coverage. This assessment will determine an appropriate level of protection based on authenticated historic value.

B) COMMUNITY FEEDBACK

In April, staff provided context for the property outlining three broad options which would be further explored through the engagement process. These options (sale, lease or city owned/operated/programmed) were established to give framework to the community's conversations hopefully leading to more fully developed options addressing particular community concerns or desires as the project moved forward.

Since April, staff has conducted a thorough engagement process consisting of:

- public open houses,
- neighborhood association meetings,
- stakeholder meeting,
- survey,
- web updates and community newsletter promotions
- house tours (in-person and [digital](#)),
- digital idea generation and story-telling, and

- in-depth discussions.

Staff utilized participation in the citywide open house (What's Up Boulder) on April 30, 2018, to kick-off the project, raise awareness of the decision-making process and offer future participation opportunities. A host of digital resources were used to define the issue and share information with the community through notifications related to the history of the property and the potential options including articles as needed in the Community Newsletter, press releases from the department, regular web page updates and social media pushes with pictures, videos and stories. Staff submitted several updates to PRAB in addition to a [City Council Information Packet on April 5, 2018](#).

The stakeholder and public meetings invited participation by community members specifically interested in historic preservation, residents of the University Hill neighborhood and the broader community. Early direction from PRAB specifically requested a reach to a broader audience through a myriad of communications vehicles. In response, the kick-off meeting was held at a citywide community engagement event (What's Up Boulder), heavy use of Parks and Recreation social media is regularly infused with project information and the citywide interactive public engagement site (BeHeardBoulder.org) was utilized and cross-promoted by other departments with active projects. The interactive online format, included idea generation, story-telling and a survey that was developed to clearly defining the issue and provide embedded links to ensure the widest degree of project education as survey responses were considered. All sign-in barriers were removed, and incentives were provided to try to capture a broader audience with the educational survey. The incentive was broadly cast via digital media for a month-long promotion. Digital analytics show nearly 6,000 people have viewed information regarding the house while approximately 200 people have been engaged in the process through the opportunities mentioned.

Overall Outcomes

Again, phase 1 of the project sought community input regarding the three proposed options (sale, lease or city ownership/operation/programming). Largely, the interaction with the most impacted groups interested in historic preservation and neighbors have expressed interest in the house remaining a public asset. However, the broader community has responded with little preference. Both groups are aligned on a series of factors or conditions preferred which would heighten the ability of each option to meet the communities needs and values. With this feedback, staff is refining the options for further consideration by PRAB, the Landmarks Board and, ultimately, council.

The community's expressed values and priorities might be summarized as follows:

- Preference for continued protection as a landmark
- Preference for some degree of community access and/or benefit determined by the ultimate use
- Preference for a financially sustainable long-term solution

- Preference for the department's continued focus on the Parks & Recreation Master Plan directed services and priorities
- Preference for analyzing interior features to appreciate the property's value and/or to determine whether some degree of additional protection might be warranted for the interior of the home.

In addition, several organizations have approached the city expressing interest in the building use. In each case, staff has provided tours and information appropriate to those requests. In some cases, local organizations have expressed interest in leasing the property. Staff has been careful to ensure that each such organization received the same access and information and has assured organizations that – if lease of the property was ultimately determined to be the preferred community option – selection of the tenant(s) would be through a fair and transparent process.

Staff presented a project update to PRAB in October 22, 2018. Feedback from PRAB was an overall support of the extended process. There were concerns that only approximately 200 community members have chosen to be involved. They understand that was not lack of staff effort but would like further analysis on what low evidenced interest might mean in addition to a recommendation to conduct outreach at other events not related to the house. There was also a desire to receive additional information regarding unmet needs in the department that could utilize the house.

Stakeholder Meeting Themes and Outcomes

Approximately 16 community members were invited to a discussion of values to be considered in the decision-making process regarding the future of the property. The stakeholders were selected as representatives of community groups most impacted by the future use and ownership of the house. A list of [invitees and participants and meeting notes](#) can be viewed. Stakeholder feedback is summarized under three key themes. Not every discussion point is listed, although they will all be considered as part of the process. In addition, the group discussed areas where additional research needs to be done or where more information could be shared. Staff has obtained and shared the majority of the additional information requested at the meeting.

Ownership:

- The priority should be preservation/stewardship of the property, regardless of ownership
- The house is an important and unique asset to the City of Boulder
 - A sale of the house to shore up a budget shortfall appears short-sighted
 - Consider funding such as future bonds and grants to support the house
- The Parks and Recreation department (P&R) may not be the best owner/steward
 - P&R has struggled with prioritization of cultural properties within its overall mission
 - Cultural properties need a different level of management than standard park assets
 - P&R is not traditionally in the business of managing/leasing facilities

- Consider consolidating all city cultural assets under one department

Use and Neighborhood Compatibility:

- Exterior and interior are a key neighborhood asset
 - Covenant or easement in lease or deed to protect the interior
- Key priorities of steward or owner
 - Understands neighborhood in terms of student and homeless populations and proximity to the playground and park
 - Values the historic quality of the property and understands the nature and cost of historic restorative maintenance
 - Limited desire for visual change (ex. garages and fences)

Public Access:

- At least some public access to the preserved interior regardless of ownership
- Consider making house and property feel more like part of the park
 - Example: Remove vegetation barriers and combine landscape maintenance
- Consider restoring interior and exterior to be a neighborhood icon rather than maintained at a minimum required level

Public Meeting Themes and Outcomes

Approximately 50 people attended the meeting and the feedback received is summarized and categorized in two key themes. In addition to the key themes, the public meeting also generated thoughts on additional information valuable in the decision-making process and providing multiple ideas for possible future uses of the house. Feasibility of the ideas generated will be explored as the process moves forward. Many members of the earlier stakeholder group were representatives of community members that attended the public meeting. Not surprisingly therefore, the larger audience similarly recognized and valued the property as a landmarked asset. Staff was able to engage the larger group in discussing specific values, concerns or conditions making each option potentially more viable. Full [meeting notes](#) are available to demonstrate the alignment.

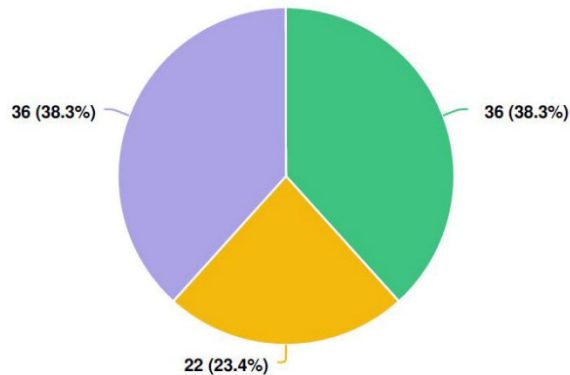
Community Survey

The feedback obtained from the survey included participants in the stakeholder and public meeting along with the broader audience. The survey reach was 95 including many of the 50 meeting participants. The heavy digital push effectively only gained approximately 50 new participants, however, there is a large swing in opinion between the meeting participants and the digital reach participants. The survey questions were intended to be in alignment with the values and options discussion held at the public meeting. The digital reach participants are more flexible in considering future use and ownership than the meeting participants. There is less alignment of values and ownership preference found in the survey than the in-person opportunities. [Full survey results](#) and comments are available for review.

An example of a community value questions asked is part 1 and 2 of Question 3 below:

Ownership

The house is a [local designated landmark](#) for its significant social, historical and architectural features which indefinitely protects and preserves the house regardless of ownership. Given that ongoing level of protection and the fact that the majority of Boulder's landmarked properties are privately owned, how important is it that the City remains the owner of the house?

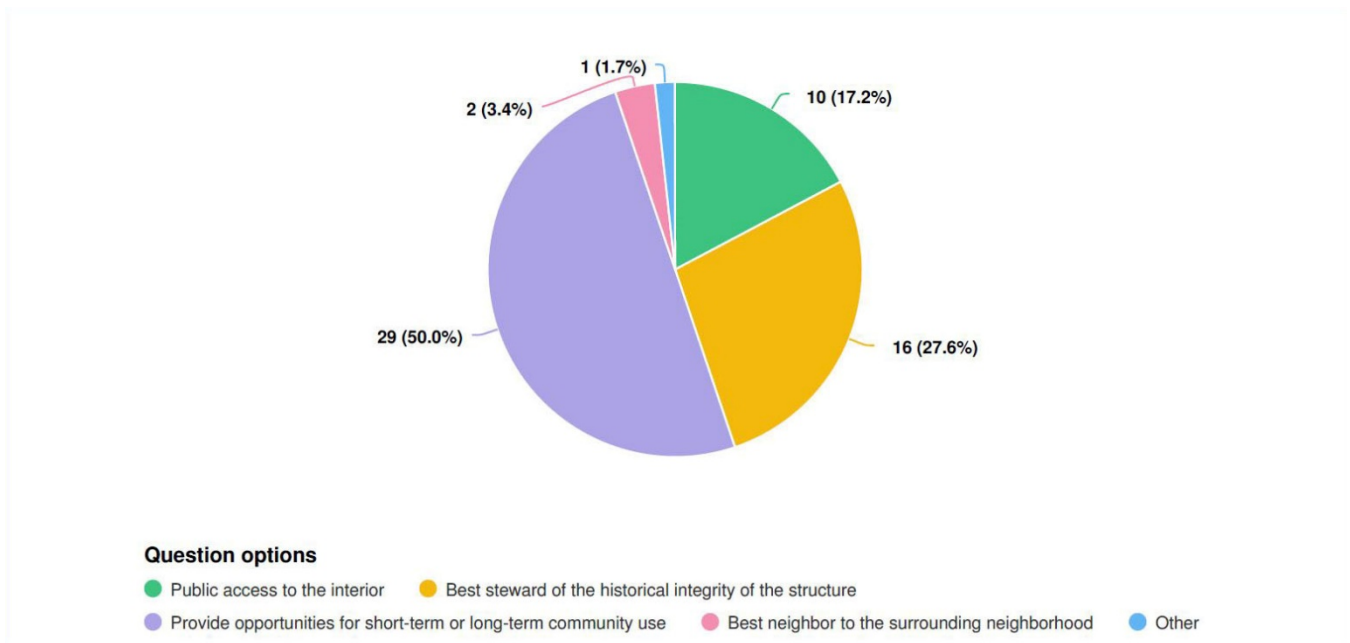


Question options

- I think it's critically important that the city remains the owner for many reasons.
- It's somewhat important/desirable that the city remains the owner, simply so the house remains in public ownership.
- It is not important that the city remains the owner, knowing the house will always be protected regardless.

Optional question (94 responses, 1 skipped)

3a) If you answered A or B to the previous question, what are the reasons why you consider the City as the best owner of the house? This will help us further appreciate community expectations related to ownership.



Idea Generation

The continuing community engagement process has also generated significant, varied and highly valuable community ideas. Staff has retained all ideas generated by the community for future reference. Below is a small sampling of a wide range of ideas from public meetings, online survey and direct e-mail (not intended to be a complete list). These ideas are purely from the community without any staff vetting:

- A “Community Academy” on the Hill can add vitality to our local citizens. It can spur events and interactions among the children, the young and the old. Perhaps we can have a discussion of the activities that such a nucleus can stimulate. This question precedes the question of funding.
- Please fund mutually beneficial community amenities that enhance the potential quality of life now, such as the game courts, playgrounds, aquatic centers, and other park and recreation facilities that boost community health and happiness.
- I think using this building as a community and social benefit specifically as a low lease option for youth services and or arts and cultural use would be an amazing asset!
- I have lived in Boulder 10 years and am just vaguely aware of this property. Whatever significance and historical value it might have has been lost on me. I think that the best way to make this property valuable to the city is to use it for some capacity that makes it a functional part of the city. Perhaps rezone it so it could be a restaurant/bistro/coffee shop/gift shop. As it is, it is barely noticeable and might be better off to free up the capital/equity for something else by selling it to a private owner.
- I would love to see it used for non-profit organizations for meetings and events, especially those that can contribute towards maintenance of the house.

- Developing this as low-income housing could be one way to get closer to the City's affordable housing goals AND diversify the neighborhood.
- Use Harbeck House as a showcase for the responsible historical restoration by partnering with local businesses that already provide these services.
- Sell it on the open market and use the proceeds to create quiet zones at all of Boulder's railroad crossings. The city has previously stated that they don't know where they could get the money for quiet zones, which would allow hundreds, if not thousands, of Boulder citizens to literally sleep better at night, resulting in more peaceful and better-rested (and thus less-dangerous) citizens.

See BeHeardBoulder.org for more suggestions made by the community.

Other Digital Feedback

Multiple avenues of feedback were accepted for consideration such as [direct e-mail and feedback from digital sites](#) mentioned above. The feedback provided through these avenues mirrors the large swing in opinion expressed in the survey results as well as a myriad of new ideas.

NEXT STEPS

Phase 1: Define Issue and Information Sharing (Q1-Q2 2018 – Complete)

To date, staff have completed Phase 1 of the project as outlined in this memo which included defining the issue, background research and information sharing. The process and approach for this initiative has been extended to allow time for completion of additional research necessary for the decision-making process, exploration of additional options including public-private partnership models and other community beneficial options reflecting expressed community prioritized values. The process will include additional community touchpoints and opportunities for public input during meetings with the Parks and Recreation Advisory Board and the Landmarks Board. Several consultants have been brought on board to perform an inspection, appraisal and an historic features assessment to provide more in-depth information about the house and its contributing features. Pending any additional direction from the PRAB or City Council, staff will continue following the [process and approach](#).

Phase 2: Values and Options (Q2-Q4 2018 – In Progress)

Feedback from a broad range of the community is key for this citywide asset. Staff is making an effort to engage the most invested community members interested in historic preservation and the house as part of their neighborhood in addition to community members with a more varied background of interest in Parks and Recreation. The second round of public engagement focused on defining community values as an important lens for exploring possible future use options. Stakeholder and public meetings were combined with an online survey and other digital opportunities on BeHeardBoulder.org such as story-telling and idea generation. Two self-guided tours were hosted with a third opportunity in November. Social media pushes, web updates and community newsletter articles appear on a regular basis. Monthly updates are sent directly to those who signed up. PRAB and the Landmarks Board will receive updates in October and November to coincide with this IP.

Phase 3: Research and Refined Options (Q4 2018 – Q1 2019)

Staff will use the research and background information collected in combination with expressed values and feedback from community, boards and City Council to develop refined options for the future use and ownership of the house. This will include another round of community engagement with stakeholder and public meetings in conjunction with a broad digital engagement effort to reach beyond those currently invested. The refined options will be aligned with the original 3 options (sale, lease or city owned/operated/programmed) while considering the values that have been expressed through the comprehensive community feedback. These refined options will also be informed by all the research completed to date including appraisals, lease rates, O&M costs, historic assessments, etc. Staff anticipates working closely with the PRAB and the Landmarks Board through this process to refine the options and identify a final preferred option that will be provided to City Council for consideration in 2019. As a local landmark, continued exploration will comply with the home's regulatory-mandated protection. Further exploration of options will reinforce protection of the home as a historic asset, ensuring the department's ability to conform with Master Plan direction related to all asset prioritization and ensuring some degree of community benefit and access.

A joint PRAB and Landmarks Board meeting in early 2019 is anticipated. Feedback and discussion of the refined options is expected to drive staff towards in-depth evaluation and final exploration to answer any questions or obtain any feedback necessary for decision-making prior to the next touchpoint with the boards and City Council.

Phase 4: Identify Preferred Option (Q2 2019)

Based on the outcomes of the community outreach including discussions with the PRAB and Landmarks Board, staff will evaluate all ideas and feedback to identify a preferred option for consideration by the community and the PRAB. The goal of this phase is to get final feedback prior to seeking consideration and approval from the PRAB and ultimately City Council. Staff anticipates providing the PRAB and City Council with the preferred scenario in 2019.

Decision-making Roles and Responsibility

Throughout the project, staff have been updating PRAB, Landmarks Board and City Council about the process, feedback and outcomes. As the project enters the decision-making in phase 4, an identified option will be presented to PRAB for a formal motion. The preferred option recommended will be informed by a joint board meeting between Landmarks Board and PRAB. City Council will ultimately be asked to consider PRAB's recommendation for acceptance.

**CITY OF BOULDER
PARKS AND RECREATION ADVISORY BOARD AND
LANDMARKS BOARD
JOINT MEETING**

MEETING DATE: February 21, 2019

AGENDA TITLE: Harbeck-Bergheim House Process Update and Consideration of Refined Options

PRESENTERS:

Yvette Bowden, Director, Parks and Recreation Department
Alison Rhodes, Deputy Director
Jeff Haley, Planning, Design and Community Engagement Manager
Tina Briggs, Parks Planner
Caitlin Berube-Smith, Historical and Cultural Asset Coordinator

EXECUTIVE SUMMARY:

Last April, staff began a planning initiative to engage the community and decision makers in determining the long-term approach to the future use, management and ownership of the locally designated historic asset that has a long, rich history in Boulder. The project is entering the final phase to identify the preferred option based upon in-depth research and robust community engagement throughout the past year. The purpose of this Joint Board Meeting is to provide a summary of all the research, process, community feedback and consideration of refined options for the long-term approach for implementation. Staff anticipates an informed discussion with members from both boards to gather input from the Landmarks Board (LB) and Parks and Recreation Advisory Board (PRAB) to aid in the identification of a preferred option(s) that will be presented to the PRAB in March for consideration of approval and subsequently discussed with City Council in April. This upcoming meeting is intended to be consultative for staff to gather input from board members, but the respective boards will not be acting or formally providing direction as a board. Additionally, the PRAB has final decision-making authority based upon the home ownership by the Parks and Recreation Department (department) as a result of the dedicated funding used for the original purchase of the home. While LB has no official decision-making capacity within this process, staff and the PRAB are engaging the LB to solicit and understand feedback related to historic preservation and the purview of LB. Based upon the outcomes of all the process to date and this final Joint Board Meeting, the intent is for the PRAB to have the information and resources for a formal discussion item at the February regular meeting and ultimate decision-making to occur as an action item at the March meeting. Discussion at this meeting will revolve around the boards' perspective on the process for developing and

refining options, further filtering the options to arrive at an identified preferred option, the consideration of an imposed time limit for either sale or lease and a contingency plan. Staff is currently in the process of requesting a one-year extension of the existing nonconforming use. If approved, that extension will expire on May 31, 2020. The department assumes the identification of and concluded negotiations with a tenant or owner before that date would be desirous and would schedule any subsequent work toward that conclusion.

BACKGROUND:

The Harbeck-Bergheim property (house), located at 1206 Euclid Ave., was leased by the City of Boulder with an option to buy in 1970 and finalized the purchase in 1979 for a total of \$82,500, utilizing Permanent Parks and Recreation Funds (PPRF). Since 1985, the Museum of Boulder (MOB) leased the building operating and managing it as a museum. Throughout that lease, the department facilitated the MOB lease with the Facilities and Asset Management (FAM) Division of Public Works. In 2018, the MOB vacated the house and relocated the museum and operations to their new location at 2205 Broadway, giving rise to the department's consideration of the landmarked property's future use, management and ownership in the context of the department's mission, Master Plan, capital planning and asset management efforts.

Landmark designation honors preserve and protect buildings and areas that have been determined to have a special character and historic, architectural or aesthetic interest or value to the city. Specifically, any exterior alterations to the house will continue to be subjected to the same review procedures required since the designation.

The department initiated the first of a [4-phase planning process](#) in April 2018 to determine the future use, management and ownership after MOB vacated and to identify a preferred option that is based upon master plan direction and supported by the community. This process began with an [information packet](#) (IP) that was delivered to City Council and the PRAB while the LB has been updated on the project throughout the process. Typical to any asset within the department's portfolio, staff must carefully consider property ownership and management based upon the direction of the department's master plan, direction from the PRAB and City Council including the community's desires. Early in the process, staff convened a stakeholder committee that has been influential in guiding the process, reviewing the research and background information as well as providing input on options and deliverables. Comprehensive background research of the property, process approach and community engagement outcomes are available by visiting the [project website](#) (research resources are found in the tan box on the right while monthly updates regarding the process and public engagement outcomes are in the tabs at the end of the page).

The department has several key themes within the [master plan](#) that guide this process and decision-making including: "Taking Care of What We Have," Organizational Readiness, Financial Sustainability and Building Community and Relationships. The department continues to work within a fiscally constrained budget to deliver the variety of programs, services and facilities to the community that is prioritized based upon the direction of the master plan. Limited funding exists for the department to meet all the needs and desires

and staff consistently works with the PRAB and ultimately City Council to consider how to prioritize limited resources. As an example, each year through the capital and operational budget development, several requests are received from the community and staff to improve or build new facilities as well as begin new recreation programs. Staff must carefully work with the community and decision-makers in reviewing the Master Plan framework to inform these decisions. This current process for the house followed a similar and consistent process to identify the preferred option moving forward.

Background Information and Research

Given the vibrant history of the home and the complexities of understanding financial implications and lifecycle management of any asset, staff has generated and gathered a variety of data to inform the community and decision-makers in understanding the available options for the home and the financial implications of the options. Much of this research has come as a direct result of the stakeholder committees desire for information and support to staff in assisting in the process.

A variety of research has been critical to the process including the appraisal, zoning review, inspection, property history and all applicable regulatory framework. The links below are just an example of research (a catalog of information can be viewed on the [project web page](#) and staff encourages participants to review):

- [Original Deed](#)
- [Current Zoning and Uses](#)
- [Historical Timeline and Past Uses](#)
- [Inspection](#)
- [Appraisal](#)
- [Assessment of Interior Character Defining Features](#)
- [Landmark Designation](#)
- [Grant History](#)
- [Case Studies](#)
- [The Secretary of the Interior's Standards for the Treatment of Historic Properties](#)

During the Joint Board Meeting, staff will provide a brief overview of the key research outcomes and information that have been influential throughout the process and in more recent refinement of options.

The home [inspection](#) report and [appraisal](#) were used to understand the current state of the home and the market value to calculate average annual costs for ownership and management that were ultimately used to evaluate options. Key data used in the option evaluation is listed below:

1. Estimated Value

Final Reconciled Value: \$3,066,000

Value Range is approximately \$2,830,000 to \$3,520,000

Insurable Value (IV): \$1,045,000
Replacement Cost New

2. Annual Cost Calculation

Operations and Maintenance (O&M): \$20,900/yr.
(industry standard is 2% of IV)

Repair and Replacement (R&R): \$26,125/yr.
(industry standard is 2.5% of IV)

3. Market Rent Conclusion

‘As Is’

Single Family Residential \$ 39,600/yr.

Office Space \$ 81,929/yr.

‘If Renovated’

Single Family Residential \$ 54,000/yr.

Office Space \$125,545/yr.

4. Estimated Renovations Cost:

Window Renovations \$ 30,000

Residential Renovations \$468,336

Office Space Renovations \$441,416

In appreciation of precedents (local and/or in other communities) and how those experiences and initiatives have been successful with similar properties, [case studies](#) were pursued demonstrating success in meeting community values in a wide variety of ways with a varying degree of cost recovery. These case studies provided the basis for refined options. Staff also learned from the case studies that there is not a single best practice in such instances, but rather many successful models from which our community can benefit.

Specific to the history of the house, the [Historical Timeline and Past Uses](#) was used as a tool to learn from the past by demonstrating where the process can be improved to account for previously unforeseen issues.

- A local investor, Leonard Blystad, purchased the property from Harbeck estate representatives in 1936 and proposed remodeling it as a fraternity and then as apartments. The city did not approve either plan, due to zoning restrictions. The home was then sold to Milton Harbeck in 1939 to be used as a single-family home. The lessee or owner of the house must consider the existing zoning designation, understand the process and risk of denial for any nonconforming use request.
- The City of Boulder leased with option to buy the house in 1970. The original stated purpose of the home was to provide a cultural center for encouragement of nature study and interpretation, conservation, gardening and related activities for persons of all ages within the Boulder community. The stated

purpose was never actualized. A Facility Use Study Committee was formed to determine the best use and policies were adopted in 1974. This example demonstrated the needed thoughtful process vetting any proposal for viability and the need to develop a contingency plan to avoid additional processes.

- Understanding the full scope of financial requirements needed to operate and maintain the house (including large capital requirements) could be difficult for a non-profit to absorb. As an example, the original [lease](#) to MOB in 1985 held the lessee responsible for all maintenance, repair and replacement with additional requirements for the responsibility to make the first floor accessible and install a fire suppression system. In 1990, a notice was sent MOB outlining the unmet obligations of an accessible ramp, fire suppression system and general maintenance. An archived letter from 1992 notes a request that the City fund half of their operating costs of \$45,000, all maintenance and waive \$10,907 of a balance due on a loan taken from the City to install a fire suppression system. Renegotiation of the lease commenced in 1992. A solution to prevent this challenge in the future would be to establish a monthly lease rate covering the average planned maintenance, repair and replacement allowing the City to bear the costs of home-related long-range planning and fluctuation in capital requirements.

[The Secretary of the Interior's Standards for the Treatment of Historic Properties](#) provides standards for preservation, rehabilitation, restoration and reconstruction. The first standard listed for preservation, rehabilitation and restoration refer to use. The rehabilitation standard reads, "A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces and spatial relationships." This standard reinforces the importance of protection of key historic interior features with an easement or clear lease restrictions informed by the [Assessment of Interior Character Defining Features](#).

Community Engagement

Recognizing the rich history of the home, community desires and perceptions of the property, staff developed a robust community engagement plan early in the process to ensure all members of the community and key stakeholders have had an opportunity to participate.

Throughout the process, the engagement has consisted of many techniques and opportunities:

- public open houses;
- neighborhood association meetings;
- stakeholder meetings;
- survey;
- monthly web updates and community newsletter promotions;
- house tours (in-person and [digital](#));
- digital idea generation and story-telling; and

- in-depth one-on-one discussions.

Phase 1 and 2 Engagement

Staff utilized participation in the citywide open house (What's Up Boulder) on April 30, 2018, to kick-off the project, raise awareness of the decision-making process and offer future participation opportunities. A host of digital resources were used to define the issue and share information with the community through notifications related to the history of the property and the potential options including articles as needed in the Community Newsletter, press releases from the department, regular web page updates and social media pushes with pictures, videos and stories. Staff submitted several updates to the PRAB in addition to a [City Council Information Packet on April 5, 2018](#).

The stakeholder and public meetings invited participation by community members specifically interested in historic preservation, residents of the University Hill neighborhood and the broader community. Early direction from the PRAB specifically requested outreach to a broader audience through a myriad of communications vehicles. In response, the kick-off meeting was held at a citywide community engagement event (What's Up Boulder), followed by a second public meeting held in the neighborhood and dedicated to the house. Heavy use of the department's social media is regularly infused with project information and the citywide interactive public engagement site (BeHeardBoulder.org) was utilized and cross-promoted by other departments with active projects. The interactive online format, included idea generation, story-telling and a survey that was developed to clearly define the issue and provide embedded links to ensure the widest degree of project education as survey responses were considered. All sign-in barriers were removed, and incentives were provided to try to capture a broader audience with the educational survey. The incentive was broadly cast via digital media for a month-long promotion. Digital analytics show nearly 6,000 people viewed information regarding the house while approximately 200 people engaged in the process through the opportunities mentioned.

Overall Outcomes

Again, phase 1 of the project sought community input regarding the three proposed options (sale, lease or city ownership/operation/programming). Largely, the interaction with the most impacted groups interested in historic preservation and neighbors have expressed interest in the house remaining a public asset. However, the broader community has responded with little preference. Both groups are aligned on a series of preferred factors or conditions that would heighten the ability of each option to meet the community's needs and values. With this feedback, staff is refining the options for further consideration by the PRAB, the Landmarks Board and, ultimately, council.

The community's expressed values and priorities are summarized as follows:

- Preference for continued protection as a landmark;
- Preference for some degree of community access and/or benefit determined by the ultimate use;

- Preference for a financially sustainable long-term solution;
- Preference for the department's continued focus on the department's Master Plan directed services and priorities; and
- Preference for analyzing interior features to appreciate the property's value and/or to determine whether some degree of additional protection might be warranted for the interior of the home.

In addition, several entities have approached the city expressing interest in future building use. In each case, staff has provided tours and information appropriate to those requests. In some cases, interest has been expressed in leasing the property. Staff has been careful to ensure that each entity has received the same access and information and has assured organizations that – if lease of the property was ultimately determined to be the preferred community option – selection of the tenant(s) would be through a fair and transparent process.

Stakeholder Meeting Themes and Outcomes

Approximately sixteen community members were invited to a discussion of values to be considered in the decision-making process regarding the future of the property. The stakeholders were selected as representatives of community groups most impacted by the future use and ownership of the house. A list of [invitees and participants and meeting notes](#) can be viewed. Stakeholder feedback is summarized under three key themes. Not every discussion point is listed, although they will all be considered as part of the process. In addition, the group discussed areas where additional research needs to be done or where more information could be shared. Staff has obtained and shared much of the additional information requested at the meeting.

Ownership:

- The priority should be preservation/stewardship of the property, regardless of ownership
- The house is an important and unique asset to the City of Boulder
 - A sale of the house to shore up a budget shortfall appears short-sighted
 - Consider funding such as future bonds and grants to support the house
- The Parks and Recreation department (P&R) may not be the best owner/steward
 - The department has struggled with prioritization of cultural properties within its overall mission
 - Historic and cultural properties need a different level of management than standard park assets
 - The department is not traditionally in the business of managing/leasing facilities
 - Consider consolidating all city historic and cultural assets under one department

Use and Neighborhood Compatibility:

- Exterior and Interior features of the home are both key neighborhood assets
 - Easement in lease or deed to protect the interior
- Key priorities of steward or owner
 - Understands neighborhood in terms of student and homeless populations and proximity to the playground and park
 - Values the historic integrity of the property and understands the nature and cost of historic restorative maintenance
 - Limited desire for exterior visual change (ex. garages and fences)

Public Access:

- At least some public access to the preserved interior regardless of ownership
- Consider making house and property feel more like part of the park
 - Example: Remove vegetation barriers and combine landscape maintenance
- Consider restoring interior and exterior to be a neighborhood icon rather than maintained at a minimum required level

Public Meeting Themes and Outcomes

Approximately 50 people attended the meeting and the feedback received is summarized and categorized in two key themes. In addition to the key themes, the public meeting also generated thoughts on additional information valuable in the decision-making process and providing multiple ideas for possible future uses of the house. Feasibility of the ideas generated will be explored. Many members of the earlier stakeholder group were representatives of community members who attended the public meeting. Not surprisingly therefore, the larger audience similarly recognized and valued the property as a landmarked asset. Staff was able to engage the larger group in discussing specific values, concerns or conditions making each option potentially more viable. Full [meeting notes](#) are available to demonstrate the alignment.

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community for future reference. Below is a small sampling of a wide range of ideas from public meetings, online survey and direct e-mail (not intended to be a complete list). These ideas are purely from the community without any staff vetting:

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- Please fund mutually beneficial community amenities that enhance the potential quality of life now, such as the game courts, playgrounds, aquatic centers and other park and recreation facilities that boost community health and happiness.
- I think using this building as a community and social benefit specifically as a low lease option for youth services and or arts and cultural use would be an amazing asset!
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- I would love to see it used for non-profit organizations for meetings and events, especially those that can contribute towards maintenance of the house.
- Developing this as low-income housing could be one way to get closer to the City's affordable housing goals AND diversify the neighborhood.
- Use Harbeck House as a showcase for the responsible historical restoration by partnering with local businesses that already provide these services.
- Sell it on the open market and use the proceeds to create quiet zones at all of Boulder's railroad crossings. The city has previously stated that they don't know where they could get the money for quiet zones, which would allow hundreds, if not thousands, of Boulder residents to literally sleep better at night, resulting in more peaceful and better-rested (and thus less-dangerous) citizens.

See BeHeardBoulder.org for more suggestions made by the community.

Other Online Feedback

Multiple avenues of feedback were accepted for consideration such as [direct e-mail and feedback from digital sites](#) mentioned above. The feedback provided through these avenues mirrors the large swing in opinion expressed in the survey results as well as a myriad of new ideas.

Phase 3 Engagement

At the completion of phases 1 and 2, staff developed five refined options and the process to identify those options were shared with the community in multiple ways. A second stakeholder meeting was held on January 16 to discuss and verify that staff was in alignment with the community. A third public meeting was held on January 31 for the

broader community followed by the monthly update of information published to the web page including meeting presentation, stakeholder discussion summary and a feedback submission box. The public meeting was held as an open house with multiple high-profile department projects, such as the Boulder Reservoir and Scott Carpenter Pool, in effort to reach a broader audience as previously requested by the PRAB. Shortly after the meeting, a third self-guided tour was offered on February 13 for viewing of the house interior with staff available to answer question and collect feedback.

Key outcomes and summaries from each of those recent meetings can be viewed here: [Summary of Stakeholder Meeting #2 Discussion](#) [Community Feedback from Public Meeting #3](#) (including digital submissions to date).

ANALYSIS:

Throughout this initiative, the community, PRAB and LB as well as City Council have endorsed and supported the process, engagement and research. Through this, the overall intention of the process has been to ultimately identify a preferred option for the long-term ownership, management and use of the home in keeping with the community's values and aligned with the department's Master Plan.

Throughout phases 1, 2 and 3, staff utilized background research and information combined with community input and direction from the PRAB and City Council to determine community values related to the house as well as determine feasible options that could be considered. Like determining any solution, this was a process of vetting all ideas and options to determine the most feasible. Generally, the process went from twelve to five options. The process is further visualized in the graphic below:



Three areas of consideration were presented at the beginning of the project including leasing the property in a variety of ways, selling the property with several negotiating factors and continued city use for operational needs or community programming. Each of these focus areas had a variety of considerations that were vetted and explored using filters that were based upon the community's desires and background information. As a result, twelve models were theoretically applied to the Harbeck-Bergheim House creating twelve refined options. Community values, master plan alignment and city-use

evaluations were used to filter the refined options down to five of the most viable refined options. Throughout phase 3, staff and the community identified and responded to the five [refined options](#). These options outline the many considerations associated with option ranging from alignment with community values to the actual financial implications of both capital and management costs. Any decision made for the future use and ownership of the house does not preclude or block future consolidation of historic assets or prevent petition to consider the surrounding area as a historic district as associated with Chautauqua, Columbia Cemetery and other historic resources in the area.

The following provides a brief overview of each option. Staff will provide greater detail of the analysis during the upcoming meeting:

Seek to Sell House – Throughout the engagement and consideration process, staff has reinforced public awareness that the house is landmarked and will always be protected on the exterior and through all applicable codes and regulatory framework in terms of use. Some feedback has been expressed that if the community's values are met through the sale, continued ownership and operation of the historic home might not be best situated with the department. Similarly, community members expressed appreciation that proceeds from the sale could fund other community-supported parks and recreation-related capital priorities, including but not limited to other historic preservation initiatives within the department. *The two options associated with a sale would allow the department to seek a new owner and negotiate the aspects of the sale to achieve the community's values including an interior preservation easement, preservation of the stained-glass window and maintaining appropriate public access.* If a sale were determined as the preferred option, a contingency of sale would require an interior easement for the protection of parts of the interior be given to the city. A desire for limited public access to the house will also be considered. An example of public access might be opening the home for visitation during an historic homes tour. Such access might potentially align with a preservation goals of returning the historic property to its original intended use if purchased as a single-family home. These options are very similar to several other historic homes within Boulder that are currently privately owned. Such options would provide approximately \$3M in funding to the department that could be prioritized for improvement of other city-owned assets and would relieve the city of the ongoing O&M responsibilities and lifecycle expenses currently estimated at \$47K per year. The community members in favor of selling the house mainly expressed concerns about the house diverting annual and capital funding from other department priorities. Priority examples were pools, fields and the Boulder Reservoir. There was interest in using sale proceeds to accelerate other projects rather than retaining property to provide a potentially unfair advantage to a single non-profit organization. This option follows the city's standard parkland disposal process and engage the community, PRAB, Planning Board and ultimately City Council in the decision-making to ensure the community's values are met.

Retain City Ownership and Lease House – As outlined in the community engagement section, other key feedback throughout the process showed an interest in the city maintaining ownership and leasing the property to another entity to relieve the cost of ownership and maintenance but maintaining ownership. The benefit of this option is that

the home stays within the public domain. However, this option requires the department to become a landlord and continuously manage the property and tenants according to any future lease that would be negotiated. Some have argued that this option does not align with the mission of the department and resources are better spent on other programs and facilities. This option has little impact on the preservation of the home again given the designated landmark status and that interior protection and community access are being considered in any option. *If a lease is the preferred option, the intention would be to honor the community values and Master Plan themes.* Offering a below market lease provides some opportunity to develop a competitive proposal process that would be open to the community and evaluated in a fair and transparent process using community values and key themes as selection criteria. Protection of some parts of the interior would be included in any lease agreement.

All five of the refined options presented to the stakeholder group and community are generally supported with some variation of the preferred option. Overall, the stakeholders were more in support of the lease as the preferred option while the broader community was more diverse in their preference divided between lease and sell. Moreover, most stakeholders were most interested in the discussion of Option H, which is a model that would lease the house for below market value but collect a minimum monthly rent calculated to recover estimated maintenance, repair and replacement needs. The city would remain responsible for maintenance, repair and replacement, however, the lessee would fund those estimated costs through a monthly rent.

As with any option, all applicable zoning codes, landmark designation and use review applies and the house will always be subject to these existing regulatory frameworks. In any case, once a preferred option is selected, staff suggests that a contingency plan be proposed within a specific timeframe to ensure the house does not remain vacant or lose the non-conforming use status. For example, if the home is placed on the market and no acceptable offers are made within six months, the department should switch strategies and offer a lease. This is similarly the case should a lease arrangement be deemed the preferred option.

Finally, staff recognizes that the home is a unique property and that this consideration is not intended to set a precedence for all other city or department-owned landmarked or historic assets. The applied cost recovery model is an opportunity presented by this house specifically and, for example, would not be applicable or expected of other properties such as Columbia Cemetery.

NEXT STEPS:

Staff will evaluate the outcomes of the joint board meeting to identify a preferred option and contingency plan recommendation for discussion with the PRAB at the regular business meeting on February 25. Based upon the discussion with the PRAB in February, staff will present the identified preferred option(s) for the board's review and consideration for approval at a public hearing in March. The outcome of this final action will be presented to City Council on April 2, 2019 with implementation of the option to immediately follow throughout 2019.

It should be noted that extension of allowed non-conforming use is ongoing and that this extension will be considered along with the results of the joint boards meeting discussion

Attachments:

Most recent previous memos

[PRAB Update October 22, 2018](#)

[City Council Information Packet October 25, 2018](#)

[Landmarks Board Update November 7, 2018](#)

**CITY OF BOULDER
PARKS AND RECREATION ADVISORY BOARD MEETING**

MEETING DATE: February 25, 2019

AGENDA TITLE: Harbeck-Bergheim House Future Use and Ownership

PRESENTERS:

Yvette Bowden, Director, Parks and Recreation Department
Alison Rhodes, Deputy Director
Jeff Haley, Planning, Design and Community Engagement Manager
Tina Briggs, Parks Planner
Caitlin Berube-Smith, Historical and Cultural Asset Coordinator

EXECUTIVE SUMMARY:

Last April, staff began a planning initiative to engage the community and decision makers in determining the long-term approach to the future use, management and ownership of the locally designated historic asset that has a long, rich history in Boulder. The project is in the final phase to identify the preferred option based upon in-depth research and robust community engagement throughout the past year.

The purpose of this meeting is to provide a summary of all the research, process, community feedback and joint board meeting discussion for consideration of a preferred option(s) for the long-term approach for implementation.

Staff anticipates an informed discussion with members from both boards on Feb. 21st to gather input from the Landmarks Board (LB) and Parks and Recreation Advisory Board (PRAB) to aid in further filtering the refined options leading to identification of a preferred option(s) to be presented to PRAB at the regular business meeting in February for discussion and in March for consideration of approval and subsequently discussed with City Council in April. The outcomes of the discussion will be reflected in the presentation of the preferred option(s). The meeting occurs prior to the deadline for the memo of the February PRAB meeting, therefore the preferred option is not included in the memo but will be presented at the meeting. However, the full [Joint Board Meeting memo](#) designed to facilitate discussion is available for review for those PRAB members unable to attend and participate in the Joint Board Meeting discussion.

PRAB has final decision-making authority based upon the home ownership by the Parks and Recreation Department as a result of the dedicated funding used for the original purchase of the home. Discussion at this meeting will revolve around an identified

preferred option, the consideration of an imposed time limit for either sale or lease and a contingency plan.

Staff is currently in the process of requesting a 1-year extension of the existing nonconforming use. If approved, that extension will expire on May 31, 2020. The department assumes the identification of and concluded negotiations with a tenant or owner before that date would be desirous and would schedule any subsequent work toward that conclusion.

BACKGROUND:

The Harbeck-Bergheim property (house), located at 1206 Euclid Ave., was leased by the City of Boulder with an option to buy in 1970 and finalized the purchase in 1979 for a total of \$82,500, utilizing Permanent Parks and Recreation Funds (PPRF). Since 1985, the Museum of Boulder (MOB) leased the building operating and managing it as a museum. Throughout that lease, the department facilitated the MOB lease with the Facilities and Asset Management (FAM) Division of Public Works. In 2018, the MOB vacated the house and relocated the museum and operations to their new location at 2205 Broadway, giving rise to the department's consideration of the landmarked property's future use, management and ownership in the context of the department's mission, Master Plan, capital planning and asset management efforts.

Landmark designation honors preserve and protect buildings and areas that have been determined to have a special character and historic, architectural or aesthetic interest or value to the city. Specifically, any exterior alterations to the house will continue to be subjected to the same review procedures required since the designation.

The department initiated the first of a [4-phase planning process](#) in April 2018 to determine the future use, management and ownership after MOB vacated and to identify a preferred option that is based upon master plan direction and supported by the community. This process began with an [information packet](#) (IP) that was delivered to City Council and the PRAB while the LB has been updated on the project throughout the process. Typical to any asset within the department's portfolio, staff must carefully consider property ownership and management based upon the direction of the department's master plan, direction from the PRAB and City Council including the community's desires. Early in the process, staff convened a stakeholder committee that has been influential in guiding the process, reviewing the research and background information as well as providing input on options and deliverables. Comprehensive background research of the property, process approach and community engagement outcomes are available by visiting the [project website](#) (research resources are found in the tan box on the right while monthly updates regarding the process and public engagement outcomes are in the tabs at the end of the page).

The department has several key themes within the [master plan](#) that guide this process and decision-making including: "Taking Care of What We Have," Organizational Readiness, Financial Sustainability and Building Community and Relationships. The department continues to work within a fiscally constrained budget to deliver the variety of programs, services and facilities to the community that is prioritized based upon the direction of the

master plan. Limited funding exists for the department to meet all the needs and desires and staff consistently works with the PRAB and ultimately City Council to consider how to prioritize limited resources. As an example, each year through the capital and operational budget development, several requests are received from the community and staff to improve or build new facilities as well as begin new recreation programs. Staff must carefully work with the community and decision-makers in reviewing the Master Plan framework to inform these decisions. This current process for the house followed a similar and consistent process to identify the preferred option moving forward.

Background Information and Research

Given the vibrant history of the home and the complexities of understanding financial implications and lifecycle management of any asset, staff has generated and gathered a variety of data to inform the community and decision-makers in understanding the available options for the home and the financial implications of the options. Much of this research has come as a direct result of the stakeholder committees desire for information and support to staff in assisting in the process.

A variety of research has been critical to the process including the appraisal, zoning review, inspection, property history and all applicable regulatory framework. The links below are just an example of research (a catalog of information can be viewed on the [project web page](#) and staff encourages participants to review):

- [Original Deed](#)
- [Current Zoning and Uses](#)
- [Historical Timeline and Past Uses](#)
- [Inspection](#)
- [Appraisal](#)
- [Assessment of Interior Character Defining Features](#)
- [Landmark Designation](#)
- [Grant History](#)
- [Case Studies](#)
- [The Secretary of the Interior's Standards for the Treatment of Historic Properties](#)

During the Joint Board Meeting, staff will provide a brief overview of the key research outcomes and information that have been influential throughout the process and in more recent refinement of options.

The home [inspection](#) report and [appraisal](#) were used to understand the current state of the home and the market value to calculate average annual costs for ownership and management that were ultimately used to evaluate options. Key data used in the option evaluation is listed below:

1. Estimated Value

Final Reconciled Value: \$3,066,000

Value Range is approximately \$2,830,000 to \$3,520,000

Insurable Value (IV): \$1,045,000
Replacement Cost New

2. Annual Cost Calculation

Operations and Maintenance (O&M): \$20,900/yr.
(industry standard is 2% of IV)

Repair and Replacement (R&R): \$26,125/yr.
(industry standard is 2.5% of IV)

3. Market Rent Conclusion

‘As Is’

Single Family Residential \$ 39,600/yr.
Office Space \$ 81,929/yr.

‘If Renovated’

Single Family Residential \$ 54,000/yr.
Office Space \$125,545/yr.

4. Estimated Renovations Cost:

Window Renovations \$ 30,000
Residential Renovations \$468,336
Office Space Renovations \$441,416

In appreciation of precedents (local and/or in other communities) and how those experiences and initiatives have been successful with similar properties, [case studies](#) were pursued demonstrating success in meeting community values in a wide variety of ways with a varying degree of cost recovery. These case studies provided the basis for refined options. Staff also learned from the case studies that there is not a single best practice in such instances, but rather many successful models from which our community can benefit.

Specific to the history of the house, the [Historical Timeline and Past Uses](#) was used as a tool to learn from the past by demonstrating where the process can be improved to account for previously unforeseen issues.

- A local investor, Leonard Blystad, purchased the property from Harbeck estate representatives in 1936 and proposed remodeling it as a fraternity and then as apartments. The city did not approve either plan, due to zoning restrictions. The home was then sold to Milton Harbeck in 1939 to be used as a single-family home. The lessee or owner of the house must consider the existing zoning designation, understand the process and risk of denial for any nonconforming use request.
- The City of Boulder leased with option to buy the house in 1970. The original stated purpose of the home was to provide a cultural center for encouragement of nature study and interpretation, conservation, gardening and related

activities for persons of all ages within the Boulder community. The stated purpose was never actualized. A Facility Use Study Committee was formed to determine the best use and policies were adopted in 1974. This example demonstrated the needed thoughtful process vetting any proposal for viability and the need to develop a contingency plan to avoid additional processes.

- Understanding the full scope of financial requirements needed to operate and maintain the house (including large capital requirements) could be difficult for a non-profit to absorb. As an example, the original [lease](#) to MOB in 1985 held the lessee responsible for all maintenance, repair and replacement with additional requirements for the responsibility to make the first floor accessible and install a fire suppression system. In 1990, a notice was sent MOB outlining the unmet obligations of an accessible ramp, fire suppression system and general maintenance. An archived letter from 1992 notes a request that the City fund half of their operating costs of \$45,000, all maintenance and waive \$10,907 of a balance due on a loan taken from the City to install a fire suppression system. Renegotiation of the lease commenced in 1992. A solution to prevent this challenge in the future would be to establish a monthly lease rate covering the average planned maintenance, repair and replacement allowing the City to bear the costs of home-related long-range planning and fluctuation in capital requirements.

[The Secretary of the Interior's Standards for the Treatment of Historic Properties](#) provides standards for preservation, rehabilitation, restoration and reconstruction. The first standard listed for preservation, rehabilitation and restoration refer to use. The rehabilitation standard reads, "A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces and spatial relationships." This standard reinforces the importance of protection of key historic interior features with an easement or clear lease restrictions informed by the [Assessment of Interior Character Defining Features](#).

Community Engagement

Recognizing the rich history of the home, community desires and perceptions of the property, staff developed a robust community engagement plan early in the process to ensure all members of the community and key stakeholders have had an opportunity to participate.

Throughout the process, the engagement has consisted of many techniques and opportunities:

- public open houses;
- neighborhood association meetings;
- stakeholder meetings;
- survey;
- monthly web updates and community newsletter promotions;
- house tours (in-person and [digital](#));

- digital idea generation and story-telling; and
- in-depth one-on-one discussions.

Phase 1 and 2 Engagement

Staff utilized participation in the citywide open house (What's Up Boulder) on April 30, 2018, to kick-off the project, raise awareness of the decision-making process and offer future participation opportunities. A host of digital resources were used to define the issue and share information with the community through notifications related to the history of the property and the potential options including articles as needed in the Community Newsletter, press releases from the department, regular web page updates and social media pushes with pictures, videos and stories. Staff submitted several updates to the PRAB in addition to a [City Council Information Packet on April 5, 2018](#).

The stakeholder and public meetings invited participation by community members specifically interested in historic preservation, residents of the University Hill neighborhood and the broader community. Early direction from the PRAB specifically requested outreach to a broader audience through a myriad of communications vehicles. In response, the kick-off meeting was held at a citywide community engagement event (What's Up Boulder), followed by a second public meeting held in the neighborhood and dedicated to the house. Heavy use of the department's social media is regularly infused with project information and the citywide interactive public engagement site (BeHeardBoulder.org) was utilized and cross-promoted by other departments with active projects. The interactive online format, included idea generation, story-telling and a survey that was developed to clearly define the issue and provide embedded links to ensure the widest degree of project education as survey responses were considered. All sign-in barriers were removed, and incentives were provided to try to capture a broader audience with the educational survey. The incentive was broadly cast via digital media for a month-long promotion. Digital analytics show nearly 6,000 people viewed information regarding the house while approximately 200 people engaged in the process through the opportunities mentioned.

Overall Outcomes

Again, phase 1 of the project sought community input regarding the three proposed options (sale, lease or city ownership/operation/programming). Largely, the interaction with the most impacted groups interested in historic preservation and neighbors have expressed interest in the house remaining a public asset. However, the broader community has responded with little preference. Both groups are aligned on a series of preferred factors or conditions that would heighten the ability of each option to meet the community's needs and values. With this feedback, staff is refining the options for further consideration by the PRAB, the Landmarks Board and, ultimately, council.

The community's expressed values and priorities are summarized as follows:

- Preference for continued protection as a landmark;
- Preference for some degree of community access and/or benefit determined by the ultimate use;

- Preference for a financially sustainable long-term solution;
- Preference for the department's continued focus on the department's Master Plan directed services and priorities; and
- Preference for analyzing interior features to appreciate the property's value and/or to determine whether some degree of additional protection might be warranted for the interior of the home.

In addition, several entities have approached the city expressing interest in future building use. In each case, staff has provided tours and information appropriate to those requests. In some cases, interest has been expressed in leasing the property. Staff has been careful to ensure that each entity has received the same access and information and has assured organizations that – if lease of the property was ultimately determined to be the preferred community option – selection of the tenant(s) would be through a fair and transparent process.

Stakeholder Meeting Themes and Outcomes

Approximately sixteen community members were invited to a discussion of values to be considered in the decision-making process regarding the future of the property. The stakeholders were selected as representatives of community groups most impacted by the future use and ownership of the house. A list of [invitees and participants and meeting notes](#) can be viewed. Stakeholder feedback is summarized under three key themes. Not every discussion point is listed, although they will all be considered as part of the process. In addition, the group discussed areas where additional research needs to be done or where more information could be shared. Staff has obtained and shared much of the additional information requested at the meeting.

Ownership:

- The priority should be preservation/stewardship of the property, regardless of ownership
- The house is an important and unique asset to the City of Boulder
 - A sale of the house to shore up a budget shortfall appears short-sighted
 - Consider funding such as future bonds and grants to support the house
- The Parks and Recreation department (P&R) may not be the best owner/steward
 - The department has struggled with prioritization of cultural properties within its overall mission
 - Historic and cultural properties need a different level of management than standard park assets
 - The department is not traditionally in the business of managing/leasing facilities
 - Consider consolidating all city historic and cultural assets under one department

Use and Neighborhood Compatibility:

- Exterior and Interior features of the home are both key neighborhood assets
 - Easement in lease or deed to protect the interior
- Key priorities of steward or owner
 - Understands neighborhood in terms of student and homeless populations and proximity to the playground and park
 - Values the historic integrity of the property and understands the nature and cost of historic restorative maintenance
 - Limited desire for exterior visual change (ex. garages and fences)

Public Access:

- At least some public access to the preserved interior regardless of ownership
- Consider making house and property feel more like part of the park
 - Example: Remove vegetation barriers and combine landscape maintenance
- Consider restoring interior and exterior to be a neighborhood icon rather than maintained at a minimum required level

Public Meeting Themes and Outcomes

Approximately 50 people attended the meeting and the feedback received is summarized and categorized in two key themes. In addition to the key themes, the public meeting also generated thoughts on additional information valuable in the decision-making process and providing multiple ideas for possible future uses of the house. Feasibility of the ideas generated will be explored. Many members of the earlier stakeholder group were representatives of community members who attended the public meeting. Not surprisingly therefore, the larger audience similarly recognized and valued the property as a landmarked asset. Staff was able to engage the larger group in discussing specific values, concerns or conditions making each option potentially more viable. Full [meeting notes](#) are available to demonstrate the alignment.

Community Survey

The feedback obtained from the survey included participants in the stakeholder and public meeting along with the broader audience. The survey reach was 95 including many of the 50 meeting participants. The heavy digital push effectively only gained approximately 50 new participants, however, there is a large swing in opinion between the meeting participants and the digital reach participants. The survey questions were intended to be in alignment with the values and options discussion held at the public meeting. The digital reach participants are more flexible in considering future use and ownership than the meeting participants. There is less alignment of values and ownership preference found in the survey than the in-person opportunities. [Full survey results](#) and comments are available for review.

Idea Generation

The continuing community engagement process has also generated significant, varied and highly valuable community ideas. Staff has retained all ideas generated by the

community for future reference. Below is a small sampling of a wide range of ideas from public meetings, online survey and direct e-mail (not intended to be a complete list). These ideas are purely from the community without any staff vetting:

- A “Community Academy” on the Hill can add vitality to our local residents. It can spur events and interactions among the children, the young and the old. Perhaps we can have a discussion of the activities that such a nucleus can stimulate. This question precedes the question of funding.
- Please fund mutually beneficial community amenities that enhance the potential quality of life now, such as the game courts, playgrounds, aquatic centers and other park and recreation facilities that boost community health and happiness.
- I think using this building as a community and social benefit specifically as a low lease option for youth services and or arts and cultural use would be an amazing asset!
- I have lived in Boulder 10 years and am just vaguely aware of this property. Whatever significance and historical value it might have has been lost on me. I think that the best way to make this property valuable to the city is to use it for some capacity that makes it a functional part of the city. Perhaps rezone it so it could be a restaurant/bistro/coffee shop/gift shop. As it is, it is barely noticeable and might be better off to free up the capital/equity for something else by selling it to a private owner.
- I would love to see it used for non-profit organizations for meetings and events, especially those that can contribute towards maintenance of the house.
- Developing this as low-income housing could be one way to get closer to the City's affordable housing goals AND diversify the neighborhood.
- Use Harbeck House as a showcase for the responsible historical restoration by partnering with local businesses that already provide these services.
- Sell it on the open market and use the proceeds to create quiet zones at all of Boulder's railroad crossings. The city has previously stated that they don't know where they could get the money for quiet zones, which would allow hundreds, if not thousands, of Boulder residents to literally sleep better at night, resulting in more peaceful and better-rested (and thus less-dangerous) citizens.

See BeHeardBoulder.org for more suggestions made by the community.

Other Online Feedback

Multiple avenues of feedback were accepted for consideration such as [direct e-mail and feedback from digital sites](#) mentioned above. The feedback provided through these avenues mirrors the large swing in opinion expressed in the survey results as well as a myriad of new ideas.

Phase 3 Engagement

At the completion of phases 1 and 2, staff developed five refined options and the process to identify those options were shared with the community in multiple ways. A second stakeholder meeting was held on January 16 to discuss and verify that staff was in alignment with the community. A third public meeting was held on January 31 for the

broader community followed by the monthly update of information published to the web page including meeting presentation, stakeholder discussion summary and a feedback submission box. The public meeting was held as an open house with multiple high-profile department projects, such as the Boulder Reservoir and Scott Carpenter Pool, in effort to reach a broader audience as previously requested by the PRAB. Shortly after the meeting, a third self-guided tour was offered on February 13 for viewing of the house interior with staff available to answer question and collect feedback.

Key outcomes and summaries from each of those recent meetings can be viewed here: [Summary of Stakeholder Meeting #2 Discussion](#)
[Community Feedback from Public Meeting #3](#) (including digital submissions to date)

ANALYSIS:

Throughout this initiative, the community, PRAB and LB as well as City Council have endorsed and supported the process, engagement and research. Through this, the overall intention of the process has been to ultimately identify a preferred option for the long-term ownership, management and use of the home in keeping with the community's values and aligned with the department's Master Plan.

Throughout phases 1, 2 and 3, staff utilized background research and information combined with community input and direction from the PRAB and City Council to determine community values related to the house as well as determine feasible options that could be considered. Like determining any solution, this was a process of vetting all ideas and options to determine the most feasible. Generally, the process went from twelve to five options. The process is further visualized in the graphic below:



Three areas of consideration were presented at the beginning of the project including leasing the property in a variety of ways, selling the property with several negotiating factors and continued city use for operational needs or community programming. Each of these focus areas had a variety of considerations that were vetted and explored using filters that were based upon the community's desires and background information. As a result, twelve models were theoretically applied to the Harbeck-Bergheim House creating twelve refined options. Community values, master plan alignment and city-use

evaluations were used to filter the refined options down to five of the most viable refined options. Throughout phase 3, staff and the community identified and responded to the five [refined options](#). These options outline the many considerations associated with option ranging from alignment with community values to the actual financial implications of both capital and management costs. Any decision made for the future use and ownership of the house does not preclude or block future consolidation of historic assets or prevent petition to consider the surrounding area as a historic district as associated with Chautauqua, Columbia Cemetery and other historic resources in the area.

The following provides a brief overview of each option. Staff will provide greater detail of the analysis during the upcoming meeting:

Seek to Sell House – Throughout the engagement and consideration process, staff has reinforced public awareness that the house is landmarked and will always be protected on the exterior and through all applicable codes and regulatory framework in terms of use. Some feedback has been expressed that if the community's values are met through the sale, continued ownership and operation of the historic home might not be best situated with the department. Similarly, community members expressed appreciation that proceeds from the sale could fund other community-supported parks and recreation-related capital priorities, including but not limited to other historic preservation initiatives within the department. *The two options associated with a sale would allow the department to seek a new owner and negotiate the aspects of the sale to achieve the community's values including an interior preservation easement, preservation of the stained-glass window and maintaining appropriate public access.* If a sale were determined as the preferred option, a contingency of sale would require an interior easement for the protection of parts of the interior be given to the city. A desire for limited public access to the house will also be considered. An example of public access might be opening the home for visitation during an historic homes tour. Such access might potentially align with a preservation goals of returning the historic property to its original intended use if purchased as a single-family home. These options are very similar to several other historic homes within Boulder that are currently privately owned. Such options would provide approximately \$3M in funding to the department that could be prioritized for improvement of other city-owned assets and would relieve the city of the ongoing O&M responsibilities and lifecycle expenses currently estimated at \$47K per year. The community members in favor of selling the house mainly expressed concerns about the house diverting annual and capital funding from other department priorities. Priority examples were pools, fields and the Boulder Reservoir. There was interest in using sale proceeds to accelerate other projects rather than retaining property to provide a potentially unfair advantage to a single non-profit organization. This option follows the city's standard parkland disposal process and engage the community, PRAB, Planning Board and ultimately City Council in the decision-making to ensure the community's values are met.

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the home stays within the public domain. However, this option requires the department to become a landlord and continuously manage the property and tenants according to any future lease that would be negotiated. Some have argued that this option does not align with the mission of the department and resources are better spent on other programs and facilities. This option has little impact on the preservation of the home again given the designated landmark status and that interior protection and community access are being considered in any option. *If a lease is the preferred option, the intention would be to honor the community values and Master Plan themes.* Offering a below market lease provides some opportunity to develop a competitive proposal process that would be open to the community and evaluated in a fair and transparent process using community values and key themes as selection criteria. Protection of some parts of the interior would be included in any lease agreement.

All five of the refined options presented to the stakeholder group and community are generally supported with some variation of the preferred option. Overall, the stakeholders were more in support of the lease as the preferred option while the broader community was more diverse in their preference divided between lease and sell. Moreover, most stakeholders were most interested in the discussion of Option H, which is a model that would lease the house for below market value but collect a minimum monthly rent calculated to recover estimated maintenance, repair and replacement needs. The city would remain responsible for maintenance, repair and replacement, however, the lessee would fund those estimated costs through a monthly rent.

As with any option, all applicable zoning codes, landmark designation and use review applies and the house will always be subject to these existing regulatory frameworks. In any case, once a preferred option is selected, staff suggests that a contingency plan be proposed within a specific timeframe to ensure the house does not remain vacant or lose the non-conforming use status. For example, if the home is placed on the market and no acceptable offers are made within six months, the department should switch strategies and offer a lease. This is similarly the case should a lease arrangement be deemed the preferred option.

Finally, staff recognizes that the home is a unique property and that this consideration is not intended to set a precedence for all other city or department-owned landmarked or historic assets. The applied cost recovery model is an opportunity presented by this house specifically and, for example, would not be applicable or expected of other properties such as Columbia Cemetery.

NEXT STEPS:

Based upon the outcomes of the discussion with PRAB, staff will present the identified preferred option(s) for PRAB's review and consideration for approval at a public hearing in March. The outcome of this final action will be presented to City Council on April 2, 2019 with implementation of the option to immediately follow throughout 2019.

It should be noted that extension of allowed non-conforming use is ongoing and that this extension will be considered along with the results of the joint boards' discussion.

Attachments:

Most recent previous memos

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[Landmarks Board Update November 7, 2018](#)

**CITY OF BOULDER
PARKS AND RECREATION ADVISORY BOARD AGENDA ITEM**

MEETING DATE: March 25, 2019

AGENDA TITLE: Public Hearing and Consideration of a Motion to Support the Exploration of a Lease of the Harbeck-Bergheim House.

PRESENTERS:

Yvette Bowden, Director, Parks and Recreation Department
Ali Rhodes, Deputy Director
Jeff Haley, Planning, Design and Community Engagement Manager
Tina Briggs, Parks Planner
Caitlin Berube-Smith, Historical and Cultural Asset Coordinator

EXECUTIVE SUMMARY:

Last April, staff began a planning initiative to engage the community and decision makers in determining the long-term approach to the future use, management and ownership of the locally designated historic Harbeck-Bergheim House, an asset with a long, rich history in Boulder. The project began with many options considered for the future use and ownership of this landmarked amenity and is now in the final phase having identified the preferred option based upon in-depth research, robust community engagement and thoughtful consideration of both the Parks and Recreation Advisory Board (PRAB) and the Landmarks Board.

The purpose of this memo is to present the identified preferred option and request the PRAB's consideration of a motion for approval. The identified preferred option is a lease of the house that would be sourced and negotiated considering community values identified throughout the engagement process. This lease would seek to accept no less than a cost recovery lease rate allowing the department to cover the costs of general maintenance and adequate funding for basic repairs or replacement (R&R) of the Harbeck-Bergheim House. **The PRAB has decision-making authority based upon the home ownership by the Parks and Recreation Department (department) as a result of the dedicated Permanent Parks and Recreation funding used for the original purchase of the home.**

BACKGROUND:

The Harbeck-Bergheim House (house), located at 1206 Euclid Ave., was leased by the City of Boulder with an option to buy in 1970 and finalized the purchase in 1979 for a total of \$82,500, utilizing Permanent Parks and Recreation Funds (PPRF). Since 1985, the Museum of Boulder (MOB) leased the building operating and managing it as a museum. Throughout that lease, the department facilitated the MOB lease with the Facilities and Asset Management Division of Public Works. In 2018, the MOB vacated the house and relocated the museum and operations to

their new location, giving rise to the department's consideration of the landmarked house's future use, management and ownership in the context of the department's mission, Master Plan, capital planning and asset management efforts.

The house was designated as a local landmark in 1980. Landmark designation honors preserve and protect buildings and areas determined to have a special character and historical, architectural or aesthetic interest or value to the city. Any exterior alterations to the house are and will continue to be subjected to the same review procedures required since the designation.

The house is currently zoned as [RL-1](#) with a non-conforming use approved to function as a museum. **According to B.R.C. 9-10-2(a), the nonconforming use expires after one year of discontinued use (May 31, 2019) unless an extension is requested. Staff has submitted an official request for a one-year extension. If approved, the non-conforming use will be allowed until May 31, 2020.**

The department initiated the first of a [four-phase planning process](#) in April 2018 to evaluate and determine the future use, management and ownership after the MOB vacated the property and to identify a preferred option based upon master plan direction and supported by the community. This process began with an [information packet](#) (IP) delivered to City Council on April 5, 2018, laying out three basic options, followed by an [IP update](#) for City Council on the research, community feedback, progress to date and the core values as defined by the community on October 25, 2018. The PRAB and Landmarks Boards were updated regularly throughout the process including a [joint board meeting](#) on January 31, 2019, where staff facilitated a discussion centered on the [five most viable refined options](#). A culmination of feedback from Phase 3 of the process was used as the basis for the latest [discussion item at the PRAB](#) meeting on February 25, 2019.

Typical to any asset within the department's portfolio, staff must carefully consider house ownership and management based upon the direction of the department's master plan, the PRAB and City Council and as aligned with community values. Early in the process, staff also convened a stakeholder committee that has been influential in guiding the process, reviewing the research and background information as well as providing input on options and deliverables.

Staff recognized the rich history of the house, community desires and perceptions of the property and developed a decision-making process with an early and robust community engagement plan to ensure all community members and key stakeholders could participate.

The process and public engagement plan for this project follows the city's [Engagement Strategic Framework](#), adopted by City Council in November 2017, which developed as a result of work completed by the community-based Public Participation Working Group appointed to explore public participation and develop recommendations to enhance engagement.

Process Overview:

Phase 1: Define Issue and Information Sharing	April to May 2018
Phase 2: Values and Options	June to Nov. 2018
Phase 3: Research and Refine Options	Dec. 2018 to Feb. 2019
Phase 4: Identify Preferred Option	March to April 2019

Engagement Overview

- Three Public Open Houses;
- Three House Tours (in-person and [digital](#));
- Two Neighborhood Association Meetings;
- Two Stakeholder Meetings;
- One Community-Wide Survey;
- Monthly Web Updates and Community Newsletter Promotions;
- Digital Idea Generation and Story-telling; and
- In-Depth One-on-One Discussions.

Process engagement efforts consisted of many techniques and opportunities to inform and reach a broad audience. Staff utilized citywide (What's Up Boulder) and department-wide open house events along with interactive online outreach (BeHeardBoulder.org) with participation incentives to take advantage of cross-promotion from other departments and divisions with active engagement projects to reach community members outside of their normal scope of interest.

Staff invited a stakeholder group of approximately 16 community leaders for more in-depth conversations regarding the process, research, values and refined options. This group was an integral part of the project, working alongside staff in open dialogue to develop and consider recommendations.

Comprehensive background research of the property, process approach, community engagement outcomes and monthly updates are available by visiting the [project website](#).

During Phases 1 through 3, the community developed a set of shared values to be considered for any recommended option. While the community focused on developing values, staff developed refined options based on research and successful models around the nation found in the researched [case studies](#). Feedback from the boards, stakeholders and community members, combined with previously developed community values and department master plan themes, guided the development of the preferred option for consideration.

Community Values:

- Interior Preservation
- Neighborhood Compatibility
- Public Access
- Community Benefit
- Community Use

Master Plan Key Themes:

- Financial Sustainability
- Taking Care of What We Have
- Building Community and Relationships
- Organizational Readiness

Community values, master plan alignment and city-use evaluations were used to filter the options ultimately resulting in the advancement of five [refined options](#). While these options provide alignment with community values, they also appreciate the actual financial implications of both ongoing capital and management costs. The five refined options were reviewed and discussed at a stakeholder meeting, public meeting and the joint PRAB and Landmarks Board meeting.

Key outcomes and summaries from each of those recent meetings can be viewed here:

- [Summary of Stakeholder Meeting #2 Discussion](#)
- [Community Feedback from Public Meeting #3](#) (including digital submissions to date)
- [PRAB and LB Joint Board Meeting Minutes](#)

ANALYSIS:

A review of feedback received throughout the process (including City Council, boards, stakeholders and community members) revealed a high level of alignment in some areas with opportunities for more discussion in others. Key outcomes of the discussion with the [PRAB on Feb. 25, 2019](#), are outlined below with a summary of community feedback from Phase 3 and analysis of the five most viable refined options.

Highest Level of Alignment:

- Lease as Preferred Option
 - Community, stakeholder and boards were most unified on the lease options
- Sale as a Contingency Plan
 - Second option for exploration only after other options are explored thoroughly
- Values and Themes
 - Community, stakeholder and boards were in support of the community values with interior preservation as a priority and wide variation of other supported priorities
- Zoning
 - All in agreement that application for nonconforming use extension is a high priority

Areas of further discussion:

- The lease rate was discussed in terms of cost recovery (covering annual and long-range anticipated total cost of home ownership of approximately \$36,000/year) to market rate (an average square foot estimation based on current market rates to rent office space of \$82,000/year)
 - The PRAB showed more interest in seeking a rate above cost recovery to support other department assets while the stakeholders and community showed more support for a base of cost recovery only.

- Use of any proceeds above cost recovery was a consideration
 - Some community members and stakeholders would like to see the funding used solely to support other department historic assets while the PRAB overwhelmingly felt confident that the department would make the best use of funds based on previous demonstration of fiscal responsibility as required by the master plan.
- A contingency plan and time limit for lease proposals were discussed.
 - Support for a timeframe to collect multiple proposals for comparison like a competitive grant or project bid was expressed. Some deemed a contingency plan (necessary should a lease arrangement meeting the above objectives not arise) as premature. They encouraged a greater short-term focus on finding and developing a lease arrangement meeting the highest-level community values and master plan alignment.

There was some support for sale in all engagement experiences. There was interest in the opportunity to use the proceeds for greater service reach more aligned with the department's mission and vision (i.e., funding other department capital projects, including but not limited to, other department owned historic assets) while a lease still requires staff support for ongoing lease management.

Some community members expressed a broader consideration that the city might consolidate ownership of all landmarked amenities under one department and pursue funding for ownership, operations and maintenance on a citywide basis. While this is beyond the purview of this project, that opinion has been shared with the Landmarks Board and will also be shared with the Facilities Management Department.

Removing a sale option from future opportunity is not recommended to allow flexibility for any future transfer of the house to combine all historical assets under one department as commonly discussed with stakeholders (potentially requiring sale from one department of the city to another). In addition, there remains some strong opinions in the community discouraging a sale of the house at any time in the future for any reason. Sale is not the preferred recommendation of this project and is, therefore, not further addressed in this memorandum.

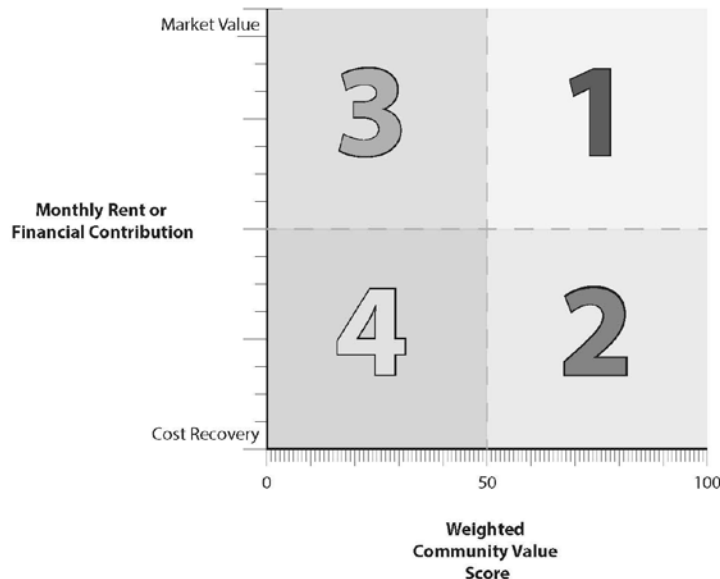
There was some interest from board members to explore department use of the house for city programming needs or even city office space. [The 5-Year Master Plan Progress Report/Overview of 2019 Priorities](#) presented to the PRAB on February 25, 2019, reviews the Service Delivery Model and the Recreation Priority Index used to measure and to evaluate new and continuing programs. Application of this standardized measurement and evaluation process excluded options for city use based on upon the feasibility.

The Landmarks Board has been included in regular updates and served as a consultative body throughout the process. A [letter from the Landmarks Board has been submitted to the PRAB](#) outlining their support and recommendations taken into consideration in the staff recommendation.

STAFF RECOMMENDATION:

Staff recommends that the house is offered for lease in a competitive, transparent proposal process weighing community values as criteria for evaluation, accepting no less than the cost recovery rate satisfying, at a minimum, the estimated general maintenance and adequate annual funding for repairs and replacement.

If supported, a request for proposal (RFP) would be developed and issued. The RFP would clearly state the selection criteria and how each will be weighted. A preliminary evaluation model (below) provides insight into how the weighted criteria will be evaluated in relation to the proposed lease rate. The evaluation model shows the priority of high financial contribution and high community value score but also demonstrates that high community value is prioritized over high financial contribution. The model does not consider proposals below cost recovery rate or negative community impact.

Sample Evaluation Model**Priority Description**

- 1** High Financial Contribution
High Community Value Score
- 2** Low Financial Contribution
High Community Value Score
- 3** High Financial Contribution
Low Community Value Score
- 4** Low Financial Contribution
Low Community Value Score

In addition to the request for consideration on the above, the department intends to pursue the following:

- Interior protection will be written into any lease agreement based on the [interior defining feature memo](#) with reliance on historic preservation staff's available consultation.
- At the department's expense, the stained-glass window along the main stair landing will be restored with a goal of completing the work onsite while the proposal process is underway. This onsite restoration work will reduce any risk to transport the window and will provide some occupancy in the house during the work period.

Suggested Motion Language:

Motion to support the exploration of a lease for the Harbeck-Bergheim House at market rate favorably considering community values but in no instance at less than full cost recovery.

NEXT STEPS:

Staff will present the outcomes of this meeting to City Council on April 16, 2019. If approved by the PRAB and supported by City Council, an RFP will be developed and released to the community for lease of the Harbeck-Bergheim House. This release may or may not be supplemented by the listing of this opportunity through a local qualified real estate agency.

Once proposals are received and evaluated, the most beneficial proposal will be awarded and contract negotiation would begin. A lease with terms of greater than three years requires City Council approval after an affirmative vote by at least four members of the PRAB as outlined in the [Boulder Charter and Revised Code, Article XI, Sec. 164](#). The final step requires the City Manager's signature to enter into the lease agreement.

Milestone updates will be provided to the PRAB throughout the proposal process leading up to the request for lease approval. The request for lease approval from the PRAB will include a discussion item during a regular meeting with an action item and public hearing the following month.

Memo of Interior Character Defining Features

Date: 10/11/2018
 To: Tina Briggs, Parks Planner, City of Boulder
 Caitlin Berube-Smith, Historical & Cultural Assets Coordinator
 From: Elizabeth (Liz) Hallas, AIA
 Re: Harbeck- Bergheim House

Scope

Anderson Hallas Architects (AH) was contacted by the City of Boulder to evaluate and identify the “Interior Character Defining Features” of the Harbeck-Bergheim House located at 1206 Euclid Avenue in Boulder Colorado. It is our understanding that the City is undergoing an evaluation of proposed future uses for the building which may include a transfer of ownership. This memo is intended to help inform any future interior protections (i.e. easements) which might be applied to the building. A site visit occurred to review the interior of the building on 9/28/18.

Brief Background:

- The structure was built in 1899-1900 and utilized by both the Harbeck and Bergheim families, at differing time periods, as a private residence up until 1969.
- The building’s ownership was transferred to the City in 1979 after a period of leasing with option to purchase.
- The building was individually landmarked by the City in 1980.
- The Boulder History Museum operated in the building from 1985 until 6/2018.
- The building is currently vacant.

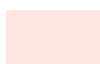
Sources:

The following documents were shared with AH by the City:

- 1979 Historic Building Inventory
- 1980 Landmark designation
- 4/10/2012 Harbeck House ADA Report by City of Boulder
- Chronology “History at a Glance” document
- 8/21/2018 House Inspection Report by Colorado Professional Inspecting
- 9/27/2018 date Building Appraisal by Colorado Appraisal Consultants

Intact Interior Character Defining Features:

In reviewing the building it is evident that a fair amount of the building interior is intact, however several portions of the building have been altered over the years. It seems useful to identify “zones” of the building to better articulate the areas which might be suitable for future interior protections vs. those that might be suitable for further alterations. Please refer to the following Zone Diagrams indicated on the building plans provided by the City:



Zone A: Primary Importance and/or majority of the spaces and finish materials are historic and intact. This zone should be considered for additional protections (i.e. easements)

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Zone B: Secondary Importance: Retains historic integrity but was a scaled down area historically and/or moderate modifications to the space/finishes appear to have occurred. This zone should be studied carefully for the benefit/cost of future protections.



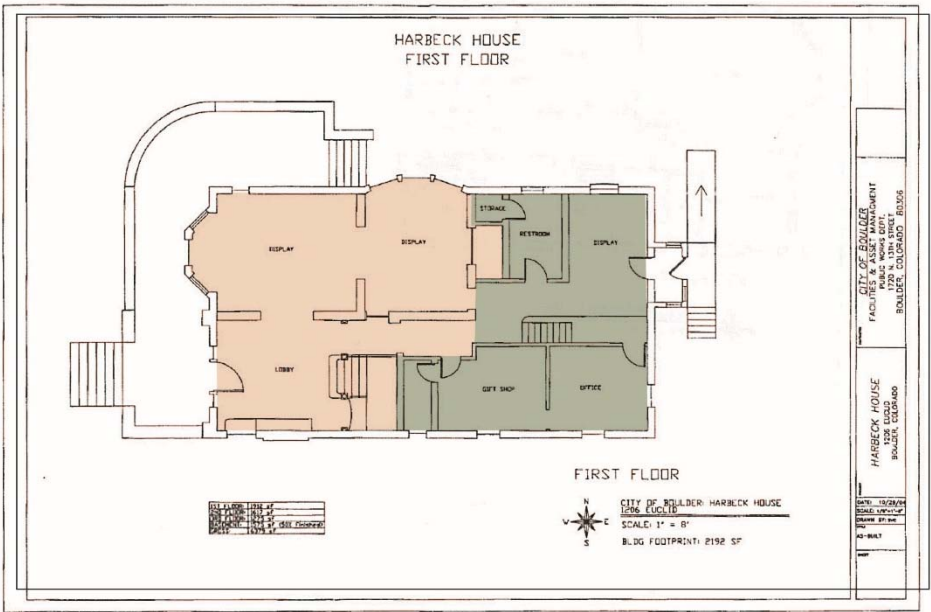
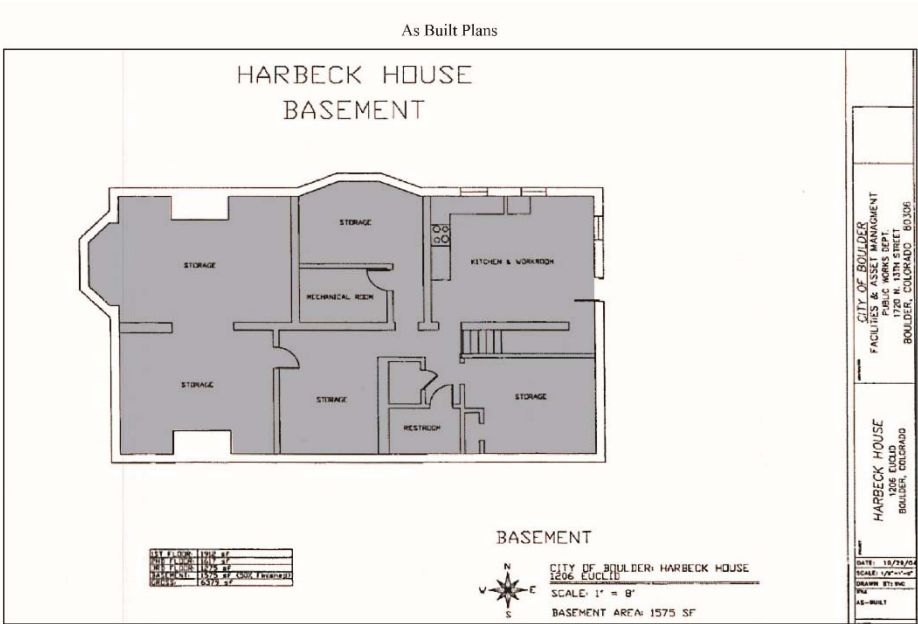
Zone C: Tertiary Importance and/or significant modifications to the space/finishes appear to have occurred or includes back of house/service areas. This zone is likely not a good candidate for additional protections.

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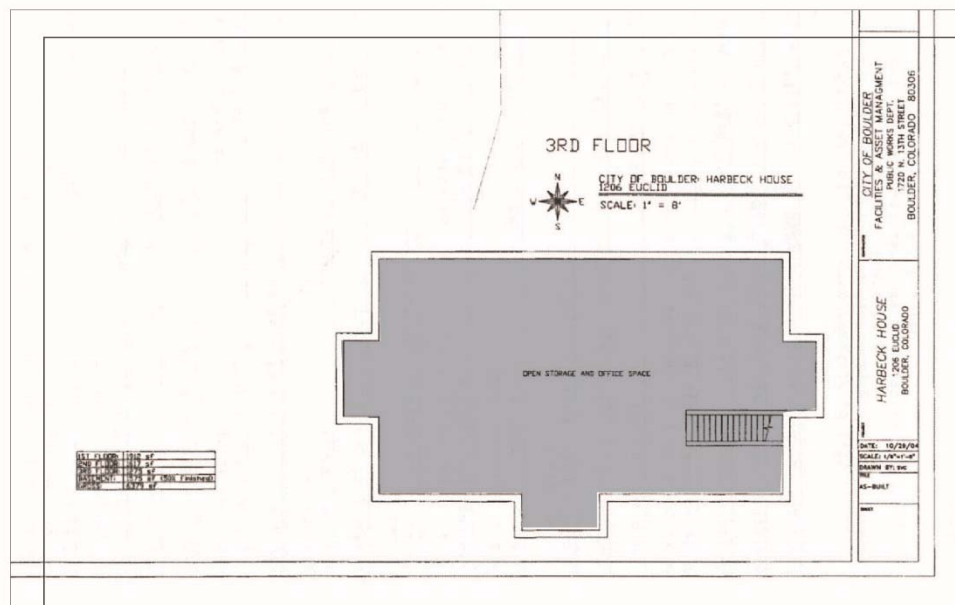
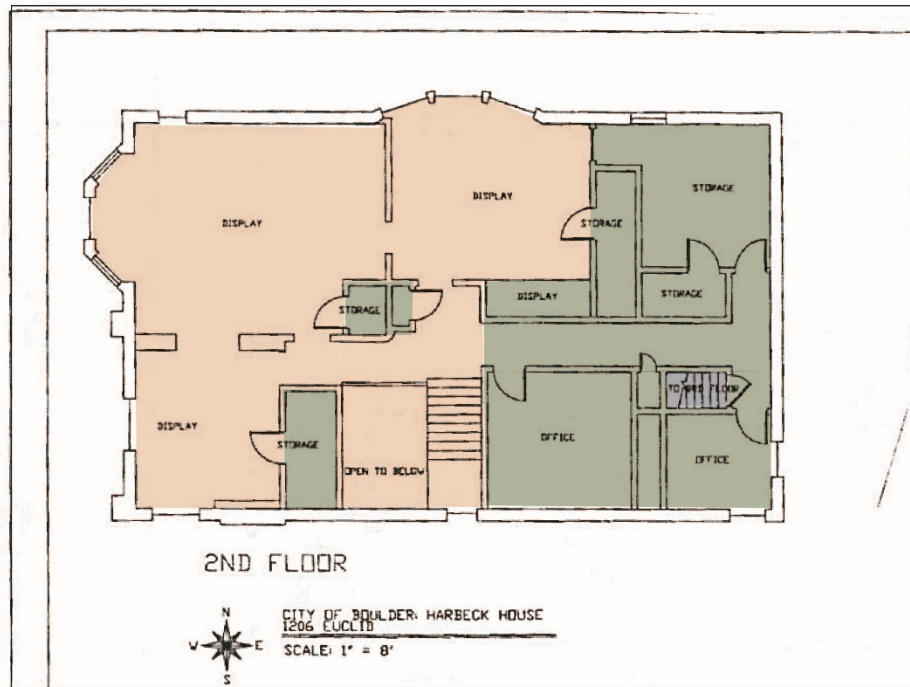


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In addition to the zoning identification above, the following is a list of intact character defining features observed within the interior of the Harbeck-Bergheim House:

- General room and space configurations (walls, openings, etc)
- Wood flooring (original areas of Zone A only)
- Wood wainscot, paneling and trim



- Built in millwork features
- Fireplace surrounds including tile, wood paneling, trim, and mantles
- Stair (railings, newel posts, treads and risers)
- Ceilings/Moldings*
- Wood doors (pocket and swinging)
- Wall finishes*
- Historic radiators
- Stained and leaded glass windows

*Ceilings – some level of removal/replacement appears to have occurred for previous electrical, HVAC and fire suppression systems work. Further research and investigation would be needed to determine extent of intact plaster ceilings.

* Wall finishes – a degree of alterations appears to have occurred at several areas of the walls likely due to previous electrical, HVAC, fire suppression work. Further conservation level work to investigate wall finishes (plaster, patches, wallpaper,) would be required to determine and map specific areas of original historic fabric

Possible Alterations which may be Required/Considered for New Uses:

Note: The anticipated future use will need a full code study. An official “Change of Use” may be required for permitting through the City’s Building Department. It is unclear if the Museum underwent an official “Change in Use” from residential use to a public building (Museum), however with the addition of the fire suppression system it was likely interpreted as a public use building.

1. For public/business use, providing an ADA compliant access to (and route within) the building would be required. The existing ramp appears to be non-compliant and floor elevations cannot exceed ½” in height.
2. Public/business use may also trigger egress route modifications due to occupant load safety which must be weighed with allowable code exemptions. For example, the attic stair is narrow (30” wide) and steep (7 ¾” risers). Limitations on the attic use should be studied in detail. Similarly, the main stairway does not have handrails on either side and has guardrails of only 33” tall. For these areas, further study of the International Building Code (IBC) and International Existing Building Code (IEBC) should be balanced for possible exemptions for historic integrity vs. life safety requirements.
3. If the building reverts back to a single family residence there are likely modifications that would need to be considered including kitchen/bathroom upgrades. Locating these in areas which have been previously modified would typically be a starting point for planning efforts.
4. Addition of air-conditioning (full or portions) for user comfort has been mentioned as desired. Currently the attic has an AC system, but the remainder of the building does not. A sensitively designed system to integrate and conceal the ductwork/registers should be undertaken to minimize the visual impact of this new system.

Other Observations:

Although beyond the scope of this report, several items were noted during the site visit that should be addressed by the City in the near term to prevent future damage/deterioration:

- Boiler inspection – posted information had expired (6/2018)
- Evidence of habitation along the exterior was observed (porch and east elevation) including stored blankets, clothing, food debris and smoking paraphernalia. It appears that the building may be at risk from accidental or purposeful damage, although it is understood that the City is trying to increase patrols in this area.

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- Window rehabilitation effort will likely be needed soon (evidence of damage/inoperability of several window elements)
- Monitor flat roof/flashing intersections on the exterior to verify sealants and joints are not allowing water intrusion into the walls
- Inspect fire suppression system vulnerability to freeze/thaw at the attic/eave— where the pipes lie outside of the insulated knee wall (Without day to day users these areas may be at risk for freezing/bursting if the house temperature is maintained at a lower set point than has occurred in the recent past.)
- A hazardous materials inventory should be performed as abatement can be a significant cost for rehabilitation projects
- A regular maintenance schedule should be developed for the building for the interim period when it is vacant.

Limitations of the Memo:

This scope of this work was limited in nature and is not to be seen as a comprehensive interior assessment. The site visit included a visual review of interior spaces only. No destructive investigations occurred to further inform the observations below. The exterior was not reviewed.

Please contact me with any questions you have as you review the memo.

Sincerely,



Elizabeth (Liz) Hallas, AIA
Principal

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