

**DEADWOOD HISTORIC PRESERVATION COMMISSION**

**Wednesday, January 27, 2010 ~ 5:00 p.m.**

City Hall, 108 Sherman Street, Deadwood, South Dakota

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1. Call meeting to order– Chair Darin Derosier
2. Approve Minutes
3. Voucher approval
4. Old or General Business
  - a. GIS – ESRI Maintenance Contract - \$12,000 (Budgeted Line Item)
  - b. Gilmore Apartment Complex Update and Recommendation
5. New Matters before the Deadwood Historic District Commission
  - a. Case# 10002 – Main Street – Coffee Kiosk – John & Phyllis Hart
6. New matters before the Deadwood Historic Preservation Commission
  - a. Case# 10003– 7 Spring Street– Masonry Work– Ken & Lee Steier
7. Revolving Loan Fund/Retaining Wall Program Update.
  - a. Retaining Wall Applications
    - i. 65 Centennial– Dean & Kimberly George
  - b. Revolving loan disbursements
  - c. Retaining Wall disbursements
8. Items from Citizens not on agenda.
9. Committee Actions and Reports
10. Staff Report
11. Other business
12. Adjournment

**CITY OF DEADWOOD**  
**HISTORIC PRESERVATION COMMISSION**

**Wednesday, January 27, 2010**

**Present Historic Preservation Commission:** Darin Derosier, Ronda Feterl, Mary Ann Oberlander, Mike Olsen, Steve Olson, Matt Pike and Willie Steinlicht. Historic Preservation Officer Kevin Kuchenbecker was also present.

**Absent Historic Preservation Commission:** None.

**Present Deadwood City Commission:** Mayor Francis Toscana, Commissioner Silvernail and Commissioner Schroeder.

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**All motions passed unanimously unless otherwise stated.**

A quorum being present, Chairman Darin Derosier called the Deadwood Historic Preservation Commission meeting to order on Wednesday, January 27, 2010 at 5:00 p.m. in Deadwood City Hall located at 108 Sherman Street, Deadwood, SD.

**Review Minutes**

*It was moved by Mr. M. Olsen and seconded by Mr. S. Olson to approve the minutes from Wednesday, January 13, 2010. Aye – All. Motion carried.*

**Voucher Approval**

**Operating Account:**

*It was moved by Mr. S. Olson and seconded by Mr. M. Olsen to approve the HP Operating Account in the amount of \$80,928.53. Aye - All. Motion carried.*

**Bonded Account:**

*It was moved by Mr. M. Olsen and seconded by Mr. Pike to approve the HP Bonded Account in the amount of \$1,710.05. Aye – All. Motion carried.*

**OLD OR GENERAL BUSINESS**

**GIS – ESRI Maintenance Contract - \$12,000 (Budgeted Line Item)**

Mr. Kuchenbecker explained that the amount for the maintenance contract is the same as last year, which is \$12,000.00. He added that this provides service as needed throughout the year, as well as any upgrades needed to the software. He said that even though there is not currently a GIS coordinator, it is used quite often by the office, as well as by Jason Writer in conjunction with the contract with Lawrence County. Ms. Feterl asked if the request was for the entire amount of \$12,000.00 or just the historic preservation amount of \$9,750.00, to which Mr. Kuchenbecker said it was only for \$9,750.00. If approved, he would then request the entire amount from the City Commission. *It was moved by Mr. M. Olsen and seconded*

*by Ms. Feterl to recommend to the City Commission the expenditure of \$9,750.00 for the contract to maintain and upgrade the GIS system. Aye – All. Motion carried.*

### **Gilmore Apartment Complex Update and Recommendation**

Mr. Kuchenbecker explained what was discussed by the task force regarding the Gilmore Apartments. The committee consisted of City Commissioners Lennie Schroeder and Joe Peterson, Historic Preservation Commissioners Ronda Feterl and Darin Derosier, Finance Officer Mary Jo Nelson, City Attorney Jason Campbell and Historic Preservation Officer Kevin Kuchenbecker. He explained that discussions were held regarding the options to surplus the property, as well as some of the protection requirements. Based on discussion, it was decided that this should be done in a timely manner with the three options being; listing the property with a realtor, public auction or sealed bids. The committee decided it would be best to rule out the first option. It was clearly noted that any commission member or executive staff member would not be eligible to partake in a sealed bid process and would only be able to acquire it at public auction.

It was also discussed that from a preservation standpoint, the Secretary of Interior Standards would have to be followed. Mr. Kuchenbecker pointed out that the structure could not be moved; neither relocated or repositioned from its current location, nor demolished at any time. Mr. Derosier added that they could refuse any or all bids if bids were considered to be too low. Mr. S. Olson asked if the building is currently listed on the National Register, to which Mr. Kuchenbecker said it was and is part of the historic district, but not locally. Mr. S. Olson asked if that should be looked at and changed.

Mr. Schroeder added that they discussed that it would be possible to tear down two existing garages that are noncontributing and in very poor shape. However, they decided it would be best to try and sell the property as is and let the new owner make the choice to do that. ***It was moved by Mr. Steinlicht to send this to the City Commission.*** Ms. Oberlander asked what it would take to list the property as a local designation. She wondered how much time it would take, and if it would be advantageous to make sure it is done that way. Mr. Kuchenbecker said it could be put on the agenda for the next meeting to recommend listing it as such. Ms. Feterl asked if it would need to go the Secretary of Interior, to which Mr. Kuchenbecker said it would not, but he would read up on it to make sure. ***Mr. Steinlicht withdrew his motion. It was then moved by Mr. S. Olson and seconded by Mr. M. Olsen to continue this matter until the next meeting. Aye – All. Motion carried.***

### **NEW MATTERS BEFORE THE DEADWOOD HISTORIC DISTRICT COMMISSION**

#### **Case #10002 – Main Street – Coffee Kiosk – John & Phyllis Hart**

Mr. Kuchenbecker said the owners have withdrawn their application. ***It was moved by Ms. Oberlander and seconded by Mr. M. Olsen to remove this item from the agenda. Aye – All. Motion carried.***

### **NEW MATTERS BEFORE THE DEADWOOD HISTORIC PRESERVATION COMMISSION**

#### **Case #10003 – 7 Spring Street – Masonry Work – Ken & Lee Steier**

Mr. Kuchenbecker explained that the applicant is requesting Project Approval for masonry work at 7 Spring Street, a noncontributing structure located in the Largeø Gulch Planning Unit in the City of Deadwood, which was constructed circa 1988. The applicant requests permission to install Boulder Creek Italian Field Stone on the lower level of the front of the house and a retaining wall. The proposed work

and changes does not encroach upon, damage or destroy a historic resource, nor have an adverse affect on the character of the building or the historic character of the districts. ***It was moved by Mr. M. Olsen and seconded by Mr. S. Olson that based upon all the evidence presented, the finding is that this project DOES NOT encroach upon, damage or destroy any historic property included in the National Register of Historic Places or the State Register of Historic Places; and therefore, grants Project Approval. Aye – All. Motion carried.*** (The staff report is attached hereto on Exhibit A and incorporated herein by this reference.)

### **REVOLVING LOAN FUND/RETAINING WALL PROGRAM UPDATE:**

#### **Retaining Wall Application – 65 Centennial Avenue**

Mr. Kuchenbecker explained that this application is from Dean and Kimberly George who would like to be considered for the Retaining Wall Program. He said that he and Building Inspector Keith Umenthum looked at the property and determined that the retaining walls are deteriorating and failing, along with the steps to the house. The side and rear walls need to be inspected for damage and deterioration and proper drainage. The wall meets the general eligibility for location and meets the following criteria for acceptance: 1) historic wall; 2) threatening historic resource; and 3) life-safety issues. Staff recommends acceptance into the program. Ms Feterl asked how many walls they were asking for, to which Mr. Kuchenbecker said there needs to be repairs along the front wall, the steps going up to the front of the house need to be rebuilt and on the side of the house there is some deterioration, as well as the rear of the house. Ms Feterl pointed out that the owners dug out along the side of the house themselves for a driveway. Mr. Kuchenbecker said it would only be the existing walls that could be placed into the program. ***It was moved by Mr. Pike and seconded by Mr. M. Olsen to accept Kimberly and Dean George at 65 Centennial Avenue into the Retaining Wall Program. Aye – All. Motion carried.***

#### **Revolving Loan Disbursements**

***It was moved by Mr. M. Olsen and seconded by Mr. Steinlicht to approve the HP Revolving Loan Fund cash disbursements in the amount of \$3,000.00. Aye – All. Motion carried.***

#### **Delinquency Report**

Ms. McCracken reviewed the delinquency report, as well as the balance sheet and revenue and expenditure reports.

#### **LOAN – Fairmont Hotel – Ron Russo**

Ms. McCracken explained that this loan is on an annual review. It was reviewed by the loan committee and received favorable comments. Mr. Russo has also had an excellent payment history with historic preservation, but the committee would like to leave this on an annual review. Ms. McCracken said she is also requesting a one-time, 18-month review so the review can be done in May or June after the previous years taxes are completed. ***It was moved by Mr. Pike and seconded by Ms. Oberlander to refinance the loan to Ron Russo at the Fairmont Hotel at 628 Main Street in an amount of \$218,423.00 at 6% interest with a payment amount of \$1,607.00, and \$60,486.00 at 0% interest with a payment amount of \$300.00 as a second mortgage with an 18-month review. Aye – All. Motion carried.***

#### **LOAN – Deadwood Dick's – Mary Dunne Larson**

Ms. McCracken explained that this is another loan on annual review for 51, 53 and 55 Sherman Street. It was reviewed by the loan committee and received favorable comments. Ms. Larson also has an excellent

payment history with historic preservation. Ms. McCracken said she would like a one-time, 18-month review on this loan as well. ***It was moved by Mr. S. Olson and seconded by Mr. Steinlicht to approve the renewal for Mary Dunne Larson at 51, 53 and 55 Sherman Street in the amount of \$328,049.00 at 6% interest with a repayment amount of \$2,113.58, and \$34,403.00 at 0% interest with a repayment amount of \$400.00 with an 18-month review. Aye – All. Motion carried.***

**LOAN – 320 Williams – Rhea and Betty Trevino**

Ms. McCracken explained that the Trevino's purchased this home and totally rehabilitated the property. She said they had taken out two loans; a \$10,000.00 Life Safety and \$10,000.00 Special Needs Loan. They have excellent credit and this was reviewed and approved by the loan committee. The Life Safety loan has matured and needs to be refinanced. Ms. McCracken went on to say that because they have a Special Needs Loan where the agreement is if you maintain your home, at the end of 10 months the Commission has the right to either amend, modify or forgive the loan. She felt this would be a good time to inspect the property to ensure that it is being maintained prior to renewing this loan. She also felt that a procedure should be put in place for these types of inspections, as there will be many forthcoming. ***It was moved by Mr. Pike and seconded by Mr. M. Olsen to continue the request for 320 Williams for Rhea and Betty Trevino, to the next meeting. Aye – All. Motion carried.***

**LOAN – 128 Williams – Bryan and Robert Arsaga**

Ms. McCracken explained that this house has been under a remodeling process for the past 18 months. She said when this note was approved it was for \$28,000.00 in which they used \$20,330.00. At that time, it was known that there was a larger remodel project going on in the amount of \$97,000.00, which ended up being \$130,000.00. She said the Arsaga's are now ready to close their loan with a secondary financing and put their permanent financing in place. However, loans cannot be sold in the secondary market that is not in first position and they are requesting a subordination of the three small loans that they have with historic preservation that total \$24,306.00. She said they also have a retaining wall, forgivable loan, in the amount of \$54,434.00. She went on to say that all lenders are tightening down on their restrictions and they tighten down on the combined loan values. She also explained that when you count their first mortgage, their second mortgage and the retaining wall, they exceed the combined loan value.

Ms. McCracken said that what needs to be done for the Arsaga's so that they are eligible for their first financing is to satisfy the retaining wall mortgage and let them go through and finish their process and then re-record the mortgage afterwards. She further explained that the two requests were to subordinate the three (3) small loans totaling \$24,306.00 and temporarily satisfy the retaining wall grant loan in the amount of \$54,434.00. Ms. McCracken said that with all the large retaining wall loans out there, if anybody ever wanted to refinance, historic preservation would be faced with this again. Ms. Oberlander asked what kind of precedent would be set, to which Ms. McCracken said if this was done for one, it would have to be done for all. Ms. Oberlander asked how that would affect historic preservation, to which Ms. McCracken said as long as the loan gets re-recorded they would only lose their collateral position for the time period of a couple of weeks.

Ms. McCracken said the advantage for a retaining wall mortgage is that it is not something that you would expect payment on as it could be forgiven. Mr. S. Olson said by the same token, should they sell the house prior to 2014; historic preservation would not be in first position. Ms. McCracken said the mortgage would be re-recorded, so that if they sell that house prior to 2014, the mortgage would be in place. Mr. S. Olson said that opposed to being in the first place on the mortgage, it would then become

second or third place, to which Ms. McCracken agreed. Mr. Kuchenbecker asked what guarantee there would be an applicant to come in and sign the re-recorded document, as there may be projects where it may be a challenge to get the owners to sign the re-recorded document. He added that the individuals could say you forgave the loan and refuse to sign the new document. Ms. Feterl expressed great concern for this very same reason.

Mr. Pike said before it could be acted on, they would need the city attorney to draw up a document that essentially constitutes a legally-binding agreement that this will be re-filed. That document should be signed by the Arsagaos and included as part of this request before any action could be taken. Mr. Pike went on to say that if this were to be taken to court, they could provide the minutes showing what action was taken, showing the report as submitted and the document from the Arsagaos signed along with representatives of the City that says, "they were going to do it and now they are refusing."

Ms. McCracken asked what would happen if the Arsagaos did not sign it, to which the Commission said if they don't sign it, the request will not be approved. Ms. McCracken said that they would just be re-recording the original mortgage, to which Mr. Pike reiterated that that was the point, in that the Arsagaos must sign something that they will do that. Mr. Pike said, again, that the Arsagaos have a good idea of how the process works and that they are consenting to this process to their benefit and that they will not object to the re-filing of the mortgage, and, that they consent to the subsequent re-filing of the mortgage so that this all works out the way they are requesting it to work out. Ms. McCracken said the banks are "tightening down" on their rules, which will force historic preservation to put different policies and procedures in place, to which the Commission said again, they must have a signed document from the Arsagaos before the request could be considered. ***It was moved by Mr. Pike and seconded by Mr. S. Olson to continue the application for Bryan and Roberta Arsaga at 128 Williams; the subordination request, to the next meeting. Aye – All. Motion carried.***

**ITEMS FROM CITIZENS NOT ON AGENDA:**

NONE.

**Committee Actions and Reports:**

Grants, Recognition & Advocacy: Commission representatives: Ronda Feterl, Matt Pike and Mary Ann Oberlander.

No report.

Archaeology, Archives & Acquisitions: Commission representatives: Mike Olsen, Willie Steinlicht and Steve Olson.

No report.

Budget: Commission representatives: Ronda Feterl, Darin Derosier Matt Pike.

No report.

Cemetery/GIS: Commission representatives: Steve Olson, Mary Ann Oberlander and Mike Olsen.

No report.

Demolition by Neglect: Commission representatives: Mike Olsen, Steve Olson and Matt Pike.  
No report.

Loans: Commission representatives: Ronda Feterl, Willie Steinlicht and Darin Derosier.  
No report.

Policies & Procedures: Commission representatives: Entire HPC.  
No report.

Adams Museum: Commissioner Mary Ann Oberlander.  
Ms. Oberlander reminded everyone that the annual fundraiser for the museum will be at the Charley Utter Theatre on Friday night. The event was moved from the Martin Mason building and everyone was asked to spread the word.

Chamber of Commerce: Commissioners Darin Derosier and Willie Steinlicht.  
No report.

Days of 07/6: Commissioner Mike Olsen.  
Mr. M. Olsen reported that the building committee met in Rapid City with all the engineers. Things are moving along very nicely. He said they are hoping to break ground in late April or early May.

Neighborhood Housing Services: Commissioner Willie Steinlicht.  
No report.

Planning and Zoning: Commissioner Mike Olsen.  
No report.

Historic Preservation Staff: Kevin Kuchenbecker, HP Officer; Michael Runge, Archivist; Deanna Berglund, Administrative Assistant; Virginia Peterson, Administrative Assistant.

Kevin Kuchenbecker reported on the following:

Noted Mike Runge's report.

Received permission from the City Commission to go out to bid for compactor storage for the archival collections.

A Supreme Court decision was received on the Sinclair Station and he will be working with the owners of the building.

**ADJOURNMENT:**

Hearing no further business to come before the Commission at this time and no objections from the Commission or the audience, Chairman Derosier adjourned the meeting at 5:50 pm.

ATTEST:

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Darin Derosier  
Chairman, Historic Preservation Commission  
Ronda Morrison, Recording Secretary