

ALLEGAN CITY
COUNCIL STUDY
SESSION AGENDA

Monday
October 25, 2021



**CITY OF ALLEGAN
CITY COUNCIL STUDY SESSION MEETING
Monday, October 25, 2021, 5:30PM
City Council Chambers - 231 Trowbridge Street
Allegan, Michigan**

*****NO ACTION IS TAKEN DURING THE STUDY SESSION*****

Call to Order

Public Comment Period

Round Table Discussion amongst Council Members

Discussion regarding the elimination of the Allegan Historic District

Review of Council Agenda

Adjourn to regular meeting to begin at 7:00 pm



City of Allegan
City Manager's Office
269.673.5511
231 Trowbridge Street
Allegan, MI 49010

MEMORANDUM

TO: Allegan City Council
FROM: Joel Dye, City Manager
REVIEWED BY: N/A
DATE: October 25, 2021

SUBJECT: Potential Repeal of Chapter 13 – Historic Preservation

Action Requested:

It is requested that City Council continue their discussion on the potential repeal of Chapter 13 – Historic Preservation.

Background:

During the regular meeting on October 25th, City Council will be holding a second reading and public hearing regarding Ordinance 500 - The repeal of Chapter 13 – Historic Preservation of the City of Allegan Code of Ordinances. Considering Council will act on Ordinance 500 one way or the other, I wanted to take some time to answer questions that have come up as it relates to Allegan's Local Historic Districts.

1. If we repeal Chapter 13 – Historic Preservation, then we will lose our Historic Districts.

Repealing Chapter 13 – Historic Preservation from the City's Code of Ordinances does not remove our Historic Districts listed on the National Register. As Alan Higgins mentioned in his email on October 21, 2021, **“Local Designation and National Register designation do not impact one another. If the local ordinance is repealed, National Register listings will be unaffected”**.

Attached is a table that lists the properties and districts currently registered in the National Register.

These individual properties and the properties listed as contributing properties in the districts will be eligible for Federal Historic Tax Credits and State Historic Tax Credits as explained by Alan Higgins in his email from October 8, 2021.

2. Can we just loosen or remove the preservation standards to allow modern materials but keep local district intact so we can continue to receive grants through the Certified Local Grant program?

According to Allan Higgins as mentioned in his email on October 21, 2021, **“No, this is not possible. If the requirement to follow preservation standards is removed from the ordinance, the ordinance would no longer be recognized by the state as compliant under Public Act 169 of 1970, which is the state-enabling legislation that grants municipalities**



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the authority to establish local historic districts. To be a CLG, a municipality's ordinance must meet the requirements of PA 169, including incorporating language related to design review and following appropriate standards." As such, if we remove preservation standards, we lose Certified Local Government status and are no longer available to apply for grants through the CLG program.

3. Can the city develop a new ordinance to regulate the demolition or significant alteration of the building footprint?

Yes, the city can develop ordinances that protect the safety, health, and general welfare of the community. Preserving historically significant structures can be described as protecting the general welfare of the community. However, that is not the same thing as a local historic district. Section 399.205 (1) of PA169 of 1970 is clear that a permit shall be obtained before any work affecting the exterior appearance of a resource is performed within a historic district.

PA 169 of 1970

[http://www.legislature.mi.gov/\(S\(q0vczubenqfmxzgwnyoz12x\)\)/mileg.aspx?page=getObject&objectName=mcl-399-205](http://www.legislature.mi.gov/(S(q0vczubenqfmxzgwnyoz12x))/mileg.aspx?page=getObject&objectName=mcl-399-205)

If the community wants to go that route, then the repeal of Chapter 13 – Historic Preservation still needs to occur, and a new ordinance will need to be developed.

As you see on the agenda, there are no other items scheduled for discussion on the October 25, 2021, study session. I hope by doing this, I am giving the council ample time to discuss this ordinance and its direction.

Attachment(s):

List of Allegan Properties and Districts on the National Register

10/08/2021 Email from Alan Higgins, Certified Local Government Coordinator

10/20/2021 Email from Alan Higgins, Certified Local Government Coordinator

Ref#	Property Name	State	County	City	Street & Number	orig Ref#	Request Type	External Link	Status
87000237	Born, Edward D., House	MICHIGAN	Allegan	Allegan	158 Hill St.	87000237	Multiple	https://catalog.archives.gov/id/25337690	Listed
87000238	Born, Engelbert B., House	MICHIGAN	Allegan	Allegan	128 Hill St.	87000238	Multiple	https://catalog.archives.gov/id/25337684	Listed
87000239	Brown, William H., House	MICHIGAN	Allegan	Allegan	800 Ely St.	87000239	Multiple	https://catalog.archives.gov/id/25337660	Listed
87000251	Downtown Allegan Historic District	MICHIGAN	Allegan	Allegan	Roughly bounded by Trowbridge, Locust, Hubbard, Brady, and Water Sts.	87000251	Multiple	https://catalog.archives.gov/id/25337670	Listed
87000252	Franks, Henry, House	MICHIGAN	Allegan	Allegan	535 Ely St.	87000252	Multiple	https://catalog.archives.gov/id/25337658	Listed
87000253	Griswold Civic Center Historic District	MICHIGAN	Allegan	Allegan	Roughly bounded by Hubbard, Walnut, and Trowbridge Sts.	87000253	Multiple	https://catalog.archives.gov/id/25337680	Listed
87000254	Lilly, Augustus, House	MICHIGAN	Allegan	Allegan	132 Cora St.	87000254	Multiple	https://catalog.archives.gov/id/25337662	Listed
87000256	Marshall Street Historic District	MICHIGAN	Allegan	Allegan	231-237, 335-705, 232-630 Marshall St.	87000256	Multiple	https://catalog.archives.gov/id/25337656	Listed
87000258	Messenger, William C., House	MICHIGAN	Allegan	Allegan	310 River St.	87000258	Multiple	https://catalog.archives.gov/id/25337682	Listed
87000261	Oakwood Cemetery Chapel	MICHIGAN	Allegan	Allegan	Arbor St.	87000261	Multiple	https://catalog.archives.gov/id/25337668	Listed
87000265	Pritchard's Outlook Historic District	MICHIGAN	Allegan	Allegan	Roughly bounded by Park Dr., Walnut, Crescent, and Davis Sts.	87000265	Multiple	https://catalog.archives.gov/id/25337678	Listed
80001845	Second Street Bridge	MICHIGAN	Allegan	Allegan	2nd St.	80001845	Single	https://catalog.archives.gov/id/25338833	Listed
87000266	Stedman, Sarah Lowe, House	MICHIGAN	Allegan	Allegan	632 Grand St.	87000266	Multiple	https://catalog.archives.gov/id/25337664	Listed

From: [Higgins, S. Alan \(LEO\)](#)
To: [Joel Dye](#)
Cc: [Arnold, Amy \(LEO\)](#)
Subject: RE: City of Allegan Historic Districts
Date: Friday, October 8, 2021 1:25:59 PM

Hi Joel,

You're correct and apologies for not making that clearer. For the districts that are also listed in the National Register, yes, eligibility would remain based on the boundaries approved in the National Register nomination.

However, not all of the local districts are listed in the National Register (unless the list I pulled is out of date/incorrect). Those without any designation would not have access to the credit.



S. Alan Higgins

Certified Local Government Coordinator
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From: Joel Dye <jdye@cityofallegan.org>
Sent: Friday, October 08, 2021 1:18 PM
To: Higgins, S. Alan (LEO) <HigginsS3@michigan.gov>
Cc: Arnold, Amy (LEO) <ARNOLDA@michigan.gov>
Subject: RE: City of Allegan Historic Districts

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Thanks for your response Alan.

I do have one question about State Historic Preservation Credit. Since our districts are registered in the National Register of Historic Places, doesn't that mean the "contributing resources" would be eligible for this credit? See the highlighted text:

To qualify for state historic preservation tax credits, a property must be listed either individually or as a contributing resource to a historic district in the National Register of Historic Places.

I will keep you apprised as this discussion progresses here in Allegan.

Joel Dye, City Manager
City of Allegan

231 Trowbridge Street
Allegan, MI 49010
269.673.5511

From: Higgins, S. Alan (LEO) <HigginsS3@michigan.gov>
Sent: Wednesday, October 6, 2021 10:56 AM
To: Joel Dye <jdye@cityofallegan.org>
Cc: Arnold, Amy (LEO) <ARNOLDA@michigan.gov>
Subject: RE: City of Allegan Historic Districts

Hi Joel,

First, I'm sorry to hear that Allegan is considering that. Local designation can be a great tool that helps to protect the unique character of a place and also is one of the few paths that allows property owners to take advantage of preservation incentives such as the state historic preservation tax credit program. Allegan has a strong history of local preservation activities, including participation in the CLG program, and we'd hate to see that lost.

There are two types of tax credit programs in Michigan:

- **Federal Historic Preservation Tax Credit:** To qualify for federal historic preservation tax credits, a property must be listed in the National Register of Historic Places—either individually or as a contributing resource to a historic district—and must be an income-producing property. Owner-occupied residential properties do not qualify for the federal tax credit. Thus, the only properties in Allegan that qualify for the federal tax credit currently are those income-producing properties located in the Downtown Allegan Historic District, listed in the National Register in 1987.
- **State Historic Preservation Tax Credit:** The state tax credit has considerably more flexibility, which is a tremendous benefit to property owners in local communities. To qualify for state historic preservation tax credits, a property must be listed either individually or as a contributing resource to a historic district in the National Register of Historic Places *OR* the State Register of Historic Places (the ones with the green state historical markers) *OR* designated as a local historic district. Furthermore, the state tax credit can be claimed for both income-producing properties and owner-occupied residential properties. Thus, in addition to protecting the character of the districts, local designation provides a ready path for Allegan's citizens to take advantage of the state tax credit, should they so choose. Thus, the hundreds of qualified properties in the Old Town, Marshall Street, Griswold Civic District, Priest Hill, Brooklyn, Pritchards Overlook, and Mill District would be eligible to apply for the state tax credit. Also, owners of individual designations such as the Lilly House, Chichester House, Higginbothan House, Steadman House, Brown House, Yates House, and Beucher House would be eligible.

If Allegan's local historic district ordinance is repealed, none of the property owners in the aforementioned districts would then have access to the state tax credit. For owner-occupied

residential properties, they would be without access to any such mechanism in the future since the federal tax credit would not apply to them.

Also keep in mind that if Allegan repeals its local historic district ordinance, it would no longer qualify for the Certified Local Government program and would be decertified by the National Park Service. This would mean that Allegan would no longer have access to the grant funding that is set aside specifically for CLGs. Allegan has used the grant funding for some wonderful projects in the past, including stabilization and repair at the Regent Theatre, as well as restoration of interior lighting, seating, the historic marquee, and installation of period carpeting; producing educational materials on local preservation; hosting public educational workshops; assisting with development of a website on historic preservation; preparing a feasibility study for the Allegan Community Center (First Baptist Church); restoration of Griswold Auditorium (multiple rounds); and repair and rehabilitation of the former Carnegie Library. Allegan has received approximately \$200,000 in grants from the CLG program and, in fact, is one of our top overall recipients in terms of the number of grants that have been awarded to the community. As a CLG, Allegan has ongoing access to such grants each year, but such access would go away if the ordinance is repealed.

Given that some of the concern seems to be the changes that have been allowed in the past, education, training, and assistance for the historic district commission and others may be beneficial to hopefully get things on a good path going forward. CLG grants can be used to help support such activities, and we also offer such opportunities through the CLG program at times. Moreover, you have access to technical assistance through the CLG program as well. Now that things are opening back up, perhaps we could coordinate some in-person discussion and assistance? I'd be happy to work with you all more directly over the next year to work through local historic preservation activities, best practices, assistance to the HDC; revisit tools such as CLG grants that the city can use to support activities; and assist with public outreach on the benefits of historic preservation (e.g., the aforementioned preservation incentives). That would give the city more time to think through what repealing the ordinance would mean for the community and to potentially help alleviate some of the concerns that are currently on the table. I'm happy to discuss such a plan if the city would be interested.

I hope this information is helpful. Please do let me know if you'd be interested in discussing things in more detail and figuring out a game plan for some ongoing discussions. I'm happy to help in any way that I can.

Alan



S. Alan Higgins

Certified Local Government Coordinator

State Historic Preservation Office

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From: Joel Dye <jdye@cityofallegan.org>

Sent: Monday, October 04, 2021 4:58 PM

To: Arnold, Amy (LEO) <ARNOLDA@michigan.gov>; Higgins, S. Alan (LEO) <HigginsS3@michigan.gov>

Subject: City of Allegan Historic Districts

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Hi Amy and Alan,

I am reaching out to you two to let you know that the City of Allegan is considering the repeal of our local historic district ordinance.

In 1987, there or about, the City of Allegan had several districts and properties listed in the National Register of Historic Places. In 1994, there or about, the City adopted a Historic Preservation Ordinance “to create a historic district commission and prescribe its functions to define the membership of the historic district commission and membership duties, to establish in historic districts and historic sites, to establish standards and procedures for regulating historic districts and historic sites, to provide for preservation of historic sites and structures, to assure public protection of privately owned historic sites, to provide for the acquisition of resources for historic preservation purposes, and to maintain publicly owned historic sites and structures by the city.

However, over the years, the city has approved various modern materials, such as vinyl windows, siding and fences. Also, the City has seen new residents move in, where historic preservation, is not top on their priority. The City does not have the capacity or the will to enforce its rules as it relates to Historic Preservation.

If the city chooses to repeal the local historic district ordinance, will this affect existing properties that may want to access federal historic tax credits or other state programs? We do have some buildings that have maintained their historic architecture significance and the owners of those buildings may want to use federal and state historic preservation programs to keep their buildings historically significant.

Thank you in advance for your response to this email.

Joel Dye, City Manager
City of Allegan
231 Trowbridge Street
Allegan, MI 49010
269.673.5511

From: [Higgins, S. Alan \(LEO\)](#)
To: [Joel Dye](#)
Cc: [Arnold, Amy \(LEO\)](#)
Subject: RE: City of Allegan Historic Districts
Date: Thursday, October 21, 2021 9:04:12 AM

Hi Joel,

Thanks for the call yesterday. Please see my answers below in red.

Also, just to confirm as we've discussed, if the City does repeal its ordinance, SHPO will have to start the decertification process for the City of Allegan. As part of that process, we will:

- Send a letter to the mayor indicating that the city has taken voluntary action, no longer meets the requirements of the CLG program, and thus is no longer eligible to receive program benefits, including grant funding
- Compile information and correspondence related to deficiencies and the decertification for the National Park Service
- Submit a formal request to the National Park Service for decertification
- NPS will review the documentation and provide concurrence regarding the decertification, upon which Allegan would be removed from the program

Your questions:

- Will the city have to pay back any grant funds that the City has received through the Certified Local Government Program?
No, grant funds expended in the past do not have to be repaid if the city repeals its ordinance and is decertified as a CLG.
- Can the city remove the preservation standards from our Historic District Ordinance and still be considered Certified Local Government Program?
No, this is not possible. If the requirement to follow preservation standards is removed from the ordinance, the ordinance would no longer be recognized by the state as compliant under Public Act 169 of 1970, which is the state-enabling legislation that grants municipalities the authority to establish local historic districts. To be a CLG, a municipality's ordinance must meet the requirements of PA 169, including incorporating language related to design review and following appropriate standards. Thus, the city would not be eligible to continue to participate in the CLG program if such standards are removed. Moreover, if such standards and design review criteria are removed, local districts would no longer be eligible to apply for state tax credit incentives or other such benefits because the ordinance would no longer be compliant with the requirements of PA 169.

Design review according to preservation standards is foundational to the success of local historic districts and key to protecting the character of the districts, as well as protecting the investment of property owners. The importance of design review and local district designation is reflected in various economic studies that have been completed in Michigan:

https://www.michigan.gov/documents/hal_mhc_shpo_econ_benies_115616_7.pdf and <https://www.mhpn.org/wp-content/uploads//2019/12/Local-Historic-Districts-and-Property-Values-in-Michigan-Neighborhoods.pdf>. Of note, Allegan was used as a case study in the first linked document.

- Can the city repeal the current ordinance and then start a new process to reestablish smaller, more focused Historic Districts?

Yes, the city could elect to enact a new local historic district ordinance down the road if it so chooses. However, the city would have to go through the entire process outlined in PA 169 to establish new districts. This includes appointing a study committee, preparing study committee reports, hosting a public hearing, and so on. This process is described here: <https://www.miplace.org/historic-preservation/programs-and-services/local-historic-districts/process-for-establishing-a-local-historic-district/>.

If the community enacted a new ordinance in the future and decided it wanted to reapply for the CLG program, the city has a right to do so. However, the reasons for its previous decertification may be considered when determining whether re-certification is appropriate.

- Will our Historic Districts and Contributing Properties currently listed on the National Historic Register of Historic Places, remain on the National Historic Register of Places even though our local ordinance has been repealed.

Local designation and National Register designation do not impact one another. If the local ordinance is repealed, National Register listings will be unaffected.

As noted, I'm more than happy to talk through any of these things in more detail and meet with local stakeholders to discuss questions/concerns before action is potentially taken on the ordinance. It's an important decision that has ramifications for property owners and the city on both sides of the discussion. No community is perfect when it comes to preservation, but we do have the opportunity to help out and provide assistance to steer things in a better direction if there is interest in the community. We would hate to lose Allegan as a partner in the CLG program.



S. Alan Higgins

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From: Joel Dye <jdye@cityofallegan.org>
Sent: Wednesday, October 20, 2021 4:29 PM
To: Higgins, S. Alan (LEO) <HigginsS3@michigan.gov>
Subject: City of Allegan Historic Districts

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Hi Alan,

Thank you for taking my call this afternoon.

I do have a few questions that I would like a response to:

- Will the city have to pay back any grant funds that the City has received through the Certified Local Government Program?
- Can the city remove the preservation standards from our Historic District Ordinance and still be considered Certified Local Government Program?
- Can the city repeal the current ordinance and then start a new process to reestablish smaller, more focused Historic Districts?
- Will our Historic Districts and Contributing Properties currently listed on the National Historic Register of Historic Places, remain on the National Historic Register of Places even though our local ordinance has been repealed.

As always I appreciate your willingness to take my phone calls.

Joel Dye, City Manager
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