



CITY OF CARMEL-BY-THE-SEA HISTORIC RESOURCES BOARD Staff Report

April 19, 2021
ORDERS OF BUSINESS

TO: Historic Resources Board Commissioners

SUBMITTED BY: Evan Kort, Associate Planner

SUBJECT: Consideration of a Determination of Consistency for a Design Review Application (DR 20-395) for demolition of the Palo Alto Saving and Loan Community Room (Block: 91; Lot 6) and construction of a 16,898 square foot two story mixed-use development with a 11,371 square foot basement garage (Block 91; Lots 6, 8, & 10) in the Service Commercial (SC) Zoning District at Dolores 2 SE 7th; APN: 010-145-012.

RECOMMENDATION:

Staff recommends that the Historic Resources Board adopt a resolution issuing a Determination of Consistency with the Secretary of the Interior's Standards for the demolition of the Palo Alto Savings and Loan Bank Community Room. APN: 010-101-017 (Attachment 1)

BACKGROUND/SUMMARY:

The project site is located on Dolores 2 southeast of 7th on a 12,000 square foot lot comprised of three lots of record (Block: 91, Lots: 6, 8, 10). The applicant is proposing to demolish all improvements across the three lots and construct a 16,898 square foot two story mixed-use development with a 11,371 square foot basement garage. Two-thirds of the project site (lots 6 & 8) are located on part of the Palo Alto Savings and Loan Bank complex which currently occupies Lots 2, 4, 6, and 8 of Block 91.

The Palo Alto Savings and Loan Bank complex, consisting of a bank building and detached community room building, was constructed in 1972 and was designed by noted architects, Walter Burde and William Shaw, both of whom are listed in the City's Historic Context Statement. While the Palo Alto Savings and Loan buildings are characteristic of the Second Bay Region Tradition of architecture, and designed by noted architects, the complex was deemed ineligible for listing on the City's Historic Inventory as well as the National Register. In 2019, a Determination of Ineligibility (Attachment 3) was issued for the property by the City Council following the appeal of the Historic Resources Board's decision to add the property to the City's Historic Inventory; the Determination of Ineligibility will expire on October 26, 2022. The associated Determination of Ineligibility (Attachment 3) included a Phase II Report for an unrelated project that was previously submitted and withdrawn on May 1, 2020, although the report does provide background and history relevant to the project site. This original determination did not distinguish between the bank building and the community room, but rather analyzed the complex as a whole. While the complex is not eligible for listing on the nation or local inventory, it was previously determined that the site is eligible for listing on the California Register of Historic Resources (CRHR) and the complex, as a whole, is a historic resource for the purposes of the California Environmental Quality Act (CEQA).

According to the Phase II Evaluation attached to the Determination of Ineligibility for the site (Attachment 3), "In November 2001 Richard Janick assessed the building again using California Office of Historic Preservation DPR 523a and b forms. This second evaluation was no doubt initiated by a proposal filed in September 2001 to demolish the Palo Alto Savings and Loan complex and construct a new commercial property. Janick's evaluation of the building concluded that it was eligible for listing on the California Register under Criterion 3 (architecture), "as a significant example of Second Bay Region Style by local architect Will Shaw and Associates with design assistance by former partner Walter Burde." In accordance with CEQA Guideline §15064.5(a)(1), a structure must be treated as a historic resource if it is listed in, or determined to be eligible for listing in, the California Register of Historic Resources.

While the complex is eligible for listing on the CRHR, an Addendum to the Evaluation of Historical Significance for Palo Alto-Salinas Savings and Loan Complex was prepared by a Qualified Professional Historian, Margaret Clovis, evaluating the significance of the community room as an individual resource (Attachment 4). The evaluation concluded:

The Palo Alto-Salinas Savings and Loan complex consists of two buildings, a bank building and a community room. By definition they are a historically related unit and as a unit they have been determined eligible for listing on the California Register of Historic Resources. The primary building within the complex is the bank, and the property's historical significance is predicated on the bank. The community room is an ancillary structure that does not contribute to the overall significance of the complex. In addition, the community room was evaluated for eligibility for listing in the California Register of Historic Resources based on its merits alone. The community room does not meet the criteria for listing as an individual resource.

In other words, while the bank building and the community room are historically related, the bank building is the primary significant structure on site, and the community room is an ancillary structure that on its own is not historically significant. An illustrative comparison may be, for example, a historic home with a detached garage. While the site may be historically significant, the primary residence would typically be the historically significant structure on site and the garage would be a related accessory building that on its own would not be historically significant.

On January 8, 2021, an application for a Design Review was submitted to the Community Planning and Building Department that proposed the demolition of the community room as part of the subject Esperanza Carmel project. As part of the project review, a Phase II Report (Attachment 4) was prepared by Margaret Clovis evaluating the project's consistency with the Secretary of the Interior's Standards and Guidelines based on preliminary plans. The Phase II Report concludes the project will not have a significant impact on the historic bank building provided the project meets the applicable Secretary's Standards for Rehabilitation and that the recommended conditions identified in the report are followed (discussed below).

In accordance with CMC 17.32.160.B.1, "If the Board concurs with the evaluation [prepared by the qualified professional], the Board shall issue a determination of consistency and adopt any appropriate conditions of approval. Any finding of compliance by the Board shall be supported by substantial evidence. If the Board does not concur, the Board may request additional information prior to issuance of a determination of consistency, or may issue a finding of noncompliance with the Secretary's Standards. Any finding of noncompliance by the Board shall be supported by substantial evidence."

The scope of this review shall be limited to the discussion regarding the proposed demolition of the

community room and determining whether the demolition is consistent with the applicable Secretary of the Interior's Standards.

STAFF ANALYSIS

Secretary of the Interior's Standards: The Secretary of the Interior's Standards for the Treatment of Historic Properties (Standards) provides the framework for evaluating the impacts of additions and alterations to historic buildings. The Standards describe four treatment approaches: preservation, rehabilitation, restoration and reconstruction. The Standards require that the treatment approach be determined first, as a different set of standards apply to each approach. For the proposed project, the treatment approach is rehabilitation.

Margaret Clovis evaluated the project for consistency with the Secretary of the Interior's Ten Standards for Rehabilitation (Attachment 4). Ms. Clovis found that Standards #1, 2, 5, 6, 8, 9 and 10 are applicable to the project. The evaluation concluded that the project as proposed is consistent with the applicable standards on the condition that recommendations in this report are carried out.

Standard 1: 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.

Phase II Response: "The bank building has been used as a bank, retail store and most recently as a restaurant. These different uses have required minimal change to its distinctive materials, features, spaces, and spatial relationships. The community room is separated from the main bank building by a walkway. Sheet A1.0 indicates that the proposed adjacent construction will be separated from the bank building by a new walkway. The new walkway will help to maintain spatial relationships between the buildings however that spatial relationship should be maintained from the ground level to the roof by a setback of the north elevation from the bank building. It is also recommended that the proposed walkway be the same width as the current walkway."

Staff Response: Following completion of the Phase II Report, Staff met with Ms. Clovis, and the applicant to discuss the spatial relationship between the bank building and proposed development. It was discussed at the meeting that the proposed development may be located closer to the adjacent bank building than initially outlined in the report provided the spatial relationship be maintained. While the recommendation outlined in the Phase II report states the northern wall of the community room should be used as the setback line, Staff is in agreement that a lesser setback could be considered provided adequate separation between the buildings is maintained.

The existing separation between the bank building and community room is 8'4" at the nearest point, as dimensioned in the field by staff. As shown on the preliminary project plans (Attachment 8, Sheet A1.0), the proposed closest setback between the buildings is 7'. While Staff is supportive of allowing for some relief from the initially recommended setback line (northern building wall of the community room), Staff recommends the proposed building not be permitted to extend more than one foot beyond the existing northern wall of the community room.

In the same meeting referenced above with the applicant and Ms. Clovis, the applicant has requested a small portion of the of the building to further encroach into this setback area to accommodate a staircase –in its current configuration, this project would be setback 5 feet from the bank building. Staff is supportive of this projection as it is relatively minor and

setback approximately 51'7" from the property line fronting Dolores Street, therefore does not impact the feeling of separation when viewed from the street.

Staff has included Recommended Condition of Approval #1 stating, "to maintain the spatial relationship between buildings, the proposed building shall not extend more than one foot beyond the existing northern wall of the community room with the exception of a stairway project which shall be located no closer than 5' from the bank building."

Standard 2: The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize the property will be avoided.

Phase II Response: "The historic character of the bank building will not be altered. No distinctive materials will be removed. Features, and spaces will not be altered. The spatial relationship between the bank and the community room which has been established by the walkway separating the two should be maintained as part of the new construction. The Secretary of the Interior's Guidelines for Rehabilitation recommend that any new construction adjacent to a historic structure should be placed away from or at the side or rear of a historic building and must avoid obscuring, damaging, or destroying character-defining features of the building. It appears from the Site Plan that the bulk of the new building will be located behind the bank and set back from Seventh Street. The proposed work appears to be consistent with Standard Two."

Staff Response: See Staff Response under Standard 1 for discussion regarding maintaining the separation between the two buildings. In the Service Commercial (SC) Zoning District, buildings are required to be constructed to within 2'6" of the front property line for at least 70% of the street frontage (CMC 17.14.130). As viewed from Dolores Street, the project would be constructed to the required "build-to" line however would be slightly setback from the bank building along Dolores. As viewed from 7th Avenue, the building would be setback over 80' from the 7th Avenue sidewalk. Staff concurs that the proposed work appears to be consistent with Standard 2.

Standard 5: Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.

Phase II Response: "The community room will be demolished as part of this project. It is connected to the main bank building at the second-floor level by an elevated walkway. When the community room is demolished a gap will be created in the exterior wall of the bank building. The wall should be repaired by matching the original wall in design, color, texture, and if possible, materials. If this is clearly indicated on the construction plans, then the work will be consistent with Standard Five.

It is important that a historic structure be protected during adjacent construction. Demolition activities and construction on neighboring sites can cause immediate harm to the physical integrity of a historic building through concentrations of dust, fire, vibration, and more. The National Park Service provides guidance for the temporary protection of historic structures in Preservation Tech Note Number 35 [Refer to Attachment 5]. Providing adequate protection involves the following steps:

1. Consultation between the historic building owner and development team to identify potential risks, negotiate changes and agree upon protective measures.

2. Documentation of the condition of the historic building prior to adjacent work.
3. Implementation of protective measures at both the construction site and the historic site.
4. Regular monitoring during construction to identify damage, to evaluate the efficacy of protective measures already in place, and to identify and implement additional corrective steps.

Work will be consistent with Standard Five if a protection plan is submitted to the HRB for review and approval prior to the commencement of any work on the proposed project.”

Staff Response: The applicant has submitted a written Protection and Monitoring Plan (Attachment 6) outlining the steps proposed to be taken to protect the adjacent bank building during the proposed demolition of the community room and during the proposed construction of the subject project. In addition to the written plan, the applicant has also provided a protection plan included in the preliminary project plans (Attachment 8, Sheet A1.1) that identify the proposed protection measures during construction, and are outlined in the “Historic Building Protection Plan Key Notes.”

Staff has included Recommended Condition of Approval #2 stating, “The written Protection and Monitoring Plan and Historic Building Protection Plan indicated in the project plans, collectively known as the “Protection Plan,” (Attachment 6) shall be adhered to prior to and during construction. Protective measures installed on-site or on the adjacent site shall be inspected by the Planning Department and Building Inspector prior to the issuance of a demolition or building permit. Modifications to the Protection Plan shall require approval by the Historic Resources Board.”

Standard 6: *Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.*

Phase II Response: “No work will be done on the historic bank building except for the repair of the wall juncture between the community room and bank. As stated in Standard Five, the repair of the bank wall should match the original wall in design, color, texture, and where possible, materials. Construction plans should clearly indicate how the wall will be repaired in order to be consistent with Standards Five and Six.”

Staff Response: An application for repairs to the bank building necessitated as a result of the portion of wall being removed by the proposed project is forthcoming. To ensure the associated repairs to the bank building are addressed, Staff has included Recommended Condition of Approval #3 stating, “Prior to the issuance of a demolition or building permit, an application for repairs to the bank building necessitated by the removal of the wall juncture between the community room and bank shall be submitted to the Community Planning and Building Department.”

Standard 8: *Archeological resources will be protected and preserved in place.*

Phase II Response: The current parking lot will be demolished, and a [11,371] square foot basement area will be excavated which will serve as a parking garage, gym, and support services for the new building. Because there will be major ground disturbance, an archeological report should be prepared to evaluate whether any resources are present. If

resources are discovered, appropriate mitigation measures should be implemented. The proposed work will be consistent with Standard Eight once an archaeological report is completed.

Staff Response: An Archaeological Report was previously prepared for Lot 10 in 2019 and an additional Archaeological Report was prepared for Lots 6 and 8 in 2021 following the submittal of the subject application (refer to Attachment 7); both reports were prepared by Susan Morley, M.A.

Both reports maintain the same conclusion that state, “Archaeological reconnaissance did not reveal any of the indicators expected of a prehistoric archaeological or historical resource in this region; there are no culturally modified soils present; no shell fragments, bone fragments, or culturally modified lithic materials were noted in the soils of the project parcel. No granitic or other bedrock outcrops were present that may possibly have contained bedrock mortars or cupules... Based upon these negative findings, there is no reason to delay the project parcel due to archaeological concerns.”

However, staff included Recommended Condition of Approval #4 and #5 stating, “In the event that unexpected traces of historic or prehistoric materials, i.e., human remains, concentrations of shell or heat altered rock or historic trash pits are encountered during grading or other future development all construction activity shall immediately cease, and the applicant shall notified the Community Planning and Building Department within 24 hours and a qualified archaeologist shall be retained for appropriate archaeological mitigation,” and “If any human remains are exposed, the Health and Safety Code § 7050.5 requires that no further excavation or disturbance occurs in the area and that the county coroner is called so that the coroner can verify that the remains are not subject to medical jurisprudence. Within 24 hours of notification, the coroner calls the Native American Heritage Commission if the remains are known or thought to be Native American.”

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

Phase II Response: The new construction will demolish the parking lot, community room, and garden wall which are part of the bank complex however they are not significant in their own right. These features supported the bank’s former function but do not support its eligibility under Criterion Three (Architecture). They are not considered character-defining features. The pathway separating the community room and the bank creates an important spatial relationship that should be preserved, as discussed under Standards One and Two. The proposed work appears to be consistent with Standard Nine.

Staff Response: Staff concurs with the Phase II Response, above.

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

Phase II Response: If removed in the future, the proposed new construction adjacent to the

historic bank building will not impair the historic property and environment only if care is taken to remove the building following the guidance provided in Preservation Tech Note Number 3 and described under Standard Five.

Staff Response: Staff concurs with the Phase II Response, above.

Historic Evaluation Summary: The California Environmental Quality Act (CEQA) requires environmental review for alterations to historic resources that are not consistent with the Secretary of the Interior's Standards. The proposed demolition of the Palo Alto Savings and Loan Community Room was reviewed by the City's Historic Preservation Consultant and a Phase II Historic Assessment was prepared for the project (refer to Attachment 4). The Assessment includes an analysis of the proposed changes based on the Secretary of the Interior's Standards for the Treatment of Historic Properties. The Assessment concludes that the project meets the Secretary of the Interior's Standards for rehabilitation. The proposed demolition of the Palo Alto Savings and Loan Community Room does not impact the remaining character-defining features or overall historic integrity of the Palo Alto Savings and Loan Bank Building.

FISCAL IMPACT:

N/A

ATTACHMENTS:

- Attachment 1 - Resolution
- Attachment 2 - Site Photographs
- Attachment 3 - Determination of Ineligibility
- Attachment 4 - Historic Evaluation Addendum
- Attachment 5 - Phase II Evaluation
- Attachment 6 - Preservation Tech Note Number 35
- Attachment 7 - Protection Plan
- Attachment 8 - Archeological Reports
- Attachment 9 - Preliminary Project Plans

Historic Resources Board

April 19, 2021

Attachment 1

Resolution

**CITY OF CARMEL-BY-THE-SEA
HISTORIC RESOURCES BOARD**

HISTORIC RESOURCES BOARD RESOLUTION NO. 2021-XXX-HRB

A RESOLUTION OF THE HISTORIC RESOURCES BOARD OF THE CITY OF CARMEL-BY-THE-SEA ISSUING A DETERMINATION OF CONSISTENCY WITH THE SECRETARY OF THE INTERIOR'S STANDARDS FOR THE DEMOLITION OF THE PALO ALTO SAVINGS AND LOAN BANK COMMUNITY ROOM. APN: 010-101-017

WHEREAS, Alem Dermicek, on behalf of International Design Group, ("Applicant") submitted an application requesting the approval of a Design Review "DR 20-395" described herein ("Application"); and

WHEREAS, the application has been submitted for the 12,000 square foot property located at Dolores 2 SE 7th, in the Service Commercial (SC) Zoning District (Block 91, Lot 6, 8, 10); and

WHEREAS, the applicant is proposing to demolish all improvements across the three lots and construct a 16,898 square foot two story mixed-use development with a 11,371 square foot basement garage. Two-thirds of the project site (lots 6 & 8) are located on part of the Palo Alto Savings and Loan Bank complex (comprised of a bank building and a community room) which currently occupies Lots 2, 4, 6, and 8 of Block 91; and

WHEREAS, the complex is not eligible for listing on the nation or local inventory as it fails to meet the 50-year old age requirement, however, the complex is eligible for listing on the California Register of Historic Resources (CRHR); and

WHEREAS, in 2019, a Determination of Ineligibility for listing on the City's Historic Inventory was issued for the complex and will expire on October 26, 2022; and

WHEREAS, in accordance with the California Environmental Quality Act (CEQA) Guideline §15064.5(a)(1), a structure must be treated as a historic resource if it is listed in, or determined to be eligible for listing in, the California Register of Historic Resources; and

WHEREAS, the project qualifies as a Major Alteration to a Historic Resource pursuant to CMC 17.32.160; and

WHEREAS, pursuant to CMC 17.32.120 (Alteration of Historic Resources), a determination of consistency with the Secretary's Standards shall be obtained prior to altering, remodeling, demolishing, grading, relocating, reconstructing or restoring any historic resource; and

WHEREAS, pursuant to CMC 17.32.120.B, determinations of consistency for major alterations shall be prepared by a qualified professional and shall be supported by written documentation that (1) identifies which of the Secretary of the Interior's Standards for Rehabilitation are applicable to the project, (2) reviews the proposed project, and (3) explains the basis of the determination; and

WHEREAS, a Phase II report was prepared by a qualified professional, Margaret Clovis, dated March 1, 2021, and found the proposed amendments to be consistent with the Secretary of the Interior's Standards for Rehabilitation provided the recommendations outlined in the report were carried out; and

WHEREAS, notice of the public hearing was published in compliance with State law (California Government Code 54954.2.); and

WHEREAS, on April 19, 2021, the Historic Resources Board held a public hearing to receive public testimony regarding the Application, including without limitation, information provided to the Historic Resources Board by City staff and public testimony on the project; and

WHEREAS, this Resolution and its findings are made based upon evidence presented to the Historic Resources Board at its April 19, 2021 hearing including but not limited to, the staff report and attachments submitted by the Community Planning and Building Department; and

WHEREAS, the Historic Resources Board did hear and consider all said reports, attachments, recommendations and testimony herein above set forth and used their independent judgement to evaluate the project; and

WHEREAS, the facts set forth in the recitals are true and correct and are incorporated herein by reference; and

WHEREAS the Historic Resources Board of the City of Carmel-by-the-Sea finds that pursuant to Carmel Municipal Code (CMC) Section 17.32.140, the following required findings for issuance of a Determination of Consistency with the Secretary of the Interior Standards can be made in this case:

1. 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;
2. The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize the property will be avoided;
3. Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved;
4. *Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence;*
5. *Archeological resources will be protected and preserved in place;*
6. *New additions, exterior alterations, or related new construction will not destroy historic materials, features, and spatial relationships that characterize the property. The new work shall be differentiated from the old and will be compatible with the historic materials, features, size, scale, and proportion, and massing to protect the integrity of the property and its environment; and*
7. *New additions and adjacent or related new construction will be undertaken in such a manner that, if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.*

NOW THEREFORE, BE IT RESOLVED, based on the above findings and evidence, that the Historic Resources Board of the City of Carmel-By-The-Sea does hereby **issue a Determination of Consistency with the Secretary of the Interior's Standards** for the demolition of the Palo Alto Savings and Loan Bank Community Room, in general conformance with the attached sketches and plans, all being attached hereto and incorporated herein by reference. This Determination of Consistency is further predicated on

the following Recommended Condition(s) of Approval being accepted and approved by the City of Carmel-by-the-sea Planning Commission as part of the discretionary permit for this project:

Recommended Conditions of Approval		
No.		
1.	Spatial Relationship. To maintain the spatial relationship between buildings, the proposed building shall not extend more than one foot beyond the existing northern wall of the community room with the exception of a stairway project which shall be located no closer than 5' from the bank building.	✓
2.	Protection Plan. The written Protection and Monitoring Plan and Historic Building Protection Plan indicated in the project plans, collectively known as the "Protection Plan," (Attachment 7) shall be adhered to prior to and during construction. Protective measures installed on-site or on the adjacent site shall be inspected by the Planning Department and Building Inspector prior to the issuance of a demolition or building permit. Modifications to the Protection Plan shall require approval by the Historic Resources Board.	✓
3.	Bank Building Repairs. Prior to the issuance of a demolition or building permit, an application for repairs to the bank building necessitated by the removal of the wall juncture between the community room and bank shall be submitted to the Community Planning and Building Department.	✓
4.	Cultural Resources. In the event that unexpected traces of historic or prehistoric materials, i.e., human remains, concentrations of shell or heat altered rock or historic trash pits are encountered during grading or other future development all construction activity shall immediately cease, and the applicant shall notified the Community Planning and Building Department within 24 hours and a qualified archaeologist shall be retained for appropriate archaeological mitigation	✓
6.	Human Remains. If any human remains are exposed, the Health and Safety Code § 7050.5 requires that no further excavation or disturbance occurs in the area and that the county coroner is called so that the coroner can verify that the remains are not subject to medical jurisprudence. Within 24 hours of notification, the coroner calls the Native American Heritage Commission if the remains are known or thought to be Native American.	✓
6.	Conditions of Approval. The Conditions of Approval listed above (HRB Conditions of Approval) shall be incorporated into the Design Review Conditions of Approval and any action taken by the Planning Department or Planning Commission, as necessary.	✓

PASSED AND ADOPTED BY THE HISTORIC RESOURCES BOARD OF THE CITY OF CARMEL-BY-THE-SEA this 19th day of April, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

ATTEST:

Thomas Hood
Chair

Margi Perotti
Historic Resources Board Secretary

Historic Resources Board

April 19, 2021

Attachment 2

Site Photographs













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Historic Resources Board

April 19, 2021

Attachment 3

Determination of Ineligibility



CARMEL-BY-THE-SEA

NOTICE OF INELIGIBILITY

For the Carmel Historic Resources Inventory

On February 4, 2020 the City Council determined that the property identified below does not constitute an historic resource.

Assessor's Parcel Number:	010-145-020
Current Owner:	CPines 7, LLC c/o Jeff Peterson
Block/Lot:	91/2, 4, 6, 8
Street Location:	SE Corner Dolores & 7th
Lot size:	16,000 square feet
Original Date of Construction:	1972

The basis for this determination is:

- ☒ The property lacks sufficient age to be considered historic.
- ☐ The property has substantially lost its historic integrity through alterations, additions, deterioration, changes in the surrounding environment or other causes.
- ☒ The property does not relate to historic themes or property types established in the Historic Context Statement for Carmel-by-the-Sea.
- ☒ The property has no association with important events, people or architecture that are identified in the Historic Context Statement or that represent the historical/cultural evolution of Carmel-by-the-Sea.
- ☐ There are other better examples of the builder's work in the city.

Pursuant to CMC Section 17.32.060.D.4, properties developed less than 50 years prior to the issuance of a determination of ineligibility, but more than 45 years prior to the determination, shall only be valid until the building, structure or objects reaches the age of 50 years. Therefore, this determination shall expire on October 26, 2022.

Marnie R. Waffle, AICP
Acting Community Planning & Building Director

October 3, 2019

Evaluation of Significance and Phase Two Report for Seventh & Dolores (formerly the Palo Alto Savings and Loan complex) (APN 010-145-020), Carmel-by-the-Sea, CA.

Executive Summary

The building historically known as the Palo Alto Savings and Loan, located on the corner of Seventh and Dolores Streets in downtown Carmel, was constructed in 1972. Architectural historian, Richard Janick described the building just six years after its construction for Carmel's Historic Resources Inventory. He noted that the building was designed by Will Shaw and Associates and it was "indicative of the continuous evolution of the Bay Area Tradition that began at the turn-of-the-century in the San Francisco bay area." He did not formally assess the building for significance for the local, state or national registers.

In November 2001 Richard Janick assessed the building again using California Office of Historic Preservation DPR 523a and b forms. This second evaluation was no doubt initiated by a proposal filed in September 2001 to demolish the Palo Alto Savings and Loan complex and construct a new commercial property. Janick's evaluation of the building concluded that it was eligible for listing on the California Register under Criterion 3 (architecture), "as a significant example of Second Bay Region Style by local architect Will Shaw and Associates with design assistance by former partner Walter Burde."

The Palo Alto Savings and Loan complex has been included in publications and one exhibit, including:

- *Architecture of the Monterey Peninsula*, Monterey Peninsula Museum of Art, 1976
- *Documentation and Conservation of the Modern Movement*, Monterey, 2003
- *Carmel, A History in Architecture* by Kent Seavey, 2007
- *Carmel Modernism: A Retrospective*, Photography Exhibit at the Carl Cherry Center, 2016

An EIR was prepared for the proposed new building that would replace the Palo Alto Savings and Loan complex and architectural historian Sheila McElroy concluded that the Palo Alto Savings and Loan complex was not historic. The historic status of the Palo Alto Savings and Loan complex was appealed. Carmel's Historic Resources Board found that the Palo Alto Savings and Loan complex was an exceptional example of the Second Bay Region Style in Carmel and was significant under Criterion 3 of the California Register. The HRB upheld the appeal and voted to place the Palo Alto Savings and Loan complex on the local inventory.

The HRB's decision was appealed to the City Council. The Council determined that the Palo Alto Savings and Loan complex was not significant for its association with a person (Criterion 2) or architecturally significant (Criterion 3), and therefore would not be listed on the Carmel Inventory of Historic Resources. During the Council's deliberations, there was no mention of Will Shaw's association with the building, rather only Walter Burde was credited with the design of the building.

The current owners of the building have applied to build a small addition to the rear of the community building, a small structure that was built at the same time as the Palo Alto Savings and Loan's main building. This 608 square foot building is adjacent to the bank building and faces Dolores Street. It was

designed by Burde and Shaw using the same design vocabulary as the main bank building. In addition, the community building will be deconstructed and stored during the construction of an underground parking lot, and then reconstructed in the same location. This request has once again triggered an inquiry into the significance of the bank building and associated community room, now that 47 years have passed since construction and the fifty-year threshold for historic resources is looming.

This report evaluates previous reports and findings regarding the historical significance of the property, which will be referred to as the Palo Alto Savings and Loan complex. In addition, proposed changes to the community room are evaluated for consistency with the Secretary of the Interior's Standards for Rehabilitation.

Historical Background

The Palo Alto Savings and Loan complex, located at Seventh and Dolores, was constructed in 1972. Overtime other businesses have occupied the site including Northern California Savings and Loan, a furniture design store, and currently a restaurant. The building was a cooperative venture between former partners Walter Burde and Will Shaw. Burde designed the building while Will Shaw Associates executed the building. Burde and Shaw met while working for Carmel architect Robert Jones. Both men were proponents of Second Bay Area Regionalism, and the Palo Alto Savings and Loan complex reflects this interest.

The *Carmel Pine Cone* followed the construction of the building, starting with a hearing before the Planning Commission in November, 1971, where the plans for the building were presented. During the presentation Burde described their goals of integrating the building into its environment, including preserving the view of the distant Fish Ranch by "sloping the roof back to form a trough for the view down the street." Burde's plans called for painting the building's beams orange, a nod to his interest in Japanese design.

The demolition of the first Palo Alto Savings and Loan building, located on the same lot, commenced in March, 1971. The bank's former offices were known as "Barney's Golden Castle", a reference to Barnet Segal. The building was described as "a hulking building, which, back in 1957, created rage and outcry among the Carmel citizenry." It was often compared to a shower stall as it was built entirely of yellow tile. After the building was torn down, the *Carmel Pine Cone* noted that the proposed new building would be a "much more Carmelish style."¹ Groundbreaking took place in May, 1972 and construction was completed in September.

The building has changed very little over time. There were interior remodels in 1978, 2013 and 2018. There was a structural repair to a roof beam in 1986 and in 1999 Burde's signature orange beams were painted brown.

The Architects

Will Shaw (1924 – 1997) was born in Los Angeles. He attended UCLA and took graduate courses at UC Berkeley. While at Berkeley he was influenced by William Wurster and his non-doctrinaire approach to architecture. In Shaw's own designs he emphasized a building's compatibility with the natural environment and structural expressiveness. In 1955 he partnered with Walter Burde and Glenn Kearns

¹ *Carmel Pine Cone*, March 23, 1972, p. 24.

in their own architectural firm, located on Monte Verde, between Ocean and Seventh. In 1969 they opened a second office in Monterey.

Shaw designed a number of homes and businesses on the Monterey Peninsula, including the Buddhist Temple in Seaside. He also designed the school of architecture at Cal Poly in San Luis Obispo, reconstructed the Highlands Inn, and was the project architect for the Custom House urban renewal area in the 1970s.

In 1964 Shaw co-founded with Ansel Adams the Foundation for Environmental Design, an organization that promoted architectural design that blended with the environment. He was a fellow in the American Institute of Architects and American Academy in Rome. He was awarded the Prix de Rome in 1967 for environmental design.

Walter Burde (1912 – 1997) was born in Toledo, Ohio and entered Miami University in Oxford, Ohio, in 1934. He was inspired by Wright, Neutra, and west coast architecture designed to fit into natural environments. After graduation he joined an architectural firm in Toledo but in 1947 made the move to Pasadena, California, where he worked for the Lockheed Aircraft Corporation. The following year he moved to Carmel, joining Robert Jones' architectural firm as Chief Designer. It was here that he met Will Shaw. In 1972 Burde opened a new firm, partnering with Eugene W. Bayol. Burde became an American Institute of Architects Fellow in 1969, received the Monterey Bay Chapter AIA Award of Merit in 1959 and 1973, and received the Governor's design award in 1966 for the Shell Gas Station located on the corner of San Carlos and Fifth. He is known for several buildings in Monterey County most notably the Christian Science Church in Carmel, the original Monterey Airport Terminal and Tower, and Saint Paul's Episcopal Church in Salinas.

Both Will Shaw and Walter Burde are listed in the Carmel Context Statement as prominent architects.

Building Description

The Palo Alto Savings and Loan complex is described as follows in *The Architecture of the Monterey Peninsula*:

"The Northern California Savings and Loan building, on Dolores and Seventh Avenue, illustrates Shaw's ability to artistically fit this building into its environment and effectively and functionally use space. Shaw had a small lot to work with, but he used the space to its best advantage, by putting the rectangular building on the front corner of the lot and wrapping the parking area around the rear of the building. He effectively created the illusion of spaciousness with the building by using a steep, high, shed-type roof, redwood, mosaic stones, and glass gives the building a natural feeling compatible with the environment."

The description in *Carmel, A History in Architecture* reiterates these observations:

"The Northern California Savings and Loan building is an excellent example of Second Bay Area Regionalist design by Walter Burde and Will Shaw. It exhibits the use of natural materials, exposed roof framing, dramatic structural innovation, and the simple open plan characteristic of the style. Burde's work combines tradition and the elements of industry seeking to unite formal, technical, and social ideas."

In a letter dated April 26, 2006, State Historic Preservation Officer Milford Wayne Donaldson stated that the Palo Alto Savings and Loan complex represents an important period in the City's architectural heritage, writing:

"The Palo Alto Savings Building is one of a handful of buildings built in the Carmel commercial district in the latter half of the 20th century of architectural merit.

It is also of special architectural importance as an example of the Bay Area Style, which only a few examples can be found in Carmel. Among the style's prominent features, rooted in Craftsman Style, were the expressive use of natural woods color, the blending of the exterior with the interior, and structural modularity. This building not only exemplifies the Bay Area Style, but also shows Burde's interest in Japanese design, evident in much of the architect's work."

Following is a final description from an unknown publication²:

"Walter Burde, the architect of the Palo Alto Savings and Loan building, has melded definitive conceptual styles to form a significant building which admirably expresses the essence of Carmel architecture at mid-century. It sets back from the street just enough to make a welcoming gesture to those walking by. The building is beautifully detailed and composed of fine materials of great quality. There is clean simplicity in the vertical heart redwood on the walls which contrasts admirably with the large beams and rafters which give the interior a feeling of soaring space. These beams, painted orange, have been likened to similar beams in the Maybeck designed Carmel library, by Burde himself. Large portions of all four walls are glass from floor to ceiling and relate the building significantly to the environment. Its verticality connects the building effectively with the modern movement, which is then modified by Craftsman-like, medium pitched, end gable roof with generous overhangs. The rear roof plane is pierced with a ribbon of windows in a high dormer, then descends over a low exterior wall, forming a long porch."

Today the Palo Alto Savings and Loan complex retains a high level of integrity.

The Historic Context

The *Carmel Historic Context Statement* identifies the Bay Region style as important substyle within the larger theme of Modern architecture, stating:

"The Bay Region style became somewhat formalized when this loosely-knit group of architects in California's San Francisco Bay Area redefined Modern designs to include natural, local materials. The plentiful stock of redwood in Northern California made this an obvious choice for structural and aesthetic elements. The result was a softer expression of Modernism that was sensitive to California's unique setting, yet still incorporated key principles of the Modern movement, such as clean lines, strong horizontals, and open and airy designs. For proponents of Bay Regionalism, the site – topography, vegetation, viewshed – drove both the form and materials of the building. A Bay Region building was viewed as an organic extension of nature. Large expanses of glass window walls, sliding doors and partitions, and lofty ceilings allowed the outdoors to flow flawlessly into interior living spaces. In a place like Carmel where the natural environment reigned supreme, the Bay Region was a perfect fit."

² This unreferenced description was found in the 7th and Dolores building file at the Carmel Planning Department.

The Palo Alto Savings and Loan complex is clearly an example of the Bay Region style and includes the following **Character Defining Features**:

- Shed roof and copper roofing
- Angular forms and irregular massing
- Plate glass window walls
- Traditional materials used within a Modern architecture vocabulary
- Integration of the building within its setting
- Integration of the outdoors with interior spaces
- Redwood siding and beams

Historical Evaluation

National Register Criterion C, California Register Criterion 3 and Carmel Register Criterion 3 state that properties eligible under these criteria must meet at least one of the following requirements:

- They embody the distinctive characteristics of a type, period, or method of construction, or
- They represent the work of a Master, or
- They possess high artistic values

The Palo Alto Savings and Loan complex, embodies the distinctive characteristics of a type and period, as evidenced by the building descriptions. In addition, the building represents the work of two Masters, who combined their creative energies to create a unified vision. The Palo Alto Savings and Loan complex is eligible for listing under National Register Criterion C and California Register Criterion 3.

Eligibility for the Carmel Inventory prescribes additional requirements, specifically that a potential resource:

- Represents at least one theme in the Historic Context Statement
Carmel's Context Statement includes the theme of architectural development through 1965 and the bank building postdates this theme and therefore is not a representative.
- Shall retain substantial integrity
The building retains substantial integrity.
- Should be a minimum of 50 years of age
The building is 47 years old.
- Shall meet at least one of the four criteria for listing in the California Register
The building meets Criterion 3 of the California Register.

The Palo Alto Savings and Loan complex meets some of the Carmel Inventory requirements but does not meet all of them, therefore it is not eligible for listing in the Carmel Inventory.

The Fifty-Year Rule

The Palo Alto Savings and Loan complex is 47 years old. National Register Criterion G states that, "A property achieving significance within the last fifty years is eligible if it is of exceptional importance."

National Register Bulletin 15 and National Register Bulletin 22³ do not define “exceptional importance”, however both emphasize that a context must be established in order to evaluate a potential resource. Bulletin 22 states:

“A thorough understanding of historic contexts for resources that have achieved significance in the past 50 years is essential for their evaluation. In evaluating and justifying exceptional importance, it is especially critical to identify the properties in a geographical area that portray the same values or associations and determine those that best illustrate or represent the architectural, cultural, or historical values being considered. Thus, the first step in evaluating properties of recent significance is to establish and describe the historic context applicable to the resource.”

Carmel’s Historic Preservation Ordinance was modeled on the National Register Criteria and states that to be eligible for the Carmel Inventory, a historic resource should be a minimum of 50 years of age. The current Carmel Context Statement covers the decades from Carmel’s earliest development through 1965. The theme of the Bay Region Style is mentioned but not expanded upon. The Context Statement does not identify the buildings that best exemplify this type of architecture in Carmel nor does it establish the necessary perspective to evaluate buildings from subsequent decades. The City of Carmel is in the process of updating the current Context Statement to include resources dating between 1966 – 1990, and undoubtedly the Palo Alto Savings and Loan complex will be found to be a strong representative of its context within the theme of architectural development.

The California Register does not require a resource to be “exceptionally important” to be eligible for listing. Rather, if it can be demonstrated that sufficient time has passed to obtain a scholarly perspective about the resource, it can be considered for listing. In addition, it does not need to be exceptionally important [CCR 4852 (d)(2)].⁴

In the case of the Palo Alto Savings and Loan complex, sufficient time has passed to understand its historical importance. This is demonstrated by the descriptions of the building in scholarly publications, a letter from a recognized expert, and its inclusion in a museum respective on modern architecture in Carmel.

Due to National Register Criterion G and regulations in the Carmel Historic Preservation Ordinance, the Palo Alto Savings and Loan complex is currently **not** eligible for the National Register or Carmel Inventory. Nonetheless, the building **is eligible for the California Register**. The Palo Alto Savings and Loan complex is a historic resource for the purposes of CEQA.

³ *Guidelines for Evaluating and Nominating Properties that Have Achieved Significance within the Past 50 Years*. National Park Service, 1998.

⁴ CEQA Case Studies. *CEQA and the California Register: Understanding the 50-Year Threshold*. California Office of Historic Preservation. September, 2015.

The Secretary of the Interior's Standards for Rehabilitation

Compliance Evaluation

Historic resources are subject to review under the California Environmental Quality Act (CEQA). Generally, under CEQA, a project that follows the *Standards for Rehabilitation* contained within *The Secretary of the Interior's Standards for the Treatment of Historic Properties* is considered to have mitigated impacts to a historical resource to a less-than-significant level (CEQA Guidelines §15064.5).

The compliance of the proposed work at the Palo Alto Savings and Loan complex is reviewed below with respect to the *Rehabilitation Standards*. The Standards are listed in italics, with a response providing a discussion regarding the project's consistency or inconsistency with each Standard, and recommended changes if necessary.

Rehabilitation is defined as "the process of returning a building or buildings to a state of utility through repair or alteration, which makes possible an efficient use while preserving those portions of the building and its site and environment which are significant to its historic, architectural, or cultural values." (§36 CFR 67.2(b)).

The Project

The proposed project includes the construction of a new, two story apartment building on the adjacent lot which is currently a vacant parking lot. A 452 square foot addition would be constructed at the rear of the former Palo Alto Savings and Loan community room, which is considered a secondary building within the complex. The shed-roof building was constructed at the same time as the Seventh and Dolores bank building using the same copper roofing and redwood siding found in the main building. When constructed, the *Carmel Pine Cone* reported that the community room "would be open as a daytime reading room, with free coffee, cookies, magazines and the *Wall Street Journal*." ⁵ The room was available in the evenings for the use of community groups free of charge. It currently is used in conjunction with the restaurant in the main building.

The proposal includes the construction of a parking garage under the new apartment building, necessitating the deconstruction of the community room. Existing exterior finishes and all structural elements of the building's walls and roof will be deconstructed and then reconstructed in the same location. Code required changes during the reconstruction will include additional tie-downs, the addition of structural steel, a new fire sprinkler system, and the use of dual glazed windows for energy efficiency.

Standard One

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.

The community room is now part of the Seventh and Dolores restaurant. When the apartment complex is completed, it will be converted into a grocery store. There will be no change to the copper roof and

⁵ *The Carmel Pine Cone*. August 10, 1972.

redwood siding, both distinctive materials. The rear addition will not change features, spaces, or spatial relationships. The proposed work is consistent with Standard One.

Standard Two

The historic character of a property will be retained and preserved. The removal of distinctive materials or alteration of features, spaces, and spatial relationships that characterize the property will be avoided.

The proposed addition to the community room will retain and preserve the historic character of both the main bank building and community room. Distinctive materials will not be removed. No features, spaces, or spatial relationships will be affected by the new addition. The proposed work is consistent with Standard Two.

Standard Three

Each property will be recognized as a physical record of its time, place, and use. Changes that create a false sense of historical development, such as adding conjectural features or elements from other historical properties, will not be undertaken.

No changes will be made to the community room that will create a false sense of historical development. The proposed work is consistent with Standard Three.

Standard Four

Changes to a property that have acquired historic significance in their own right will be retained and preserved.

There have been no changes over time to the community room, therefore Standard four is not applicable.

Standard Five

Distinctive materials, features, finishes, and construction techniques or examples of craftsmanship that characterize a property will be preserved.

The community room will be deconstructed by hand, photographed, categorized, and numbered to track exact placement and location of building elements. These elements will be transferred to a local storage area, cleaned, and protected for the duration of the parking garage construction. Once the parking garage is complete, the community room will be reassembled in its entirety on-site to meet current building and seismic code requirements. The exterior materials, including the redwood siding and trim, and the copper roofing – all character defining features – will be re-used.

The addition will be constructed on the rear elevation of the community room which is a non-character-defining elevation. The proposed work is consistent with Standard Five.

Standard Six

Deteriorated historic features will be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature will match the old in design, color, texture, and where possible, materials. Replacement of missing features will be substantiated by documentary and physical evidence.

The community room does not have any deteriorated features that require repair or replacement. The proposed work is consistent with Standard Six.

Standard Seven

Chemical or physical treatments, if appropriate, will be undertaken using the gentlest means possible. Treatments that cause damage to historic materials will not be used.

The plans do not call for any chemical or physical treatments. The proposed work is consistent with Standard Seven.

Standard Eight

Archeological resources will be protected and preserved in place.

No archeological resources have been located on the site. Standard Eight is not applicable.

Standard Nine

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

Preservation Brief 14⁶ provides guidance for the application of Standard Nine with the following points:

- *A new addition should be simple and unobtrusive in design, and should be distinguished from the historic building.*
The proposed addition is simple and unobtrusive in design. It is distinguished from the community room through the use of formed in place concrete walls.
- *A new addition should not be highly visible from the public right of way; a rear or secondary elevation is usually the best location for a new addition.*
The new addition is not visible from Dolores Street, as it is located at the rear of the community room.
- *The construction materials and the color of the new addition should be harmonious with the historic building materials.*
Contemporary design and materials are not precluded from an addition to a historic building. Although the new addition is sided with concrete, the walls are not visible from the public right of way and do not detract from the primary elevation.
- *The new addition should be smaller than the historic building – it should be subordinate in both size and design to the historic building.*
The new addition is subordinate to the community room.

⁶ Preservation Brief 14. *New Exterior Additions to Historic Buildings: Preservation Concerns*. National Park Service. 2010.

- *The new addition should preserve significant historic materials, features, and form.*

The proposed work includes changing the facade fenestration. The fenestration is currently located to one side of the facade and consists of one plate glass window flanked by a sidelight. Plans call for centering the windows which will be changed to two plate glass windows. Unlike the main bank building, the community room windows are not character defining features as they do not fulfill the design function of integrating the outdoors with interior spaces.

The proposed work is consistent with Standard Nine.

Standard Ten

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

The new addition acts as a “hyphen” connection between the community room and the proposed new apartment building. If removed in the future the essential form and integrity of the historic property would be unimpaired. The proposed work is consistent with Standard Ten.

Summary

The Palo Alto Savings and Loan complex is currently eligible for listing on the California Register of Historic Resources and is a historic resource for the purposes of CEQA. In 2022, the complex will be eligible for listing in the Carmel Inventory.

The proposed project meets the Secretary of the Interior’s Standards for Rehabilitation. As a result, the project can be considered as having less than a significant level of impact on the historic resource.

Respectfully Submitted,



Margaret Clovis