




MEMORANDUM

TO: HONORABLE MAYOR & CITY COUNCIL MEMBERS
FROM: JOEL ROJAS, AICP, DIRECTOR OF COMMUNITY DEVELOPMENT
DATE: SEPTEMBER 2, 2014
SUBJECT: REQUEST FOR WAIVER OF APPLICATION FEES FOR A CONDITIONAL USE PERMIT, COASTAL PERMIT AND ENVIRONMENTAL ASSESSMENT FOR THE PROPOSED "HERITAGE CASTLE MUSEUM" AT 5500 PALOS VERDES DRIVE SOUTH (PLANNING CASE NO. ZON2014-00332)

REVIEWED BY: CAROLYNN PETRU, AICP, ACTING CITY MANAGER 

Project Manager: Kit Fox, AICP, Senior Administrative Analyst 

RECOMMENDATION

Grant the requested fee waiver in the amount of \$15,970.

EXECUTIVE SUMMARY

Dr. Allan Ginsburg and Mrs. Charlotte Ginsburg have recently purchased the Harden Estate gatehouse at 5500 Palos Verdes Drive South, and have expressed a desire to convert the property into the "Heritage Castle Museum." The facility would serve as a historical museum, cultural center and event space that would be open to the public. The Ginsburgs have asked that the application fees for the required planning entitlements be waived on the basis that the "Heritage Castle Museum" is a registered non-profit organization, and that the project will be of substantial benefit to the public. Staff believes that the request is warranted and should be granted.

BACKGROUND

The Harden Estate gatehouse at 5500 Palos Verdes Drive South is among the oldest remaining structures in the City. Completed in 1929, the gatehouse was intended to serve a much larger estate that the Hardens planned to build on Portuguese Point. Edward

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Harden and his wife were friends and business associates of Frank and Narcissa Vanderlip. The gatehouse was designed by architect Gordon Kaufmann and the original landscape design was by Frederick Olmstead. Unfortunately, with the stock market crash in 1929, the Hardens were unable to complete their dream estate at Portuguese Point. The Rancho de Los Palos Verdes Historical Society has designated the Harden Estate gatehouse as a local historical site. The property has passed through the hands of only a few private owners over the years.

In April 2014, Rancho Palos Verdes residents Dr. Allan Ginsburg and Mrs. Charlotte Ginsburg purchased the 2.06-acre property and buildings. A few weeks ago, Mrs. Ginsburg met with Staff to discuss their proposal for the “Heritage Castle Museum” on the property. The project description filed by the Ginsburgs on August 21, 2014, states:

We are a non-profit organization and propose to renovate the gatehouse to serve as a historical museum, cultural and educational center that will be open to the public....We envision using the easterly portion of the gatehouse building as a museum/exhibit space with state-of-the-art display technology. The facility would be available for small, docent-led tours by appointment only. We would also like to make the facility available as an event space serving local non-profit organizations. To the maximum extent possible, we intend to provide off-street parking for visitors on the site. We want to be sure to host events and activities on the site are of an appropriate size and scope so as not to adversely impact our nearest neighbors, including the City’s Abalone Cove Shoreline Park. We would also like to work with the City to preserve the rich, historic integrity and significance of the site, including taking advantage of the provisions of the State Historic Building Code during renovations.

Along with the project description, the Ginsburgs have asked for a waiver of the application fees for the Conditional Use Permit (\$7,222), Coastal Permit (\$3,106) and Environmental Assessment (\$5,642) that would be required for this proposal, for a total of fee waiver request of \$15,970. The Ginsburgs have provided copies of the Internal Revenue Service (IRS) and Franchise Tax Board (FTB) documents demonstrating the non-profit status of the “Heritage Castle Museum.”

DISCUSSION

Pursuant to Section 17.78.010(B) of the Rancho Palos Verdes Development Code (RPVDC), the City Council may grant a request to waive the fees associated with a development application if it finds that:

1. The applicant or the beneficiary of the use or activity proposed by the applicant is a nonprofit corporation registered with the State of California; or

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2. The use or activity proposed or the activities of the beneficiary of the use or activity proposed are charitable, educational or otherwise provide a substantial benefit to the public; or
3. The applicant has demonstrated a financial hardship, as determined by the City Council, on a case-by-case basis.

As discussed in the Ginsburgs’ letter, the “Heritage Castle Museum” would serve as a historical museum, cultural and educational center that would be open to the public. The Ginsburgs are also interested in making the space available local non-profit organizations for events. Staff understands that Mrs. Ginsburg has already reached out to the Rancho de Los Palos Verdes Historical Society and the Palos Verdes Peninsula Land Conservancy for their participation and support. In addition, the “Heritage Castle Museum” has obtained non-profit status that is recognized by both the IRS and the FTB (see attachments). Therefore, Staff believes that granting this fee waiver request is warranted.

ADDITIONAL INFORMATION

Non-Permitted Construction and Encroachments onto City Property

There are non-permitted structures on the property that have been the subject of City code enforcement action under previous ownership of the property. Also, it appears that some of the existing non-permitted structures and permitted hardscape (i.e., portions of the driveways) may encroach upon adjacent City property (i.e., Abalone Cove Shoreline Park). It is Staff’s intention to work with the Ginsburgs as a part of the proposed planning entitlements for the “Heritage Castle Museum” to correct existing violations related to non-permitted construction. In the longer term, Staff desires to work with the Ginsburgs to resolve any remaining issues with encroachments upon City property.

Historic Building/Site Designation

The City’s Building Official has met with Mrs. Ginsburg to review the “Heritage Castle Museum” proposal. Converting the structure from a private residence to a public/quasi-public facility will require modifications to the site and structures in order to comply with basic building code life and safety requirements. In order to allow the property to be modified in a manner that will minimize adverse impacts upon its historic character, it will be extremely helpful to be able to apply the State Historic Building Code (SHBC) to the project (rather than modern building code). However, in order to apply the SHBC, the City Council will need to formally designate the Harden Estate gatehouse as a historic site (the designation of the property by the Rancho de Los Palos Verdes Historical Society does not appear to be sufficient to qualify for the application of the SHBC). Since the City does not have a historic preservation ordinance, Staff is investigating options to allow this designation to occur through a parallel process that would also be complete by the end of 2014.

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Expedited Planning Review

The Ginsburgs have advised Staff that an anonymous donor has offered to make a substantial contribution to the “Heritage Castle Museum,” contingent upon the Ginsburgs obtaining planning entitlements from the City by the end of 2014. In order to accomplish this, Staff has initiated an aggressive and expedited review process for this proposal:

Deadline	Milestone
Tuesday, Sep. 2 nd	City Council consideration of fee waiver request
Friday, Sep. 12 th	Complete environmental review and begin public comment period
Monday, Oct. 13 th	End of public comment period
Tuesday, Oct. 14 th	Public hearing before the Planning Commission
Wednesday, Oct. 29 th	End of appeal period to City Council
Tuesday, Nov. 18 th	Appeal hearing before the City Council (if necessary)
Friday, Dec. 5 th	End of appeal period to Coastal Commission (estimated)

If the Planning Commission’s action is not appealed to the City Council, the notice of the City’s final action would be forwarded to the Coastal Commission sooner than described above. However, if an appeal is filed to or by the Coastal Commission, the planning entitlements for this proposal are unlikely to be final by the end of 2014.

Notification

The Ginsburgs have been advised of the City Council’s consideration of this request at tonight’s meeting, and have been provided with a copy of the Staff report.

CONCLUSION

Staff believes that the Ginsburgs’ request for a waiver of the application fees associated with the “Heritage Castle Museum” proposal (Planning Case No. ZON2014-00332) is warranted, based upon the required findings under RPVDC Section 17.78.010(B). Therefore, Staff recommends that the City Council grant the Ginsburgs’ request.

ALTERNATIVES

In addition to Staff’s recommendation, the alternatives available for the City Council’s consideration include:

1. Deny the requested waiver of the application fees.
2. Grant a reduction in the application fees, in an amount to be determined by the City Council.

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FISCAL IMPACT

The approval of the requested fee waiver will result in the City foregoing a total of \$15,970 in application fees that would otherwise be required for the processing of planning entitlements related to this proposal. However, Staff time expended for the processing of these entitlements is not expected to have a significant fiscal impact since the time required to complete the planning process is already accounted for in the personnel costs allocated in the Community Development Department’s FY 2014-15 budget.

Attachments:

- Project description and fee waiver request (received August 21, 2014)

RECEIVED

August 21, 2014

AUG 21 2014

COMMUNITY DEVELOPMENT
DEPARTMENT

City of Rancho Palos Verdes
Community Development Department
30940 Hawthorne Blvd.
Rancho Palos Verdes, CA 90275

SUBJECT: Project Description and Fee Waiver Request for the Proposed "Heritage Castle Museum" at 5500 Palos Verdes Drive South

To Whom It May Concern:

This letter provides a brief summary of the proposed "Heritage Castle Museum" at the former Harden Estate gatehouse at Portuguese Point, located at 5500 Palos Verdes Drive South. We are a non-profit organization and propose to renovate the gatehouse to serve as a historical museum, cultural and educational center that will be open to the public. A copy of our mission statement and our IRS and FTB documents are attached.

We envision using the easterly portion of the gatehouse building as a museum/exhibit space with state-of-the-art display technology. The facility would be available for small, docent-led tours by appointment only. We would also like to make the facility available as an event space serving local non-profit organizations. To the maximum extent possible, we intend to provide off-street parking for visitors on the site. We want to be sure to host events and activities on the site are of an appropriate size and scope so as not to adversely impact our nearest neighbors, including the City's Abalone Cove Shoreline Park. We would also like to work with the City to preserve the rich, historic integrity and significance of the site, including taking advantage of the provisions of the State Historic Building Code during renovations.


In order to assist our organization with fundraising for this proposal, we have incorporated and registered as a non-profit organization. To that end, we request consideration of a waiver of the planning permit fees for this proposal under Section 17.78.010 of the City's Municipal Code.

We look forward to working with your Staff on this exciting proposal that promises to be a tremendous benefit to the City of Rancho Palos Verdes and its residents.

Sincerely yours,



Dr. Allen Ginsburg
Heritage Castle Museum



Charlotte Ginsburg
Heritage Castle Museum

ZON2014-00332

Heritage Castle Museum
Mission, Vision, and Founder's Quotes

Mission:

The Heritage Castle Museum's mission is to preserve and enhance a historical landmark, conserve natural lands, protect coastline resources, and celebrate the splendor of Palos Verdes through the arts, community events, and educational exhibits and programs.

Vision:

Our vision is to preserve the natural beauty and pristine ecology of this historical estate in perpetuity to ensure that future generations can learn about and experience the renewing, healing, and inspiring vistas of Palos Verdes.

Founder's Quotes:

"The Heritage Castle Museum is a beautiful window into our past that will be preserved for generations to come. The historical figures of the estate's early development include the "father of Palos Verdes" Frank A. Vanderlip and world-renown landscape architect Frederick Law Olmsted, making the estate a local treasure of natural significance. The Museum is dedicated to sharing this jewel with the community through educational exhibits, historical tours, and artist exhibitions and performances."

— Charlotte Ginsburg, Co-Founder

"By exploring the compelling history of Palos Verdes, we will come to better understand our current existence. Only then can we begin to design a more sustainable future—a future based on the noble values of knowledge, truth, and progress. The world faces tremendous inequality, poverty, overpopulation, and degradation of natural resources. Education, and education for women in developing counties in particular, coupled with advancements in technology and information systems, will enable a healthier, more vibrant future for all. The Heritage Castle Museum will become a modern expository to research our history, celebrate contemporary achievements, and stimulate lively discussions about the future of humanity."

— Allen Ginsburg, Co-Founder

INTERNAL REVENUE SERVICE
P. O. BOX 2508
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: **AUG 11 2014**

HERITAGE CASTLE MUSEUM
1710 N AVALON BLVD
WILMINGTON, CA 90744-1860

Employer Identification Number:
46-5737489
DLN:
17053183310034
Contact Person:
CUSTOMER SERVICE ID# 31954
Contact Telephone Number:
(877) 829-5500
Accounting Period Ending:
May 31
Public Charity Status:
509(a)(2)
Form 990 Required:
Yes
Effective Date of Exemption:
May 28, 2014
Contribution Deductibility:
Yes
Addendum Applies:
No


Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

For important information about your responsibilities as a tax-exempt organization, go to www.irs.gov/charities. Enter "4221-PC" in the search bar to view Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, which describes your recordkeeping, reporting, and disclosure requirements.

Sincerely,



Director, Exempt Organizations

Letter 947



State of California
Franchise Tax Board
 PO Box 1286
 Rancho Cordova CA 95741-1286

HERITAGE CASTLE MUSEUM
 1710 N AVALON BL
 WILMINGTON CA 90744-1860

Date: 08.06.14
 Case: 26600552229907156
 Case Unit: 26600552229907160
 In reply refer to: 760:TLS:F120

Regarding : **Tax-Exempt Status**
 Organization's Name : Heritage Castle Museum
 CCN : 3679933
 Purpose : Charitable
 R&TC § : 23701d
 Form of Organization : Incorporated
 Accounting Period Ending : 05/31
 Tax-Exempt Status Effective : 05/28/2014

Exempt Determination Letter

We have determined the organization is tax-exempt from California franchise or income tax as stated in the above Revenue and Taxation Code (R&TC) section (§).

To retain tax-exempt status, the organization must be organized and operating for nonprofit purposes within the provisions of the above R&TC section. An inactive organization is not entitled to tax-exempt status.

We have based our decision on the information submitted and the assumption that the organization's present operations will continue unchanged or conform to those proposed in the organization's application. In order for us to determine any affect on the tax-exempt status, the organization must immediately report to us any change in:

- Operation
- Character
- Purpose
- Name
- Address

Our determination may no longer be applicable, if these changes occur:

- Material facts or circumstances relating to the organization application.
- Relevant statutory, administrative, or judicial case law.
- Federal interpretation of federal law in cases where our decision was based on such interpretation.

It is the organization's responsibility to be aware of these changes should they occur. This paragraph constitutes written advice, other than a chief counsel ruling, within the meaning of

R&TC §21012(a)(2).

For filing requirements, get Pub. 1068, *Exempt Organizations - Filing Requirements and Filing Fees*. Go to ftb.ca.gov and search for 1068.

This exemption is for state franchise or income tax purposes only. For information regarding sales tax exemption, contact the State Board of Equalization at 800.400.7115, or go to their website at boe.ca.gov.

Theresa L. Schock
Telephone: 916.845.4171
Fax: 916.843.0932

cc: Robert Moore
CPA