

**CITY OF MINNEAPOLIS
CPED PLANNING DIVISION
HERITAGE PRESERVATION COMMISSION STAFF REPORT
BZH: 26775**

FILE NAME: 2113 Chicago Avenue

CLASSIFICATION: Demolition of Historic Resource

APPLICANT: Quang Luu, 612-205-5516

DATE OF APPLICATION: February 10, 2011

PUBLICATION DATE: July 19, 2011

DATE OF HEARING: July 26, 2011

APPEAL PERIOD EXPIRATION: August 5, 2011

STAFF INVESTIGATION AND REPORT: Chris Vrchota, (612) 673-5467

A. BACKGROUND & DESCRIPTION

The property at 2113 Chicago Avenue is a two-story mixed use building constructed in 1906. The first story contains 3 retail storefronts. The second story has 3 residential rental units. The building was designed by the locally prominent architecture firm of Kees and Colburn. It was constructed by J.L. Robinson for Isaac Neil. The exterior of the building is clad in yellow brick. The first floor storefronts are covered by plywood and appear to have undergone at least some alteration, but many of the windows on the remainder of the building appear to be original.

There was a fire at the property on June 30th, 2009, which resulted in the emergency demolition of a 1-story 1910 addition on the north side of the building. The property has been unoccupied since that time. The property is currently on the City's Vacant Building Registry (VBR). There was another fire at the property on June 5th, 2011, which resulted in the emergency removal of the rear 2nd story deck and staircase. The building was not determined to be damaged enough after either fire to warrant demolition as a public safety hazard.

The property is currently owned by Donna K Tseng Et Al, who purchased the property in 1998 for \$140,000. Building permits issued since then are primarily for remodeling of interior spaces and electrical and plumbing work. A permit was issued in 2007 to rebuild the rear 2nd story deck. No building permits for repairs from the 2009 fire have been issued. Wickenhauser Excavating, Inc. submitted wrecking permit application to demolish the structure in November of 2010. Staff reviewed the wrecking permit application by researching the original building permit records for the property and evaluating photographs submitted with the application. After review of the materials, staff determined that the demolition could not be approved administratively because the building potentially met one or more of the criteria for designation.

B. PROPOSED CHANGES

The Applicant is proposing to demolish the building. No plans have been submitted for redevelopment of the site.

C. NECESSITY OF DEMOLITION

The Minneapolis Code of Ordinances, Title 23, Heritage Preservation, Chapter 599 Heritage Preservation Regulations states that before approving the demolition of a property determined to be an historic resource, the Commission shall make findings that the demolition is necessary to correct an unsafe or dangerous condition on the property, or that there are no reasonable alternatives to the demolition. In determining whether reasonable alternatives exist, the Commission shall consider, but not be limited to the significance of the property, the integrity of the property and the economic value or usefulness of the existing structure, including its current use, costs of renovation and feasible alternative uses. The Commission may delay a final decision for a reasonable period of time to allow parties interested in preserving the historic resource a reasonable opportunity to act to protect it.

UNSAFE OR DANGEROUS CONDITION

The Applicant has not stated that the demolition is necessary to correct an unsafe or dangerous condition. The Applicant has not submitted a structural report or analysis for the building. The Applicant has included estimates for the cost of repair and mitigation work they have identified as being necessary to return the structure to a useable condition.

REASONABLE ALTERNATIVES TO DEMOLITION

Per Chapter 599 of the Minneapolis Code, in determining whether reasonable alternatives exist, the Commission shall consider, but not be limited to the significance of the property, the integrity of the property and the economic value or usefulness of the existing structure, including its current use, costs of renovation and feasible alternative uses.

The Applicant has presented arguments that rehabilitation is unreasonable. Documentation supporting these arguments is attached, and includes an estimate for repairs needed to bring the property back to the condition it was in prior to the fire in 2009. (**Note:** This estimate does not factor in damage from the most recent fire.) The item by item estimate includes a large scope of work, involving the near complete gutting of the interior of the building to remedy water and smoke damage from the fire.

The total estimated cost for repair of the building is \$408,445.31. In 2009, the year of the fire, the estimated market value of the building was listed as \$412,800, approximately \$4,355 more than the estimated cost of repairs. In 2011, the estimated market value of the building is \$66,300, meaning that the cost of repairs would exceed the value of the structure by approximately \$342,155.

SIGNIFICANCE

The subject property is located along Chicago Avenue, which featured a streetcar line from 1890-1953¹. The property was designed by the locally prominent architectural firm of Kees and Colburn, considered to be master architects in the City of Minneapolis. Based on the connections to development along the streetcar line and its association with architects Kees and Colburn, the subject property may be eligible for designation under local Criteria #3 and #6.

Criteria #3 is: The property contains or is associated with distinctive elements of city or neighborhood identity.

¹ John Diers & Aaron Isaacs. *Twin Cities by Trolley: The Streetcar Era in Minneapolis and St. Paul*. University of Minnesota Press: Minneapolis and London, 2007, page246.

The Chicago Avenue streetcar line operated from 1890-1953, serving mostly commuters from the surrounding residential neighborhood². The subject property is an example of the type of small scale commercial buildings that often sprung up at intersections along the lines to serve commuters before or after their trips. Neighborhood commercial buildings can still be found along these former streetcar lines, and are especially concentrated at major intersections such as Franklin Avenue and Chicago Avenue, two blocks north of the subject property. These small scale commercial properties are under threat today however, as they are slowly being lost through the redevelopment of late 19th and early 20th century neighborhoods or neglect.

Criteria #6 is: *The property exemplifies works of master builders, engineers, designers, artists, craftsmen or architects.*

The team of Kees and Colburn designed a number of prominent landmark buildings in the City of Minneapolis, including the Grain Exchange, Loring Theater and Harrington Mansion. The pair also designed a number of buildings and additions in the Warehouse Historic District, including the Deere-Webber Company building, the Ford Center and the Wyman-Partridge building. At least ten buildings featuring Kees and Colburn designs (new construction or additions) have been designated as individual landmarks or as part of a historic district in the City of Minneapolis.

A 2001 reconnaissance survey of the area performed by URS did not recommend the property for intensive level survey work.

INTEGRITY

The property has very good integrity.

The National Register traditionally recognizes a property's integrity through seven aspects or qualities: location, design, setting, materials, workmanship, feeling, and association. The building retains its integrity, as outlined below:

Location: The structure was built on the site in 1906. The property retains its integrity of location.

Design: The original design of building remains in tact. Some alterations appear to have been made to the storefront, but some design details, such as the pier at the corner entrance, are likely original. The fenestration pattern appears to be largely unaltered as well. The rear deck, now removed, was almost certainly a later addition. Some changes were made to the north side for the addition, but the original design remains on the remainder of the building.

Setting: The area around the subject property has changed since the building was constructed in 1906. While some houses and other buildings from the era do survive, there has also been a significant amount of redevelopment and tear-downs in the area. It is the only commercial building from the era remaining at the intersection. The integrity of setting does not remain.

Materials: Much of the original material appears to be in tact, including original brick cladding and trim and many original windows. It is likely that a number of windows would need to be replaced to rehabilitate the building, however, due to smoke and water damage. The storefronts do appear to have been modified to some degree, though some original material may remain. The integrity of materials has been impacted, but not fully impaired.

² Ibid.

Workmanship: It appears that the cornice, which is fairly simple with a dental course along the bottom, is likely original. Other detail elements, such as the keystones above the windows and corner treatments also remain. Most original elements of the storefront design have either been covered or removed. The integrity of workmanship has been impacted but not fully impaired.

Feeling: As a small neighborhood scale mixed-use building, the property retains its integrity of feeling.

Association: With the original location, design and details still largely in tact, the building retains its association with the early 20th century streetcar development and with the architectural firm of Kees and Colburn.

ECONOMIC VALUE OR USEFULNESS OF THE EXISTING STRUCTURE

Economic Usefulness of the Existing Structure: The subject property is located in the C1-Neighborhood Commercial district, which allows for a mix of retail and service uses, as well as some residential uses.

The Applicant purchased the property in 1998 for \$140,000. Since that time, permits issued have been primarily for work in the tenant spaces, as well as plumbing and mechanical work. The Applicant has submitted an analysis of the potential income that the property could generate if it were rehabilitated (see Appendix B-32-B-33). The analysis concluded that the income generated by the property would not support or justify the cost of rehabilitation. However, the methodology or sources used to make this analysis was not identified. It is not known if the numbers were based on pre-fire incomes at the property, or based on current rents at similar properties within the neighborhood at the present time.

The building is in need of substantial repair and rehabilitation in order to be reoccupied. The scope of work needed includes complete gutting of the interior of the building to address smoke and water damage. The estimated cost of remodeling provided by the Applicant is \$408,455.

Economic Value of the Existing Structure: In 2009, the year of the fire, the estimated market value of the property was listed as \$605,000, with \$412,800 of that being the value of the building and \$192,200 being the value of the land. This values the building at approximately \$4,355 more than the estimated cost of repairs.

The Hennepin County Assessor's Office estimates the current total value of the property to be \$258,500, with \$192,200 being the value of the land and \$66,300 being the value of the structure. The estimated cost of remodeling provided by the Applicant is \$408,455 or \$342,155 more than the estimated value of the building. The Applicant has not submitted an analysis of what it would cost to construct a similar building on the site today vs. the cost of rehabilitating the existing building.

D. PUBLIC COMMENTS

Staff received 2 letters regarding the application prior to the publication of the staff report. They are attached in Appendix C.

E. APPLICABLE SECTIONS OF THE PRESERVATION ORDINANCE

Chapter 599. Heritage Preservation Regulation

ARTICLE V. DESIGNATION

599.210. Designation criteria. The following criteria shall be considered in determining whether a property is worthy of designation as a landmark or historic district because of its historical, cultural, architectural, archaeological or engineering significance:

- (1) The property is associated with significant events or with periods that exemplify broad patterns of cultural, political, economic or social history.
- (2) The property is associated with the lives of significant persons or groups.
- (3) The property contains or is associated with distinctive elements of city or neighborhood identity.
- (4) The property embodies the distinctive characteristics of an architectural or engineering type or style, or method of construction.
- (5) The property exemplifies a landscape design or development pattern distinguished by innovation, rarity, uniqueness or quality of design or detail.
- (6) The property exemplifies works of master builders, engineers, designers, artists, craftsmen or architects.
- (7) The property has yielded, or may be likely to yield, information important in prehistory or history. (2001-Or-029, § 1, 3-2-01; 2009-Or-023, § 9, 3-27-2009)

599.230. Commission decision on nomination. The commission shall review all complete nomination applications. If the commission determines that a nominated property appears to meet at least one (1) of the criteria for designation contained in section 599.210, the commission may direct the planning director to prepare or cause to be prepared a designation study of the property. In cases where an application for demolition is initiated by the property owner, the planning director may determine that the property owner bears the full financial responsibility of conducting the designation study. In all cases, the planning director shall define the scope of services for a designation study, review qualifications of agent conducting study and make a determination of what constitutes a final submission upon completion. (2001-Or-029, § 1, 3-2-01; 2009-Or-023, § 10, 3-27-2009)

599.240. Interim protection. (a) Purpose. Interim protection is established to protect a nominated property from destruction or inappropriate alteration during the designation process.

(b) *Effective date.* Interim protection shall be in effect from the date of the commission's decision to commence a designation study of a nominated property until the city council makes a decision regarding the designation of the property, or for twelve (12) months, whichever comes first. Interim protection may be extended for such additional periods as the commission may deem appropriate and necessary to protect the designation process, not exceeding a total additional period of eighteen (18) months. The commission shall hold a public hearing on a proposed extension of interim protection as provided in section 599.170.

(c) *Scope of restrictions.* During the interim protection period, no alteration or minor alteration of a nominated property shall be allowed except where authorized by a certificate of appropriateness or a certificate of no change, as provided in this chapter. (2001-Or-029, § 1, 3-2-01)

ARTICLE VIII. HISTORIC RESOURCES

599.440. Purpose. This article is established to protect historic resources from destruction by providing the planning director with authority to identify historic resources and to review and approve or deny all proposed demolitions of property. (2001-Or-029, § 1, 3-2-01)

599.450. Identification of historic resources. The planning director shall identify properties that are believed to meet at least one of the criteria for designation contained in section 599.210, but that have not been designated. In determining whether a property is an historic resource, the planning director may refer to building permits and other property information regularly maintained by the director of inspections, property inventories prepared by or directed to be prepared by the planning director, observations of the property by the planning director or any other source of information reasonably believed to be relevant to such determination. (2001-Or-029, § 1, 3-2-01)

599.460. Review of demolitions. The planning director shall review all building permit applications that meet the definition for demolition to determine whether the affected property is an historic resource. If the planning director determines that the property is not an historic resource, the building permit shall be approved. If the planning director determines that the property is an historic resource, the building permit shall not be issued without review and approval by the commission following a public hearing as provided in section 599.170. (2001-Or-029, § 1, 3-2-01; 2009-Or-023, § 13, 3-27-2009)

599.470. Application for demolition of historic resource. An application for demolition of an historic resource shall be filed on a form approved by the planning director and shall be accompanied by all required supporting information, as specified in section 599.160. (2001-Or-029, § 1, 3-2-01)

599.480. Commission decision. (a) In general. If the commission determines that the property is not an historic resource, the commission shall approve the demolition permit. If the commission determines that the property is an historic resource, the commission shall deny the demolition permit and direct the planning director to prepare or cause to be prepared a designation study of the property, as provided in section 599.230, or shall approve the demolition permit as provided in this section.

(b) Destruction of historic resource. Before approving the demolition of a property determined to be an historic resource, the commission shall make findings that the demolition is necessary to correct an unsafe or dangerous condition on the property, or that there are no reasonable alternatives to the demolition. In determining whether reasonable alternatives exist, the commission shall consider, but not be limited to, the significance of the property, the integrity of the property and the economic value or usefulness of the existing structure, including its current use, costs of renovation and feasible alternative uses. The commission may delay a final decision for up to one hundred eighty (180) days to allow parties interested in preserving the historic resource a reasonable opportunity to act to protect it.

(c) Mitigation plan. The commission may require a mitigation plan as a condition of any approval for demolition of an historic resource. Such plan may include the documentation of the property by measured drawings, photographic recording, historical research or other means appropriate to the significance of the property. Such plan also may include the salvage and preservation of specified building materials, architectural details, ornaments, fixtures and similar items for use in restoration elsewhere.

(d) Demolition delay. The commission may stay the release of the building, wrecking or demolition permit for up to one hundred eighty (180) days as a condition of approval for a demolition of an historic resource if the resource has been found to contribute to a potential historic district to allow parties interested in preserving the historic resource a reasonable opportunity to act to protect it. The release of the permit may be allowed for emergency exception as required in section 599.50(b). (2001-Or-029, § 1, 3-2-01; 2009-Or-023, § 14, 3-27-2009)

F. FINDINGS

1. The property may be eligible for local designation due to its representation of early 20th century streetcar related commercial development and its association early 20th with the locally prominent architectural firm of Kees and Colburn.
2. The property was not recommended for evaluation or designation as an individual landmark in the 2001 South Central CLG survey conducted by URS/BRW.
3. The property has suffered damage from two fires within the last two years. These fires did not result in structural damage significant enough to warrant emergency demolition of the building.
4. The property has been vacant since 2009 and is on the City's Vacant Building Registry.
5. The Hennepin County Assessor's Office estimates the current total value of the property to be \$258,500, with \$192,200 being the value of the land and \$66,300 being the value of the structure.
6. The Applicant has submitted one estimate for restoring the existing structure totaling \$408,455.

G. STAFF RECOMMENDATION

Staff recommends that the Heritage Preservation Commission adopt staff findings and **approve** the demolition application of the property at 2113 Chicago Avenue with the following condition:

1. A photographic recordation of the property shall be prepared and submitted to staff that is in accordance with the guidelines of the Minnesota Historic Property Record. The recordation shall include all exterior spaces.

H. ATTACHMENTS

Appendix A- Material Submitted by Staff

- A-1 350' Map
- A-2 Valuation History Data
- A-3- 2001 URS Survey Sheet
- A-4 – A-5- Letter Denying Administrative Approval of Wrecking Permit- Sent 12/09/10
- A-6 – A-7- Incomplete Letter- Sent 02/25/11
- A-8- 1913 Twin Cities Rapid Transit Co. Street Car Line Map

Appendix B- Material Submitted by Applicant

- B-1 – B-3- Application Form
- B-3 – B-4- Letter from the Applicant
- B-5- B-31- Detailed Repair Estimate
- B-32- B-33- Market Analysis
- B-34-B-45- Existing Conditions Photos

Appendix C- Materials Submitted by Others

- C-1- Letter from Ventura Village Neighborhood
- C-2- Letter from Resident

Attachment A: Submitted by CPED staff

Attachment B: Materials submitted by Applicant

Attachment C: Submitted by others