The Hamm Brewery Reuse Study & Vision Plan

Prepared by
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Prepared for
the Housing and Redevelopment Authority of the City of Saint Paul
and the Hamm Brewery Ad Hoc Advisory Group
May 2004

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The Housing and Redevelopment Authority of the City of Saint Paul

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Reuse Study Guidelines

The reuse study process requires a delicate balance of many factors to guarantee that the final report represents a thorough, unbiased and practical analysis of the structures under study. In an effort to achieve this balance, several essential principles have been established to guide the process:

- Locally Initiated—The reuse study process originates through a community's or local group's request for help.

- Independent—Once the process begins, the report and its conclusions are the responsibility of the reuse study consultation team.

- Objective—While preservation of historic fabric is considered a positive cultural goal, the consultation team enters the process without preconceived recommendations for reuse or disposition.

- Analytical—The purpose of the reuse study process is to gather information and form recommendations through an analysis of that information. This analysis includes identifying needs and opportunities within the context of physical, economic and political constraints.

- Inclusive—The consultation team actively seeks a variety of opinions in its attempt to develop sound and unbiased recommendations.

- Preservation oriented—The process assumes the preservation of the buildings under study. However, loss of a building or buildings due to the lack of an economically and/or politically viable reuse is always a possibility.

- Locally Implemented—Once the consultation is completed and the report printed, it is the responsibility of the community/local group/governmental body to determine which recommendations can and should be implemented.

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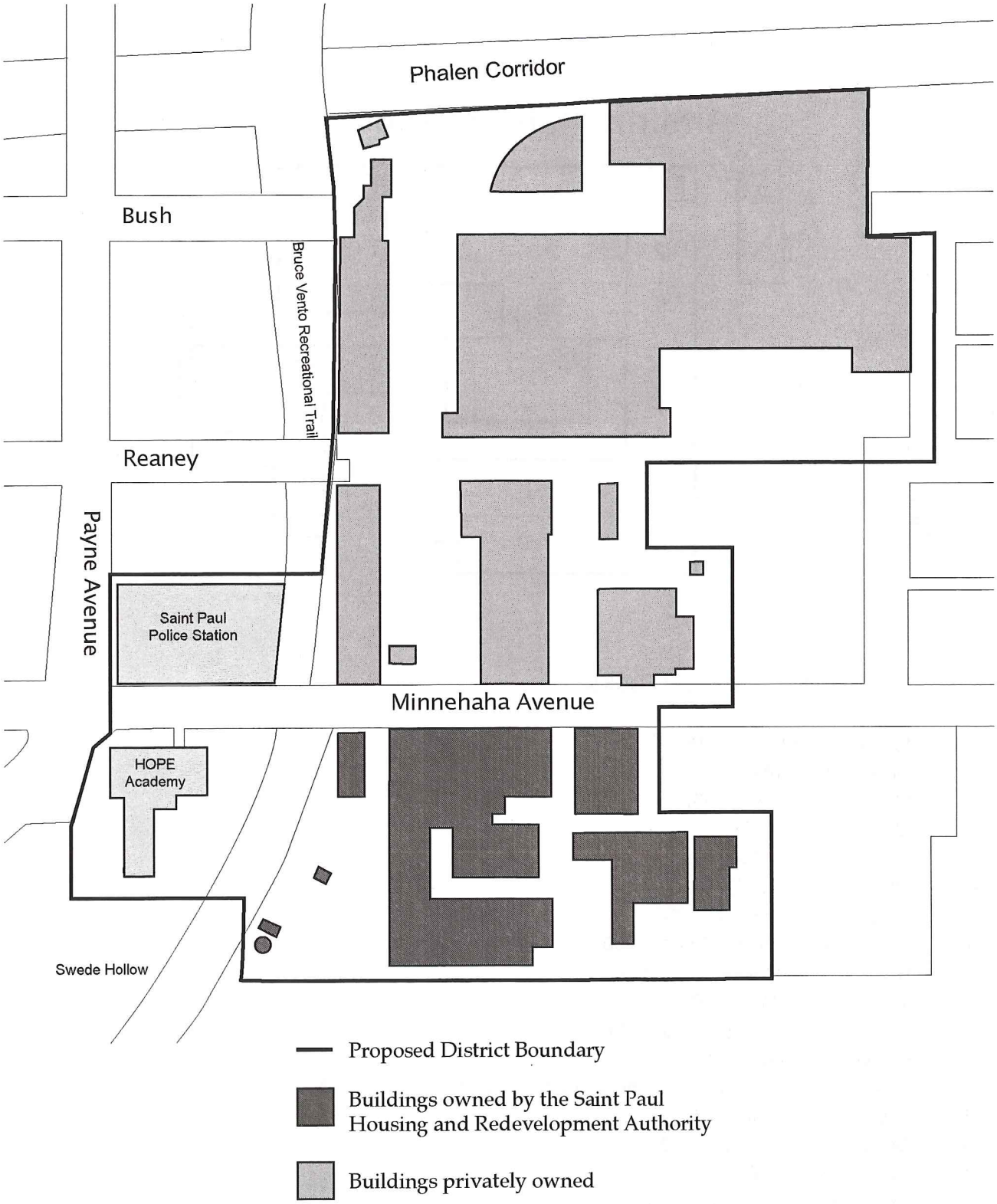
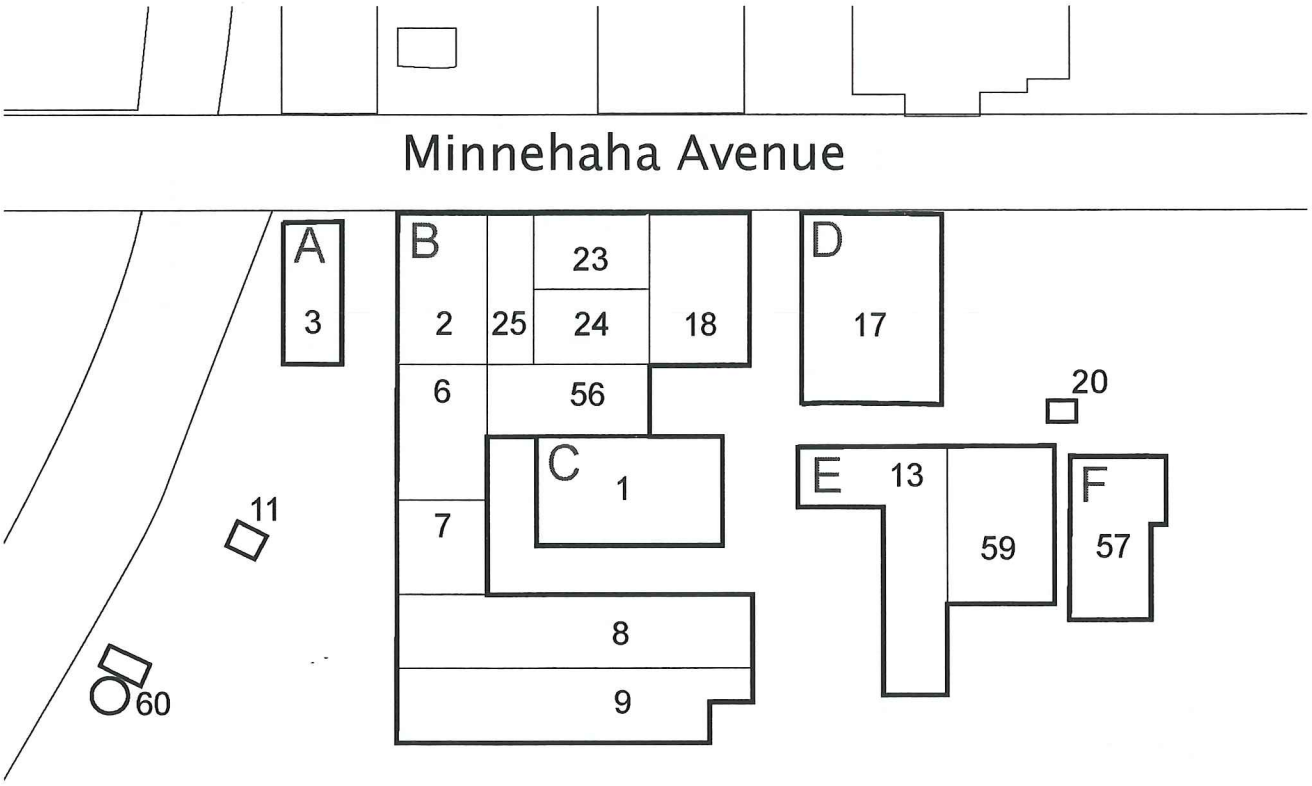
Hamm Brewery Proposed Historic District Map



Hamm Brewery Site Map



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Executive Summary

The Theodore Hamm Brewery, located along Phalen Creek east of the intersection of Payne Avenue and Minnehaha Avenue, was for most of the 20th Century one of the country's most successful breweries. A major employer, the brewery has had a significant impact on the living and working environments of Saint Paul's East Side and the City.

When the Stroh Brewery Company closed its doors in 1997, the Port Authority completed a valuation of the property and tabulated a negative value. That led to its negotiating stance and the ability of a private entity to step in and purchase the property outright from Stroh. Saint Paul Parks and Recreation had a lease from the brewery on approximately 3 acres in Swede Hollow for use as a park. Through changes in ownership at the brewery, the lease lapsed. When Howard Gelb bought the Hamm site in 1998, he acquired the park property as part of his purchase. The City, consequently, had to buy it from Mr. Gelb. Getting the parkland that the City thought they owned was the impetus for the City's purchase of the Hamm site south of Minnehaha Avenue.

With the Stroh closing, the City through the Port Authority anticipated that the site would be cleared and redeveloped into a light industrial complex. However, with the threat of demolition looming on the horizon, neighborhood preservationists began an advocacy effort to save the historic brewery.

Although many of the older buildings on the site have been modified over time, the Minnesota State Historic Preservation Office has determined that the Theodore Hamm Brewing Company complex is eligible for the National Register of Historic Places because of its importance to the commerce and industry of Saint Paul and the metropolitan region. Although actual designation is uncertain and faces significant obstacles, the historic significance of the property and its structures has served to be a rallying point for preservationists in the adjacent neighborhoods, who initiated a privately funded National Register designation process. With some encouragement from the City, the efforts continue to get historic designation for the property.

The property's strategic location, just to the northeast of Saint Paul's central business district, presents opportunities for reuse and revitalization of the vacant industrial site. Consequently, the City of Saint Paul and the Hamm Brewery Ad Hoc Advisory Group have requested help to determine how the property might best be put back to a productive and economically viable reuse. This study is the product of that Housing and Redevelopment Authority (HRA) effort.

Vision Consensus

Various and diverse interests from the immediate surrounding areas and City at-large have been involved throughout the development of this report. The process of interviewing representatives of area residents, businesses, and civic interests, including those serving on the Hamm Brewery Site Ad Hoc Advisory Group, has provided this study with a wide spectrum of thoughts, concerns and hopes for the Hamm site. What has emerged from this process is a strong consensus regarding the pivotal issues and a better understanding of the opportunities for the site's reuse.

One of the recurring themes heard during the interview process was the need for "political will" in the redevelopment of the Hamm site. That "will" seems to be growing, and there appears to be positive energy developing on the East Side in general, and for the Hamm site in particular, that bodes well for its ultimate reuse.

An overall vision has emerged from the Ad Hoc Advisory Group process that includes the following components:

- The Hamm site is an important part of the history of Saint Paul and the East Side. Its historic nature should be used to its advantage in its redevelopment. This historic nature should be exploited as the framework for the reuse of the site, whether it is reuse of the existing buildings or development of new structures on the site.

- Reuse of the Hamm site will likely need to rely on some new construction. The east parking lot provides a good location for such new construction to occur.

- Construction on, or redevelopment of, the Hamm site will likely need to be phased. The first phase(s) will likely be on portions that can be more economically constructed and start generating income—the new construction —to pay for redevelopment of the more challenging portions of the site—the historic buildings.

- Demolition of some buildings on the site may be necessary in order to realize some redevelopment scenarios, either to open up space for new construction or to provide "breathing room" to enhance existing outdoor space.

- For the purposes of simplicity in the preparation of financial feasibility calculations, reuse scenarios explored in this report have concentrated on single uses, ranging from commercial to educational to residential. The final redevelopment scenario undertaken by a developer will likely not be all of one or another, but instead a mix of uses; and, in fact, such a goal is encouraged.

- Strong connections from the Hamm site to the neighborhood should be re-established. This would include a link to both Swede Hollow Park and the Bruce Vento Regional Trail below, as well as restoration of the stairway link to the neighborhood atop the bluff to the south.

- In order to make the project economically feasible, all possible funding sources should be explored. Depending on the type of reuse, these could include Tax Increment Financing (TIF), Housing Tax Credits, Historic Tax Credits, Historic Façade Easements, etc. However, potential developers must be fully aware of the economic advantages presented by the various funding vehicles as well as the drawbacks that they may present.

Basic Reuse Analysis

For a historic building or site to successfully be renovated and put back into a productive reuse in the community, a variety of important factors must be considered:

Building and Historic Integrity
The building or buildings under study must possess enough design integrity to be worthy of the rehabilitation investment.

While there have been changes to the campus, the majority of the historic exterior fabric remains. The west-facing wall of the old brewery, along Swede Hollow, still possesses a good deal of architectural interest in its fenestration. Modifications to the historic structures have not dramatically changed the building footprints or the complex massing and, consequently, the original brewery buildings and campus have been determined eligible for historic designation.

Preservation Support
Preservation of the buildings should have solid community support.

For nearly a century the brewery's complex of native stone and red brick buildings has been a significant landmark in Saint Paul's East Side. As portions of the surrounding neighborhoods have seen significant public and private reinvestment, retention and reuse of the vacant portions of the brewery have developed strong support from some members of the community. Local preservation support ranges from saving every building on the site to preserving only the most important structures for adaptive reuse.

Viable Reuse
The buildings that are preserved must have a viable reuse, including long-term prospective tenants.

The highest and best use for a building generally would be the use for which it was designed—in this case industrial production. However, finding a one-use

industrial tenant to fill the idiosyncratic spaces of the old brewery is highly unlikely. Consequently the reuse team had to look beyond the original type of use to envision more creative reuses for the property. Any new use or uses introduced to the campus would need to be compatible with the layout of the original buildings. The most feasible reuse from a design perspective would appear to be service/office uses or housing in the industrial complex. While a residential reuse of the buildings would require extensive modification to the existing building layout, it seemed to be the most economically viable for the existing structures.

Compatible Reuse

The reuse(s) must be compatible with the surrounding uses, both on and off the site.

The site is relatively self-contained, with Dayton's Bluff to the south, Swede Hollow to the west, the Phalen Corridor to the north and a relatively low-density residential area to the east. Consequently, almost any type of reasonable reuse could be introduced without negatively impacting the surrounding neighborhoods. Within the original property, the present owner of the central portion, north of Minnehaha Avenue, has retrofitted the most usable buildings to provide homes for variety of light, if not transient, industrial uses. However, the reuse team feels that new uses could be introduced on the southern portion of the site and be adequately buffered from the light industrial uses to the north.

Economic Feasibility

Once renovated, the building(s) should generate enough revenue to support operating costs and debt service.

Economic feasibility can either be evaluated by a public entity's will to fiscally support a public use of the facility, or a private development's ability to support the acquisition, operating and debt service costs. At the same time, the community and area around the brewery does not appear to have strong unmet commercial, industrial, or office needs. Therefore, given the existing conditions, it is unlikely that a private business reuse or varieties of commercial uses are available to fill the campus' vacant buildings. The interviews and additional research have pointed out that a housing use of the site would probably be the most viable of reuses and that both public will and private investment will be required to realize reuse.

Development Considerations

In evaluating the potential fate of the Hamm Brewery, the reuse team determined that a number of general development and redevelopment recommendations would apply to the disposition of the site regardless of the eventual reuse. The following is a truncated list of those recommendations that can be reviewed in total under the *Implementation Strategies* beginning on page 42.

Development Recommendations

Once the reuse of the site is determined, the Housing and Redevelopment Authority (HRA) should consider facilitating the completion of the environmental hazard assessment for the site. The HRA, based upon the assessment results, may consider performing the abatement of hazardous materials.

The HRA should also consider having the survey updated to show all property issues, including topography, easements, utilities, property lines, rights-of-way, etc.

If Federal Historic Tax Credits are to be used in the redevelopment of the site, the City should consider taking action to ensure that the credits will not be jeopardized by the actions of a private owner or owners of other portions of the site that might affect local designation of the entire brewery district.

In order to prevent further structural deterioration, the City should consider mothballing the vacant structures until a developer is found, so that deterioration does not continue.

Redevelopment Guidelines

Within the development process, the following guidelines should be considered:

- Maintain the historical, industrial character of both the rehabilitation of the existing buildings and the design of new buildings and site improvements.
- Minimize the negative impacts to the historic buildings, fabric, context, etc. and maximizing the positive aspects of the buildings, fabric and context.
- Allow historic buildings to take precedence and not be dominated by new construction.
- Relate the character of the development to the character of the neighborhood.
- Maintain and interpret the interior character of the brew house in the area of the stairway, light shaft, Lauter tubs, brew kettles and other major pieces of the equipment used in the beer making process.
- Retain and maintain the recently removed causeway for possible re-erection at a later date.

- In addition to the development of a link from the re-developed site down into Swede Hollow Park, the stairway link that once led from the top of the bluff neighborhood down to the Hamm site should also be restored.

- Keep new construction at an equal or lower height than either existing buildings or the bluff to the south.

- Have new construction recall the massing, window openings, relationship to other buildings found in the historic fabric of the site.

- Locate additional window or door openings that are required in existing buildings within existing, blocked-up window or door openings.

- Maintain visual continuity at the site by having new construction be compatible with the existing buildings' red-brown brick exteriors. This, however, should not rule out the introduction of creative architectural design and solutions in other materials.

- Remove small outbuildings such as wellheads, guard shacks, etc. that are not within the period of significance; retaining, if possible, those within the period of significance; and if their locations or conditions preclude their being saved, document those buildings according to Historic American Building Survey/Historic American Engineering Record (HABS/HAER) standards before they are removed.

If housing is developed on the site and it receives public funding, it must fall under the City's affordability guidelines.

Reuse Scenario Recommendations

In evaluating the various reuse possibilities, the team evaluated 4 different reuse sets: Housing Reuses, Complete Demolition and Redevelopment, Commercial Reuse, and Educational Reuse. The first set for evaluation, Housing Reuse, was divided into 3 sub-sets: Artist Housing Reuse, Housing Reuse Utilizing All Historic District Contributing Buildings, and Maximized Housing Reuse. The following are the major scenarios which are further evaluated in the *Reuse Scenario Recommendations* on page 47.

Scenario A1 – Artist Housing Reuse

Assumptions: An artist housing reuse of the Hamm site emerged as the lowest impact housing reuse scenario. This scenario assumed the complete hazardous material abatement as required for reuse of the entire complex. Only Building 56 would be demolished to open up access around Building 1. In order to keep the artist housing as affordable as possible, it was assumed that all parking would be constructed in a single, two-story, 185′ x 200′ ramp at the east end of the site.

Development Cost: $ 47,119,000
Development Value: $ 4,400,000
Financial Gap: $ 42,719,000

Scenario A2 – Housing Reuse Utilizing All Historic District Contributing Buildings

Assumptions for Existing Buildings: This scenario assumed that housing would be created within the Historic District's contributing buildings, and they would be refitted for market rate and higher priced units, either rental or for-sale. This scenario would preserve the major historic fabric of the site with Building 56 being demolished to open access around Building 1. Building 57 would also be demolished since it is a non-contributing structure to the historic district. Dependent upon district designation and other factors, rental housing could utilize the tax credits, while for-sale units could not. However, the economic analysis in this report indicates that the market for rental units is weak, while condo units would be a viable option for the site.

Assumptions for New Housing Construction: To make the project work financially and to provide a portion of the project that could be built first in order to jump-start the development of the site, it was assumed that rowhouse-type living units would be built in conjunction with a parking ramp at the east end of the site.

Assumption for Parking: Based on the housing assumptions above, the number of units on the site could range from 150 to 160. At a ratio of 1.5 stalls per unit,

that number of units would require 225 to 240 parking stalls.
Development Cost: $ 64,412,000
Development Value: $ 38,606,000
Financial Gap: $ 25,807,000

Scenario A3 – Maximized Housing Reuse

Assumptions for Existing Buildings: This scenario attempts to maximize the housing that could be created at the site. Units would be market-rate and higher-priced for-sale condominiums. Some units would be developed within Building Blocks A, B, and D. Buildings 1, 13, 56, 57, and 59 would be demolished to create a courtyard at Building Block B, and to allow for higher density development on the east end of the site.

Assumptions for New Housing Construction: To make the project work financially and to provide a portion of the project that could be built first in order to jump-start the development of the site, it was assumed that new housing units would be built in conjunction with two parking ramps at the east end of the site.

Assumption for Parking: Based on the housing assumptions above, the number of units on the site could range from 254 to 264. At a ratio of 1.5 stalls per unit, that number of units would require 381 to 396 parking stalls.

Development Cost: $ 87,084,000
Development Value: $ 57,671,000
Financial Gap: $ 29,413,000

Scenario B – Commercial Reuse

Assumptions: Commercial development for the site did not emerge as a strong market-driven reuse. For the purposes of this reuse scenario, it was assumed that this would be either a low-impact, building-by-building reuse similar to what is taking place on the rest of the Hamm site across Minnehaha Avenue, or a "lightning strike," similar to the recent rehabilitation of the Grain Belt Brewery in Minneapolis, where all factors – compatible use, market timing, financing, etc. – came together.

Development Cost: $ 64,338,000
Development Value: $ 28,000,000
Financial Gap: $ 36,338,000

Scenario C – Educational Reuse

Assumptions: Charter school use for the Hamm site emerged as a possible reuse. HOPE Academy, which currently occupies the former Hamm Administration Building at the corner of Payne and Minnehaha, had looked at the buildings east of Swede Hollow originally. HOPE Academy currently has 455 K-6 students, but it hopes to expand to 720 students in K-8 and eventually 1,000+ students in K-12. Such expansion would be difficult on its existing site. Any remaining area in the buildings would be used by other charter schools or specialized educational programs.

Development Cost: $ 60,385,000
Development Value: N/A
Financial Gap: N/A

Scenario D - Complete Demolition and Redevelopment

Assumptions: Based on current market conditions and what was learned during the interviews, a housing development is assumed on the cleared site. However, other redevelopment scenarios for the cleared site are also possibilities, depending on market conditions. This scenario assumed the complete hazardous material abatement as required for demolition of the entire complex. The buildings would then be demolished, yielding a buildable area of approximately 4.25 acres. Assuming a residential reuse, the City has indicated that a density of 50 to 55 units per acre could be appropriate for the site, or from 213 to 234 units.

Scenario D: For-Sale
Development Cost: $ 70,217,000
Development Value: $ 57,115,000
Financial Gap: $ 13,102,000

Scenario D: Rental
Development Cost: $ 48,945,000
Development Value: $ 17,900,000
Financial Gap: $ 31,045,000

Introduction to the Study

Study Concept

The reuse study used for the Hamm Brewery project was styled after the Preservation Advisory Services Team (PAST) program of the Midwest Regional Office of the National Trust for Historic Preservation. In November of 1986 the Advisory Services Team began a study of the National Register-listed Johnston Hall in Faribault, Minnesota. This 1888 seminary building was vacant and threatened with imminent demolition. Today, Johnston Hall is serving as a renovated medical office building as recommended in the PAST report.

The Minnesota reuse team concept was developed to provide preservation consultation to Minnesota communities and governments needing professional help in determining the feasibility of reuse for their vacant historic buildings at risk of being demolished. While the study process does not develop a comprehensive design solution for the property under study, the team does analyze alternatives and make recommendations for future use of the facilities.

The composition of the team varies, based on the constraints and opportunities presented by the property, but the core team is usually made up of a principal investigator, a preservation architect, and economic development specialists. For projects with an expanded budget, reuse-related professionals may be added to the core team. The Hamm Brewery reuse team also included an historian, urban designer, landscape architect, community planner, traffic engineer, civil engineer and structural, mechanical, and electrical professionals.

Study Process

Each member of the interview team was supplied with an information packet on the Hamm Brewery prior to the consultation. The packets contained pertinent information about the location, condition, and significance of the building and campus. The packets included the property's proposed National Register form, a history of the brewery property, past studies on the property, various articles on the brewery, and information from the City's Hamm Ad Hoc Advisory Committee.

On Thursday September 18, 2003, the major team members of the reuse team, along with City representatives, toured the brewery site and buildings. This tour also gave the team members an opportunity to photograph the site and its structures. Some of those images can be seen in *Appendix III • Photographic Documentation* on page 114. From Tuesday, September 30, through Friday, October 3, 2003, the interview team held 25 interviews with City representatives, local and state political officials, planning specialists, historic preservationists, development and real estate specialists, local business and educational leaders, and representatives of organizations that might have an interest in the reuse of the vacant portions of the brewery complex. Following the formal interviews, members of the interview team held a series of additional interviews with City and advisory group members.

The team returned to Saint Paul's East Side on Wednesday, October 3, to facilitate a "town meeting" to introduce interested residents to the team members and the reuse process, and to give all interested parties an opportunity to offer their recommendations for the future of the brewery site.

After the interview phase the team held a series of meetings with the Hamm Ad Hoc Advisory Group to develop the reuse scenarios contained in this report. These meetings were held from October 2003 to February 2004. During this phase, selected team members prepared the following information:

- Documentation and evaluation of the existing condition of various building and site components and systems (masonry, windows, structure, mechanical and electrical systems, etc.)
- Preparation of quantity take-offs of the various building and site components and systems.
- Preparation of applicable cost estimates for treatments of the various building and site components and systems.
- Determination in a broad-scope manner of the areas of the existing buildings and site that could reasonably be used for parking, housing, commercial use, school functions, etc.
- Securing supplementary information through additional phone interviews.
- Developing issue statements.

Various reuse alternatives and recommendations were then prepared based on the information gathered above, as well as that gathered from the interviews. The reuse alternatives and recommendations were then reviewed at the Advisory Group meetings, and input from those meetings was incorporated into subsequent drafts. This report, its analysis, and recommendations are the products of that process.

Chronology of Events

The following is a listing of significant events, in chronological order, which led to the completion of this report on Hamm Brewery.

Date	Event
1825	Theodore Hamm was born in Germany.
1854	Hamm immigrated to the United States.
1856	Theodore and his wife Louisa Bucholz moved to Saint Paul.
1850s, late	The Pittsburgh Brewery was founded by Andrew F. Keller.
1864	Theodore Hamm acquired the Pittsburg Brewery business, which was located near the confluence of Phalen Creek and Trout Brook.
1880s	The brewery went through a major expansion with 60 buildings occupying approximately 33 acres.
1880s, late	Hamm hired Christian Figge to serve as the brewmaster.
1890s	Many earlier buildings were demolished and German-born architect August Maritzen designed the landmark's Romanesque Revival-style building that is visible on the west elevation of the old brewery.
	Theodore Hamm's son William began to assume a company leadership role.
1901	Hamm expanded his brewery complex to the north side of Minnehaha Avenue.
1903	Theodore Hamm died.
1920	The United States Congress passed the Eighteenth Amendment outlawing the manufacture and sale of alcohol.
	Hamm Brewery remained in business making "near beer" and other beverages and industrial alcohol.
1931	William Hamm, Jr. takes over company leadership upon the death of his father.
1933	Prohibition ends.

	The brewery begins its fourth major expansion with the construction of a series of buildings designed by architect Clarence Howard Johnston, Jr.
Ca. 1948	The brewery began its fifth expansion with the construction of the Stock House 4, the Warehouse (Building 57) and the Grain Dryer (Building 3).
1952	William Hamm, Jr. retired and William Figge, a descendent of Christian, became the President of the Hamm Brewery.
1965	The Hamm Brewery was acquired by Heublein of Hartford, Connecticut.
1973	The Brewery was purchased by the Olympia Brewery Company.
1982	Olympia merged with the Pabst Brewery of Milwaukee.
1983	Pabst transferred ownership to the Stroh Brewing Company.
1997	Stroh closed the brewery.

Historic Overview and Designation Analysis

The closing of the Stroh Brewery in 1997 provided incentive for neighborhood historic preservationists to begin an advocacy effort to protect the historic fabric of the brewery. A local effort evolved to designate the brewery and it's site to the National Register of Historic Places to protect the property from potential demolition. This section of the report attempts to briefly describe the historic nature of the site and to clarify some of the issues and ramifications associated with designation, including the potential tax advantages for redevelopment of a National Register designated property.

Historic Overview

The Pittsburgh Brewery, predecessor to the Theodore Hamm Brewing Company, was founded in the late 1850s by Andrew F. Keller. Originally located on the west bank of Phalen Creek, north of its confluence with Trout Brook, the company was acquired by Theodore Hamm in 1864. Born in Germany in 1825, Hamm immigrated to the United States in 1854, working first as a butcher in Buffalo, New York, and then in Chicago. In 1856, he and his wife, Louisa Bucholz, settled in Saint Paul, where they operated a boarding house near the Lower Levee. After acquiring the brewery, Hamm moved his family and the business to the east side of Phalen Creek. The brewery used water from the creek and a surface spring that ran into nearby Swede Hollow.

Lacking any experience with brewing, Hamm hired a brewmaster to oversee production. Christian Figge, who had worked in this capacity in Germany, joined Hamm in the late 1880s. The position would be passed down in the Figge family from father to son for three generations. The quality of Hamm beer—and the burgeoning population of the region, which boosted demand—propelled the company to success. In Hamm's first year of ownership, the brewery employed five men and produced 500 barrels of German-style draft beer. By the middle of the twentieth century, the plant's capacity was 1.5 million barrels annually, making Hamm the fifteenth-largest brewer in the United States. The company subsequently acquired other breweries, raising its output to 4.5 million barrels and its rank to seventh in the country by the late 1950s.

This growth was accompanied by a substantial increase in the brewery's capacity. In the process, many earlier buildings were destroyed, incorporated into other buildings, or substantially remodeled. Building 9, probably erected between 1864 and 1867, is the oldest structure that survives in the complex. Built as a stable, it later served as shops for a series of tradesmen including coopers, carpenters, and sign painters.

During the 1880s, the brewery underwent the first of five major expansions, ultimately occupying about sixty buildings on thirty-three acres. Traces of a few buildings from this period remain. The original two-story brick Power Plant (Building 1) dates from about 1883. Remodeled during the 1890s and in 1934, it was last used as an office. Its contemporary, the Malt Storage House, has been incorporated into what is now Stock House No. 2 (Building 18).

The next expansion occurred during the 1890s, when many earlier buildings were razed. German-born architect August Maritzen, who was based in Chicago, oversaw this phase, which produced Romanesque Revival-style buildings of red sandstone and brick. The five-story Brew House (Building 2) was erected in about 1892. Grit Storage (Building 6) and the Racking Room (Building 7) were added to the south in the following year. Also in 1893, the bottling works was built and mechanical refrigeration introduced as an alternative to chilling the beer in nearby caves.

Hamm embarked on its third major construction campaign in 1901, expanding north across Minnehaha Avenue. Building design shifted away from the revival styles of the late nineteenth century, taking inspiration instead from internal function. Deceptively plain, Stock House No. 3 (Building 17) was the first brewery structure in the country to utilize a system of mushroom reinforced-concrete columns patented by C. A. P. Turner, a consulting civil engineer.[1] Rising seven stories in height, this fire-resistant structure was erected under Turner's oversight in 1907. Other buildings from this period include the Wash House (Building 8; 1901, remodeled 1934), the Shavings Vault (on the west end of the limestone wall south of Building 9; 1901), and the Machine/Blacksmith/Paint Shops (Building 13; 1911). This period witnessed the death of Theodore Hamm in 1903. His son William had begun to assume leadership of the company in the previous decade.

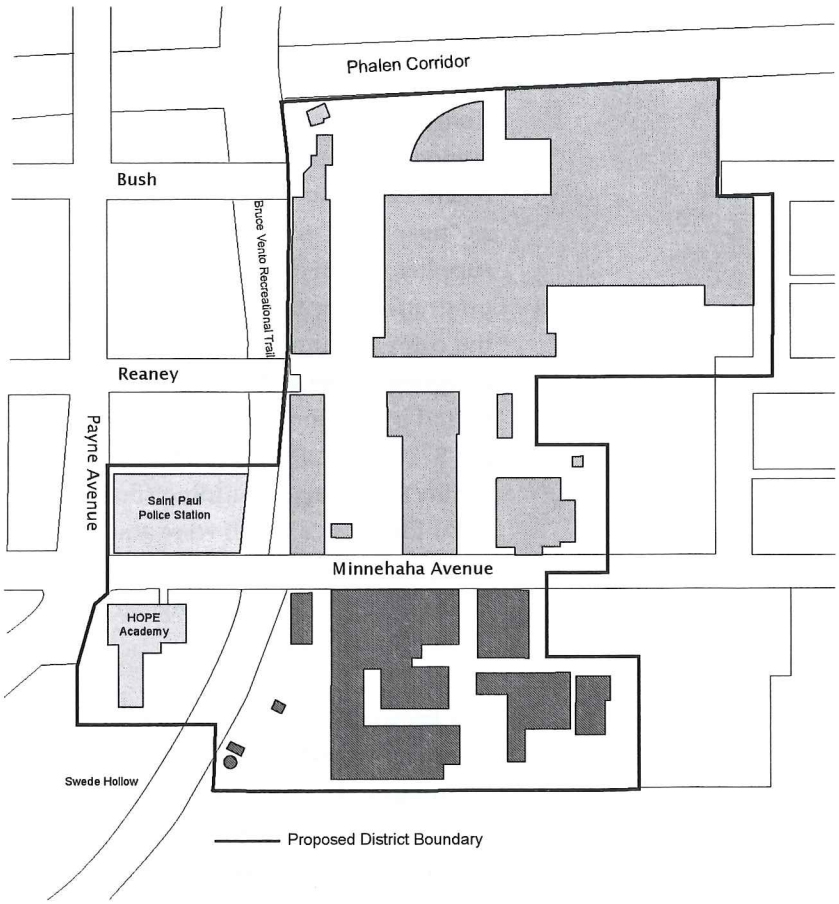
Congress passed the Eighteenth Amendment to the Constitution in 1920, outlawing the manufacture and sale of alcohol and forcing many breweries out of business. Hamm survived the Prohibition era by switching to products such as "near beer," soft drinks, malt syrup, industrial alcohol, and confectioner's supplies. When Prohibition ended in 1933, Hamm launched its fourth building program under the direction of William Hamm, Jr., who had become head of the company upon his father's death in 1931. The $3 million expansion was designed by the architectural office of Clarence Johnston, managed during this period by his son, Clarence Howard Johnston, Jr.[2] A new Power Plant (Building 32), Main Office (now HOPE Academy), Garage (now a Saint Paul police facility), Personnel Building (Building 28), and Pump Houses No. 3 and No. 5 (Buildings 11 and 20) were among the structures that appeared in the 1930s. Many older buildings were remodeled during this period, including the Brew House and adjacent buildings to the south (Buildings 2, 6, 7, and 8) and the old Power Plant (Building 1).

The brewery's fifth phase of expansion was initiated after World War II. The company invested $16 million in a major overhaul of the Brew House and buildings to the west (Buildings 2, 18, 23, 24, 25) and construction of the Grain Dryer (Building 3; 1951-1953), the Warehouse (Building 57; 1950), and Stock House No. 4 (Building 27; 1948).

The retirement of William Hamm, Jr., as president of the company in 1952 marked a transition. Although Hamm became chairman of the board and William Figge, a descendent of Christian, took the reins, it was the first time that someone outside of the Hamm family had headed the business since Theodore Hamm acquired it in 1864. Control moved further afield in 1965 when Hamm was acquired by Heublein of Hartford, Connecticut. Hamm's share of the beer market eroded as competition, changing tastes, and mismanagement took a toll. The brewery was purchased by the Olympia Brewing Company of Tumwater, Washington, in 1973, which merged with the Pabst Brewing Company, Milwaukee, in 1982. Pabst retained the Hamm product line when it transferred ownership of the brewery to Stroh Brewing Company in Detroit in the following year, so the Saint Paul brewery was converted for production of Stroh beer. Stroh closed the brewery in 1997. The property was acquired by real estate investor Howard Gelb in 1998.

The Minnesota State Historic Preservation Office has determined that the Theodore Hamm Brewing Company complex is eligible for the National Register of Historic Places. A nomination has been drafted and is currently under revision. The property is being nominated under Criterion A for its importance in commerce and industry, and possibly under Criterion B for its association with the Hamm family.

Proposed Historic District Map



The National Register of Historic Places

A property is considered historic—hence qualifying for tax credits—if it is eligible for the National Register of Historic Places, a list of properties significant in American history, architecture, archaeology, engineering, and culture. To merit National Register status, a building must meet at least one of four criteria:

- Criterion A: An association with events important to broad patterns of history;
- Criterion B: An association with the life of an important person;
- Criterion C: Representing a type, period, or method of construction; or the work of a master; or expressing high artistic values; or
- Criterion D: Yielding, or likely to yield, information important in prehistory or history (this is usually applied to archaeological sites).

A property can have local, state, or national significance, and can be eligible individually or a contributing component of an historic district. The National Register nomination must identify the property's "period of significance," the period during which it attained the significance that qualifies it for listing. This can be a single year or a longer timeframe. Usually, a property must be at least fifty years old to receive National Register status. It must have physical "integrity"—namely, it must retain enough of its original materials and other characteristics to communicate its significance. The National Register is maintained by the NPS and administered locally by the SHPO.

Local Heritage Designation

In addition to the National Register, a property might also qualify for local landmark designation in communities that are certified by the National Park Service. Nominations are processed by a local heritage preservation commission (HPC). HPCs can review building and demolition permits for listed properties and prohibit changes that would harm designated properties. Saint Paul is a Certified Local Government and has an HPC.

HPCs are consulted as part of the Section 106 review process for a National Register property even if the property is not locally designated. An HPC, however, does not have authority to restrict alterations to, or demolition of, a property that is listed solely on the National Register.

Section 106 Process and Other Protections

National Register designation is, for the most part, honorary. A private property owner can severely remodel—or even tear down—a designated building using private funds; the property is then "de-listed" (removed from the National Register). Under certain circumstances, however, National Register designation offers some protection. If a project proposes to use federal funds to demolish or unsympathetically alter an historic property, the project will be subject to review under the Section 106 process. The same is true if the project requires a federal license, such as a permit from the Army Corps of Engineers. Section 106, part of the National Historic Preservation Act of 1966, requires

federal agencies to consider the effect of federally funded or licensed projects on properties and districts listed, or eligible for listing, in the National Register. The review process has several steps: identifying historic resources in the "Area of Potential Effects" (APE); determining if these resources are adversely affected by the project; considering alternatives to avoid adverse effects; and, if the project goes ahead, mitigating adverse effects that cannot be avoided. The federal department providing the funds or license is responsible for complying with Section 106. The process is overseen locally by the SHPO and overall by the Advisory Council on Historic Preservation, an independent federal agency based in Washington, D.C.

In addition to Section 106, the project must be reviewed under Section 4(f) of the Department of Transportation Act of 1966 if federal transportation funds are involved. Section 4(f) requires projects to avoid harming historic properties unless there is no "feasible and prudent" alternative. Historic properties are also among the environmental concerns covered by the National Environmental Policy Act. These federal reviews tend to parallel the Section 106 process. The same is true for the Minnesota environmental review program administered by the Minnesota Environmental Quality Board (EQB). The destruction of an "historical place" under a project subject to EQB review makes the preparation of an Environmental Assessment Worksheet mandatory.

Rehabilitation Tax Credits

Unlike new construction, where costs are fairly predictable, the renovation of older buildings often brings surprises and unforeseen expenses. Rehabilitation tax credits may be one way of making historic preservation projects more financially feasible. The federal government offers a **20 percent tax credit** for the certified rehabilitation of registered, income-producing historic buildings. The process is overseen locally by the State Historic Preservation Office (SHPO), based at the Minnesota Historical Society in Saint Paul. The SHPO forwards applications for certified rehabilitations to the National Park Service (NPS) at the Department of the Interior, which is the final judge of whether or not a project should receive the credits.

To qualify, the rehabilitation must be "substantial"—totaling a minimum of $5,000 or the adjusted basis of the building, whichever is greater. A building may be individually eligible for the National Register of Historic Places or a contributing element in a National Register historic district. The property must be a building, not a site, ruin, or object. Verifying that the property meets this test is the first part of the application process for the tax credits. The second step (known as "Part 2" of the application) is to provide information about specific elements of the rehabilitation, including a description of existing conditions and the work proposed. The work must conform to the *Secretary of the Interior's Standards for Rehabilitation* and *Guidelines for Rehabilitating Historic Buildings*.

Developers and the NPS sometimes have a difference of opinion over plans for window replacements, exterior wall cleaning, roofing materials, roofline alterations, and other major aspects of a rehabilitation. In recent years, the NPS has become more concerned about interior work. Developers should consult with the SHPO and NPS during plan development and before construction begins. When the rehabilitation is completed, the developer must prove that the work was done as outlined in Part 2.

If the tax credits were used, actions by other property owners within the historic district could jeopardize those tax credits during the recapture period if they took action on their property that would cause the historic district to be taken off the National Register. In addition, the construction of any new buildings would also have to be designed to be compatible with the Historic District.

Alternatively, a **10 percent tax credit** is available for a substantial rehabilitation of a building built before 1936 that is *not listed* in the National Register either individually or as a contributing element in an historic district. Only projects involving non-residential income-producing properties are eligible. (This is different than the 20 percent credit, which can be used for rental residential properties as well as other income-producing properties.) At least 50 percent of the original exterior walls must remain as exterior walls after the rehabilitation, and at least 75 percent of the exterior walls must be either exterior or interior walls. Also, at least 75 percent of the internal structural framework must be retained.

Historic Building Facade Easements

The facade easement program offers private owners of historic properties additional financial incentives for preservation. Through the Preservation Alliance of Minnesota, a building facade can be donated to the organization and leased back to the building owners to provide property tax benefits. The program is most beneficial for historic buildings requiring major investment such as the brewery buildings. More information for the program may be secured through the Preservation Alliance of Minnesota.

Implications for Rehabilitation of the Hamm Brewery

The SHPO has determined that the Theodore Hamm Brewing Company complex is eligible for the National Register. The Friends of Swede Hollow, a non profit organization, has retained a preservation consultant, Diane Trout-Oertel, to prepare a nomination to officially list the property in the National Register. A draft nomination is currently under revision. The property is being nominated under Criterion A for its importance in commerce and industry, and possibly under Criterion B for its association with the Hamm family. At a recent meeting with Susan Roth, SHPO National Register coordinator, the end date for the period of significance was set at 1952, the year in which leadership of the company

transferred from William Hamm Jr. to brew master William Figge. The property will be nominated as an historic district. While some specific sections of the proposed district's boundaries are not yet finalized, it is certain that existing brewery buildings on both the north and south sides of Minnehaha Avenue will be included, as will the brewery's former office building (now HOPE Academy) and garage (now a police facility) at the corner of Minnehaha and Payne. Issues related to the historic designation are outlined below.

The Period of Significance and the 20 Percent Tax Credit

Having the period of significance end in 1952 means that:

- Construction and alterations dating from 1952 and earlier are significant.
- Construction and alterations done after 1952 are not significant.

This has substantial implications for the property's rehabilitation, particularly if the 20 percent tax credit is sought. After consultation with the SHPO and NPS, a developer will likely be able to demolish post-1952 buildings, such as Building 57, and additions. However, changes dating from the period of significance—even if they cover up or replace more attractive earlier features—must usually be retained. For example, the ornamental towers on the brew house were removed in the 1930s; the flat parapet roof that replaced them is now considered significant. The same is true of the glazed tile installed on interior walls of the brewhouse during the same period. NPS reviewers of tax credit applications often require that existing interior walls, particularly corridors, remain in place with the cladding and doorways that adorned them at the end of the period of significance. Windows are often a challenging issue for tax credit projects. NPS might allow bricked-up windows to be reopened regardless of when the alteration occurred if it is necessary to make an interior space usable. It might even be possible to open up some "architecturally defined windows"—such as sections of the recessed vertical bands on the north wall of Stock House No. 17. However, the NPS might not allow the glass-block windows in the brewhouse to be replaced with another type of window. Pre-1953 equipment is another issue. Ms. Oertel is currently determining the installation dates for existing vats and other equipment. NPS sometimes allows the removal of significant equipment if a representative unit is left in place (one hopper from a group of twenty-four, for example). If the removal is subject to Section 106 review, documentation of the equipment before removal and/or interpretation, such as a plaque, might be required as mitigation.

The National Register Nomination Process

Because Hamm Brewery is being nominated as a district, a simple majority of the property owners must not object to the nomination. There is one objection per owner permitted, regardless of the size or value of the holdings. If 51 percent object, the district is not listed in the National Register and no buildings in the district are eligible for the 20 percent investment tax credit. Developers of pre-1936 buildings could receive the 10 percent tax credit, but only for qualified rehabilitations of non-residential income-producing projects.

The demolition of key buildings north or south of Minnehaha Avenue could cause the district to be de-listed from the National Register, jeopardizing the ability of developers to claim the 20 percent tax credit for any buildings in the district. At that point, rehabilitation of pre-1936 buildings would be eligible for the 10 percent tax credit, but only for qualified projects that were initiated after the district was de-listed. Local landmark designation by the Heritage Preservation Commission would make demolition more difficult.

Site Considerations

A definitive survey of all tunnels, pipes, and other underground features associated with the brewing process has not been conducted as part of the National Register nomination process. If these features might be disturbed by a proposed rehabilitation, the developer should consult with the SHPO to ensure that modifications would not damage the property's National Register eligibility. The SHPO should also be contacted where areas will be disturbed that might have archaeological potential; for example, the site of an earlier building that has been demolished.

Footnotes:

[1] John W. Leonard, ed., "Turner, Claude Allen Porter," *Who's Who in Engineering*, 2nd ed. (New York: Who's Who Publications, 1925), 2123.

[2] Paul Clifford Larson, *Minnesota Architect: The Life and Work of Clarence H. Johnson* (Afton, Minn.: Afton Historical Society Press, 1996), 158.

Existing Conditions

Existing Site Conditions

In order to adequately assess the potential for the Hamm Brewery site, an understanding of its various existing buildings and site components and systems is necessary. This section provides an overview of the existing site conditions and interfaces with the neighborhood, an inventory of each of the buildings, and an analysis of the structural, mechanical, and electrical systems. Each building was entered at least once by members of the team, and information from previous studies was also reviewed for comparison. The analysis is below, with additional information such as building areas, number of floors, condition, etc. shown in the *Existing Building Rehabilitation Estimate Chart* on page 78.

The 8.8-acre south Hamm site lies south of Minnehaha Avenue and contains 22 existing buildings of diverse character. In association with the other brewery buildings north of Minnehaha Avenue, the Hamm complex is a significant landmark on Saint Paul's East Side, both architecturally and culturally. The Hamm buildings are the largest in the area and they have a commanding location adjacent to historic Swede Hollow. The handsome brick facades of the buildings that line Swede Hollow and Minnehaha Avenue lend a warm character and unique signature to the surrounding neighborhood. Views of the complex are especially good from the Bruce Vento Regional Trail in Swede Hollow, from Payne Avenue to the west, and looking west down a gentle slope along Minnehaha Avenue. The tallest buildings are tight to Minnehaha Avenue, lending an authentic warehouse district character to a two-block section of the street, just east of the Hollow.

The site lies midway between two neighborhood commercial districts, on Payne Avenue and Arcade Street. These commercial districts are within a short walk of the site and would be an amenity to a residential use on the site. The site is about two miles from downtown Saint Paul, set within a neighborhood of mixed land uses including single-family residences, light industrial and commercial properties.

The site overlooks Swede Hollow, a natural ravine which once marked the course of Phalen Creek. Although it is currently fenced off from the Swede Hollow Park and the Bruce Vento Regional Trail, pedestrian access between the park and the built-upon upper portion of the site could be provided. Inhabitants of the site would then have trail access to downtown Saint Paul, to proposed City recreational facilities north of Phalen Boulevard, and to an extensive regional trail system.

Of the total site area, approximately 4.2 acres is level land with buildings or surface parking. The remainder of the site is wooded slope, which lends an appealing natural character to the site perimeter on the south and west. The south slope rises up about 35 to 40 feet to a residential neighborhood. The west slope drops off 25 to 30 feet, down to Swede Hollow. Along the south bank,

the site is shady. In combination with the historic brick buildings, the natural wooded perimeter gives the site a very unique and appealing quality.

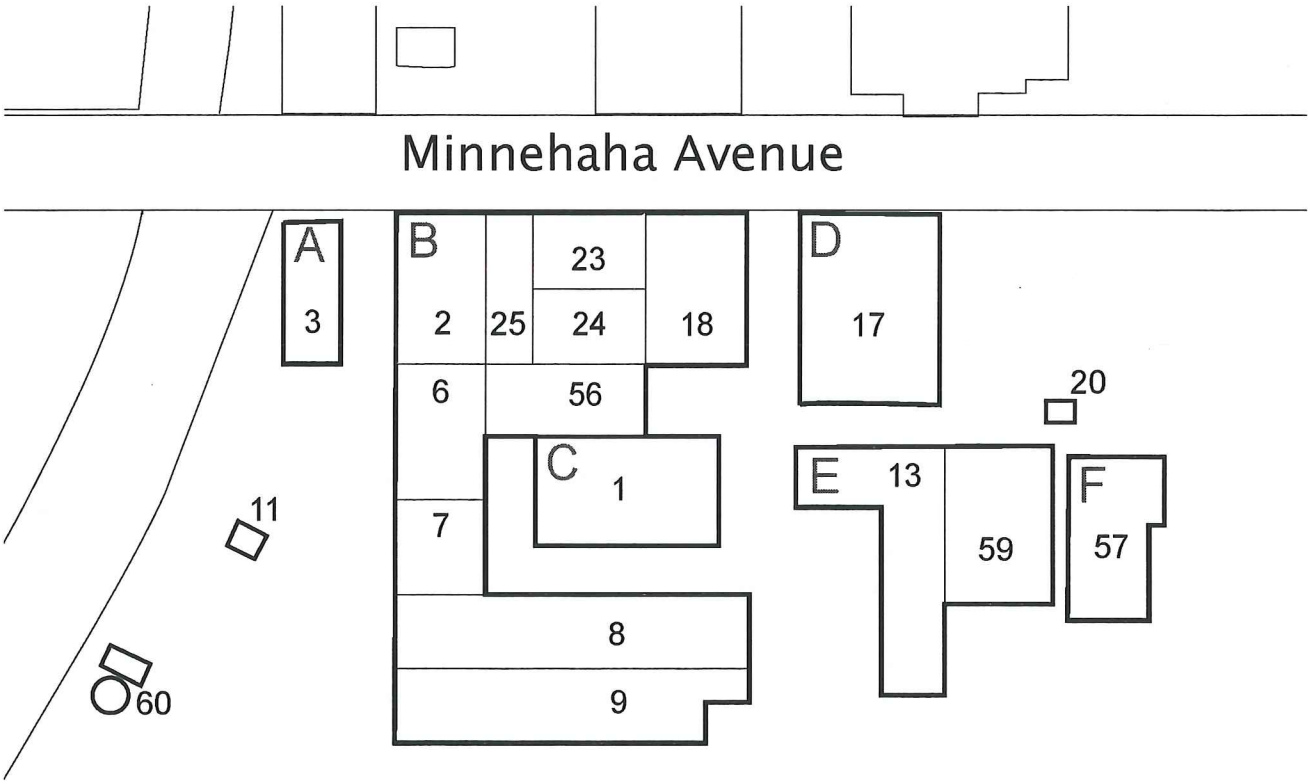
To the east, a small neighborhood of older single-family homes exists. Landscape buffering between these homes and higher intensity uses envisioned for the south Hamm site would be necessary. The existing Hamm buildings to the north, across Minnehaha Avenue, include a mixture of commercial and light industrial businesses, which may not be ideal neighbors for a residential development. Orientation of residential units around an internal open space network could be used to help alleviate this conflict.

The site slopes gently from east to west. Over the entire east/west dimension, however, the grade change of 20 feet is a significant factor in the planning of large structures. Available soil borings indicate 10 feet or more of sandy soil. It is thought that a bedrock of fractured limestone exists below. It was reported that bedrock may be much closer to the surface near Minnehaha Avenue, although no soil test logs were available for this area.

The site is adequately served by public utilities. On-site storm-water ponding, which is a requirement for new development in Saint Paul, could occur in the lower portion of the property, adjacent to the Vento Trail in Swede Hollow. Preliminary calculations indicate a need for a N.U.R.P. pond with approximately 0.8-acre feet of capacity.

Vehicular access to the site is from Minnehaha Avenue, which is a 44-foot wide east/west City street having one travel lane and one parking lane in each direction. Minnehaha Avenue is a designated truck route, as are nearby Payne Avenue and Arcade and Seventh Streets. Traffic on Minnehaha Avenue is 9,800 ADT and is projected to be 9,550 ADT in the year 2020, according to City of Saint Paul data. No capital improvements are currently scheduled. The site is not served directly by mass transit. Metro Transit routes 64, 61 and 69 run nearby on Payne Avenue, Arcade Street and East Seventh Street, respectively. The possibility of a transit route traveling past the site on Minnehaha Avenue in the future should be explored.

Phalen Boulevard, a new roadway on former railroad right of way, has been recently completed between Payne Avenue on the east and I-35E on the west. Phalen Boulevard is located approximately one-third of a mile north of the site, accessible by Payne Avenue. It is proposed to extend east to Phalen Village in the future.

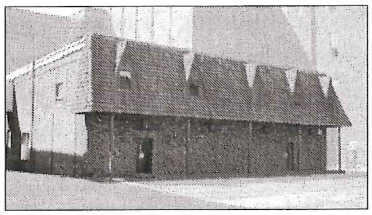


A-F Structure Massing Blocks

1	First Power Plant (ca. 1883)
2	Brew House (1892)
3	Grain Dryer (1951-1953)
6	Grit Storage (1893)
7	Racking Room (1893)
8	Wash House (1901)
9	Carpenter Shop (1864-1867)
11	Pump House No. 3
13	Blacksmith/Machine/Paint Shop (1911)
17	Stock House No. 3 (1907)
18	Stock House No. 2 (1901 or 1911)
20	Pump House No. 5 (1933)
23, 24	Malt House/Adjunct Storage/ Wort Cooler/Laboratory (1883, 1903)
25	Hop Storage Addition (1911)
56	Brew House Addition (1950s)
57	Warehouse (1950)
59	Electric and Pipe Shop (1911)
60	Silo

Building Inventory

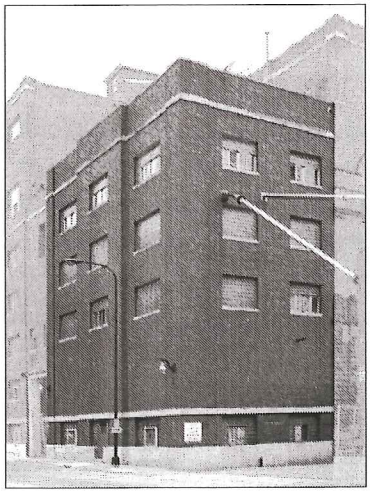
The following descriptions are largely excerpted from a draft National Register of Historic Places Registration Form for the Theodore Hamm Brewing Company prepared by Diane Oertel in August 2003. (Note: the nomination includes some non-building elements that are south of Minnehaha Avenue and east of Phalen Creek: a shavings vault, limestone retaining wall, limestone stairway, and parking lot. The National Register-eligible district also contains a number of buildings north of Minnehaha Avenue, as well as the former corporate headquarters office and a garage east of Phalen Creek. These features are not addressed in the descriptions below.)



First Power Plant: Building 1

Date of Construction: ca. 1883

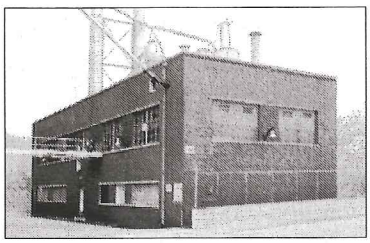
This two-story brick power plant is one of the oldest properties at the brewery. The structural system and bay spacing is unknown. Built in about 1883, it was doubled in size in the 1890s, then remodeled and used for storage when a new power plant opened north of Minnehaha Avenue in 1933. An 80-foot chimney that once towered above the building was removed prior to 1960. The building has also served as an office and a barroom. A mansard roof and brick veneer were applied to the east side around 1975.



Brew House: Building 2

Date of Construction: 1892

The brew house, where grain is transformed into beer, is the heart of any brewing operation. The Hamm Brew House was a key component of the 1890s expansion program supervised by architect August Maritzen. The original Romanesque Revival design of reddish-brown brick and rusticated sandstone, particularly visible on the front (north) and west side, has been greatly transformed by additions and alterations that began within a decade of the building's construction. Much of the distinctive late nineteenth-century character was lost when brick veneer was applied to the facade during a major upgrade of the facility after Prohibition ended. The structural system consists of steel beams and columns, concrete floor and a bay spacing of 15'-0" x 16'-0". On the interior, a monumental cast-iron staircase that connected the building's three main levels remains in place today, although some sections are missing or damaged. Most of the vats and other brewing equipment have been removed.

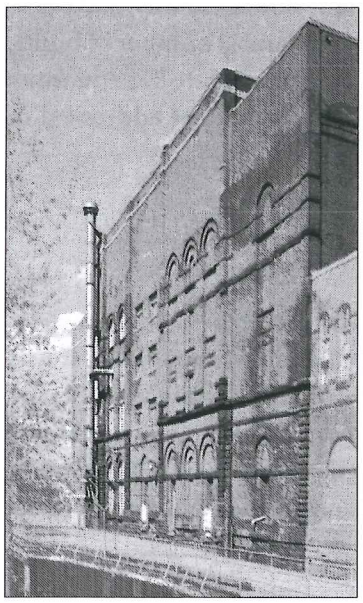


Grain Dryer: Building 3

Date of Construction: 1951-1953

Grain was dried in this utilitarian three-story building just west of the Brew House (Building 2) on the steep eastern slope of the Phalen Creek ravine. Fronting on Minnehaha Avenue, the rectangular-plan building has brick-veneer curtain walls over a steel frame supported by a concrete foundation. Due to the grade, the second floor is at the level of Minnehaha Avenue. A viaduct extends south

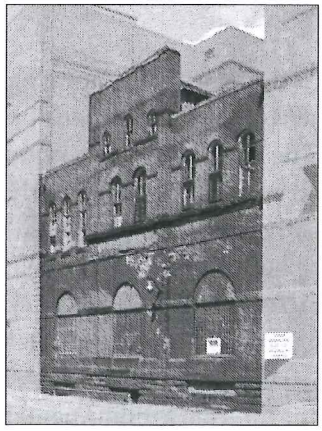
from Minnehaha along the building's east side. The first floor is only visible on the south and west sides. Three exhaust stacks that once rose from the building's roof have been removed.



Grit Storage: Building 6

Date of Construction: 1893

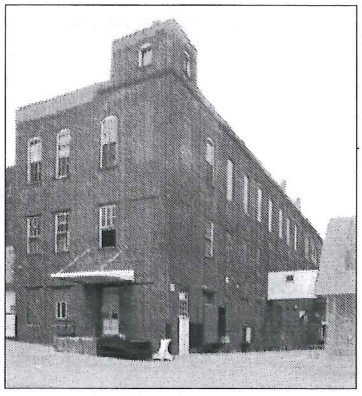
Ranging from four to six stories in height, this addition to the south side of the Brew House (Building 2) more than doubled the size of that building. The structural system consists of steel beams and columns with concrete floors and a bay spacing of 12'-0" x 22'-0". The Racking Room (Building 7) is adjacent to the south. Similar in plan and design to the Brew House, the Grit Storage Building's facade had a projecting center bay extending a full story beyond the main roof. The bay terminated in a pedimented gable that formed the front of a rooftop pavilion. In 1934, the pediment and rooftop pavilion were removed and replaced by two additional brick stories with a flat roof. Today, little of the original facade survives, except for the arched openings and portions of the decorative brickwork. As its name suggests, this building was used for bulk storage of grits—coarsely ground hulled grain, a key component in the brewing process.



Racking Room: Building 7

Date of Construction: 1893

Situated between the Grit Storage Building (Building 6) and the Wash House (Building 8), the three-story Racking Room is square in plan. Like the Grit Storage Building, its facade featured a center bay that extended a story above the main roof and terminated in a pedimented gable. The structural system consists of concrete beams, columns and floors with a bay spacing of 12'-0" x 18'-0". It was remodeled, along with the Brew House (Building 2) and Grit Storage buildings, in 1934, and little of its original facade survived. The building housed filtering, cooling, and keg-filling operations until 1963, after which it was used for storage.

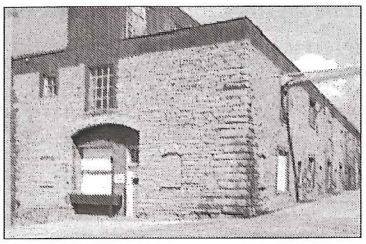


Wash House: Building 8

Date of Construction: 1901

The long, narrow, three-and-one-half-story, flat-roofed Wash House is attached to the Racking Room (Building 7) to the north and the Carpenter Shop (Building 9) to the south. The structural system is made up of steel beams and columns with concrete floors and a bay spacing of 20'-0" x 22'-0". Many of the original six-over-six windows were replaced with glass block during the brewery's 1934 renovation following the repeal of Prohibition. Other window openings have been filled with brick. The interior features barrel-vaulted ceilings, iron columns, and, on the first level, a sloping floor that originally facilitated keg washing.

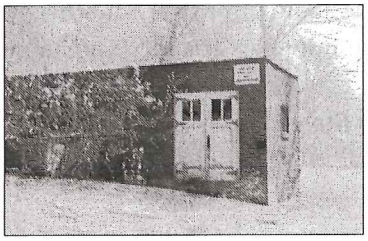
The second floor housed a barrel pitching operation, while the third level and basement were used for barrel making and storage. The entire building was dedicated to storage in 1963.



Carpenter Shop: Building 9

Date of Construction: 1864-1867

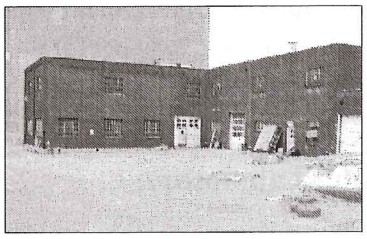
Built in 1864, this is the oldest surviving building in the Hamm Brewery complex. Constructed mainly of limestone, rectangular in plan, and directly adjacent to the Wash House (Building 8) to the north, this two-story structure was originally a stable. Remodeled in 1901 and a number of times since then, it has served as a cooper's shop, carpenter's shop, sign painter's shop, and repair shop. A number of window and door openings have been added to the long south facade. Sometime prior to 1937, the walls were raised by twelve courses of brick, and more recently the east wall was covered or replaced by a concrete-block wall with brick trim.



Pump House No. 3: Building 11

Date of Construction: 1934 or 1950

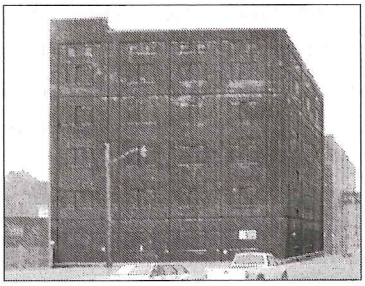
Rectangular in plan, this single-story, flat-roofed, concrete-block building housed a pump that supplied the brewery with artesian-well water. It replaced an earlier pump house on the same site. Door and window openings have been boarded up.



Blacksmith/Machine/Paint Shop: Building 13

Date of Construction: 1911

Located south of Stock House No. 3 (Building 17), this two-story, L-shaped, flat-roofed brick building housed a machine and plumbing shop, a paint shop, and until the 1920s, a blacksmith and wagon shop. The structural system is made up of steel beams and columns with a concrete floor at the first level and a wood floor at the second level. Most of the original wood-frame windows have been replaced with steel frame, multi-light windows, or the openings have been filled with glass block. In 1957, a large concrete-block and brick addition (Building 59) was built on the east side of the building to accommodate an electrical and pipe shop.

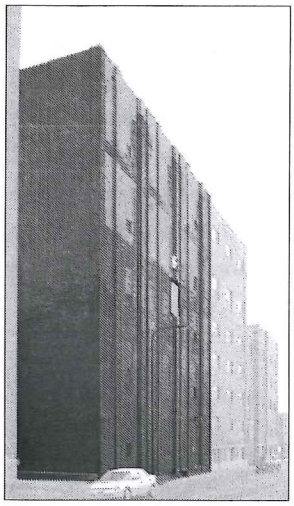


Stock House No. 3: Building 17

Date of Construction: 1907

Deceptively plain, this seven-story, flat-roofed building presages a shift away from the revival styles of the nineteenth century to the functionalism of the twentieth century. Pilasters divide the north, east, and west facades into bays holding blind windows, vents, and a few window openings. An enclosed gangway extends from the west wall to Stock House No. 2 (Building 18). Designed by

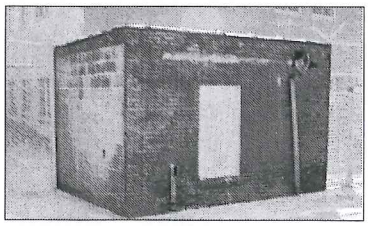
Chicago-based architect Louis Lehle, this was the first brewery structure in the country to utilize a system of reinforced-concrete mushroom columns patented by C. A. P. Turner, a Minneapolis consulting civil engineer; it was erected under Turner's oversight.[1] The mushroom column offered significant advantages of fire resistance and bearing capacity. The 400 enameled steel tanks that originally filled the building have been replaced by more modern tanks.



Stock House No. 2: Building 18

Date of Construction: 1901 or 1911

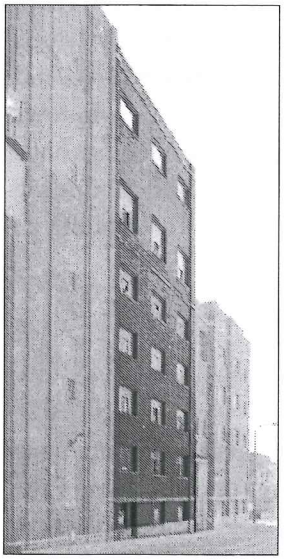
Attached to the east side of the Malt House (Buildings 23 and 24) in the early twentieth century, this red-brick building originally served as a warehouse for barrels of beer. An attic that topped the four-story brick walls was replaced at some point by another full story and a flat roof. The structural system is made up of concrete beams, columns and floors with a bay spacing of 11'-0" x 25'-0". Throughout the building, the walls and openings have been altered on a number of occasions. Pipes sheathed in a rectangular enclosure run from the front (north facade) of the building to Stock House No. 1 (Building 26) across Minnehaha Avenue; a gangway extends from the building's east side to Stock House No. 3 (Building 17) over the now-vacated Greenbrier Street.



Pump House No. 5: Building 20

Date of Construction: 1933

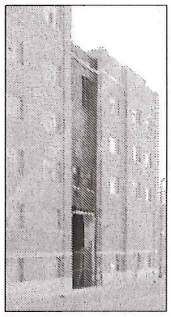
This one-story, flat-roofed building is square in plan and constructed mainly of brick and concrete block. It housed a pump and well that provided water for the brewery. The doors and windows were boarded up after the facility closed.



Malt House/Adjunct Storage/ Wort Cooler/Laboratory: Buildings 23 and 24

Date of Construction: 1883, 1903

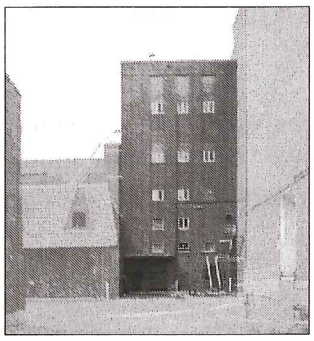
Building 23 apparently dates from 1883; Building 24 was an addition to the south in 1903. Because of numerous alterations, the two buildings are effectively a single entity, clad in brick and rising five stories in height. Various parts of the structure were used for malting, storage, wort cooling, and other functions over time; the north section fronting on Minnehaha Avenue was remodeled after World War II for a laboratory and offices. Stock House No. 2 (Building 18) is adjacent to the east and the Hop Storage Addition (Building 25) to the west. The south facade of Building 23 was covered by Building 24 in 1903, and the south facade of the Building 24 was obscured by the Brew House Addition (Building 56) in the 1950s.



Hop Storage Addition: Building 25

Date of Construction: 1911

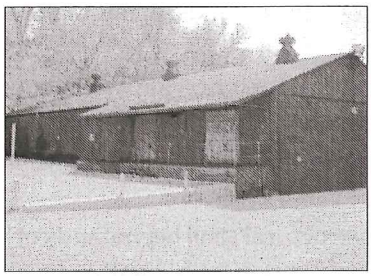
The Hop Storage Addition links the Brew House (Building 2) to the west and two malt houses (Buildings 23 and 24) to the east. Rising three stories in height, this rectangular-plan structure is open at ground level to accommodate railroad cars delivering hops. In 1938, it was converted for brewing operations with the installation of 200 storage tanks, a new wort cooler, and other equipment.



Brew House Addition: Building 56

Date of Construction: 1950s

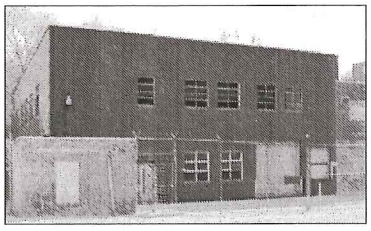
Rectangular in plan and three stories high, this structure joins the first Power Plant (Building 1) to the south, the Grit Storage Building (Building 6) to the west, and the malt houses and Hop Storage Addition (Buildings 23, 24, and 25) to the north. Similar to the Hop Storage Addition, the west end of this building is open on the first level to permit railway access. Brew kettles were in operation here until the complex closed in 1997.



Warehouse: Building 57

Date of Construction: 1950

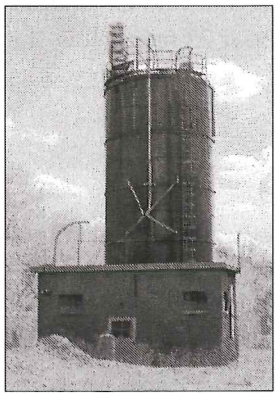
This one-story, windowless, gable-roofed building was erected as a warehouse for household goods. After acquiring the building from Metcalf Transfer, a moving company, Hamm used it for storage. Rectangular in plan, the concrete-block structure rests on a concrete foundation. A shed-roofed projection shelters a raised concrete dock.



Electric and Pipe Shop: Building 59

Date of Construction: 1911

This flat-roofed, two-story addition to the Blacksmith/Machine/Paint Shop (Building 13) is rectangular in plan. The north facade, which is oriented to Minnehaha Avenue, is faced with brick to match the older building, while the remaining facades are concrete block, painted white.



Silo: Building 60

Date of Construction: n/a

At the end of the brewing process, grain byproducts were dried, then stored in this blue metal silo before being sold for livestock feed. Next to the silo is a small, one-story, flat-roofed, concrete-block building with boarded-up windows and doors.

Structural Narrative

The potential reuse of the Hamm site will be dependent in part on the structural capacity of the floor, wall, and roof systems that exist at the various buildings. Since the site has served as an industrial facility for its entire history and its buildings have had imposed on them the heavy loads typical of the brewing process, it is assumed that there will be few restrictions on the types of uses that can be considered. However, each building's structural capacity will need to be carefully considered in relation to its potential reuse. In addition, the types of structural systems used in the buildings may be character-defining elements of the historic nature of the complex, and major alterations to such systems should be avoided particularly where the structural system is of an unusual type or unique to the brewing process.

The information below is a general overview of the issues related to the structural systems that need to be considered for redevelopment of the site. A description of each building's structural system, where known, is included in the *Building Inventory* beginning on page 25.

Systems

A variety of primary structural systems are used on the campus, including the following:

- Timber framing supported by masonry and limestone bearing walls and timber or cast iron columns. Girders for Building 13 incorporate an interesting truss system that combines steel rod diagonal tension members with a heavy timber compression chord.
- Traditional brick arch floors are supported by structural steel beams and columns or by cast iron columns. Cast iron columns are fabricated with special brackets and haunches. These types of floor systems usually were specified for floors that required higher load carrying capacity.
- Cast-in-place concrete flat slabs supported by concrete columns and walls. The unique mushroom cap system described in the Building Inventory for Building 17 is this type.

Foundation systems were not observed. Conventional spread footings or a deep piling or drilled pier system extending to bedrock likely support the buildings. It is also noted from an existing well log at Minnehaha Avenue and Greenbrier that Platteville Limestone bedrock is encountered at about 23 feet below the surface grade.

Loading Capacity

Generally the loading requirements for manufacturing or storage are higher than will be required for proposed reuse options. Reuse occupancy types will likely include residential, commercial, office, retail or parking. Analysis should be performed to verify exact capacities where required. Strengthening may be needed at localized areas.

Current Conditions

The structural systems are typically in good condition. Significant restoration of exterior walls will be required. No significant damage caused by overload, fire, settlement or deterioration was observed during brief visual tours of the facilities.

The exterior retaining wall, adjacent to Building 9, was initially constructed to also support a low roof. The upper portion of the wall appears to have been added after initial construction, allowing some re-grading to occur on the high-grade side of the wall. The wall may also have experienced some settlement over its lifetime. The wall will likely require renovation and repair.

All buildings are currently unheated. Accordingly, thermally induced expansion or contraction could contribute to deterioration or distress at boundary areas.

Parking

Parking may be provided on existing structural floors. Likely areas include the first floors of Buildings 8 and 18. The existing slab must be capable of supporting a code required live load of 50 pounds per square foot, plus the weight of a new topping which will be sloped for drainage. The topping should include a surface applied membrane to prevent deicing salts and water from leaking through the structure.

Mechanical Systems Openings

Openings for mechanical systems through floors can be easily added through the slab and located between beams and girders. Roof mounted mechanical equipment can be supported by new structural steel framing with direct connections to existing columns.

Mechanical and Electrical Narrative

Because of the Hamm site's use as an industrial facility throughout its history, it is assumed that mechanical and electrical system service and capacity to the site would not restrict any potential reuse. However, the area of this site study, south of Minnehaha Avenue, has always been fed from a central location north of Minnehaha at a location not currently owned by the HRA. As such, any reuse will likely require a reconfiguration of both the mechanical and electrical supply and distribution systems. In addition, various pieces of mechanical and electrical equipment may be character-defining elements of the historic nature of the complex. Even though they may not need to be kept operational, their use as historical artifacts may need to be incorporated into potential reuses.

Mechanical Systems

The existing Hamm buildings south of Minnehaha Avenue are still connected to the Power Plant owned by others and located north of Minnehaha, and the heat to the buildings south of Minnehaha has been turned off. In addition, the viability of the existing heating system is questionable. It is assumed that the buildings south of Minnehaha will be serviced with a completely new central heating and cooling plant. Depending on the actual use of the existing buildings, the buildings should be heated by either a new central heating and cooling system or by unitized components handling smaller, separate buildings or areas.

With a central system, central hot and chilled water would be piped to the individual buildings, providing comfort heating and cooling to those areas. Building automation and controls would be provided to allow energy efficient comfort control to the occupied areas. Air handling units and distribution ductwork would be provided to accommodate individual needs. The central heating and cooling plant would have to be either in a new building, or within the existing construction. It should be located somewhere within the existing buildings, so that space desirable and valuable for revenue generating use is not taken. However, such space needs to have adequate access to utility sources, means to provide and exhaust air to and from the equipment, and ways of venting products of combustion.

Unitized components could be provided in types and sizes to best suit the use of the property. For example, smaller buildings used for non-residential functions could have packaged rooftop units to provide both heating and cooling. Residential use could employ individual HVAC units at each dwelling unit so that energy usage is metered and paid for by each resident.

During the meetings of the Ad Hoc Advisory Committee, information was provided indicating that there is a possibility the Saint Paul District Heating system may be extended to the East Side in the future. If this is done, consideration should be given to connecting the Hamm Brewery site to it. The feasibility of doing so will depend on the ultimate reuse of the site, the cost to connect to and utilize District Heating, and when such an extension might take place.

The domestic water, sanitary sewer and storm drainage system to the site appears to be adequate for the proposed reuses. New domestic piping would be provided to accommodate any new water drainage and plumbing fixtures required in these buildings. Now that the heat has been turned off, the existing wet fire protection system has been kept active through the use of heat tape to keep it from freezing. This system would be modified in all areas as required by the new use(s). All related fire and life safety systems would also be provided/updated to meet the code requirements of the new occupancies.

Electrical Systems

The existing electrical power system at the Hamm site is also located in the Power Plant north of Minnehaha. There are transformers, switchgear, and other equipment dedicated to the south buildings. The current owner of the Power Plant has indicated that he is willing to sell the equipment to the owner(s) of the south site for approximately half of what it is worth on the open market. However, the existing equipment will require moving and modifications to provide for proper distribution, and may not be suitable for the new development. Vandals have also been removing many of the copper feeders and distribution wiring throughout the site. For these reasons, it is assumed that a completely new electrical system will be needed for any planned development of the site.

Generally, Xcel Energy will provide service to revenue generating customers at no cost to the developer. For a single-use site, the Xcel service would terminate at the metering location and the contractor would pick up all electrical distribution at the point of service. For multiple uses, such as individual commercial tenants or rental or condominium residential units, there would be meter centers for grouping of individual unit meters so that each user pays its own energy costs. Based on the final site layout, a service corridor for power, telephone, and fiber utilities should be developed for the benefit of all suppliers and end users with planning for future development and maintenance of all systems.

Factors Used in Crafting Potential Scenarios

For the project team to develop scenarios and recommendations for the potential reuse of the Hamm site, an understanding of the underlying issues was necessary. The interviews and background readings provided the team with specific issues that could ultimately guide the reuse of the southern portion of the Hamm Brewery. A summary of issues gleaned from the interviews is included as *Appendix II • Reuse Interview Worksheets* starting on page 103.

As the interviews were concluded and as the Hamm Ad Hoc Advisory Group moved into its second phase – considering potential scenarios for the use of the site – the project team began grappling with the issues that had been brought to the fore, both in the interviews and through their research into such materials as old architectural drawings, soils reports and reports on hazardous materials in the buildings.

One benefit of interviews early in the process is that, by laying out the issues and organizing them by categories, everyone, advisory group members and project team members alike, is aware of the factors that will likely affect the subsequent work. Moreover, with issues noted, the subsequent work can focus on the crafting of scenarios that reflect the project team's response to the challenges and opportunities inherent in those issues.

This section distills the factors, raised in the interviews and determined through research, that impact the crafting of the scenarios for use of the site. While using the site presents challenges, it also presents opportunities.

Site Factors

There is a desire to link the Hamm site and Swede Hollow Park.

There are great views from the site, over Swede Hollow and toward downtown and the Capitol.

City services – electricity, water, sewer and other utilities – already serve the site. (Their condition will have to be thoroughly documented.)

There are two unknown issues regarding the site – the system of tunnels underneath the complex and the amount of rock below the parking lot on the east side of the site. The locations and numbers of tunnels are not known. In addition, there is anecdotal information that there may be extensive mold and other hazardous materials within the tunnel system. A limited number of soil borings indicates that there may be subsurface rock closer to the bluff overlooking Swede Hollow but not under the parking lot.

Reuse of the site will require storm water management measures. The MPCA will require the construction of ponds.

A large portion of the site, the asphalt parking lot, is available for potential development, which could help provide economic viability to the reuse(s).

The site is a transition zone between housing on the bluff to the south and housing to the north and east that is at a different elevation. If a housing reuse is realized at the brewery, the massing of the older buildings and new construction on the east parking lot could create an abstract, yet smooth, transition of use and scale.

The Phase II environmental assessment of the property is completed; only soils were assessed and soil contamination appears to be minimal. Preliminary costs to abate other hazards on the site, such as asbestos, lead paint and mold, are estimated at $2 million; these costs do not include the removal of an soil contamination.

The middle section of the original Hamm site is in private ownership and is used for light industrial purposes; it is likely to remain so for the foreseeable future. (It is noted that the HRA has the right of first refusal to purchase Buildings 32 and 45, located adjacent to Swede Hollow Park and the trail on the north side of Minnehaha.) Consequently, the design of the site on the south side of Minnehaha should consider how it will interface with the light industrial uses on the north side of the street.

Building Factors

Through the years, the building exteriors and interiors have been greatly altered. During the late 1940s, in particular, ornamentation and design features were removed.

The capacities of the floor structural systems were upgraded through the years to handle the heavy loads of equipment associated with the brewing process; there appear to be few potential reuses of the buildings that could not be accommodated.

Several buildings have unique and interesting interior spaces. The Brew House (Building 2) has unique stairways and brewing features. Many buildings have interesting structural systems and / or wide-open structural bays. Building 9 has a clerestory element at the 2nd Floor, and Building 7 also has very high spaces with clerestory light.

The facades, although exhibiting some severe degradation in limited areas, are generally in fair to good condition.

The demolition of Building 1 could open up the interior of the site. Conversely, the narrow streets around Building 1 are reminiscent of Europe.

Many of the buildings in the complex have varying floor elevations; they do not align from building to building. In some cases, the floor of one building may align only with a steel grate mezzanine in another.

This could present challenges for handicap accessibility, requiring the construction of ramps and/or elevators.

Lead paint and asbestos are widespread in the buildings. In many places, the paint is badly peeling. If it does not contain lead, it is unsightly. If it does contain lead, the peeling paint must be removed whether the buildings are reused or demolished.

Sloped floors at Building 8, where beer barrels were washed and moved from one end of the building to the other, present a challenge. The slope, however, is not extreme and can be integrated into a reuse, in some way, to indicate the building's original use.

The complex has no "front door." The brewery has grown over time to serve basically one purpose—the production and distribution of beer. Consequently, on the oldest portion of the brewery, to the south of Minnehaha Avenue, buildings are connected to buildings with little regard for aesthetics. Reuse would have to introduce readable entrances and a usable, internal hierarchy of circulation and pedestrian spaces.

Buildings 17 and 18 contain tanks built into their structure, which make them incompatible for most reuses. Once the tanks are removed, both of these buildings could be renovated for an appropriate reuse.

There are several factors regarding windows:

- Large, joined buildings in the complex, constructed through the decades, could limit window accessibility, potentially affecting some reuses. In some cases, for example, buildings may have only two exterior exposures, thus limiting the availability of natural light.

- Many existing window openings have been filled in with brick, limiting the availability of natural light and the ability to see outside.

- Some windows are quite large and their size and placement may make it difficult to design for partitions and/or floors within the buildings.

- There is precedent for creating new window openings. At the recently completed Grain Belt Brewery in Minneapolis, approximately 70 new window openings were created. At the Hamm complex, existing blocked-up openings could be reopened or new openings as long as their size, style, pattern, placement, etc., are consistent with the historical context.

Parking for housing units should be close to the units. This could be costly and/or difficult to do either in the existing buildings or in new parking structures.

Varied and unique housing types could be created on the site. Townhouses or mid-rise dwelling units could be developed, in conjunction with parking, on

the east parking lot. Building 9 has a "rowhouse feel" because of its proximity to the limestone wall at the nearby bluff. Buildings 2, 6, 7 and 8 all have great views of Swede Hollow and beyond, and each has an interior quality unique from the others. Building 3, which overlooks the trail, could be either single- or multi-level walk-up units. Although every dwelling unit cannot have a great view, the intimacy of some of the exterior spaces could be exploited to enhance their uniqueness; this could enable certain units to be priced more affordably.

Potential commercial uses:

- The size, layout, and location of the existing buildings makes them unlikely candidates for retail reuse. In addition, commercial developments in similar facilities (Riverplace, Bandana Square, St. Anthony Main, etc.) have not fared well, making the Hamm site not particularly attractive as a retail reuse.

- Any commercial reuse would likely rely on a single use or tenant, but such uses and tenants do not appear frequently. (A reuse and tenant at the Grain Belt Brewery in Minneapolis took 20 years to secure.)

- The amount of area in the existing buildings, if fully developed for commercial use, could dictate large parking requirements. There is not enough space available on the east parking lot to accommodate a large commercial use, and parking ramp(s) would need to be constructed.

- The Hamm buildings might be attractive to firms looking for unique spaces. Professionals such as lawyers, architects, doctors, etc. have in the past occupied unique spaces such as those on the Hamm site. However, the large amount of space available would probably exceed the market for such uses.

- Both Payne Avenue and Arcade Street are commercial streets; both commercial areas are not doing as well as the community and decision-makers would like. Creating commercial or retail on the Hamm site would detract from these struggling commercial areas.

- A commercial use could utilize Historic Tax Credits, as well as facade easements.

Neighborhood Context Factors

The near East Side of the City has, in recent years, been the focus of several key development and planning efforts that were first envisioned more than a decade ago as the community and decision-makers began to grapple with the loss of manufacturing jobs. The closure of the Hamm Brewery meant the loss of many of those jobs. A framework plan for the reuse of the Hamm site on the south side of Minnehaha is one of those efforts. All together, the objective is the revitalization of the near East Side, with the focus on employment and housing.

The following are elements of the revitalization effort on the near East Side:

- The site is in close proximity to Phalen Boulevard. The first phase of Phalen Boulevard, between I-35E and Payne Avenue, opened in December 2003; it is expected to be extended to Arcade Street in 2004. Phalen Boulevard is a four-lane road constructed largely along an abandoned railroad right-of-way; construction of the road opens up brownfields for the development of light industrial manufacturing. Construction of Phalen Boulevard also opens the near East Side to major transportation arteries, including I-35E.

- Development of the Hamm site may provide advantages to adjoining commercial streets, Arcade Street and Payne Avenue. Conversely, the Hamm site is not seen as viable for a commercial reuse because it might impact commercial activity on Arcade and Payne negatively.

- The Hamm site is close to recreation, both existing and planned. It is adjacent to Swede Hollow Park. The Bruce Vento Regional Trail, which skirts the park and winds its way around the Hamm site, extends between Stillwater and the East 7th / Payne intersection; it will be extended to Mounds Park and downtown. Lastly, the Phalen Corridor Middle Section west of Arcade Street is planned for recreational opportunities; the Middle Section was once the location of the Hamm grain elevators and warehouses. Any improvements to the park would enhance the marketability of the Hamm site and, conversely, reinvestment in the brewery site potentially could lead to additional park improvements.

A potential research and development center at the 3M complex, at East 7th and Arcade Streets, will bring more employees into the community, potentially creating a market for housing.

Housing is an important element in the revitalization of the near East Side. Up to 700 housing units are planned for development over the next several years. Housing on the Hamm site would increase the density of the neighborhood, potentially improving the commercial climate along Payne Avenue and Arcade Streets because there would be more residents in the community.

Housing Factors

In addition to housing issues included in the "neighborhood context factors" cited elsewhere, there are other housing factors that weighed in as the potential scenarios were developed.

Market conditions for rental housing are currently not good, and the Hamm site may be better suited to condominiums. However, if Historic Tax Credits are an important financing component of a proposed housing redevelopment, condominiums do not qualify for their use.

Senior housing developers are seeking sites within the core cities of the metropolitan area to meet the needs for such housing over the next 20 years. Developers

might seek to develop 100 units for independent living, 100 units for assisted living, plus skilled nursing beds on the site.

There is a moratorium on the construction of skilled nursing beds. If a senior housing developer is interested in the Hamm site but needs a skilled nursing bed component, beds from another facility would have to be transferred to the site.

A recent housing market study indicates there is a need in Saint Paul for units in the $250,000 to $500,000 price range. Amenities for this type of housing would have to include in-unit washers/dryers, covered parking, upgraded finishes, etc. to make them attractive.

The physical layout of the existing buildings may limit reuse for housing. The varying floor-to-floor heights, as well as window placement and sizes, could present some challenges for housing reuse.

The buildings might be suitable for housing "shells." Under this concept, a shell within the building would be purchased—like buying a lot but inside a building. Common areas would be created (corridors, stairs, elevators, etc.) and kitchens, bathrooms, utilities, and HVAC would be supplied to each shell. Owners would then finish them. Restrictions would have to be included to insure a minimum level of quality in finishing the units.

The site would be good for artist housing. If such live/work units were created, kitchens and baths should be included in the base shell similar to that outlined above for "shell" units.

A determination should be made, if the site is used for housing, about the balance between the numbers of market rate and affordable units. Use of the site for housing would require appropriate amenities and price points.

Economic Factors

Financing options for the reuse of the site will need to be creative and varied. Two possibilities are tax increment financing and, assuming that all criteria are met, Historic Tax Credits.

There is a risk that the area is perceived as depressed economically, which might not bode well for the creation of upscale housing on the Hamm site.

More disposable income in the community will make reuse of the site more likely.

Business developments, such as the development of Westminster Junction and the possibility that 3M will convert their Saint Paul complex into a research and development facility, will positively impact the economic climate of the Near East Side.

There is a value in the scrap on the site. One example is the tanks in Building 17; However, parts of the walls of the building would have to be dismantled to remove the tanks. This is how the tanks were installed originally.

Historical Factors

The historical, economic and social importance of the Hamm Brewery to the surrounding neighborhoods has driven local efforts to place the site on the National Register of Historic Places. It was believed that historic designation would protect the brewery buildings from demolition. However, designation will require the approval of the majority of private property owners of the site; public entities, such as the City, do not count in the approval calculation. It is unknown if current private property owners will approve the historic designation.

The proposed boundaries for the National Register Historic District generally follow the brewery property lines. The boundaries cross Swede Hollow and include the HOPE Academy and the police station structures. It includes the stone wall along the hill on the south side, but not the housing sites at the top of the hill south of the site.

The National Register Criterion likely will be based on the site's industrial use, with a possible tie-in to Theodore Hamm the person. The period of significance of a potential historic district could be a key element to the site's development.

Some interior features may need to be retained if Historic Tax Credits are to used. What features, and how they would be retained, will depend on the National Register Criteria and Period of Significance.

The contributing/non-contributing buildings in a potential Hamm Brewery Historic District could be a key element to the site's development. As noted previously, to provide economic viability to the reuse project, some buildings may need to be removed.

There may be archaeological issues at the site, such as the tunnels, an original Hamm house foundation in Swede Hollow, etc.

Many of the site's historic buildings have been altered. In any designation process it is important that the integrity of the site or building fabric be basically intact.

The Saint Paul Heritage Preservation Commission (HPC) does not automatically nominate all National Register properties within the City to the City's list of historic buildings or sites. The Hamm site will not be nominated to the local historic register anytime soon, as the HPC has undertaken a review of 14 individual sites and the West University Avenue Historic District.

Since there is a preliminary finding that the Hamm site is eligible for the National Register, an Environmental Quality Board (EQB) review would be required if a private owner within the proposed district seeks a demolition permit for his/her buildings.

There are a large number of pieces of equipment remaining in the buildings. Some of these, such as brew kettles and Lauter tubs in Building 2, contribute to the historical importance of the site and could be used for interpretation of the history of the complex.

All buildings built prior to 1936, not on the National Register and used for non-residential, rental purposes could qualify for a 10% Federal Investment Tax Credit.

Educational Use Factors

One potential reuse discussed in the interviews was for educational purposes. The first charter school in the country was located on the East Side and there are many charter schools in the community. HOPE Academy is located in the original Hamm administration building. Although Metropolitan State University is expanding, its master plan does not contemplate that university functions will extend as far north as the Hamm site.

Educational uses on the site might preclude other uses nearby. The creation of schools south of Minnehaha may have an effect on the continued use of the property north of Minnehaha for light or heavy industry, thus affecting jobs. Conversely, industrial uses nearby might be a rationale for not locating a school on the site south of Minnehaha.

A non-profit use would make it more difficult to use Historic Tax Credits. If a non-profit school occupies the site, the use of historic tax credits could be affected by such factors as who owns the property, the length of a lease if the school was a tenant, etc.

HOPE Academy is proceeding with plans on its existing site. It is currently K-6 (455 students) and would like to expand to K-8 (720 students) initially. Its charter will allow it to expand to K-12 (1,000+ students). The school is already looking at expanding on their current site and have begun the process of purchasing the building.

The site could be shared by a number of schools. More than one school could occupy the site and share common "big ticket" facilities such as a gym, kitchen, cafeteria, auditorium, etc. One school that could locate on the site is the Arts High School, although there is sentiment for locating this school downtown, near the City's cultural amenities.

Implementation Strategies

There are a number of general recommendations and guidelines that apply to all of the redevelopment scenarios. (See *Reuse Scenario Recommendations on* page 47) Additional specific recommendations and guidelines may be included with each reuse scenario studied. Development recommendations generally refer to actions that should be taken by the City or developers to assure that the redevelopment process proceeds as smoothly as possible. Redevelopment guidelines generally apply to issues that affect the physical development and/or appearance of the property after development.

Development Recommendations

Site development concepts should emphasize the positive characteristics of the south Hamm site while minimizing the potential negative impacts of new construction. The positive characteristics include the architectural quality of existing buildings as seen from the surrounding neighborhood, the natural landscape setting, views of Swede Hollow Park and toward downtown, interesting spaces on the interior of the site and the connection to Swede Hollow Park. Potential negative impacts include the appearance of large, open parking lots and incompatible structures, views from above the site onto roofs of new construction, and pedestrian safety issues.

Prior to issuing an RFP to developers and if funding and timing allow, the HRA should consider performing the abatement of any hazardous materials on the site. This would clean up much of the visual deterioration, such as flaking paint, that may tend to make potential developers wary of undertaking such a project. It would also eliminate one area of developer costs.

There is a discrepancy on the survey at the south property line, raising the issue of whether part of Building 13 is actually on the Hamm site. The HRA should have the survey updated to show all property features and encumbrances—including topography, easements, utilities, property lines, rights-of-way, etc.— so that all outstanding issues are resolved.

The HRA should consider selling the property to the developer(s) with provisions consistent with guidelines addressing the retention of the character-defining historic elements, both interior and exterior. This should occur whether or not the property is on the National Register and/or whether Federal Historic Tax Credits are utilized.

If Federal Historic Tax Credits are going to be an important aspect of financing redevelopment of the Hamm site south of Minnehaha Avenue, one or more of the following actions by the HRA may be required:

- The cooperation of other owners of properties within the proposed Historic District should be secured so that the use of tax credits south of Minnehaha Avenue is not jeopardized.

- The entire National Register site should be placed on the City's list of historic properties and sites so that the City can exercise building permit review control over the entire property.
- Properties controlled by others who could undertake activities that jeopardize the use of tax credits south of Minnehaha Avenue should be purchased by the City.

If possible, projects should be phased so that portions of the site which are easier and less expensive to develop than others can be developed first to generate income to help pay for subsequent, more expensive development.

Once a National Register nomination is submitted to the State Historic Preservation Office of the Minnesota Historical Society, there is a set period within which it must be acted upon. If there is uncertainty as to whether the majority of the private property owners will object, the proposed historic district process should be delayed until a proposed development is proceeding. This will allow time for all property owners within the historic district to be made aware of the ramifications to their properties and how their actions may impact others.

The HRA should map the extent of the tunnel system. If it cannot be utilized by a new development, it should then be documented to HABS/HAER standards and permanently sealed.

The HRA should consider facilitating the completion of the environmental hazard assessment for the site so that realistic costs can be determined as to what it will take to clean it up. This should include the tunnel system.

Potential developers should consult with SHPO and Saint Paul Heritage Preservation officials early and often regarding Historic Tax Credit and Section 106 issues.

The site should be mothballed until a developer is found, so that deterioration does not continue.

Redevelopment Guidelines

Create an urban street frontage along Minnehaha Avenue by extending the existing building massing toward the east and by enhancing the public right-of-way (streetscape). New sidewalks and period-styled streetlights, mounted Create an urban street frontage along Minnehaha Avenue by extending the existing building massing toward the east and by enhancing the public right-of-way (streetscape). New sidewalks and period-styled streetlights, mounted at 12 feet to 15 feet high, are important public amenities that will contribute to an enhanced character and level of safety along Minnehaha Avenue. Street trees should be planted in front of new construction but not in front of existing buildings. Surface parking adjacent to Minnehaha Avenue should be minimized and should be screened with period-styled fencing and landscaping where it does occur. A location for a future transit stop should be identified.

Develop an interior site circulation system that provides necessary vehicular access but emphasizes landscaped pedestrian connections between buildings. Inhabitants of the development should be able to move freely about in the interior of the site within a pleasant, safe environment. Pedestrian crossings of interior roads should be marked and well lit. The development may include interior site walkways that connect a series of courtyards where small seating plazas can be developed and connect via stairways to roof deck landscape plazas in several scenarios. The interior pedestrian circulation could extend through a public lobby within Building 6, to allow access to the west side of the complex overlooking Swede Hollow Park. In Scenarios A2 and B, this overlook is a roof-top-landscaped plaza above a parking ramp. The parking ramp is hidden by a man-made hillside that slopes gradually down to Swede Hollow. A handicap accessible ramp system would provide a direct pedestrian connection from the development to the public trails and park amenities in Swede Hollow. The proposed connection to Swede Hollow will require the removal of an existing security fence. All interior site pedestrian areas are to be well lit and designed according to Crime Prevention Through Environmental Design (CPTED) principles. The walkways can also incorporate historical interpretive artifacts and signs that tell the importance of the site in Saint Paul's history.

Develop and enhance the natural landscape that exists on the site. Existing bluff vegetation should remain, with consideration given to limited clearing and pruning to enhance views to the west and to improve pedestrian safety where walkways are planned. The screening value of existing vegetation, especially for residents to the south, should be considered. New tree planting within the site should emphasize native deciduous tree species that are compatible with existing species and help extend the natural landscape character onto level areas of the site. Where formal landscaping is employed, in courtyards and along walkways, smaller ornamental tree species should be used. These ornamental species will provide color and formal structure while allowing the natural landscape to dominate above. All new landscaping should be irrigated with a fully automatic-water conserving-sprinkler system.

Meet or exceed new storm-water treatment guidelines by developing a storm-water pond of approximately 0.8-acre feet in size (or approximately 0.33 acres of water surface). The new pond should be capable of treating all storm-water runoff from site paving and building rooftops and could be located in the southwest corner of the site, in Swede Hollow. The new pond should have a linear shape to recall Phalen Creek, which once flowed through the area. The perimeter of the pond should be planted with native grasses, trees and shrubs.

Utilize the rooftops of new construction, where possible, to provide usable outdoor open space within a dense urban development where space is at a premium. Depending on the programmatic needs and historic context of each scenario, the rooftop landscape spaces may include arbor-shaded seating plazas, open lawn areas, ornamental tree and shrub plantings, gathering spaces for events, play structures or vehicular courts. The landscaped rooftops are typically above-parking structures and will be fully waterproofed.

The historical industrial character of the site should be maintained in the rehabilitation of the existing buildings and in the design of new buildings and site improvements. The period of significance (1864 to 1952) under which the site has been determined to be eligible for the National Register of Historic Places will be key to both how the site should be redeveloped and how reviewing agencies will look at redevelopment.

Negative impacts to the historic buildings, fabric, context, etc. should be minimized, and positive aspects of the historic buildings, fabric, context, etc. should be maximized.

The historic buildings should take precedence. New buildings should not dominate.

The character of any development should relate to the character of the neighborhood. Developments emphasizing big-box retailing, such as Arbor Lakes or Tamarack Village, would be inappropriate.

The interior character of the Brew House (Building 2) in the area of the stairway, light-shaft, Lauter tubs, and brew kettles should be maintained for approximately three structural bays back from the Minnehaha Avenue façade.

Representative examples of major pieces of equipment used in the process of making beer should be retained and interpreted. These could include such things as a Lauter tub or brew kettle in Building 2, a stock tank in Building 17, the barrel elevator in Building 8, etc.

The recently removed causeway that spanned Minnehaha Avenue from Building 17 to Building 26 should be returned to its location and appearance during the period of significance. Making it only a visual feature and not a functional one

would be acceptable to reflect the historic character of the site when it was a working brewery. It should then be maintained under a cooperative maintenance agreement between the site's developer and the adjacent property owner(s).

In addition to the development of a link from the re-developed site down into Swede Hollow Park, the stairway link that once led from the top of the bluff neighborhood down to the Hamm site should also be restored.

Storm-water management methods should be in a linear form in Swede Hollow that recalls the creek.

New construction should be no higher than either the existing buildings along Minnehaha and/or the bluff to the south.

The massing, window openings, relationship to other buildings, etc. of new buildings should recall those existing on the site.

Additional window or door openings that may be required in existing buildings should be located within existing blocked-up window or door openings. If new openings are required where existing ones did/do not exist, patterns, sizes, proportions, etc. that are characteristic of the existing openings should be utilized.

The predominant exterior material should be red-brown brick similar to the existing, with other industrial style materials and design elements as accents. Lap siding is strongly discouraged.

Small outbuildings such as wellheads, guard shacks, etc. that are not within the period of significance should be removed. Those from within the period should be retained if possible. If their locations or conditions preclude their being saved, they should be documented according to HABS/HAER standards before being removed.

Housing development on the site must meet the City's affordability guidelines.

Reuse Scenario Recommendations

During the course of the interview process and the meetings with the Ad Hoc Advisory Committee, a number of reuse possibilities were suggested. Subsequent analysis by the team then focused on those reuses that: utilized the existing historic buildings (all reuse types), were most feasible given current market conditions (housing), had already been considered for the site and/or could meet a need heard during the interviews (schools), or could utilize the 20% Historic Federal Tax Credit as part of the funding (rental housing and/or commercial). A retail use was not explored in-depth, since both the Payne Avenue and Arcade Avenue commercial strips are still struggling. Total clearing of the site was included for analysis in order to illustrate the potential development differences, in cost vs. loss of historic context, between utilizing the existing buildings and building on cleared land. The reuse scenarios illustrated and analyzed financially later in the report are:

- **Scenario A1 – Artist Housing Reuse:** This would be similar to the artist loft-style dwelling situations that have been common in the Lowertown area of Downtown Saint Paul, many of which have been lost to upgrades in housing types there in the past few years. Artist housing could be either rental or for sale, but the scenario included here is assumed to be rental units that could utilize the Historic Tax Credits.
- **Scenario A2 - Housing Reuse Utilizing All Contributing Buildings to the Historic District:** This would be market-rate and higher-priced housing utilizing all of the existing historic buildings on the site, as well as new construction at the east end of the property. It could be either rental or for-sale, but based on current market conditions, it is assumed to be condominiums.
- **Scenario A3 – Maximize Housing Reuse:** This scenario attempts to maximize the housing that could be created at the site, in both the existing buildings and new construction. Units would be market-rate and higher-priced condominiums.
- **Scenario B – Commercial Reuse:** This assumes that the existing buildings would be used for office or light industrial functions. The 20% Historic Federal Tax Credit could be available as part of the funding package.
- **Scenario C – Charter School:** This scenario would allow for the existing buildings to be used by one or more schools that would share common areas such as a cafeteria, media center, gymnasium, etc.
- **Scenario D:** This assumes the demolition of all the buildings on the site and the construction of housing units.

Scenario A1 Artist Housing Reuse

Assumptions

An artist housing reuse of the Hamm site emerged as the lowest impact residential reuse scenario. This scenario assumes the complete hazardous material abatement as required for reuse of the entire complex. Only Building 56 would be demolished to open up access around Building 1. Even Building 57 could be attractive to certain artists because of its size and on-grade access.

There would be 295,500 GSF remaining in the existing buildings after demolition of Building 56. Because of the varying building configurations, structural systems, floor-to-floor heights, etc., a net-to-gross area ratio of 75% was applied in order to estimate the number of units that could be obtained and the resulting cars required. (Unlike the other housing scenarios, it is assumed that artist housing can utilize existing space more efficiently, since they may be able to use windowless and below-grade areas for studios.) This yields a net area of 222,000 NSF. A discussion with ArtSpace Projects indicated that an average unit size of 1,500 NSF per unit should be assumed, with units ranging in size from 800 NSF to over 2,500 NSF. This area includes the artist's work area, which can occur either within the unit or in other areas of the building that are less usable for housing. At an average area of 1,500 NSF per unit, approximately 150 units are possible; and at a ratio of 1.5 parking stalls per unit, 225 parking stalls would be required.

In order to keep the artist housing as affordable as possible, it was assumed that all parking would be constructed in a single, two-story, 185' x 200' ramp at the east end of the site. Because of the sloped site, access to the lower level would be from the west end courtyard, and access to the upper level would be directly from Minnehaha Avenue at the east end. There would be no internal circulation between the two levels. Adequate pick-up and drop-off access would be provided at the various blocks within the development, but residents would have to walk the one-half to full-block distance from their cars to their units. This is not unlike other artist housing complexes with minimal parking on-site. Construction within the units themselves would also be as minimal as possible. Each unit would have a bathroom and kitchen constructed within, with bedrooms and other rooms being completed as desired by the residents.

Exterior Rehabilitation Work: This scenario assumes that the exterior of the buildings would be completely rehabilitated according to the *Secretary of the Interior Standards*. This would include:

- Complete repair and re-pointing of all masonry surfaces.
- New roofs on all buildings.
- Replacement of all windows with historically compatible systems, creation of new historically compatible windows within existing bricked-up window openings, and addition of new historically compatible windows and openings.
- Site development as shown.

Interior Rehabilitation Work: It is assumed that, to the extent possible, smaller existing spaces would be utilized in their existing sizes and configurations. Larger spaces would be subdivided only as necessary into smaller spaces. Interior work would include:

- Selective demolition as required for the artist housing reuse, to create openings for elevators and stairways, and to generally clean up the interior.

- Creation of code-compliant exit systems, including corridors and stairways where needed.
- Installation of elevators at locations as required by the use.
- One bathroom per unit with capacity and stub-ins for additional bathrooms in larger units.
- One kitchen per unit.
- Use of interior spaces incompatible for housing use as studio space.
- A complete HVAC system.
- A complete electrical system rehabilitation with overall distribution conduit and wiring and electrical panels at each unit and as required.
- Industrial style lighting at each unit as well as overall lighting.
- Installation of a new code-compliant fire detection, sprinkler, and alarm system.
- Installation of a complete security system.

Guidelines / Restrictions Specific to this Scenario

In addition to general guidelines and recommendations outlined elsewhere, specific guidelines, and in some cases restrictions, which should apply to this development scenario could be as follows:

- A minimum level of quality of improvements that residents must make to their units over and above the base construction should be established.

Costs

Total costs for this scenario are estimated to be as follows:

Existing Buildings

• Hazardous material abatement (From City)	$2,000,000
• Building demolition (Building 56 - from table on page 78)	$105,900
• Exterior Rehabilitation of the Buildings (From table on page 78)	$6,420,700
• Interior demolition (295,500 GSF @ $3/GSF)	$886,500
• Interior Rehabilitation (295,500 GSF @ $65/GSF)	$19,207,500
• **Sub-Total**	**$28,620,600**

New Construction

• Parking Ramp (225 stalls @ $19,000/stall)	$4,275,000
• Site Development	$1,020,000
• **Sub-Total**	**$5,295,000**

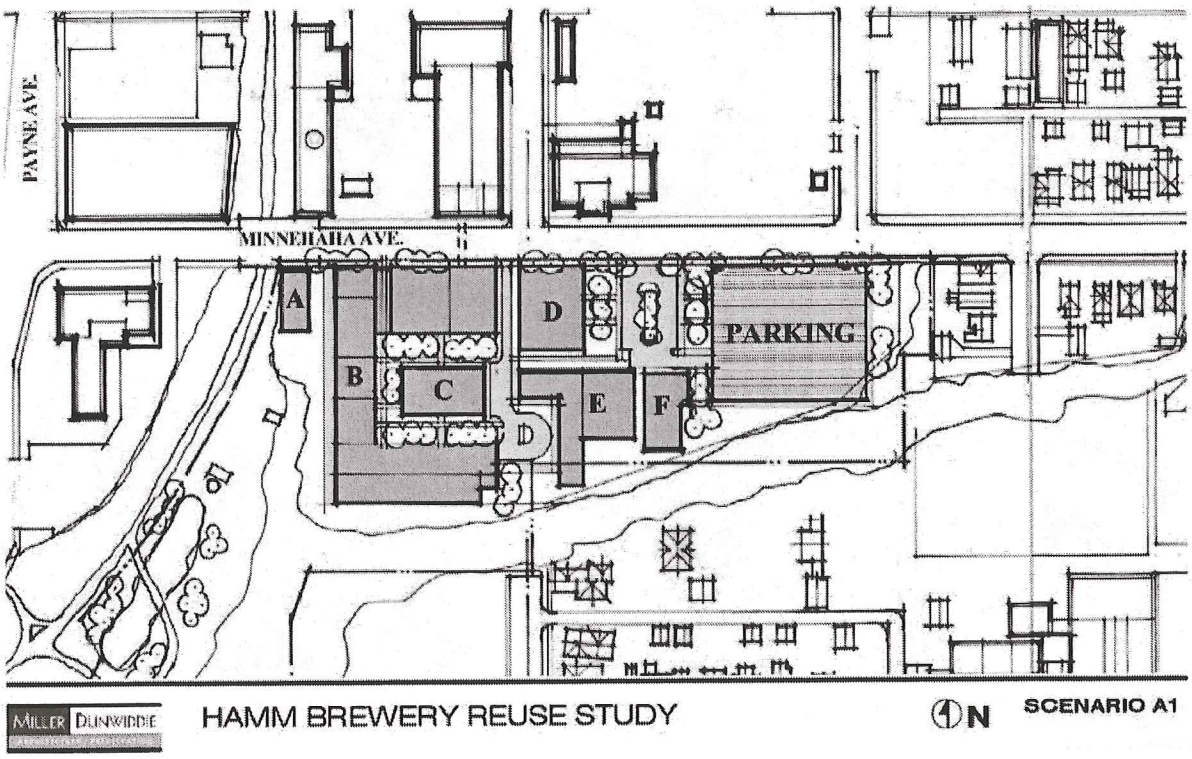
TOTAL SCENARIO A1 CONSTRUCTION COST	**$33,915,600**

Potential Types of Funding Assistance Available

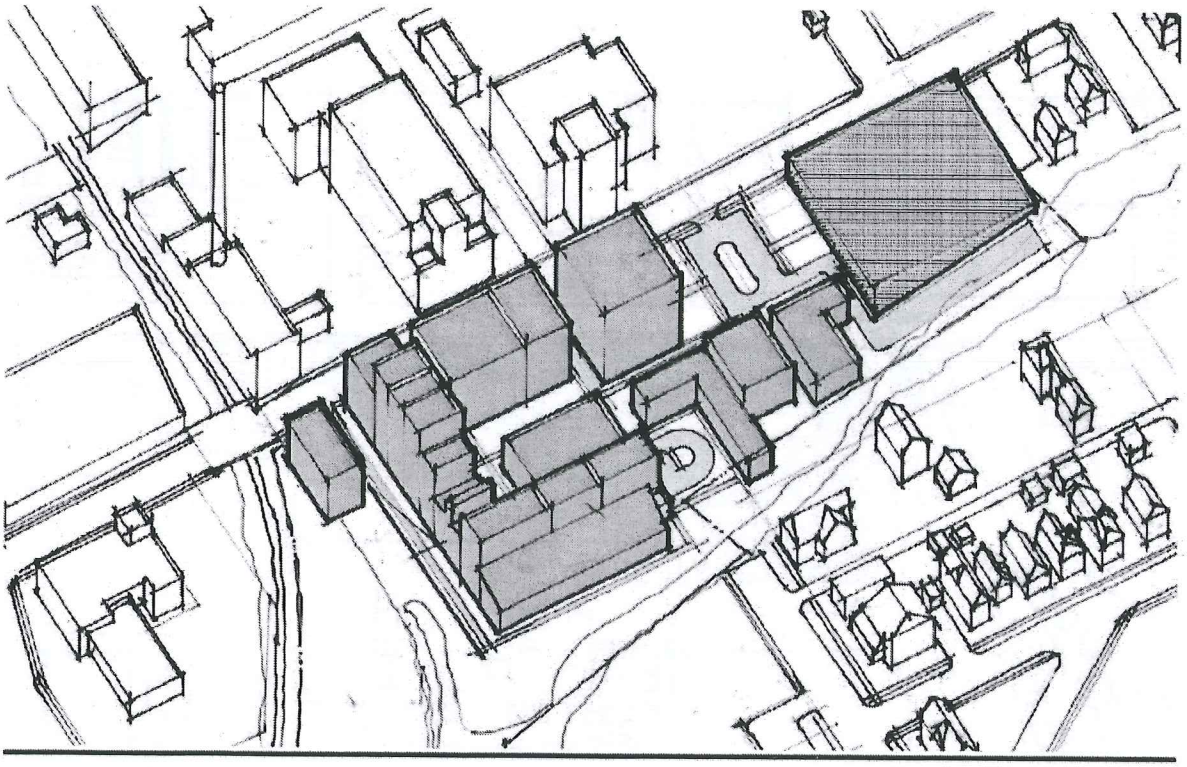
Under this scenario, the following public funding sources or programs could potentially be used for financing the project, subject to the requirements for each program:

- 20% Federal Historic Tax Credits. (This would only be available if the units were rental. If a not-for-profit developer such as ArtSpace Projects undertook the project, a general partnership would have to be created and the tax credits would have to be syndicated and sold to limited partner investors in order for them to be used. If the tax credits were used, actions by other property owners within the historic district could jeopardize those tax credits during the recapture period if they took action on their property that would cause the historic district to be taken off the National Register.)
- Historic façade easements. (Owners of rental properties can use this; and, in theory, this could also be available for condominium owners. For condominium owners, the appraised value of each unit's exterior area would need to be determined and conveyed to a not-for-profit entity in order for this to be done. The study team is not aware of any instances in the State of Minnesota where this has been done to date on a condominium project.)
- Tax Increment Financing (TIF).
- MN Housing Finance Agency Housing Tax Credits.
- Others as may be identified.

Scenario A1 • Artist Housing Reuse • Site Plan



Scenario A1 • Artist Housing Reuse • Isometric Plan



Scenario A2
Housing Reuse Utilizing All Contributing Buildings to the Proposed Historic District

Assumptions for Existing Buildings

This scenario assumes that housing would be created within the existing buildings contributing to the proposed Historic District, and they would be market rate and higher priced units, either rental or for-sale. Building 56 would be demolished to open up access around Building 1, and Building 57 would also be demolished, since it is a non-contributing structure. Rental housing could utilize the tax credits, while for-sale units could not. However, the economic analysis in this report indicates that the market for rental units is weak, so only condominium units have been analyzed financially.

There would be 290,500 GSF remaining in the existing buildings after demolition of 56 and 57. Because of the varying building configurations, structural systems, floor-to-floor heights, basements unusable for housing, etc., a lower net-to-gross area ratio was assumed than for either the commercial or artist housing scenarios. In addition, because this is market rate and higher priced housing, parking needs to be in closer proximity to the units than for artist housing. The plans shown in *Appendix I* are a broad-brush analysis prepared to illustrate how and where parking could be incorporated into the existing buildings in order to accomplish this. They show 38 parking stalls in Buildings 8, 9, and 18.

The plans shown in *Appendix I* are also a broad-brush analysis prepared to illustrate how and where housing units could be created. Because of the perceived market, they assume a larger number of 1-bedroom/den, 2-bedroom, 2-bedroom/den, and 3-bedroom units and fewer 1-bedroom units. They also utilize locations where windows exist or can be created to provide light and ventilation to the units. In addition to the parking shown, there are also a number of areas indicated as common areas for party rooms, exercise rooms, lobbies, etc. However, additional units could be created in these areas as well, with the common areas being creatively located in the basements and spaces such as the Brewhouse.

Based on the above, the net-to-gross ratio is only 50%, or 145,250 NSF for the units. Assuming that 110 to 120 units could be created within the existing buildings, this would be an average unit size of 1,210 NSF to 1,320 NSF. Of the units created, the breakdown of unit types would be as follows:

- 1-Bedroom: 5%
- 1-Bedroom/Den or 2-Bedroom: 55% to 60%
- 2-Bedroom/Den or 3-Bedroom: 35% to 40%

Assumptions for New Housing Construction

To make the project work financially, and to provide a portion of the project that could be built first in order to jump-start the development of the site, it was assumed that rowhouse type living units would be built in conjunction with a

parking ramp at the east end of the site. The ramp would be built to provide whatever parking could not be provided in the existing buildings or at the west end of the site, as well as for the new units created. The rowhouse units would be stick-built, with walk-up units built in front of, behind, and over a 125′ x 300′ single-story parking ramp. The top of the ramp would be green space for the rowhouse occupants. The units would average 1,550 GSF each. Forty such units could be constructed as described.

Assumptions for Parking

Based on the housing assumptions above, the number of units on the site could range from 150 to 160. At a ratio of 1.5 stalls per unit, that number of units would require 225 to 240 parking stalls. In order to distribute the parking around the site, this scenario shows parking in three locations. The first would be the 38 stalls within the existing buildings cited above, and the second would be the parking ramp built in conjunction with the rowhouses. It would accommodate approximately 120 cars in one story. The third location would be a two-story ramp built into the ground below the first floor of, and extending 90′ out from, the west side of the B Block of buildings. It would hold approximately 90 cars and have a promenade deck on top overlooking Swede Hollow. The total number of stalls in these three locations would be approximately 248, for a parking ratio of 1.55 to 1.65 stalls/unit.

Exterior Rehabilitation Work: This scenario assumes that the exterior of the buildings would be completely rehabilitated according to the *Secretary of the Interior Standards*. This would include:

- Complete repair and re-pointing of all masonry surfaces.
- New roofs on all buildings.
- Replacement of all windows with historically compatible systems, creation of new historically compatible windows within existing bricked-up window openings, and addition of new historically compatible windows and openings.
- Site development as shown.

Interior Rehabilitation Work: Interior work would be as follows:

- Selective demolition as required for the housing reuse, to create openings for elevators and stairways, and generally clean up the interior.
- Creation of code-compliant exit systems, including corridors and stairways where needed.
- Installation of elevators at locations as required by the use.
- Creation of 110 to 120 units and 38 parking stalls as described above.
- Creation of common areas within interior spaces incompatible for housing use.
- A complete HVAC system.
- A complete electrical system rehabilitation with overall distribution conduit and wiring and electrical panels at each unit and as required.

- Industrial style lighting at each unit as well as overall lighting.
- Installation of a new code-compliant fire detection, sprinkler, and alarm system.
- Installation of a complete security system.

Guidelines / Restrictions Specific to this Scenario

There are no specific guidelines or restrictions, in addition to general guidelines and recommendations outlined elsewhere, which should apply to this development scenario.

Costs

Total costs for this scenario are estimated to be as follows:

Existing Buildings

• Hazardous material abatement (From City)	$2,000,000
• Building demolition (Buildings 56, 57 - from table on page 78)	$136,500
• Exterior Rehabilitation of the Buildings (From table on page 78)	$6,327,000
• Interior demolition (290,500 GSF @ $3/GSF)	$871,500
• Interior Rehabilitation to Create Parking (22,000 SF @ $50/GSF)	$1,100,000
• Interior Rehabilitation for Housing (268,500 GSF @ $70 to $90/GSF)	$18,795,000 to $24,165,000
• **Sub-Total**	**$29,230,000 to $34,600,000**

New Construction

• West Parking Ramp (90 stalls @ $37,000/stall)	$3,330,000
• East Parking Ramp (120 stalls @ $38,000/stall)	$4,560,000
• New Rowhouse Units (40 @ 1,550 GSF @ $70 to $90/GSF)	$4,340,000 to $5,580,000
• Site Development	$2,130,000
• **Sub-Total**	**$14,360,000 to $15,600,000**

TOTAL SCENARIO A2 CONSTRUCTION COST $43,590,000 to $50,200,000

Potential Types of Funding Assistance Available

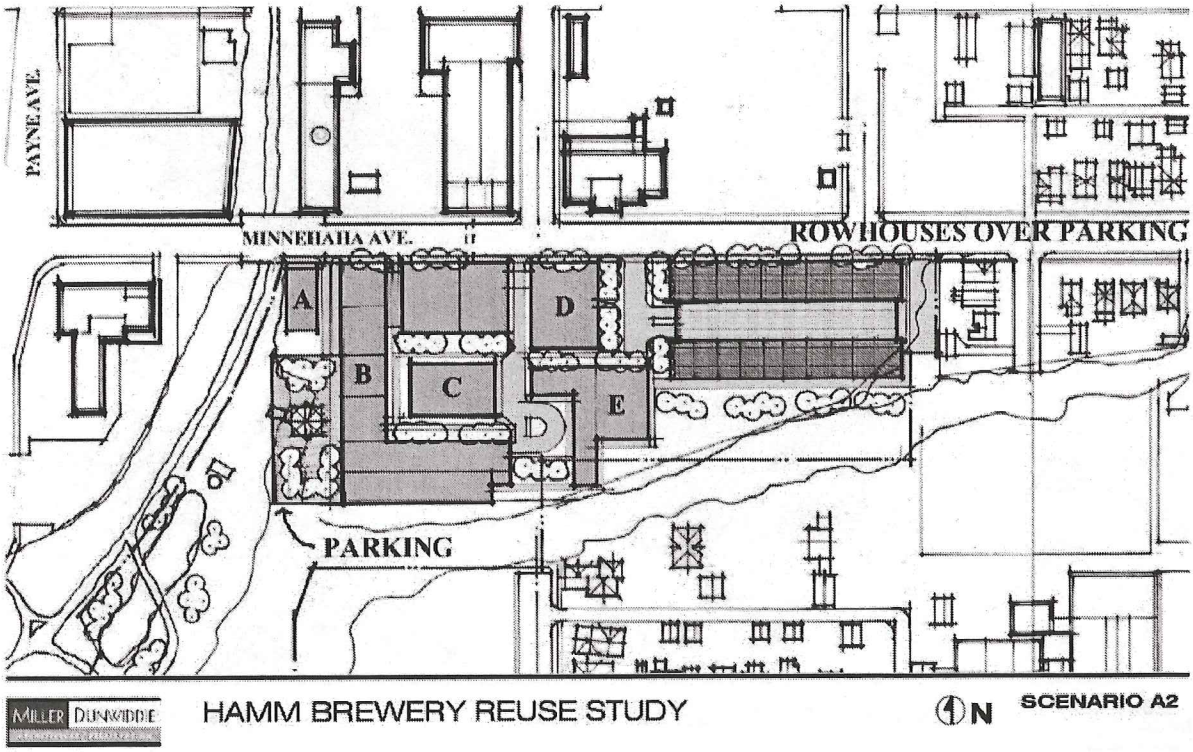
Under this scenario, the following public funding sources or programs could potentially be used for financing the project, subject to the requirements for each program:

- 20% Federal Historic Tax Credits. (This would only be available if the units in the existing buildings were rental. Condominiums would not qualify. If the tax credits were used, actions by other property owners within the historic district could jeopardize those tax credits during the recapture period if they took action on their property that would cause the historic district to

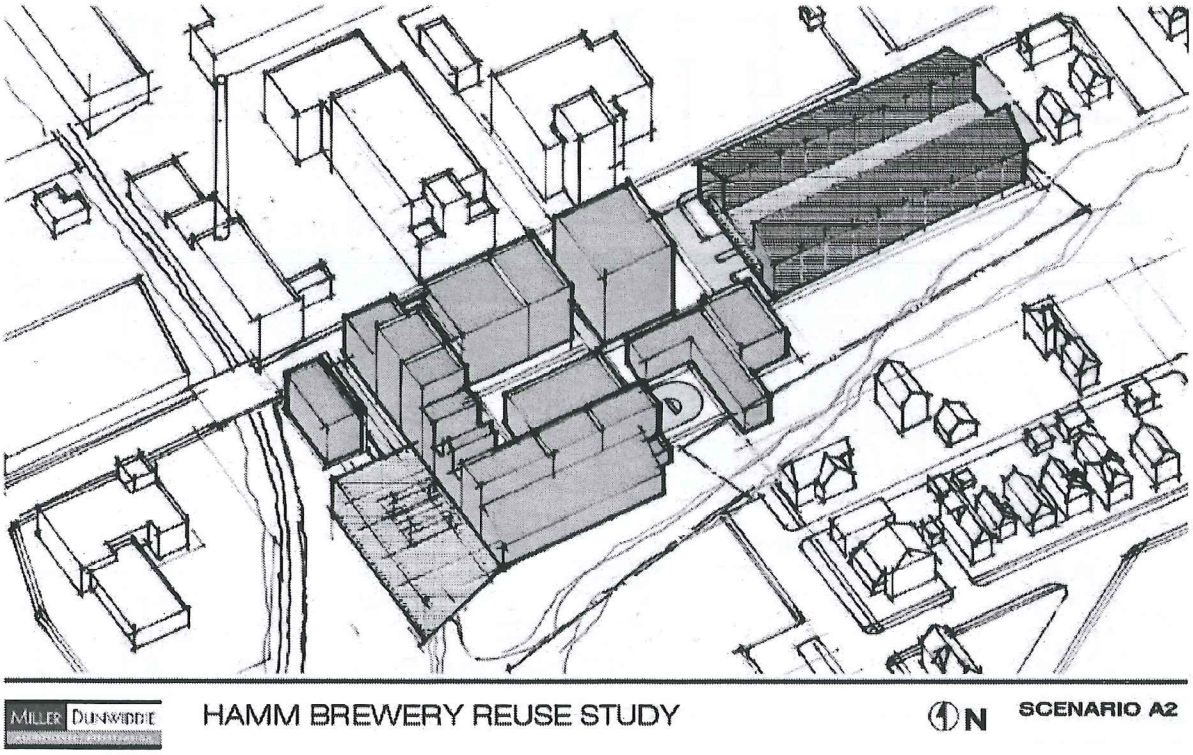
be taken off the National Register. In addition, the construction of the east parking ramp and rowhouses would also have to be designed to be compatible with the Historic District.)

- Historic façade easements (In theory, this could be available for condominium owners. Owners of rental properties could definitely use it. For condo owners, the appraised value of each unit's exterior area would need to be determined and conveyed to a not-for-profit entity in order for this to be done. The study team is not aware of any instances in the State of Minnesota where this has been done to date on a condominium project.)
- Tax Increment Financing (TIF).
- MN Housing Finance Agency Housing Tax Credits.
- Others as may be identified.

Scenario A2 • Housing Reuse • Site Plan



Scenario A2 • Housing Reuse • Isometric Plan



Scenario A3
Maximized Housing Reuse

Assumptions for Existing Buildings

This scenario attempts to maximize the housing that could be created at the site. Units would be market-rate and higher-priced for-sale condominiums. Some units would be developed within Building Blocks A, B, and D. Buildings 1, 13, 56, 57, and 59 would be demolished to create a courtyard at Building Block B and to allow for higher density development on the east end of the site.

There would be 253,500 GSF remaining in the existing buildings after demolition of those identified above. Because of the varying building configurations, structural systems, floor-to-floor heights, basements unusable for housing, etc., a lower net-to-gross area ratio was assumed than for either the commercial or artist housing scenarios. In addition, because this is market rate and higher priced housing, parking needs to be in closer proximity to the units than for artist housing. The plans shown in *Appendix I* are a broad-brush analysis prepared to illustrate how and where parking could be incorporated into the existing buildings in order to accomplish this. They show 38 parking stalls in Buildings 8, 9, and 18.

The plans shown in *Appendix I* are also a broad-brush analysis prepared to illustrate how and where housing units could be created. Because of the perceived market, they assume a larger number of 1-bedroom/den, 2-bedroom, 2-bedroom/den, and 3-bedroom units and fewer 1-bedroom units. They also utilize locations where windows exist or can be created to provide light and ventilation to the units. In addition to the parking shown, there are also a number of areas indicated as common areas for party rooms, exercise rooms, lobbies, etc. However, additional units could be created in these areas as well, with the common areas being creatively located in the basements and spaces such as the Brewhouse.

Based on the above, the net-to-gross ratio is only approximately 50%, or 126,750 NSF for the units. Assuming the same average unit areas of 1,210 NSF to 1,320 NSF as in Scenario A2, 95 to 105 units could thus be created within the existing buildings. Of the units created, the breakdown of unit types would be as follows:

- 1-Bedroom: 5%
- 1-Bedroom/Den or 2-Bedroom: 55% to 60%
- 2-Bedroom/Den or 3-Bedroom: 35% to 40%

Assumptions for New Housing Construction

To make the project work financially and to provide a portion of the project that could be built first in order to jump-start the development of the site, it was assumed that new housing units would be built in conjunction with two parking ramps at the east end of the site. The ramps would provide whatever parking could not be provided in the existing buildings or at the west end of the site, as well as for the new units created.

New housing units would be of two types. The first would be mid-rise units in structures built on top of two 125'x 200' parking ramps. For the purposes of this scenario, buildings of similar size and massing as Building 17 have been shown. These buildings would have eleven units per floor at an average unit size of 1,050 NSF, or 1,300 GSF. There would be a total of 132 such units: 44 units in a 4-story building and 88 units in an 8-story building.

On the Minnehaha Avenue side of the ramps would be rowhouse units similar to those described in Scenario A2. The tops of the ramps would be green space for the housing units. The rowhouse units would be approximately 1,350 GSF each. Twenty-two such units could be constructed as described.

Assumptions for Parking

Based on the assumptions above, the number of housing units on the site could range from 250 to 260. At a ratio of 1.5 stalls per unit, that number of units would require 375 to 390 parking stalls. In addition to the stalls within the existing buildings shown in *Appendix I*, this scenario also assumes that the east parking ramps described above, and an underground parking ramp where Building 1 exists, would be built. The east ramps would have approximately 80 stalls per floor. It is assumed that the ramp farthest to the east would be two-stories, and the one adjacent to Building 17 would be one-story. There would be a total of 240 stalls in these two east ramps. The courtyard ramp would be two-stories below grade with a total of 110 stalls, and with 38 stalls in the existing buildings, there would be a total of 388 stalls on the site. This is an overall parking ratio of 1.49 to 1.55 stalls/unit.

It is interesting to point out that for each 80-stall parking ramp level built in the east ramps, an additional 53 housing units could be added. At an assumed 11 units per floor, an additional 5 stories of building could be added for each floor of parking in the east ramps.

Exterior Rehabilitation Work: This scenario assumes that the exterior of the existing remaining buildings would be completely rehabilitated according to the *Secretary of the Interior Standards*. This would include:

- Complete repair and repointing of all masonry surfaces.
- New roofs on all buildings.
- Replacement of all windows with historically compatible systems, creation of new historically compatible windows within existing bricked-up window openings, and addition of new historically compatible windows and openings.
- Site development as shown.

Interior Rehabilitation Work: Interior work would be as follows:

- Selective demolition as required for the housing reuse, to create openings for elevators and stairways, and generally clean up the interior.
- Creation of code-compliant exit systems, including corridors and stairways where needed.

- Installation of elevators at locations as required by the use.
- Creation of 95 to 105 units and 38 parking stalls as described above.
- Creation of common areas within interior spaces incompatible for housing use.
- A complete HVAC system.
- A complete electrical system rehabilitation with overall distribution conduit and wiring and electrical panels at each unit and as required.
- Industrial style lighting at each unit as well as overall lighting.
- Installation of a new code-compliant fire detection, sprinkler, and alarm system.
- Installation of a complete security system.

Guidelines / Restrictions Specific to this Scenario

In addition to general guidelines and recommendations outlined elsewhere, specific guidelines, and in some cases restrictions that should apply to this development scenario could be as follows:

- Since some existing buildings would be torn down, and it is assumed that federal funds would somehow be used in the redevelopment of the site, this scenario would trigger a Section 106 review and mitigation process as explained elsewhere in the report.

Costs

Total costs for this scenario are estimated to be as follows:

Existing Buildings

• Hazardous material abatement (From City)	$2,000,000
• Building demolition (Bldgs. 1, 13, 56, 57, 59 - from table on page 78)	$338,400
• Exterior Rehabilitation of the Buildings (From table on page 78)	$4,038,800
• Interior demolition (253,500 GSF @ $3/GSF)	$760,500
• Interior Rehabilitation to Create Parking (22,000 GSF @ $50/GSF)	$1,100,000
• Interior Rehabilitation for Housing (231,500 GSF @ $70 to $90/GSF)	$16,205,000 to $20,835,000
• **Sub-Total**	**$24,442,700 to $29,072,700**

New Construction

• Courtyard Parking Ramp (110 stalls @ $38,000/stall)	$4,180,000
• East Parking Ramps (2 ramps @ 240 stalls @ $38,000/stall)	$9,120,000
• New Rowhouse Units (22 @ 1,350 GSF/unit avg. @ $70 to $90/GSF)	$2,079,000 to $2,673,000
• New Units (132 @ 1,300 GSF/unit avg. @ $95/GSF)	$16,302,000
• Site Development	$1,890,000
• **Sub-Total**	**$33,571,000 to $34,165,000**

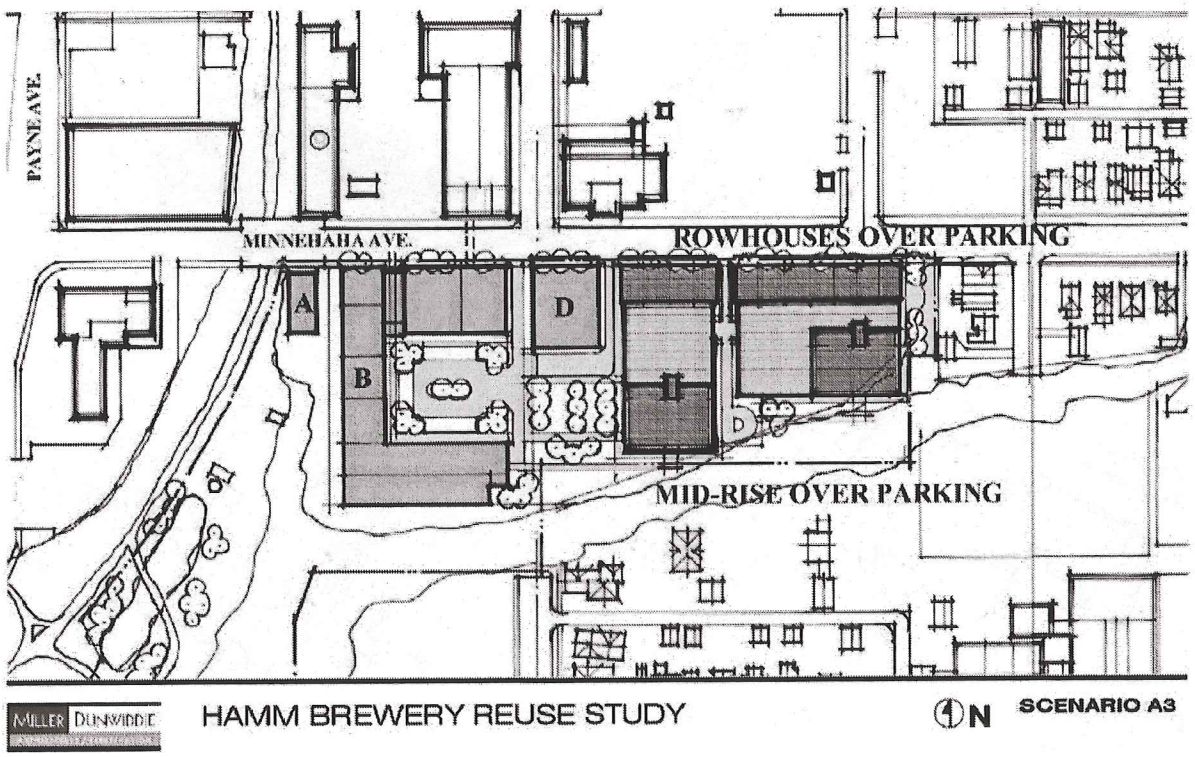
TOTAL SCENARIO A3 CONSTRUCTION COST $58,013,700 to $63,237,700

Potential Types of Funding Assistance Available

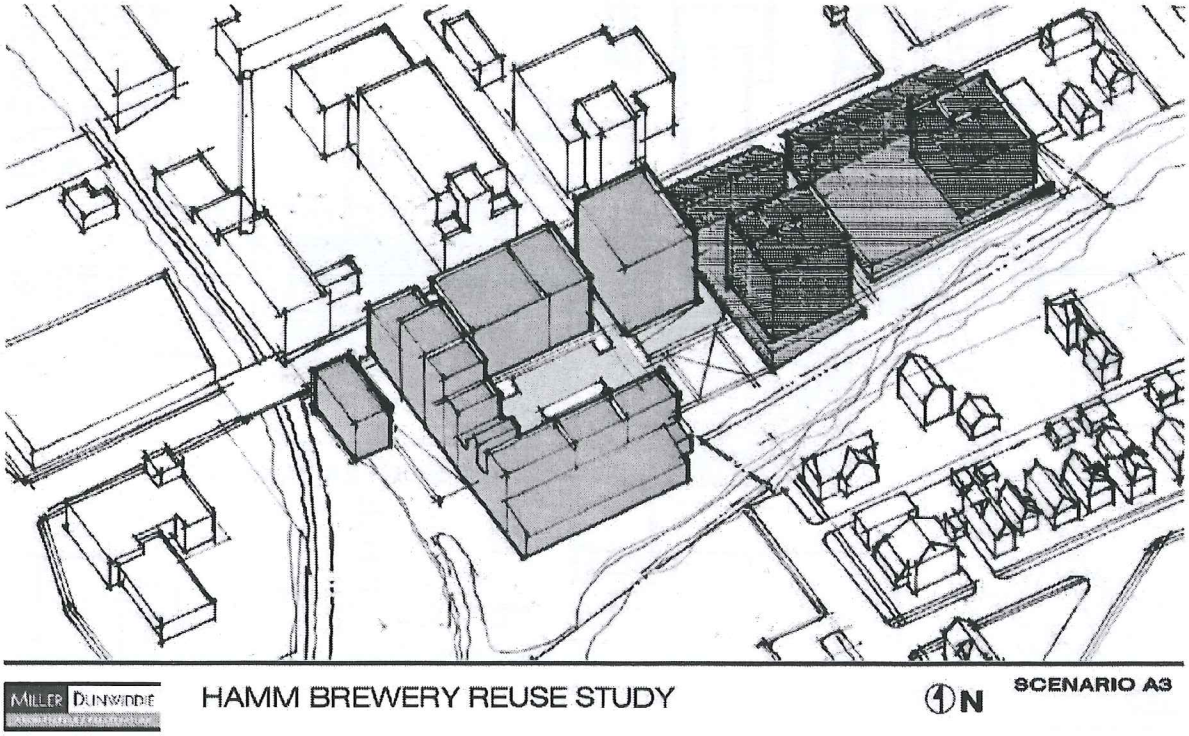
Under this scenario, the following public funding sources or programs could potentially be used for financing the project, subject to the requirements for each program:

- 20% Federal Historic Tax Credits. (This would only be available if the units in the existing buildings were rental. Condominiums would not qualify. If the tax credits were used, actions by other property owners within the historic district could jeopardize those tax credits during the recapture period if they took action on their property that would cause the historic district to be taken off the National Register. In addition, the construction of the east parking ramp and rowhouses would also have to be designed to be compatible with the Historic District, and the demolition of Buildings 1, 13, and 59 would have to be determined as not having an adverse impact on the proposed historic district.)
- Historic façade easements. (In theory, this could be available for condominium owners. Owners of rental properties could definitely use it. For condo owners, the appraised value of each unit's exterior area would need to be determined and conveyed to a not-for-profit entity in order for this to be done. The study team is not aware of any instances in the State of Minnesota where this has been done to date on a condominium project.)
- Tax Increment Financing (TIF).
- MN Housing Finance Agency Housing Tax Credits.
- Others as may be identified.

Scenario A3 • Maximized Housing Reuse • Site Plan



Scenario A3 • Maximized Housing Reuse • Isometric



Scenario B
Commercial Reuse

Assumptions

Commercial development for the site did not emerge as a strong market-driven reuse at this time. For the purposes of this reuse scenario, it was assumed that this would be either a low-impact, building-by-building reuse similar to what is taking place on the rest of the Hamm site across Minnehaha Avenue, or a "lightning strike," similar to the recent rehabilitation of the Grain Belt Brewery in Minneapolis, where all factors—compatible use, market timing, financing, etc. – came together.

This scenario assumes the complete hazardous material abatement as required for reuse of the entire complex. Buildings 56 and 57 would be demolished—56 because it was built after the period of significance and 57 because it was purchased by Hamm after the period of significance. The area of the remaining buildings totals approximately 290,500 GSF. Because of the varying building configurations, structural systems, floor-to-floor heights, etc., a net to gross area ratio of 75% was applied in order to estimate the number of cars required to be accommodated on the site in a commercial reuse scenario. This yields an area of 218,000 NSF.

The number of cars per one-thousand square feet of net area will vary depending on the intensity and type of a commercial reuse. It was assumed that parking densities could be as low as 3 stalls per thousand NSF and as high as 5 stalls per thousand NSF. Using these parking densities would require approximately 650 to 1,100 cars.

In order to distribute the parking around the site, this scenario shows two parking ramps. The first, a ramp similar to that described in Scenario A2, would be built on the west side of the B Block of buildings. It would be three-stories, hold approximately 120 cars, and have a promenade deck on top overlooking Swede Hollow. The second, a sloped-floor, 125′ x 300′ parking ramp built at the east end of the site, would accommodate approximately 120 cars per floor. The east ramp would need to accommodate any remaining parking required, or from 530 to 980 cars. The east parking ramp could therefore be from five to eight stories. At an average height of 11 feet per floor, the ramp could therefore range from 55′ to 90′ in height. To compare this to the existing buildings, Building 17, to which the east ramp would be adjacent, is approximately 100 feet high. The ramp's vertical impact could be reduced by building it partially underground and into the sloping site.

Exterior Rehabilitation Work: This scenario assumes that the exterior of the buildings would be completely rehabilitated according to the *Secretary of the Interior Standards*. This would include:

- Complete repair and re-pointing of all masonry surfaces.
- New roofs on all buildings.

- Replacement of all windows with historically compatible systems, creation of new historically compatible windows within existing bricked-up window openings, and addition of new historically compatible windows and openings.
- Site development as shown.

Interior Rehabilitation Work: Since the costs of commercial reuse can vary widely depending on the final use, it has been assumed that the interior of the buildings would be brought up to "vanilla box" standards, in the jargon of commercial real estate and construction. This would allow tenants to move in and, at their expense, finish spaces to suit their needs. Interior work would include:

- Selective demolition to remove non load-bearing walls, create openings for elevators and stairways, and generally clean up the interior.
- Creation of code-compliant exit systems, including corridors and stairways where needed.
- Installation of elevators at locations as required by the use.
- Rest rooms as required by code.
- A complete HVAC system with distribution to each major space. Distribution within spaces would be at each tenants' expense.
- A complete electrical system rehabilitation with overall distribution conduit and wiring and electrical panels at each major space. Distribution within spaces would be at each tenants' expense.
- Industrial style overall lighting.
- Installation of a new code-compliant fire detection, sprinkler, and alarm system.
- Installation of a complete security system.

Guidelines / Restrictions Specific to this Scenario

There are no specific guidelines or restrictions, in addition to general guidelines and recommendations outlined elsewhere, which should apply to this development scenario.

Costs

Total costs for this scenario are estimated to be as follows:

Existing Buildings

• Hazardous material abatement (from City)	$2,000,000
• Building demolition (Bldgs. 56, 57 - from table on page 78)	$136,500
• Exterior rehabilitation of the buildings (From table on page 78)	$6,325,000
• Interior demolition (290,500 GSF @ $3/GSF)	$871,500
• Interior "vanilla box" rehabilitation (290,500 GSF @ $50 to $60/GSF)	$14,525,000 to $17,430,000
• **Sub-Total**	**$23,858,000 to $26,763,000**

New Construction

• West parking ramp (120 stalls @ $50,000/stall)	$6,000,000
• East parking ramp (530 to 980 stalls @ $19,000/stall)	$10,070,000 to $18,620,000
• Site development	$1,340,000
• **Sub-Total**	**$17,410,000 to $25,960,000**

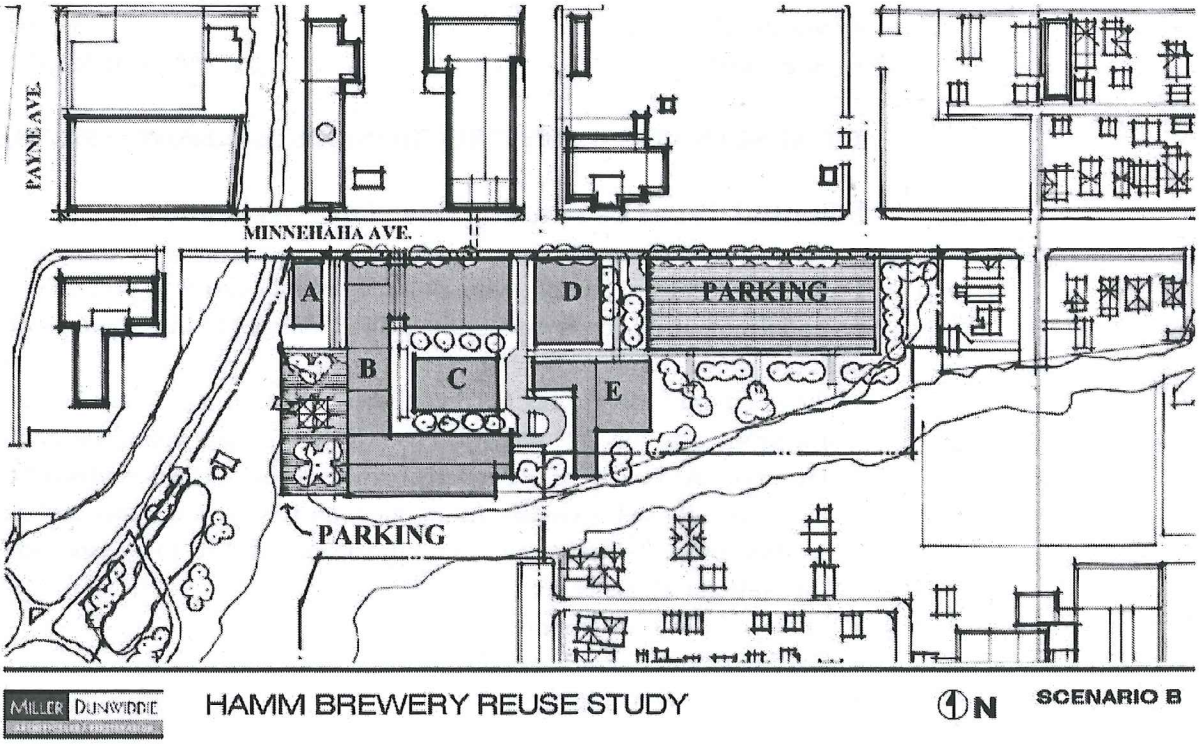
TOTAL SCENARIO B CONSTRUCTION COST $41,268,000 to $52,723,000

Potential Types of Funding Assistance Available

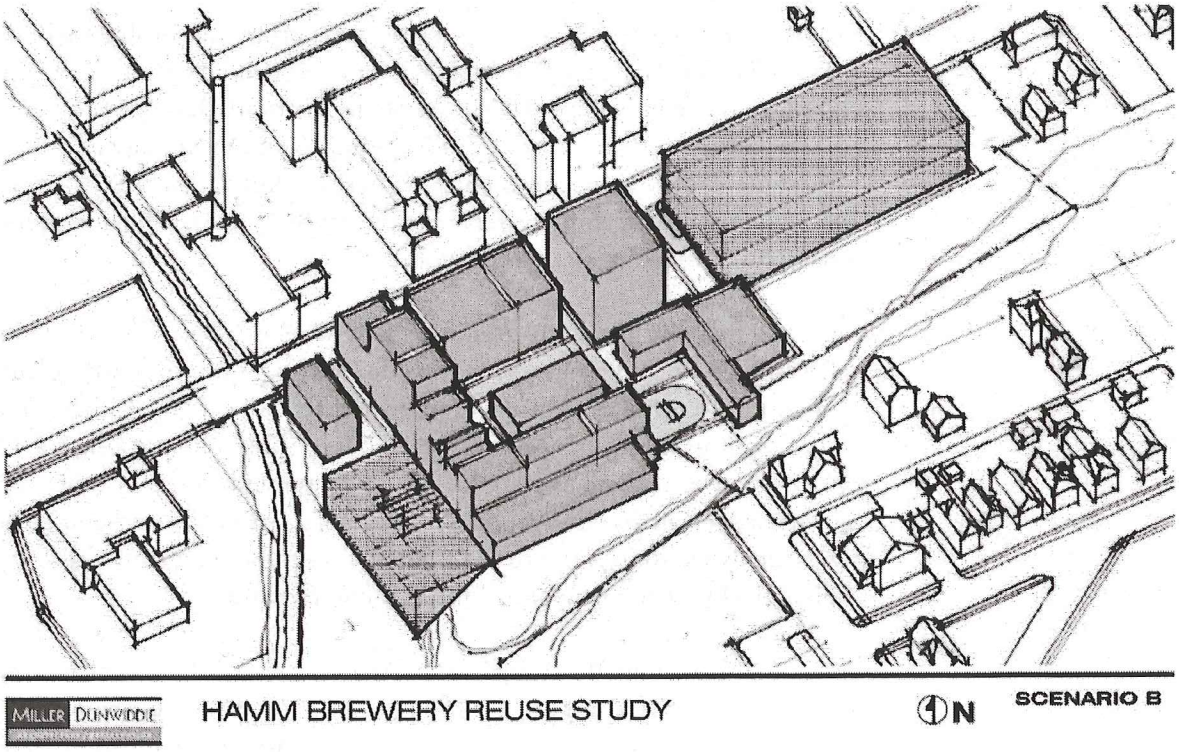
Under this scenario, the following public funding sources or programs could potentially be used for financing the project, subject to the requirements for each program:

- 20% Federal Historic Tax Credits. (Since the buildings would be put to a for-profit use, the 20% Federal Historic Tax Credits would be available. However, actions by other property owners within the historic district could jeopardize those tax credits during the recapture period if they took action on their property that would cause the historic district to be removed from the National Register.)
- Historic façade easements.
- Tax Increment Financing (TIF).
- Others as may be identified.

Scenario B • Commercial Reuse • Site Plan



Scenario B • Commercial Reuse • Isometric Plan



Scenario C
Charter School Reuse

Assumptions

Charter school use for the Hamm site emerged as a possible reuse. HOPE Academy, which currently occupies the former Hamm Administration Building at the corner of Payne and Minnehaha, had originally considered the buildings east of Swede Hollow. HOPE Academy currently has 455 K-6 students, but they desire to expand to 720 students in K-8 and eventually to more than 1,000 students in K-12. Such expansion would be difficult on their existing site, although they are currently purchasing the property from private owners and considering expanding at that location.

Charter school use of the site assumes that HOPE Academy would expand to K–12 and use the buildings east of Swede Hollow to do so. Based on current Minnesota Department of Education space guidelines, 1,000 students in K-12 would require an area of approximately 250,000 GSF plus parking for 175 to 200 cars. Any remaining area in the buildings would be used by other charter schools or specialized educational programs. The driveways around Building 1 were analyzed for turning radii of school buses and would allow a one-way counterclockwise movement for drop-off and pick-up.

This scenario assumes the complete hazardous material abatement as required for reuse of the entire complex. Buildings 13, 56, 57, and 59 would be demolished to make room for a 125′ x 200′ two-level parking structure with approximately 200 stalls. The roof of the ramp would be outdoor activity area for the school. The 268,000 GSF remaining in the existing buildings would contain the classrooms, offices, media center, cafeteria, kitchen, etc. It would be supplemented by the construction of a 24,000 GSF gymnasium/activity building along Minnehaha Avenue, where it would be more accessible to the community. The building would have a full-sized regulation high school gymnasium, portable bleachers, two cross-court practice courts, locker rooms, and other ancillary spaces. It would be approximately 30′ to 35′ high at its highest point at the west end; but because of the sloped site, the east end would not be as high in relation to grade.

Exterior Rehabilitation Work: This scenario assumes that the exterior of the buildings would be completely rehabilitated according to the *Secretary of the Interior Standards*. This would include:

- Complete repair and re-pointing of all masonry surfaces.
- New roofs on all buildings.
- Replacement of all windows with historically compatible systems, creation of new historically compatible windows within existing bricked-up window openings, and the addition of new historically compatible windows and openings.
- Site development as shown.

Interior Rehabilitation Work: It is assumed that, to the extent possible, smaller existing spaces would be utilized in their existing sizes and configurations. Larger spaces would be subdivided as necessary into smaller spaces. Interior work would include:

- Selective demolition as required for the school reuse, to create openings for elevators and stairways, and generally clean up the interior.
- Creation of code-compliant exit systems, including corridors and stairways where needed.
- Installation of elevators at locations as required by the use.
- Rest rooms as required by code.
- Creation of all of the interior spaces required for school use.
- A complete HVAC system.
- A complete electrical system rehabilitation with overall distribution conduit and wiring and electrical panels at each major space.
- A complete overall lighting system.
- Installation of a new code-compliant fire detection, sprinkler, and alarm system.
- Installation of a complete security system.

Guidelines / Restrictions Specific to this Scenario

In addition to general guidelines and recommendations outlined elsewhere, specific guidelines, and in some cases restrictions, which should apply to this development scenario could be as follows:

- Since some existing buildings would be torn down and it is assumed that federal funds would somehow be used in the redevelopment of the site, this scenario would trigger a Section 106 review and mitigation process as explained elsewhere in the report.

Costs

Total costs for this scenario are estimated to be as follows:

Existing Buildings

- Hazardous material abatement (From City) $2,000,000
- Building demolition (Bldgs. 13, 56, 57, 59 - from table on page 78) $263,000
- Interior demolition (268,000 GSF @ $3/GSF) $804,000
- Exterior rehabilitation of the buildings (From table on page 78) $5,845,000
- Interior rehabilitation for school use (268,000 GSF @ $90 to $120/SF) $24,120,000 to $32,160,000
- **Sub-Total** **$33,300,000 to $41,072,000**

New Construction

- Parking ramp (200 stalls @ $28,500/stall) $5,700,000
- Gymnasium/Activity building (24,000 GSF @ $90 to $120/SF) $2,160,000 to $2,880,000
- Site development $1,380,000
- **Sub-Total** **$9,240,000 to $9,960,000**

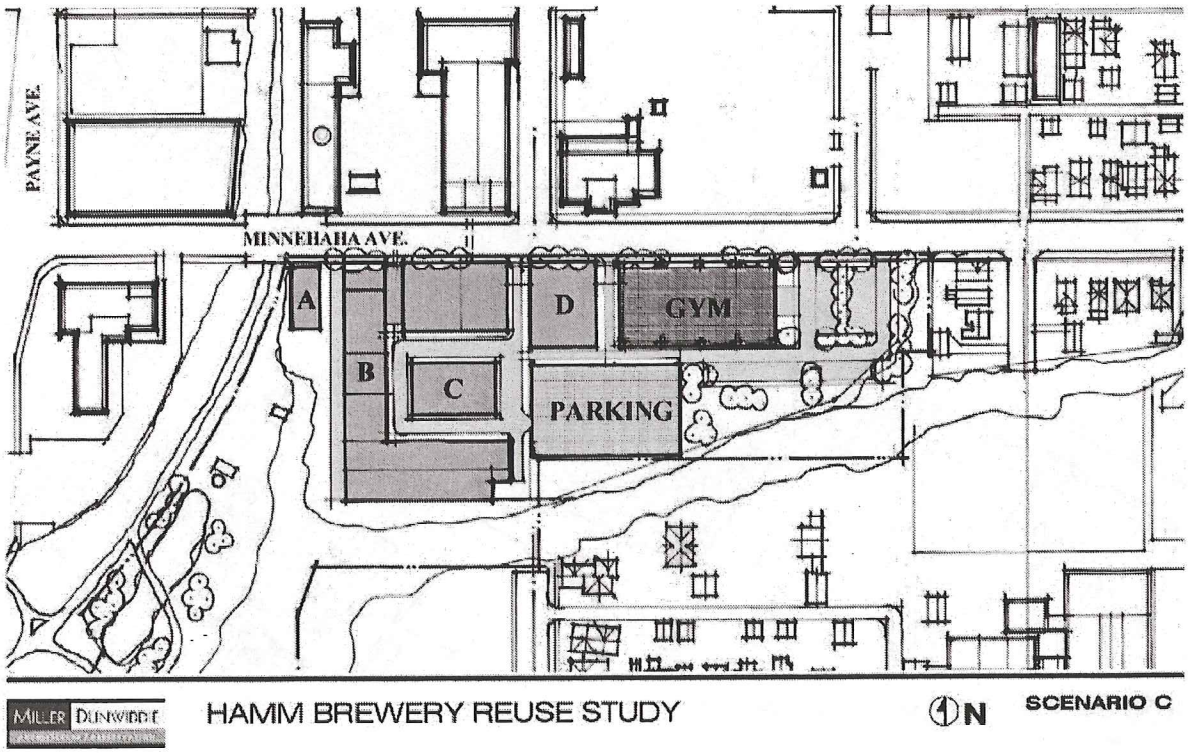
TOTAL SCENARIO C CONSTRUCTION COST $41,736,000 to $51,032,000

Potential Types of Funding Assistance Available

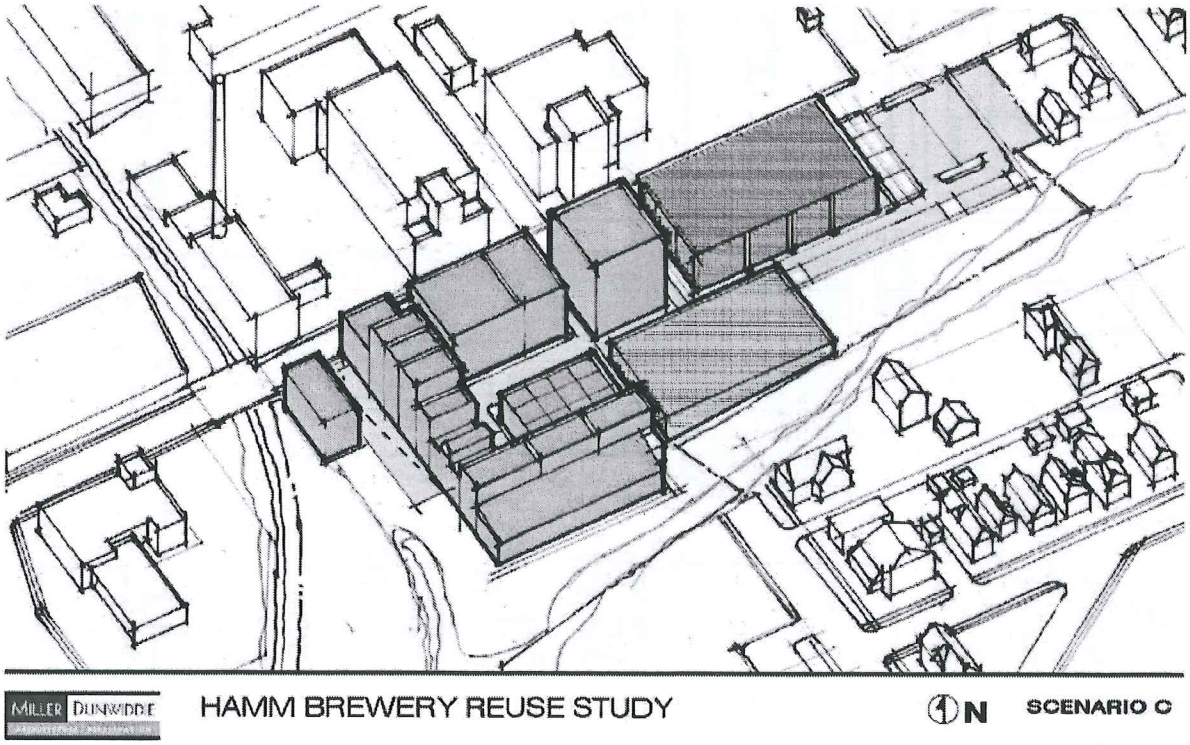
Under this scenario, the following public funding sources or programs could potentially be used for financing the project, subject to the requirements for each program:

- 20% Federal Historic Tax Credits. (This would be a long shot. Justification for the demolition of contributing Buildings 13 and 59 would need to be accepted by the reviewing agencies. A general partnership would have to be created and the tax credits would have to be syndicated and sold to limited partner investors in order for them to be used. If the tax credits were used, actions by other property owners within the historic district could jeopardize those tax credits during the recapture period, if they took action on their property that would cause the historic district to be taken off the National Register.)
- Historic façade easements. (Only an owner that pays property taxes would qualify for these.)
- Tax Increment Financing (TIF).
- Others as may be identified.

Scenario C • Charter School Reuse • Site Plan



Scenario C • Charter School Reuse • Isometric Plan



Scenario D
Complete Demolition

Assumptions

Based on current market conditions and what was learned during the interviews, a housing development is assumed on the cleared site. However, other redevelopment scenarios for the cleared site are also possibilities, depending on market conditions.

This scenario assumes the complete hazardous material abatement as required for demolition of the entire complex. The buildings would then be demolished, yielding a buildable site area of approximately 4.25 acres. Storm water control of .25 to .35 acres would also need to be accommodated. This could be at the low end of the upper part of the site or in Swede Hollow below. Not including the approximately 3 acres of the site in Swede Hollow Park, but including non-buildable portions of the property, a site area of 5 acres has been assumed for density calculations.

Assuming a residential reuse, the City has indicated that a density of 50 to 55 units per acre could be appropriate for the site, or from 250 to 275 units. At a parking ratio of 1.5 cars per unit, 375 to 413 cars would need to be accommodated on-site.

The cost of building housing on the site would depend on the types of units constructed (rental vs. condo; market rate vs. upper bracket), the type of construction used (wood vs. concrete), and how the parking would be accommodated (surface vs. wood garages vs. concrete ramps).

For the purposes of the pro-forma analysis in this report, it was assumed that a reasonable approach to a housing project on a vacant site would include a variety of housing types. Assuming the high end of the city's density calculations, 275 units, and based on research by members of the team, the following is an assumed breakdown of unit types for this scenario:

- Rowhouses: 15%, or 42 units
- Low-rise: 23%, or 63 units
- Mid-rise: 62%, or 170 units

Guidelines / Restrictions Specific to this Scenario

In addition to general guidelines and recommendations outlined elsewhere, specific guidelines, and in some cases restrictions, which should apply to this development scenario could be as follows:

- In order to recall the massing of the demolished brewery, major building facades facing Swede Hollow and Minnehaha Avenue should be flush, with minimal projections, bays, etc. Any balconies should be recessed into those building facades.
- Since the existing buildings would be torn down and it is assumed that federal funds would somehow be used in the redevelopment of the site, this scenario would trigger a Section 106 review and mitigation process as explained elsewhere in the report.

Costs

The costs of new housing on a cleared site will vary considerably from developer to developer, depending on the desired market, type of product, etc. The following are therefore broad-brush estimates and include parking and site development but not soft costs. Total costs for this scenario could therefore be as follows:

Existing Buildings

• Hazardous material abatement (From City)	$2,000,000
• Building demolition (From table on page 78)	$1,920,000
• **Sub-Total**	**$3,920,000**

New Construction

• Rowhouses (42 units @ 2,350 GSF @ $70 to $90/GSF)	$6,909,000 to $8,883,000
• Low-rise (63 units @ 1,775 GSF @ $64 to $74/GSF)	$7,156,800 to $8,275,050
• Mid-rise (175 units @ 1,300 GSF @ $90 to $100/GSF)	$20,475,000 to $22,750,000
• Rowhouse parking (Included in above)	$0
• Low-rise parking (Included in above)	$0
• Mid-rise (170 units @ 1.5 stalls/unit = 255 @ $19,000/stall)	$4,845,000
• Site development	$1,890,000
• **Sub-Total**	**$41,275,800 to $46,643,050**

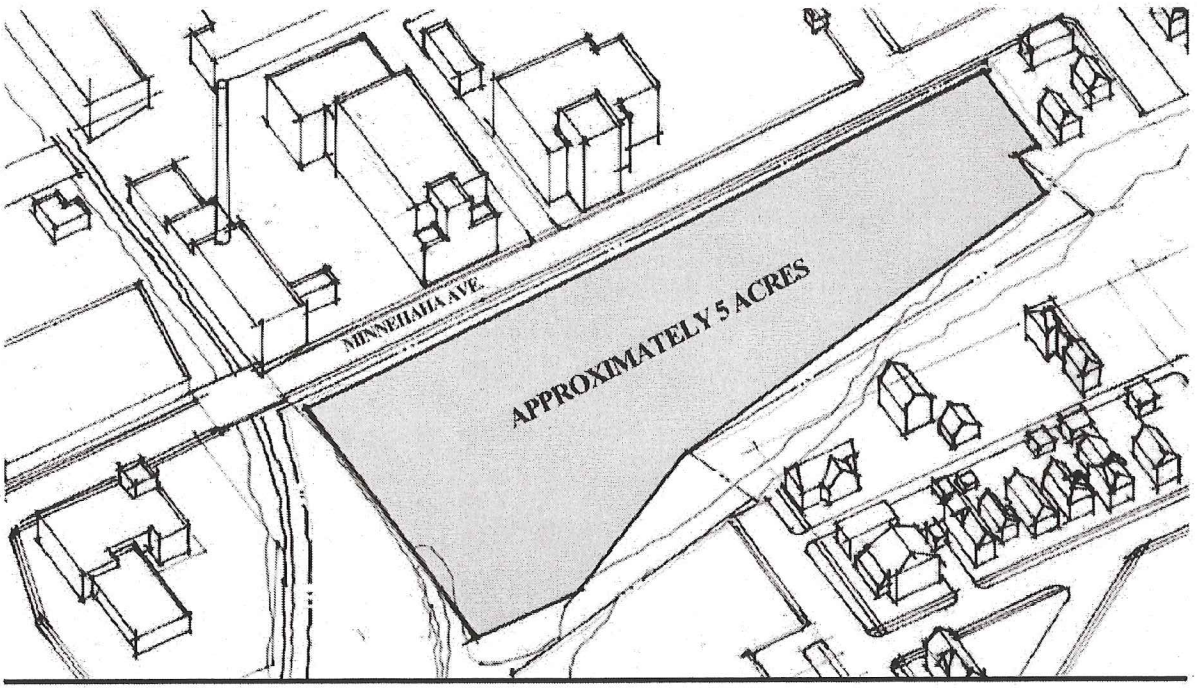
TOTAL SCENARIO D CONSTRUCTION COST $45,195,800 to $50,563,050

Potential Types of Funding Assistance Available

The following public funding sources or programs could potentially be used for financing the project, subject to the requirements for each program:

- Tax Increment Financing (TIF).
- MN Housing Finance Agency Housing Tax Credits.
- Others as may be identified.
- Because the historic buildings would be destroyed, neither the 20% Federal Historic Tax Credits nor historic façade easement deductions would be available.

Scenario D • Complete Demolition • Isometric Plan



Economic Analysis

Existing Building
Rehabilitation
Estimate Chart

Existing Building Rehabilitation Estimate Chart

Building Name	Block	Bldg. No.	Year Built	Other Year(s)	Contibuting to Historic District	Building Height (1)	Existing Number of Floors (2)	With Basement	Proposed Number of Floors	General Building Condition	Building Footprint (SF) (3)	Gross Floor Area (SF)	Building Volume (CF) (4)	Exterior Wall Area (SF) (5)	Number of Existing Windows (6)	Number of Infilled Windows (7)	Number of New Windows Created (8)	Building Demolition Cost	Mothballing Costs	Exterior Rehabilitation Cost
Grain Dryer	A	3	1951	1952, 1953	Y	50'-0"	3	N	3	Good	3,330	9,990	166,500	9,525	26	0	0	$66,600	$59,940	$375,119
Brew House	B	2	1892	1933	Y	66'-0"	5	Y	4	Good	3,765	18,825	384,030	8,778	39	5	0	$153,612	$112,950	$564,491
Grit Storage Addition	B	6	1893	1934	Y	70'-0"	7	Y	4	Fair	4,424	22,120	437,976	12,600	0	18	0	$175,190	$132,720	$464,159
Racking Room	B	7	1893	1934	Y	36'-0"	2	Y	2	Poor	2,676	8,028	128,448	3,960	13	4	0	$51,379	$48,168	$195,642
Wash House Addition	B	8	1901	1934	Y	53'-0"	3	Y	2	Fair/Poor	9,863	29,589	641,095	13,144	45	13	0	$256,438	$177,534	$679,489
Carpenter Shop	B	9	1864-67	1901	Y	22'-2"	2	N	2	Poor	7,624	15,248	168,999	5,925	34	0	0	$67,600	$91,488	$266,912
Stock House # 2	B	18	1901	1911	Y	100'-0"	5	Y	4	Fair/Poor	7,600	38,000	912,000	24,900	0	36	30	$364,800	$228,000	$786,084
Laboratory	B	23	1883	1901, 1903, 1911, 1916, 1956	Y	90'-0"	7	N	7	Good	1,910	13,370	171,900	4,950	21	0	0	$68,760	$80,220	$276,225
Wort Cooler	B	24	1883	1901, 1903, 1911, 1916, 1956	Y	90'-0"	5	Y	6		5,190	36,330	570,900	4,950	21	0	0	$228,360	$217,980	$302,849
Hop Storage	B	25	1911		Y	66'-0"	3	N	4		1,470	5,880	97,020	1,980	4	0	0	$38,808	$35,280	$127,814
New Brew House Addition	B	56	1955-56		N	78'-0"	6	Y	N/A	Good	2,942	20,594	264,735	0	0	0	0	$105,894	$123,564	$0
First Power Plant	C	1	1883	1890's, 1970's	Y	26'-6"	2	N	2	Fair	7,102	14,204	188,203	9,222	9	14	0	$75,281	$85,224	$283,280
Stock House # 3	D	17	1907		Y	105'-0"	5	Y	5	Fair	9,350	56,100	1,122,000	40,950	36	181	0	$448,800	$336,600	$1,522,768
Blacksmith/Machine/ Paint Shop	E	13	1911		Y	30'-0", 15'-0"	2	N	2	Fair	6,157	12,314	160,035	8,865	18	0	0	$64,014	$73,884	$370,159
Electric/Pipe Shop	E	59	1957		Y (?)	30'-0"	2	N	2	Good	5,220	10,440	156,600	6,180	0	0	0	$62,640	$62,640	$112,350
Metcalf Building	F	57	1950		N	15'-0"	1	N	1	Fair/Poor	5,095	5,095	76,425	4,548	0	0	0	$30,570	$30,570	$93,336
Shavings Vault	N/A	10	1901		Y	N/A	1	N	N/A	Fair	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pump House #3	N/A	11	1934	1950	Y	N/A	1	N	N/A	Fair	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pump House #5	N/A	20	1933		Y	N/A	1	N	N/A	Fair	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Silo & Shed	N/A	60	1960		N	N/A	1	N	N/A	Fair	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Well # 11	N/A	66	?		?	N/A	1	N	N/A	Fair	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
SUBTOTAL																		$1,919,934	$1,896,762	$6,420,677
ABATEMENT COST																		$2,000,000	$2,000,000	$0
TOTAL											83,718	316,127	5,646,866	160,477	266	271	30	$3,919,934	$3,896,762	$6,420,677

1 Height above grade
2 Includes partial floors & mezzanines
3 Building Footprint (SF) x $8.50 = Cost for complete tear-off and re-roofing with built-up roof system. Any required abatement is included in separate abatement cost.
4 Building Volume (CF) x $0.40 = Total Building Demolition Cost
5 Building Exterior Wall Area (SF) x $11.00 = Complete masonry repair and re-pointing
6 Number of exisitng windows @ 45 SF average area each @ $182.00/SF = replacement window cost
7 Number of reopened infilled windows @ $300.00 each = Cost for demolition of masonry infill
8 Number of new window openings cut @ $1,248.00 = Cost for cutting new openings
N/A indicates "Not Available" or "Not Applicable" for the purposes of this study.

Economic Analysis and Viability

Introduction

McComb Group, Ltd. conducted the following work tasks to identify market potential and preliminary financial feasibility for adaptive reuse of the Hamm Brewery buildings and new construction on the Hamm Brewery site.

- **Site Evaluation**

  The Hamm Brewery site and buildings south of Minnehaha Avenue were toured and evaluated. Factors considered, but not limited to include: building size, floor plates, column spacing, window size, views, and ceiling heights.

- **Market Analysis**

  Market analysis was conducted to determine rental rates for commercial office and apartments in downtown and the Saint Paul East Side. Sales prices for single family homes in the immediate area of the Hamm Brewery and condominium sales prices in downtown Saint Paul, particularly adaptive reuse or loft developments, were identified.

- **Preliminary Financial Feasibility**

  Design concepts for adaptive reuse of existing buildings and new construction were reviewed to determine gross building area and usable area for each development scenario. Development costs for each scenario were estimated including construction cost, soft costs, financing costs, and costs associated with renovating and stabilizing the Hamm Brewery buildings. These costs were provided by Miller Dunwiddie Architects, SRF, and McComb Group, Ltd.

  Preliminary financial feasibility was estimated based on revenues, expenses, and cash flow for each of the development scenarios by component. This analysis estimated sales revenue for the for-sale scenarios and asset value for commercial office and rental apartment scenarios. The amount of historic tax credits that would be available for the commercial office and rental housing scenarios was estimated.

The results of these work tasks were utilized to prepare estimates of preliminary financial feasibility for each of the reuse scenarios identified by the consultant team. The results of our analysis are summarized in the following pages.

Preliminary Financial Feasibility

Preliminary financial feasibility analysis was conducted for each development scenario by McComb Group. The results of our analysis are contained in Table 1 and summarized below.

- **Scenario A-1: Artist Rental Housing.** Artist housing assumed 150 units located in the brewery building. Development costs are estimated at $47.1 million. Development value of $4.1 million results from the low rental rates that artists typically pay for their space. This results in a financial gap of $42.7 million. Historic tax credits, if they could be obtained, would reduce the gap by $6.5 million.

Table 1

HAMM BREWERY
PRELIMINARY FINANCIAL FEASIBILITY SUMMARY
(In Thousands of Dollars)

Scenarios	Development Cost	Development Value	Financial Gap
Scenario A-1: Rental			
Artist Housing	$ 47,119	$ 4,400	$ 42,719
Scenario A-2: For-Sale			
Brewery Condominiums	$ 51,017	$ 27,598	$ 23,420
Row Houses	13,395	11,008	2,387
Scenario A-3: For-Sale			
Brewery Condominiums	$ 42,730	$ 24,716	$ 18,014
Row Houses	6,554	5,108	1,446
Mid-Rise	37,800	27,846	9,954
Scenario B: Rental			
Office	$ 64,338	$ 28,000	$ 36,338
Scenario C			
Charter School	$ 60,385	N/A	N/A
Scenario D: For-Sale			
Row Houses	$ 13,115	$ 11,559	$ 1,556
Low-Rise	13,503	11,158	2,345
Mid-Rise	43,599	34,398	9,201
Scenario D: Rental			
Low-Rise	$ 11,574	$ 4,700	$ 6,874
Mid-Rise	37,371	13,200	24,171

N/A: Not Available.
Source: McComb Group, Ltd.

- **Scenario A-2: For-Sale Condominiums.** Brewery buildings would be renovated to accommodate 120 units at a development cost of $51.0 million. Development value, based on estimated sell-out, is $27.6 million, resulting in a financial gap of $23.4 million. New construction assumed 40 row houses on the remaining land at a development cost of $13.4 million. Estimated sell-out of $11.0 million resulted in a financial gap of $2.4 million, for a total development gap of $25.8 million.

- **Scenario A-3: For-Sale Condominiums.** Brewery buildings would be renovated to accommodate 105 market rate condominiums at a development cost of $42.7 million. Development value, based on estimated sell-out, is $24.7 million leaving a financial gap of $18.0 million. New construction of 22 row houses has an estimated development cost of $6.6 million. Development value is estimated at $5.1 million, leaving a financial gap of about $1.5 million. New construction of 132 condominiums in a mid-rise building would have a development cost of $37.8 million. Development value, based on estimated sell-out is about $27.8 million leaving a financial gap of about $10.0 million, for a total development gap of $29.5 million.

- **Scenario B: Commercial Office.** Development of commercial office space in the Hamm Brewery buildings would cost an estimated $64.3 million. Development value, based on market rents, is estimated at $28.0 million, leaving a financial gap of $36.3 million. Historic tax credits, if they could be utilized, would reduce the financial gap by about $8.8 million.

- **Scenario C: Charter School.** Development cost for possible use as a charter school is estimated at $60.4 million. Actual development value for charter school use is unknown; however, it would probably be similar to that of a commercial office building or about $28.0 million.

- **Scenario D: New Construction For-Sale Housing.** This scenario assumes demolition of all of the existing buildings on the property and construction of row houses, low-rise and mid-rise condominium structures. Row houses (42 units) have an estimated development cost of $13.1 million. Development value, based on estimated sell-out, is estimated at $11.6 million resulting in a financial gap of $1.5 million. Low-rise condominiums (63 units) have a development cost of $13.5 million. Development value is estimated at $11.2 million, resulting in a financial gap of $2.3 million. Mid-rise condominium housing (170 units) has a development cost of $43.6 million. Development value, based on estimated sell-out, is $34.4 million, leaving a financial gap of $9.2 million, for a total development gap of $13 million.

- **Scenario D: New Construction Rental Apartments.** Construction of 63 low-rise apartment units has an estimated development cost of $11.6 million. Development value is estimated at $4.7 million, resulting in a financial gap of $6.9 million. Construction of 170 mid-rise apartment units would cost an estimated $37.4 million. Development value is estimated at $13.2 million, resulting in a financial gap of $24.2 million, for a total development gap of $31 million. Since this is new construction, no historic tax credits would be available, but the project may qualify for low income housing tax credits if program guidelines are met.

All housing scenarios assume 1.5 parking spaces per unit for all building types except row houses. In the case of row houses, two parking spaces per unit were provided based on market conditions.

Development costs are based on preliminary development concepts that, if subjected to refinement, would change many of the concepts and cost assumptions. The cost estimates contained in this report are reasonable for the level of design work that has been conducted. The overall conclusion is that adaptive reuse of the Hamm Brewery buildings is very expensive and exceeds economic value by a wide margin. Development costs and economic value are much closer for row houses and mid-rise condominiums. Further evaluation would likely find that these building types are developable with little or no public assistance.

The assumptions and analysis supporting these findings are contained in the following pages for each development scenario, and include preliminary financial feasibility, development costs and supporting assumptions.

SCENARIO A-1: RENTAL ARTIST HOUSING

Preliminary financial feasibility for artist housing is based on rental units with an average size of 1,500 square feet. Rental income is estimated at $1,361,160 as shown in Table 2. Operating expenses, property taxes and reserves total $988,632, resulting in cash flow of $372,528. Assuming a capitalization rate of 8.5 percent results in an estimated value of about $4.4 million resulting in a financial gap if about $42.7 million. Historic tax credits, if available, would reduce the gap by about $6.5 million.

Table 2

SCENARIO A-1: RENTAL ARTIST HOUSING
PRELIMINARY FINANCIAL FEASIBILITY *
(In 2004 Dollars)

Item	Artist Housing
Assumptions	
Rental Area (Sq. Ft.)	222,000
Rental Rate (Per Sq. Ft.)	$ 6.00
Garage Rent (Per Stall)	420
Scheduled Rent	
Apartments	$ 1,332,000
Garages	100,800
Total	$ 1,432,800
Vacancy @ 5.0%	71,640
Rental Income	1,361,160
Expenses	
Operating Expenses	$ 788,040
Property Taxes	171,936
Reserves @ 2.0%	28,656
Total Expenses	$ 988,632
Cash Flow	$ 372,528
Capitalized Value @ 8.5%	$ 4,382,682
Rounded up to:	$ 4,400,000
VALUE SUMMARY	
Development Cost	$ 47,119,000
Capitalized Value	$ 4,400,000
Gap	$ 42,719,000
Potential Estimated Tax Credit	$ 6,550,000

N/A: Adjustment contained in cost estimates.

* See assumptions on page 84

Source: McComb Group, Ltd.

Table 3

SCENARIO A-1: RENTAL ARTIST HOUSING
PRELIMINARY DEVELOPMENT COSTS *
(In Thousands of 2004 Dollars)

Item		Amount
ASSUMPTIONS		
Site (square feet)		
Total		383,382
Usable		185,100
Gross Building Area		
Square Feet		295,500
Usable Area		
Unit (square feet)		222,000
Units		150
Parking - West		
Parking - East		225
Parking - Building		
DEVELOPMENT COSTS		
Land	$	750,000
Hard Costs		
Site Development	$	1,020
Hazardous Material Abatement		2,000
Demolition - Building		106
Demolition - Interior		887
Exterior Rehabilitation		6,421
Construction - Existing		14,775
Construction - New		
Finishes Allowance		4,433
Parking - West Ramp		
Parking - East Ramp		4,275
Parking - In Building		
Contingency		1,645
Subtotal	$	35,561
Soft Costs		
Soft Costs	$	8,890
Development Fee		2,667
Total Soft Costs	$	11,557
TOTAL COSTS	$	47,119

* See assumptions on page 84

Source: McComb Group, Ltd.

SCENARIO A-1: RENTAL ARTIST HOUSING
FINANCIAL FEASIBILITY ASSUMPTIONS
(TABLE 2—page 82, TABLE 3—page 83)

FINANCIAL FEASIBILITY ASSUMPTIONS FOR TABLE 2

Apartment Rent is estimated at $750 per month or $6.00 per square foot.

Garage Rent is estimated at $35 per month.

Operating Expenses are based on a percent of scheduled rent.

Item	Percent of Scheduled Rent
Operating Expenses	55%
Property Taxes	12%
Replacement Reserves	2%

Capitalization Rate is estimated at 8.5 percent.

DEVELOPMENT COSTS ASSUMPTIONS FOR TABLE 3

Building Area for development cost calculations is based on the following assumptions:

Item	Square Feet
Gross Building Area	295,500
Residential Unit Area	222,000
Units	150
Parking Spaces	225

Land Value is estimated at $5,000 per unit by McComb Group, Ltd.

Site Development Cost of $1,020,000 provided by SRF Consulting Group.

Hazardous Material Abatement is estimated at $2,000,000 by the City of Saint Paul.

Building Demolition is estimated at $106,000 by Miller Dunwiddie Architects.

Interior Demolition is estimated at $887,000 by Miller Dunwiddie Architects.

Exterior Rehabilitation is estimated at $6,421,000 by Miller Dunwiddie Architects.

Interior Construction is estimated at $ 50.00 per square foot by McComb Group, Ltd.

Finishes Allowance is estimated at $15.00 per square foot by McComb Group, Ltd.

East Parking is estimated at $19,000 per stall by SRF Consulting Group.

Construction Contingency is estimated at 5.0 percent of hard costs by McComb Group, Ltd.

Soft Costs are estimated at 25 percent of hard costs and include interim financing by McComb Group, Ltd.

SCENARIO A-2: CONDOMINIUMS AND ROW HOUSES

Preliminary financial feasibility for condominiums in the brewery buildings indicates an estimated sell-out of about $27.6 million as shown in Table 4. Development costs of $48.6 million, plus risk and profit of 5.0 percent, results in a total cost of $51.0 million, resulting in a financial gap of $23.4 million. Row houses have an estimated sales value of $11.0 million. Development costs, including risk and profit, are about $13.4 million, resulting in a financial gap of $2.4 million. The total financial gap is about $25.8 million for this scenario.

Table 4

SCENARIO A-2: CONDOMINIUMS AND ROW HOUSES
PRELIMINARY FINANCIAL FEASIBILITY *
(In Thousands of Dollars)

Item	Brewery Condominiums	Row Houses	Total
Assumptions			
Unit Area	145,250	64,000	209,250
Parking Spaces	170	80	250
Average Sales Price (per Sq. Ft.)	$ 190	$ 172	
Estimated Sellout	$ 27,598	$ 11,008	$ 38,606
VALUE SUMMARY			
Development Costs	$ 48,588	$ 12,757	$ 61,345
Risk and Profit (5.0 percent)	2,429	638	3,067
Total Development Cost	$ 51,017	$ 13,395	$ 64,412
Estimated Sellout	$ 27,598	$ 11,008	$ 38,606
Gap	$ 23,420	$ 2,387	$ 25,807

* See assumptions on page 87

Source: McComb Group, Ltd.

Table 5

SCENARIO A-2: CONDOMINIUMS AND ROW HOUSES
PRELIMINARY DEVELOPMENT COSTS *
(In Thousands of Dollars)

Item	Brewery Building	Row Houses	Total
ASSUMPTIONS			
Site (square feet)			
Total			383,382
Usable			185,100
Gross Building Area			
Square Feet	268,500	71,100	339,600
Usable Area			
Unit (square feet)	145,250	64,000	209,250
Units	120	40	160
Parking - West	90		90
Parking - East	40	80	120
Parking - Building	38		38
DEVELOPMENT COSTS			
Land	$ 1,800	$ 800	$ 2,600
Hard Costs			
Site Development	$ 1,478	$ 652	$ 2,130
Hazardous Material Abatement	2,000	-	2,000
Demolition - Building	136		136
Demolition - Interior	872		872
Exterior Rehabilitation	6,327		6,327
Construction - Existing	13,962		13,962
Construction - New		5,333	5,333
Finishes Allowance	2,905		2,905
Parking - West Ramp	3,330		3,330
Parking - East Ramp	1,520	3,040	4,560
Parking - In Building	1,100		1,100
Contingency	1,682		1,682
Subtotal	$ 35,312	$ 9,025	$ 44,336
Soft Costs			
Soft Costs	$ 8,828	$ 2,256	$ 11,084
Development Fee	2,648	677	3,325
Total Soft Costs	$ 11,476	$ 2,933	$ 14,409
TOTAL COSTS	$ 48,588	$ 12,757	$ 61,345

* See assumptions on page 87

Source: McComb Group, Ltd.

SCENARIO A-2: CONDOMINIUMS AND ROW HOUSES
FINANCIAL FEASIBILITY ASSUMPTIONS
(TABLE 4—page 85, TABLE 5—page 86)

FINANCIAL FEASIBILITY ASSUMPTIONS FOR TABLE 4

Sales Prices for condominium units are estimated to average $190 per square foot excluding upgrades. Row house sales prices are estimated to average $172 per square foot excluding upgrades.

DEVELOPMENT COSTS ASSUMPTIONS FOR TABLE 5

Building Area for development cost calculations is based on the following assumptions:

Item	Square Feet
Gross Building Area	290,500
Residential Unit Area	145,250
Row Houses—GBA	71,100
Row Houses—Usable	64,000
Condominium Units	120
Row Houses	40
Parking Spaces	250

Land Value is estimated at $15,000 per unit for the brewery building and $20,000 per unit for row houses.

Site Development Costs were provided by SRF and allocated on usable area.

Hazardous Material Abatement is estimated at $2,000,000 by the City of Saint Paul.

Building Demolition is estimated at $136,000 by Miller Dunwiddie Architects.

Interior Demolition is estimated at $872,000 by Miller Dunwiddie Architects.

Exterior Rehabilitation is estimated at $6,327,000 by Miller Dunwiddie Architects.

Interior Construction is estimated at $ 52.00 per square foot for the brewery building.

Finishes Allowance is estimated at $20.00 per square foot by McComb Group, Ltd.

New Construction is estimated at $75.00 per square foot, including interior renovations, by McComb Group, Ltd.

West Parking Ramp is estimated at $37,000 per stall by SRF.

Building Parking is estimated at $50.00 per square foot for 22,000 square feet by Miller Dunwiddie Architects.

East Parking is estimated at $38,000 per stall by SRF.

Construction Contingency is estimated at 5.0 percent of hard costs by McComb Group, Ltd.

Soft Costs are estimated at 25 percent of hard costs and include interim financing by McComb Group, Ltd.

SCENARIO A-3: CONDOMINIUMS, ROW HOUSES AND MID-RISE

Condominiums in the brewery buildings are estimated to have a sales value of $24.7 million as shown in Table 6. Development costs, including risk and profit, are estimated at $42.7 million, resulting in a financial gap of $18.0 million. Row houses development results in a $1.4 million gap, based on sales value of $5.1 million and development costs of about $6.5 million. Condominiums in a mixed-use building have a sell-out value of about $27.8 million. Development costs of $37.8 million results in a financial gap of about $10.0 million.

Table 6

Scenario A-3: CONDOMINIUMS, ROW HOUSES AND MID-RISE
PRELIMINARY FINANCIAL FEASIBILITY *
(In Thousands of Dollars)

Item	Brewery Condominiums	Row Houses	Mid Rise	Total
Assumptions				
Unit Area	126,750	29,700	142,800	299,250
Parking Spaces	158	44	204	406
Average Sales Price (per Sq. Ft.)	$ 195	$ 172	$ 195	
Estimated Sellout	$ 24,716	$ 5,108	$ 27,846	$ 57,671
VALUE SUMMARY				
Development Costs	$ 40,695	$ 6,242	$ 36,000	$ 82,937
Risk and Profit	2,035	312	1,800	4,147
Adjusted Development Costs	$ 42,730	$ 6,554	$ 37,800	$ 87,084
Estimated Sellout	$ 24,716	$ 5,108	$ 27,846	$ 57,671
Gap	$ 18,014	$ 1,446	$ 9,954	$ 29,413

* See assumptions on page 90

Source: McComb Group, Ltd.

Table 7

SCENARIO A-3: CONDOMINIUMS, ROW HOUSES AND MID-RISE
PRELIMINARY DEVELOPMENT COSTS *
(In Thousands of 2004 Dollars)

Item	Brewery Building	Row House	Mid Rise	Total
ASSUMPTIONS				
Site (square feet)				
Total				383,382
Usable				185,100
Gross Building Area				
Square Feet	231,500	33,000	178,500	443,000
Usable Area				
Square Feet	126,750	29,700	142,800	299,250
Units	105	22	132	259
Parking - Courtyard	110			110
Parking - East	10	44	186	240
Parking - Building	38			38
DEVELOPMENT COSTS				
Land	1,575	440	1,320	3,335
Hard Costs				
Site Development	$ 800	$ 188	$ 902	$ 1,890
Hazardous Material Abatement	2,000	-	-	2,000
Demolition - Building	338	-	-	338
Demolition - Interior	761	-	-	761
Exterior Rehabilitation	4,039	-	-	4,039
Construction - Existing	12,038	-	-	12,038
Construction - New	-	2,310	16,958	19,268
Finishes Allowance	2,535	-	-	2,535
Parking - Courtyard	4,180	-	-	4,180
Parking - East Ramp	380	1,672	7,068	9,120
Parking - In Building	1,100			1,100
Contingency	1,354	209	1,246	2,808
Subtotal	$ 29,525	$ 4,379	$ 26,174	$ 60,077
Soft Costs				
Soft Costs	$ 7,381	$ 1,095	$ 6,543	$ 15,019
Development Fee	2,214	328	1,963	4,506
Total Soft Costs	$ 9,595	$ 1,423	$ 8,507	$ 19,525
TOTAL COSTS	$ 40,695	$ 6,242	$ 36,000	$ 82,937

* See assumptions on page 90

Source: McComb Group, Ltd.

SCENARIO A-3: CONDOMINIUMS, ROW HOUSES AND MID-RISE
FINANCIAL FEASIBILITY ASSUMPTIONS
(TABLE 6—page 88, TABLE 7—page 89)

FINANCIAL FEASIBILITY ASSUMPTIONS FOR TABLE 6

Condominium Sales Prices are estimated to average $195 per square foot for brewery condominiums. Row houses sales prices are estimated to average $172 per square foot and mid-rise condominium sales prices are estimated to average $195 per square foot. These sales prices do not include unit upgrades.

DEVELOPMENT COSTS ASSUMPTIONS FOR TABLE 7

Building Area for development cost calculations is based on the following assumptions:

Item	Gross Building Area	Unit Area	Units	Parking Spaces
Brewery Building	253,500	126,750	105	158
Row Houses	33,000	29,700	22	44
Mid Rise	178,500	142,800	132	198

LAND

Land Value is estimated by McComb Group, Ltd. as follows for each unit type:

Brewery Building	$ 15,000 per unit
Row Houses	$ 20,000 per unit
Mid Rise	$ 7,500 per unit

HARD COSTS

Site Development Cost were estimated at $1,890,000 by SRF and allocated on usable area.
Hazardous Material Abatement is estimated at $2,000,000 by the City of Saint Paul.
Building Demolition is estimated at $338,000 by Miller Dunwiddie Architects.
Interior Demolition is estimated at $761,000 by Miller Dunwiddie Architects.
Exterior Rehabilitation is estimated at $4,039,000 by Miller Dunwiddie Architects.
Interior Construction is estimated at $ 50.00 per square foot for the brewery by McComb Group, Ltd.
Finishes Allowance is estimated at $20.00 by McComb Group, Ltd.
Row House Construction is estimated at $70.00 per square foot by McComb Group, Ltd.
Mid Rise Construction is estimated at $95.00 per square foot by McComb Group, Ltd.
Courtyard Parking is estimated at $38,000 per stall by SRF.
East Parking is estimated at $38,000 per stall by SRF.
Construction Contingency is estimated at 5.0 percent of hard costs by McComb Group, Ltd.
Soft Costs are estimated at 25 percent of hard costs and include interim financing by McComb Group, Ltd.

SCENARIO B: COMMERCIAL OFFICE

Preliminary financial feasibility for commercial office assumes 218,000 square feet of usable square feet and 872 parking spaces or four spaces per 1,000 square feet as shown in Table 8. Rental income is estimated at $4.8 million less expenses of $2.2 million, resulting in cash flow of about $2.6 million. Utilizing a capitalization rate of 9.5 percent results in a value of about $28.0 million. Estimated development costs of $64.3 million results in a financial gap of $36.3 million.

Table 8

SCENARIO B: COMMERCIAL OFFICE
PRELIMINARY FINANCIAL FEASIBILITY *
(In 2004 Dollars)

Item	Commercial Office
Assumptions	
Usable area (Sq. Ft.)	218,000
Parking Spaces	872
Office Rent (Per Sq. Ft.)	$ 17.30
Parking Rate Per Stall	$ 1,800
Scheduled Rent	
Office Space	$ 3,771,400
Parking	1,569,600
Total	$ 5,341,000
Less Vacancy 10%	534,100
Rental Income	$ 4,806,900
Expenses	
Operating Expenses	$ 1,345,500
Property Taxes	807,300
Total Expenses	$ 2,152,800
Cash Flow	$ 2,654,100
Capitalized Value @ 9.5%	$ 27,937,895
Rounded up to:	$ 28,000,000
VALUE SUMMARY	
Development Cost	$ 64,338,000
Capitalized Value	28,000,000
Gap	$ 36,338,000

* See assumptions on page 93

Source: McComb Group, Ltd.

Table 9

SCENARIO B: COMMERCIAL OFFICE
PRELIMINARY DEVELOPMENT COSTS *
(In Thousands of Dollars)

Item		Commercial Office
ASSUMPTIONS		
Site (square feet)		
Total		383,382
Usable		185,100
Gross Building Area (square feet)		
Existing		290,500
New Construction		
Usable Area		
Commercial (square feet)		218,000
Parking - West		120
Parking - East		752
Land	$	1,666
Hard Costs		
Site Development	$	1,340
Hazardous Material Abatement		2,000
Demolition - Building		136
Demolition - Interior		872
Exterior Rehabilitation		6,325
Construction - Interior		8,700
Construction - New		
Tenant Allowance		5,450
Parking - West Ramp		6,000
Parking - East Ramp		14,288
Contingency		2,189
Subtotal	$	47,300
Soft Costs		
Soft Costs	$	11,825
Development Fee		3,547
Total Soft Costs	$	15,372
TOTAL COSTS	$	64,338

* See assumptions on page 93

Source: McComb Group, Ltd.

Scenario B: COMMERCIAL OFFICE
FINANCIAL FEASIBILITY ASSUMPTIONS
(TABLE 8—page 91, TABLE 9—page 92)

FINANCIAL FEASIBILITY ASSUMPTIONS FOR TABLE 8

Preliminary financial feasibility is based on the following assumptions.

Gross Rent is estimated at $17.30 per square foot for usable space. This rate reflects market rents in downtown Saint Paul for class B and C buildings and rent outside the CBD area.

Operating Expenses are estimated at $5.50 per square foot based on operating expenses for buildings in downtown Saint Paul.

Property Taxes are estimated at $2.50 per square foot based on buildings in downtown Saint Paul.

Vacancy Rate is estimated at ten percent based on a secondary location.

Capitalization Rate is estimated at 9.5 percent, taking into consideration location and risk.

DEVELOPMENT COSTS ASSUMPTIONS FOR TABLE 9

Building Area for development cost calculations is based on the following assumptions.

Item	Square Feet
Gross Building Area	290,500
Usable Area	218,000
Parking @ 4 spaces/1000 Sq. Ft.	872

Land Value is estimated at $15 per square foot of usable area by McComb Group, Ltd.

Site Development Cost of $1,340,000 provided by SRF.

Hazardous Material Abatement is estimated at $2,000,000 by the City of Saint Paul.

Building Demolition is estimated at $169,000 by Miller Dunwiddie Architects.

Interior Demolition is estimated at $1,150,000 by Miller Dunwiddie Architects.

Exterior Rehabilitation is estimated at $6,325,000 by Miller Dunwiddie Architects.

Interior Construction is estimated at $ 30.00 per square foot by McComb Group, Ltd.

Tenant Allowance is estimated at $ 25.00 per square foot by McComb Group, Ltd.

West Parking Ramp is estimated at $50,000 per stall by SRF.

East Parking is estimated at $19,000 per stall by SRF.

Construction Contingency is estimated at 5.0 percent of hard costs by McComb Group, Ltd.

Soft Costs are estimated at 25 percent of hard costs and include construction financing by McComb Group, Ltd.

SCENARIO C: CHARTER SCHOOL

Development costs for a charter school in the brewery buildings and a gymnasium are about $60.4 million as shown in Table 11. Economic value for a charter school is unknown, but is probably similar to a commercial office building.

Table 10

Scenario C: CHARTER SCHOOL
PRELIMINARY DEVELOPMENT COSTS *
(In Thousands of Dollars)

Item	Charter School
ASSUMPTIONS	
Site (square feet)	
Total	383,382
Usable	185,100
Gross Building Area (square feet)	
Existing	268,000
New Construction	24,000
Usable Area	
School (square feet)	309,000
Parking - West	
Parking - East	200
Land	$ 1,666
Hard Costs	
Site Development	$ 1,380
Hazardous Material Abatement	2,000
Demolition - Building	263
Demolition - Interior	804
Exterior Rehabilitation	5,845
Construction - Interior	16,080
Construction - New	2,160
Tenant Allowance	8,040
Parking - West Ramp	
Parking - East Ramp	5,700
Contingency	2,045
Subtotal	$ 44,317
Soft Costs	
Soft Costs	$ 11,079
Development Fee	3,324
Total Soft Costs	$ 14,403
TOTAL COSTS	$ 60,385

* See assumptions on page 95

Source: McComb Group, Ltd.

SCENARIO C: CHARTER SCHOOL
DEVELOPMENT COSTS ANALYSIS ASSUMPTIONS

Building Area for development cost calculations is based on the following assumptions.

Item	Square Feet
Gross Building Area	268,000
Usable Area	268,000
New Construction Area	24,000

Land Value is estimated at $10 per square foot of usable area by McComb Group, Ltd.

Site Development Cost is estimated at $1,380,000 by SRF.

Hazardous Material Abatement is estimated at $2,000,000 by the City of Saint Paul.

Building Demolition is estimated at $263,000 by Miller Dunwiddie Architects.

Interior Demolition is estimated at $1,150,000 by Miller Dunwiddie Architects.

Exterior Rehabilitation is estimated at $5,845,000 by Miller Dunwiddie Architects.

Interior Construction is estimated at $60.00 per square foot by McComb Group, Ltd.

Finishes Allowance is estimated at $30.00 per square foot by McComb Group, Ltd.

New Construction for a gymnasium is estimated at $90 per square foot by McComb Group, Ltd.

East Parking is estimated at $28,500 per stall by SRF.

Construction Contingency is estimated at 5.0 percent of hard costs by McComb Group, Ltd.

Soft Costs are estimated at 25 percent of hard costs and include interim financing by McComb Group, Ltd.

SCENARIO D: NEW CONSTRUCTION FOR-SALE HOUSING

This scenario envisions complete demolition of the brewery buildings and new construction of row houses, low-rise and mid-rise condominiums. For-sale and rental alternatives were considered.

Construction of 42 row houses is estimated to cost about $13.1 million, as shown in Table 11. Estimated sell-out is about $11.6 million, resulting in a financial gap of $1.5 million. Using the same methodology results in a financial gap of $2.3 million for low-rise condominiums and $9.2 million for mid-rise condominiums. The total financial gap is $13.1 million.

Table 11

SCENARIO D: NEW CONSTRUCTION FOR-SALE HOUSING
PRELIMINARY FINANCIAL FEASIBILITY *
(In Thousands of 2004 Dollars)

Item	Row Houses	Low Rise	Mid Rise	Total
Assumptions				
Unit Area	67,200	69,300	176,400	312,900
Parking Spaces	84	95	252	431
Average Sales Price (per Sq. Ft.)	$ 172	$ 161	$ 195	
Estimated Sellout	$ 11,559	$ 11,158	$ 34,398	$ 57,115
VALUE SUMMARY				
Development Costs	$ 12,490	$ 12,860	$ 41,523	$ 66,873
Risk and Profit @ 5%	625	643	2,076	3,344
Total Development Cost	$ 13,115	$ 13,503	$ 43,599	$ 70,217
Estimated Sellout	$ 11,559	$ 11,158	$ 34,398	$ 57,115
Gap	$ 1,556	$ 2,345	$ 9,201	$ 13,102

* See assumptions on page 98
Source: McComb Group, Ltd.

Table 12

SCENARIO D: NEW CONSTRUCTION FOR-SALE HOUSING
PRELIMINARY DEVELOPMENT COSTS *
(In Thousands of Dollars)

Item	Row Houses	Low Rise	Mid Rise	Total
ASSUMPTIONS				
Site (square feet)				
Total				383,382
Usable				185,100
Gross Building Area				
Square Feet	98,823	111,775	220,500	431,098
Usable Area				
Square Feet	67,200	69,300	176,400	312,899
Units	42	63	170	275
Parking Spaces	84	95	255	434
DEVELOPMENT COSTS				
Land	$ 840	$ 630	$ 900	$ 2,370
Hard Costs				
Site Development	$ 433	$ 490	$ 967	$ 1,890
Hazardous Material Abatement	458	519	1,023	2,000
Demolition - Building	440	498	982	1,920
Demolition - Interior	-	-	-	-
Exterior Rehabilitation	-	-	-	-
Construction - Site	-	-	-	-
Construction - New	6,918	7,154	20,948	35,019
Finishes Allowance	-	-	-	-
Parking - West Ramp	-	-	-	-
Parking - East Ramp	Included	Included	4,845	4,845
Contingency	412	433	1,438	2,284
Subtotal	$ 8,662	$ 9,093	$ 30,203	$ 47,957
Soft Costs				
Soft Costs	$ 2,339	$ 2,455	$ 8,155	$ 12,948
Development Fee	650	682	2,265	3,597
Total Soft Costs	$ 2,988	$ 3,137	$ 10,420	$ 16,545
TOTAL COSTS	$ 12,490	$ 12,860	$ 41,523	$ 66,873

* See assumptions on page 98

Source: McComb Group, Ltd.

SCENARIO D: NEW CONSTRUCTION FOR-SALE HOUSING
FINANCIAL FEASIBILITY ASSUMPTIONS
(TABLE 11—page 96, TABLE 12—page 97)

FINANCIAL FEASIBILITY ASSUMPTIONS FOR TABLE 11

Sales Prices per square foot are estimated to average $172 for row houses, $161 for low-rise units and $195 for mid-rise units.

Parking is two spaces for row houses and 1.5 spaces for other units.

DEVELOPMENT COSTS ASSUMPTIONS FOR TABLE 12

Building Area for development cost calculations is based on the following assumptions.

Item	Row Houses	Low Rise	Mid Rise
Gross Building Area	98,823	111,975	220,500
Residential Unit Area	67,200	69,301	126,000
Units	42	63	170
Parking Spaces	84	95	255

Land Value is estimated as follows for each unit type.

Row Houses	$ 20,000 per unit
Low Rise	$ 10,000 per unit
Mid Rise	$ 7,500 per unit

Site Development Cost is estimated at $1,890,000 by SRF and allocated on gross building area.

Hazardous Material Abatement cost provided by City of Saint Paul and allocated on gross building area.

Building Demolition cost provided by Miller Dunwiddie Architects and allocated on gross building area.

Construction Cost per square foot for each type of building estimated by McComb Group, Ltd. and includes interior finishes.

Row Houses	$ 75
Low Rise	$ 64
Mid Rise	$ 95

Mid Rise Parking cost is estimated at $19,000 per stall by SRF.

Construction Contingency is estimated at 5.0 percent of hard costs by McComb Group, Ltd.

Soft Costs are estimated at 27 percent of hard costs and include construction financing by McComb Group, Ltd.

Development Fee is estimated at 7.5 percent of hard costs by McComb Group, Ltd.

SCENARIO D: NEW CONSTRUCTION RENTAL HOUSING

This scenario envisions complete demolition and construction of new rental housings in low-rise and mid-rise buildings. Rental row housing was not considered appropriate. Estimated rental income, less expenses, results in cash flow of $398,185 for low-rise apartments as shown in Table 13. The capitalized value is about $4.7 million. Development costs of about $11.6 million results in a financial gap of about $6.9 million. The same methodology results in a financial gap of $24.2 million for a mid-rise building.

Table 13

Scenario D: NEW CONSTRUCTION RENTAL HOUSING
PRELIMINARY FINANCIAL FEASIBILITY *
(In 2004 Dollars)

Item	Low Rise	Mid Rise	Total
Assumptions			
Rental Area (Sq. Ft.)	69,300	176,400	245,700
Rental Rate (Per Sq. Ft.)	$ 12.00	$ 13.00	
Garage Rent (Per Stall)	540	540	
Scheduled Rent			
Apartments	$ 831,600	$ 2,293,200	$ 3,124,800
Garages	34,020	138,096	172,116
Total	$ 865,620	$ 2,431,296	$ 3,296,916
Vacancy @ 5.0%	43,281	121,565	164,846
Rental Income	$ 822,339	$ 2,309,731	$ 3,132,070
Expenses			
Operating Expenses	$ 302,967	$ 850,954	$ 1,153,921
Property Taxes	103,874	291,756	395,630
Reserves @ 2.0%	17,312	48,626	65,938
Total Expenses	$ 424,154	$ 1,191,335	$ 1,615,489
Cash Flow	$ 398,185	$ 1,118,396	$ 1,516,581
Capitalized Value @ 8.5%	$ 4,684,532	$ 13,157,602	$ 17,842,134
Say	$ 4,700,000	$ 13,200,000	$ 17,900,000
VALUE SUMMARY			
Development Cost	$ 12,860,000	$ 41,523,000	$ 54,383,000
Rental Quality Adjustment 10%	(1,286,000)	(4,152,300)	(5,438,300)
Adjusted Development Cost	$ 11,574,000	$ 37,370,700	$ 48,944,700
Capitalized Value	$ 4,700,000	$ 13,200,000	$ 17,900,000
Gap	$ 6,874,000	$ 24,170,700	$ 31,044,700

N/A: Adjustment contained in cost estimates.

* See assumptions on page 100

Source: McComb Group, Ltd.

Scenario D: NEW CONSTRUCTION RENTAL HOUSING
FINANCIAL FEASIBILITY ASSUMPTIONS
(TABLE 13—page 99)

FINANCIAL FEASIBILITY ASSUMPTIONS FOR TABLE 13

Apartment Rent is estimated at $12.00 per square foot for low-rise units and $13.00 per square foot for mid-rise units.

Garage Rent is estimated at $45 per month per stall or $540 per year.

Vacancy is estimated at five percent of scheduled rent.

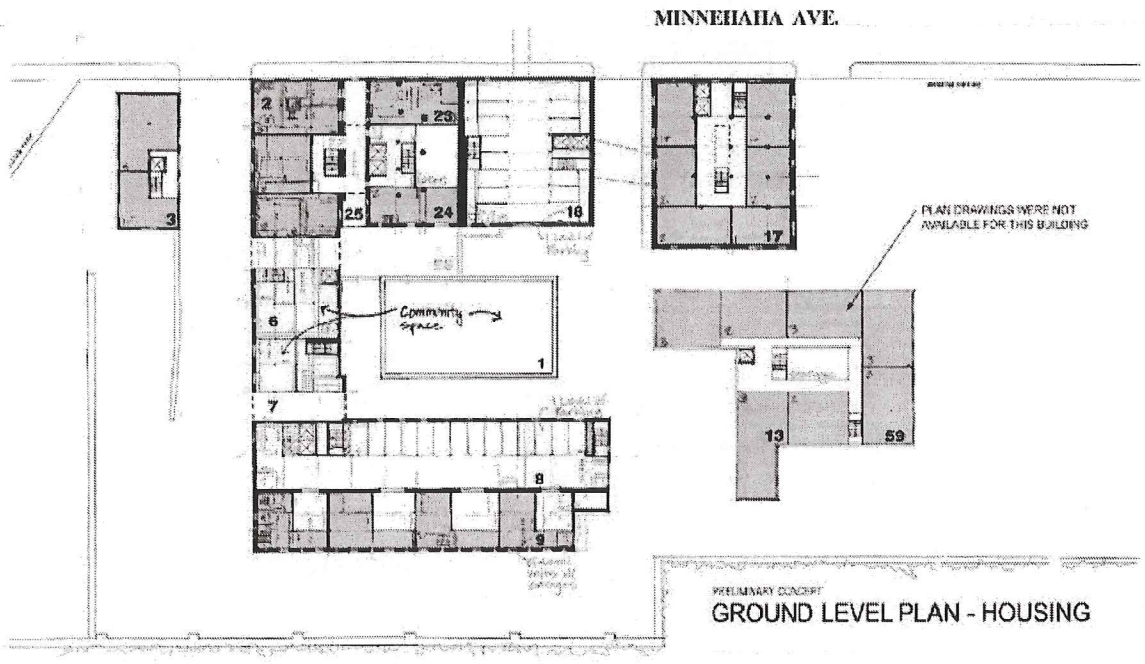
Operating Expenses are based on a percent of scheduled rent as shown below.

Item	Percent of Scheduled Rent
Operating Expenses	35%
Property Taxes	12%
Replacement Reserves	2%

Capitalization Rate is estimated at 8.5 percent.

DEVELOPMENT COSTS

Development costs are based on costs contained in Table 12, reduced by ten percent to reflect lower costs of rental buildings.



MILLER DUNWIDDIE ARCHITECTURE

HAMM BREWERY REUSE STUDY

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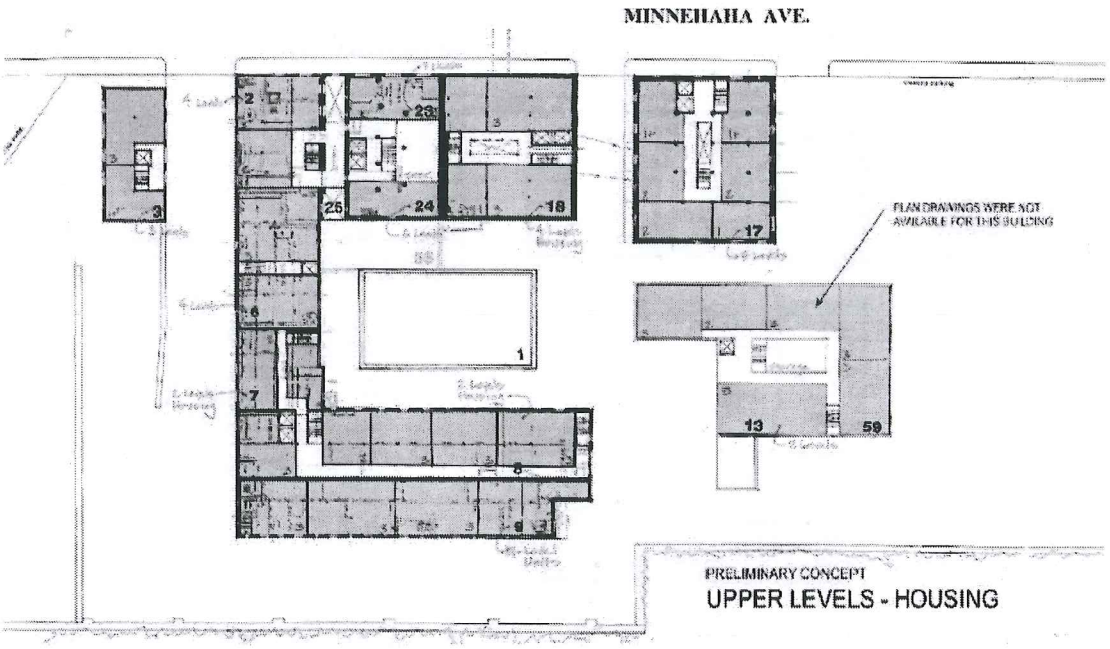

MILLER DUNWIDDIE

HAMM BREWERY REUSE STUDY

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Appendix II • Reuse Interview Worksheets

The following worksheets were generated by the reuse team from notes collected during the interviews. They contain issues or perceptions that the Team heard during the interviews that represent the individuals' feelings concerning the Hamm site. The names of the individuals that were interviewed will not be made public by the Team, nor are comments made by individuals attributed to them. However, individuals interviewed are free to inform others that they were interviewed and what they said, if they so wish.

IT SHOULD BE STRESSED THAT THIS INFORMATION IS SIMPLY WHAT WE HEARD. These statements have not been verified for accuracy and the issues have not been listed in any order of priority. The Team has attempted to categorize issues within the most appropriate heading, but it will be obvious that many issues could be listed in many categories. There still may be some duplication. Some issues are categorized as having a positive or negative impact on potential for reuse in that category. Those not included under positives or negative are deemed to be generally neutral impacts.

Issues

- The site is comprised of 340,000 SF in 22 buildings (+/-) on 8.8 acres.
- Is there a precedent somewhere else in the U.S. for the reuse of a similar brewery site? (See Appendix VI)
- Who owns the police station at Minnehaha and Payne? How many other private owners are there within the proposed historic district?
- Would the City of Saint Paul step in to condemn and acquire privately owned Hamm property if the private owner(s) were objecting to historic status and affecting the use of the Tax Credits by a developer?
- Does the expansion at Metro State University bode well for the Hamm site?
- Is there a market for upscale Latino, Hmong, and African-American housing?

Land Use Issues

- 100 plus years of industrial use.
- Will probably need rezoning.
- Getting the parkland that the City thought they owned was the impetus for the City's purchase.
- Some buildings may need to be removed to make the site more developable.
- Selective demolition should be considered to make the site more developable.
- All the wells on the site have been capped except for the one in Swede Hollow Park.
- Density in the area needs to be increased. There has to be enough density to make it work.
- The Saint Paul Park and Recreation Department had a lease on approximately 3 acres in Swede Hollow from Hamm for use as a park. Because of the changes in ownership at the brewery, the lease lapsed. When Howard Gelb bought the Hamm site in 1998, he acquired the park property. The City

had to buy it from him, and that's how it ended up owning the site south of Minnehaha Avenue.

- There is a perception that Swede Hollow Park is heavily used.
- The Bruce Vento Recreational Trail that runs in Swede Hollow Park currently goes from Stillwater to Payne and 7th. It will be extended in the future to link to downtown, Mounds Park, and further to the south to link up to other trails near Fort Snelling.
- A connection of the trail to the Hamm site would be more of a neighborhood link than a major access point.
- The fencing along the trail in Swede Hollow Park is only there because of the security and hazards of the brewery site.
- The effect of the Stroh Brewery closing on traffic in the area has not been quantified.
- Traffic counts in the City are taken every three years.
- An interchange of Phalen Boulevard and I-35E is planned at Cayuga Street in 2009.
- There used to be a bridge over Swede Hollow at Reany Avenue. It has been gone for over 20 years.

Positive:

- It has a physical presence overlooking Swede Hollow Park.
- The site has a park link (Swede Hallow and Phalen Corridor)
- It is a transition zone between upper bluff housing and worker neighborhoods to the north and east.
- Being between Arcade and Payne may be an advantage or disadvantage to its ultimate use.
- Large portion of the site is underdeveloped and available for potential development.
- Phalen Corridor opens up new opportunities to transportation links.
- The original Hamm site is zoned into three distinct sectors for flexibility of reuse.
- The lower third is divided into 2 sectors: built and open
- Continued use of the middle section of the Hamm property (north of Minnehaha) as light industrial would not affect HOPE Academy's use of the buildings south of Minnehaha.
- The City has right of first refusal to purchase buildings 32 and 45 from Howard Gelb.
- There is a park planned along Phalen Boulevard between Payne and Arcade where the Hamm grain elevators and warehouses stood. It is only in the planning stages.
- Saint Paul Parks and Recreation is working on a Bruce Vento Trail Master Plan amendment. If approved, Met Council funds could then be used for Phalen Corridor parks.

Negative:

- The growth of the lower sector building-to-building creates ambiguity.
- The complex has no front door.

- The neighborhood did not like the typical Port Authority style business center first put forward by them. Too much grass, too suburban.
- There are no linkages from the Hamm site to Swede Hollow Park currently being planned by Saint Paul Park and Rec.
- The site's reuse may trigger a traffic impact study.
- The buildings in the middle section fronting on Minnehaha are difficult to reuse because they contain tanks built into the structure. Their redevelopment may not be a priority for the owner of that property.
- The deep wells at the site may not be able to be used for geothermal heating and cooling if they extend down into the aquifer.

Design Issues

- At the Grain Belt Brewery 70 new window openings were created.
- Historic regulators/reviewers are easier to deal with at the concept stage than while the details are being dealt with.
- There is an extensive system of tunnels underneath the complex.
- The parking lot could be a key to the development potential. There may be rock immediately below the parking lot.
- The houses east of the parking lot should be acquired all the way to the commercial property on Arcade to link the site to it. There would need to be political will to do this, but it increases the critical mass of the development.
- The Stroh's "skyway" over Minnehaha is owned by Howard Gelb. There are plans to remove it.
- Building 1 should be demolished to open up the interior of the site.

Positive:

- Physical presence adjacent to Swede Hollow Park.
- Floor structures can accommodate most reuses.
- The brewhouse has unique stairways and brewing features.
- The buildings in general have numerous windows or potential window locations.
- The facades are in fair to good condition.
- Good views to the south west from the oldest portion of the complex.
- Ample electrical power.
- Good City services and utilities to the site.
- Unique and interesting interior spaces.
- The narrow streets around Building 1 at the middle of the complex remind some people of Europe.
- The middle section of the Hamm property (north of Minnehaha) is perceived to be "ugly."
- The Hamm site "still looks pretty crappy."
- The building facades overlooking Swede Hollow should be saved.

Negative:

- Not all the buildings are attractive.
- Large massive, joined buildings could limit window accessibility.
- Multiple floor levels that don't align from building to building.
- Removal of storage tanks and vats.
- The appearance and condition of some of the buildings (especially the interiors).
- Wide-spread lead paint and asbestos.
- Modification of much of the fenestration on the west wall.
- Significant historic features have been removed.
- The pattern of growth added visual chaos and certain inflexibility in reuse.
- There may be limitations to the type of reuse of the exterior open spaces.
- Not all buildings are good looking.
- Sloped floors at the building where barrels were washed present an interesting challenge.
- Reuse of the site is a challenge because of the number and types of buildings and the varying floor elevations.

Historical Issues

- The Saint Paul HPC does not automatically nominate all National Register properties within the City to the City's list of historic buildings or sites.
- The HPC is in the process of re-writing / updating its ordinance and historic guidelines.
- The houses east of the parking lot may have been built by Hamm.
- The period of significance of a potential Hamm Brewery Historic District could be a key element to the site's development.
- The contributing / non-contributing buildings in a potential Hamm Brewery Historic District could be a key element to the site's development.
- Determine what is historic, save it, and clear the rest.
- The historical issues at the site are the classic "tail wagging the dog."
- There may be archaeological issues at the site, such as the tunnels, an original Hamm house foundation in Swede Hollow, etc.
- The period of significance will need to be carefully determined.
- The proposed National Register Historic District boundaries should generally follow the property lines. The boundaries across Swede Hollow behind the police station and as it crosses the park should also tie into logical property corners. It should include the stone wall on the south side of the side, but should not include the housing sites at the top of the hill south of the site.
- The National Register Criterion should be based on the site's industrial use, with a possible tie-in to Theodore Hamm the person.
- Some interior features will need to be saved if Tax Credits are to be used. What and how much will depend on the National Register Criteria and Period of Significance.

Positive:

- The brewery is well rooted and respected in the community.
- Interpretive facilities are an easy sell in Saint Paul.
- Since there has already been a preliminary finding that the Hamm site is eligible for the National Register, if a private owner within the proposed district seeks a demolition permit for his/her buildings, an Environmental Quality Board (EQB) review would result.

Negative:

- The brewery and it's off-shoots where significantly involved in the development of Saint Paul's history.
- Too wide a range of period of significance.
- Uncertainty over of contributing or non-contributing.
- Historic buildings with altered integrity.
- The northern portion of the old Hamm site is owned by a person who will not support National Register designation of the bigger site.
- The Hamm site won't be nominated to the local historic register anytime soon. More urgent priorities are 14 individual sites and the West University Avenue Historic District.
- Redevelopment south of Minnehaha may require cooperation with the owners of the site north of Minnehaha.
- A simple majority of property owners within a proposed historic district that object to their properties being in the historic district will prevent it from being placed on the National Register. Public entities (city, county, state, etc.) don't count in the calculation.

Housing Issues

- There is a lot of housing being planned along Payne and/or Phalen Boulevard, up to 700 units of various types in various developments.
- The neighborhood would probably want a three-story height maximum on new construction.
- An organization like Presbyterian Homes would probably want 100 units for independent living, 100 units for assisted living, and skilled nursing beds on the site. There is a moratorium on the construction of skilled nursing beds, so another facility's beds would have to be relocated to the site.
- The Railroad Island area of the neighborhood is 30% homeowners, 70% renters.
- The neighborhood has enough affordable housing.
- The complex is perceived as a housing site.
- To redevelop the Hamm site for housing would need the proper amenities and price point.
- Amenities would include in-unit washers/dryers, covered parking, granite countertops, upgraded finishes, etc.
- One concept would be to create housing "shells" within the buildings that would be purchased—like buying a lot but inside a building. Common areas would be created (corridors, stairs, elevators, etc.) and utilities, heating, and

cooling would be supplied to each shell. Owners would then finish them. Restrictions would have to be included to insure a minimum level of quality in finishing the units.

- Rental properties are in a downturn. The Hamm site may be better suited to condos.
- Condos can't use the 20% Federal tax Credit. The property must be income producing.
- If live/work units are created, where an individual buys a "shell" space and finishes it, kitchens and baths should be included in the base shell.
- The effect of Hmong lifestyles – living with extended families – could have an impact on the type of housing desired and/or wear and tear.
- Density needs to be increased within the neighborhood.
- Even if the 3M R & D Center is on the East Side, it is not sure if it would create a housing need.
- The Mayor's 5,000 housing units in 4 years initiative is on target after its first 2 years.

Positive:

- Senior housing developers such as Presbyterian Homes are seeking sites within the core cities of the Metro area.
- Staff for HOPE Academy could live in the neighborhood.
- Housing could be a strong potential use for the site.
- Senior housing would be attractive on the East Side.
- A recent Saint Paul housing market study indicates that there is a need for units in the $250,000 to $500,000 price range.
- The potential 3M R & D center could generate a demand for unique and higher priced housing on the Hamm site.
- ESNDC is an advocate of affordable housing.

Negative:

- There is a feeling that the 700 proposed units of housing for the East Side over-estimates the need.
- There are worries about the changing housing market on the East Side.

Ownership Issues

- The Housing and Redevelopment Authority (HRA) actually owns the site. It is the only City agency that can own property for development.
- The Mayor can not control HRA projects.
- The Mayor can not veto HRA projects.
- The middle section of the Hamm property (north of Minnehaha) is owned by Howard Gelb.
- It should be assumed that the middle section will remain in private ownership.

Positive:

- The City appears to have the will to acquire the site as necessary to realize future positive growth.

Negative:

- One property owner's actions can affect the rights and marketability of another property owner.

Neighborhood Issues

- There has been an influx of Hmong, African-American, and Latino residents into the neighborhood.
- The influx of new residents was not due to jobs—it was due to inexpensive housing.
- The majority of the property on the East Side is owned by Hmong.
- There should be a significant housing market in this area.
- The Railroad Island area of the neighborhood is 30% homeowners, 70% renters.
- Potential market studies should include the Hmong, African-American, and Latino communities.

Positive:

- Many neighborhood families had ties to Hamm.
- The outlook in the neighborhood was bleaker in the 1980s.
- The is much housing being planned along the Phalen Corridor.
- Influx of Hmong, African American, and Hispanic introduces diversity into the neighborhood fabric.
- New residents were attracted by cheap housing.
- Phalen Corridor opened in 2003, with a new interchange at 35E planned in 2009.
- 3M is converting their facility to a research and development campus.
- The neighborhood is ready to do something.
- The Hamm site could support community gardens used by Hmong families.
- The neighborhood feels that the Hamm site is an important landmark.
- The community is trying to make Payne Avenue an amenity.

Negative:

- The Phalen Boulevard connection from Arcade to the Lake Phalen is not funded.
- City money will only flow to neighborhoods that cooperate and have the will to get things done.

Political Issues

Positive:

- Major political leaders are Eastsiders.
- A current East Side Council Member is the Chair of the HRA.
- After the first of January, 2004, the Council districts will be re-aligned.
- The Hamm Brewery is a very political site.

Negative:

- It is perceived that there is no "public will" to do anything, only a "neighborhood activists will."
- If there is no political will there will be no project.
- Local political figures may have to disappoint some ardent preservationists who would like to see everything at the Hamm site saved.

Development Issues

- The economic outlook for the neighborhood was more bleak in the 1980s.
- The Port Authority is accountable to the Mayor.
- Port Authority employees report to the P.A. Board.
- At the Grain Belt Brewery the developers spent 7 to 9 months trying to kill the project.
- At the Grain Belt Brewery, having a tenant that could take most of the space was also key.
- The Port Authority is pragmatic and realistic.
- There are extreme viewpoints for reusing the site, from tear it all down to save everything. There are many who seek a middle ground.
- The easiest part of the site – whatever that is—should be done first. The rest can be done in phases. Start generating income to support completion of the rest.
- Lowertown is a good example of what can be done at Hamm.
- It feels like a mixed use site with one larger "anchor" element.
- The buildings/land north of Minnehaha may be more important than that south of Minnehaha. The south side may need to be developed first to positively affect the north side.
- The Phase II environmental assessment of the property is completed. Preliminary costs are $2 million, but don't include any soil issues.
- The Saint Paul Department of Planning and Economic Development (PED) supports the HRA.
- PED's relationships with neighborhood District Councils varies from district to district.
- PED's relationship with the East Side is +/-.
- The boundary of a potential Hamm Brewery Historic District could be a key element to the site's development.
- Redevelopment of the site will require storm water management measures. The MPCA will require the construction of water quality ponds.
- If a developer is trying to fill a niche market or if the site has outstanding characteristics, market demand may not be as much of a factor.
- Housing and community development is the mission of the East Side neighborhood development Company (ESNDC). The ESCDC is the community development agency for District 5.
- The site should be considered the same as Williams Hill – it should be cleared and developed into light industrial use that could create 700+ jobs.
- "Crazy people" have come forward and stifled potential development of the site.

- Some politicians have misguided views of development for the area.
- The area north of Minnehaha should be cleared all the way to Arcade to create more critical mass and mixed use potential.
- Any redevelopment of the Hamm site should "make it cool."
- There were feelings that when Howard Gelb acquired the property it would be demolished with no public input.
- Some felt Howard Gelb was a "savior", others are still angry at him for what he did.
- The Hamm site is probably not suited to a large corporate client. It is probably more suited to local ownership because of the unique spaces.
- Some feel that if Howard Gelb hadn't gotten hold of the site, 2,000 jobs could now be there.

Positive:

- Major political leaders are Eastsiders.
- Phalen Boulevard opened between Pennsylvania and Payne in December 2003, and to Arcade in 2004. An additional $20 million is needed to extend Phalen Boulevard to its eastern end near Lake Phalen. It may take up to 10 years to realize the complete project.
- The Port Authority is mostly about industrial development and jobs.
- There is hazardous material abatement money available.
- Soil contamination appears to be minimal.
- The Upper Swede Hollow neighborhood Association (USHNA) has the ear of one of the local Council Members.
- There could be possible DNR money for development in Swede Hollow Park.
- All buildings built prior to 1936 and not on the National Register and not used for rental residential qualify for a 10% Federal Investment Tax Credit.

Negative:

- The purchase of the site by Howard Gelb was viewed as a Port Authority failure and a bad thing by the neighbors.
- The Port Authority doesn't have a large appetite for developing historic buildings or sites.
- The Port Authority has "washed its hands" of the Hamm property, or taken a "wait and see" approach to it.
- The Port Authority would likely not be involved in the Hamm site unless there was an overwhelming public interest.
- The property can be developed, but at what public subsidy?
- It is perceived that there is no "public will" to do anything, only a "neighborhood activists will."
- Redevelopment of historic brewery buildings has some unusual problems. Grain dust embedded in porous stone walls at the Grain Belt Brewery contributed to mold growth. It was a complicated, time consuming, and expensive issue.

- There was no political will in 1998 when the property was available.
- The buildings won't work for the Port Authority "formula".
- There is no pressure for development in the area.
- Phalen Corridor Initiative money is not likely for development in Swede Hollow Park.
- There is a perception that working with Saint Paul PED is difficult.
- There is a perception that Saint Paul PED keeps deals from getting done.
- When the brewery closed in 1997, the Port Authority did a valuation of the property and got a negative value. That led to its negotiating stance and the ability of a private entity to step in and purchase the property.
- Many people are irritated with the Port Authority that they lost out in purchasing the entire property.
- The buildings on Minnehaha Avenue may be the hardest to reuse.

Education Issues

- HOPE Academy intentionally targeted the East Side because of the Hmong presence.
- The East Side is a hotbed of charter school activity. The first charter school in the nation was there.
- The Arts High School is better located downtown to take advantage of the cultural amenities there. (Ordway, Children's Museum, etc.).

Positive:

- HOPE Academy is interested in expanding. It is currently K-6 with 455 students. It would like to expand to K-8 (720 students) initially. Its charter will allow it to go to K-12 (1,000+ students).
- HOPE Academy is already looking at expanding on its current site. They are looking into purchasing their site.
- HOPE Academy originally looked at the buildings on the Hamm site east of Swede Hollow Park.
- An new facility could provide the needed gym, kitchen, and cafeteria for the Academy.
- Having their own identity helps HOPE Academy's recruitment.
- Other potential sites for HOPE Academy on the East Side are very limited
- Sharing the Hamm site with the Arts High School or other schools would not be a problem for HOPE Academy.
- Charter schools come with lots of money.
- Charter schools are in an expanding mode.

Negative:

- Educational uses on the site might preclude other uses such as heavy industry.

Business Issues

- Chain stores are not needed in denser areas. Smaller, individually owned retail and commercial concerns can survive in a denser environment.
- 3M is in a state of flux. It is not certain that the East Side facility will be the R & D Center.

Positive:

- The purpose for the creation of the Phalen Corridor was to open up industrial sites in the neighborhood.

Economic Issues

- At the Grain Belt Brewery, the use of the 20% Federal Tax Credit was key.

Positive:

- If the economics aren't here yet, they will be soon.
- There is a possibility that 3M is converting their facility on the East Side to their recently announced centralized Research and Development facility.
- There is a value in some of the scrap material.
- There has been interest expressed in salvaging the tanks in Building 17.
- The City could approach the state for assistance, since the state has taken more property off of the tax roles downtown recently with the construction of new state facilities.
- TIF is available. Without it Hamm may never get done.
- The Hamm site has contributed to the economic vitality of Saint Paul for 150 years.

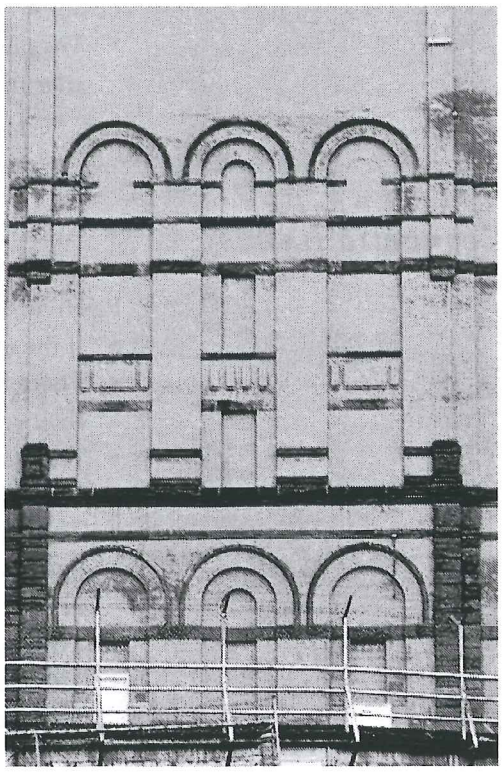
Negative:

- The Arcade/Payne corridors aren't doing as well as the community hoped.
- The City is short of funds.
- The TIF formulas may need to be redone to more accurately reflect the costs of projects for police, fire, utilities, etc.
- There needs to be more disposable income in the neighborhood.
- Upfront financing is difficult.

Appendix III • Photographic Documentation

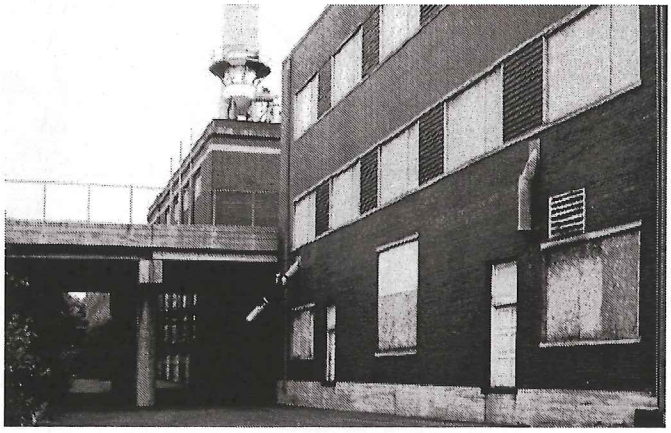
The following photographs were taken during the consultation team's tour of the Hamm Brewery property on September 18, 2003.

West facing facades of the Hamm Brewery complex

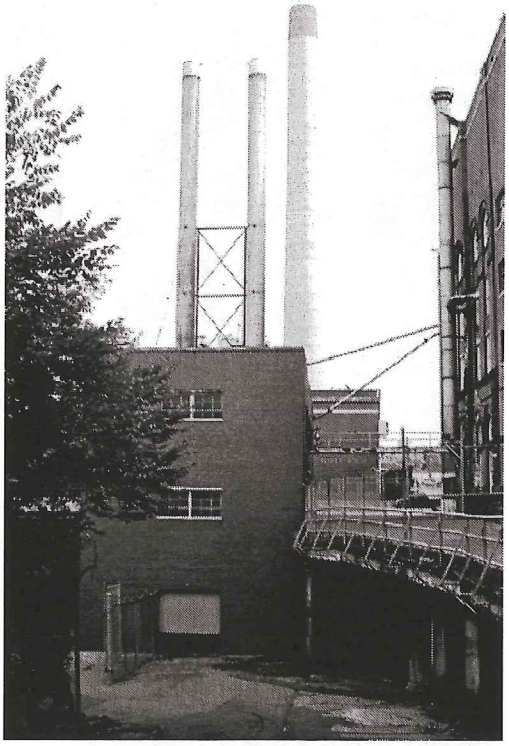


Detail of west facing facade the Racking Room, Building #7

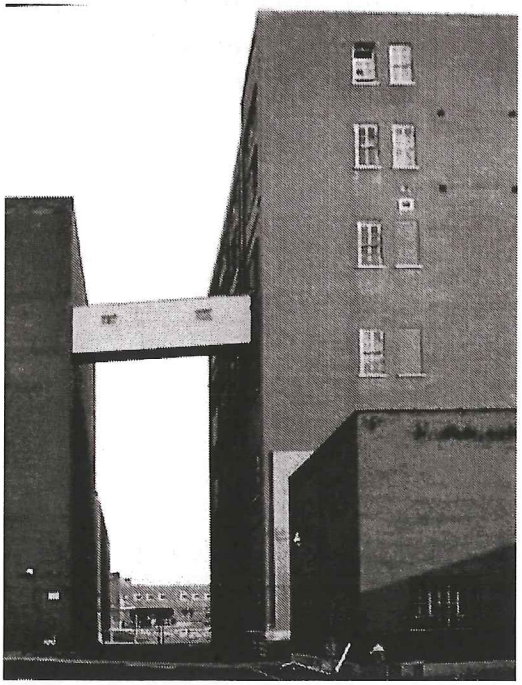
The brewery facades to the south of Minnehaha Avenue



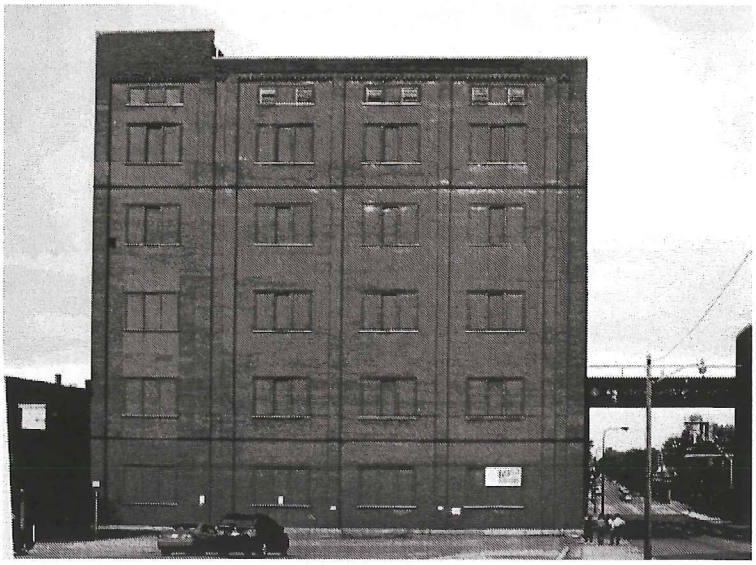
The Grain Dryer, Building # 3 with Minnehaha Avenue passing from the left



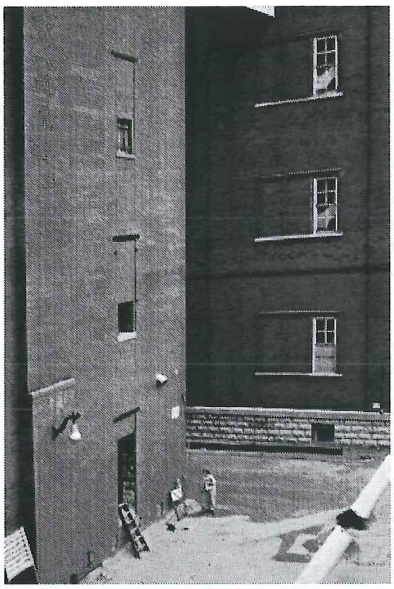
The Grain Dryer, Building # 3 looking to the north



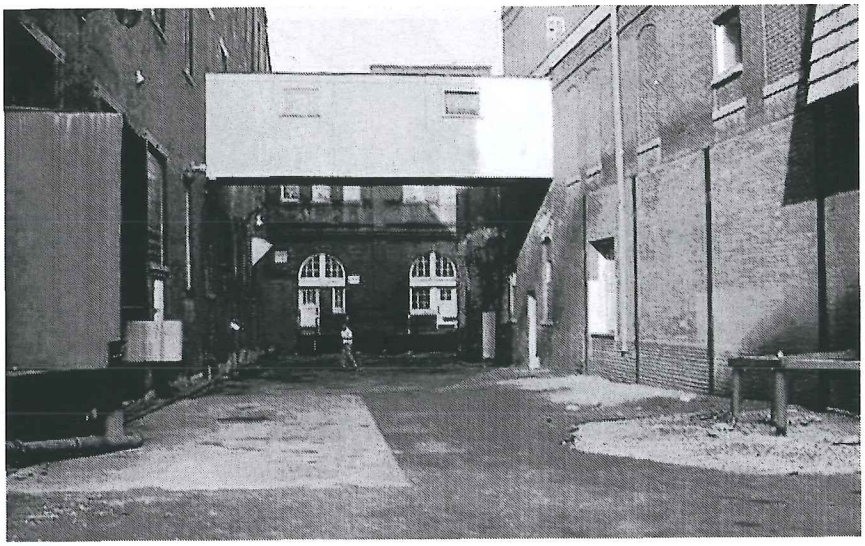
Gangway between Stock House No. 2, Building 18 on the left and Stock House No. 3, Building # 17 on the right



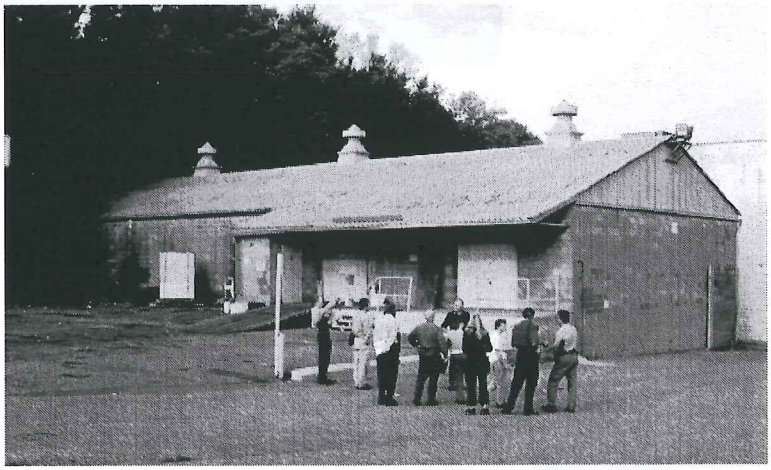
East facing facade of the Stock House No. 3, Building #17



West facing facades of the Hamm Brewery complex

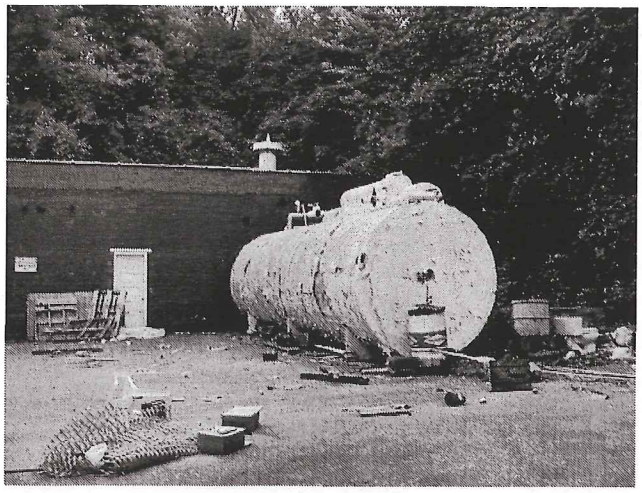


Open space defined by the Wash House, Building # 8 on the left; the Racking Room, Building # 7 in the back; and the First Power Plant, Building #1 on the right



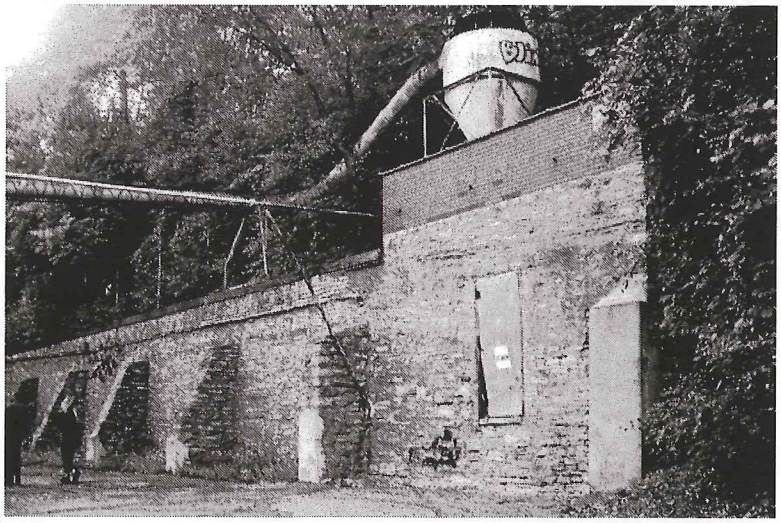
Consultant team in front of the Warehouse, Building #57

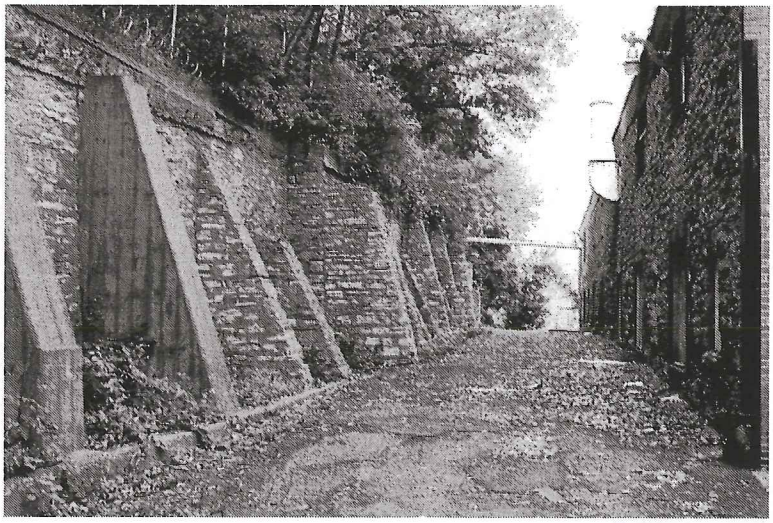
Consultant team beginning inspection of the Blacksmith/Machine/Paint Shop, Building #13



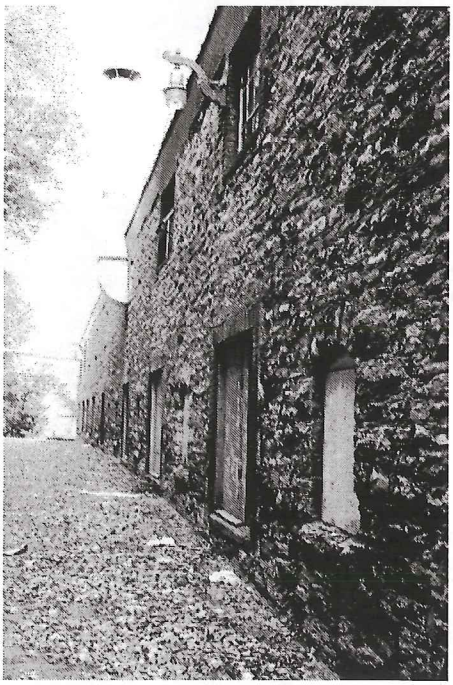
Storage tank adjacent to Building # 13

Detail of the retaining wall along the south end of the site

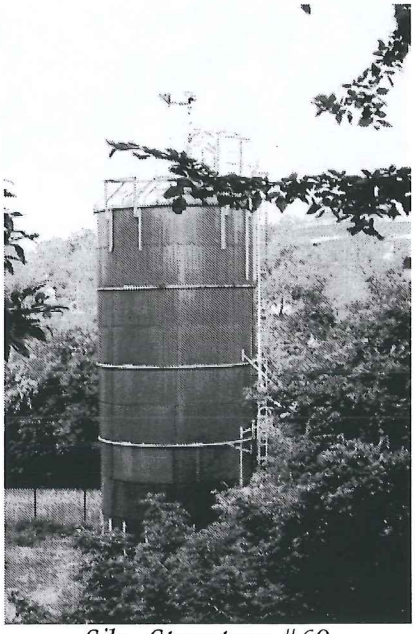




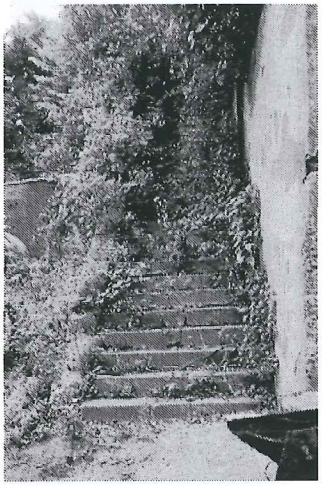
Retaining wall on the left and the Carpenter Shop, Building # 9 on the right



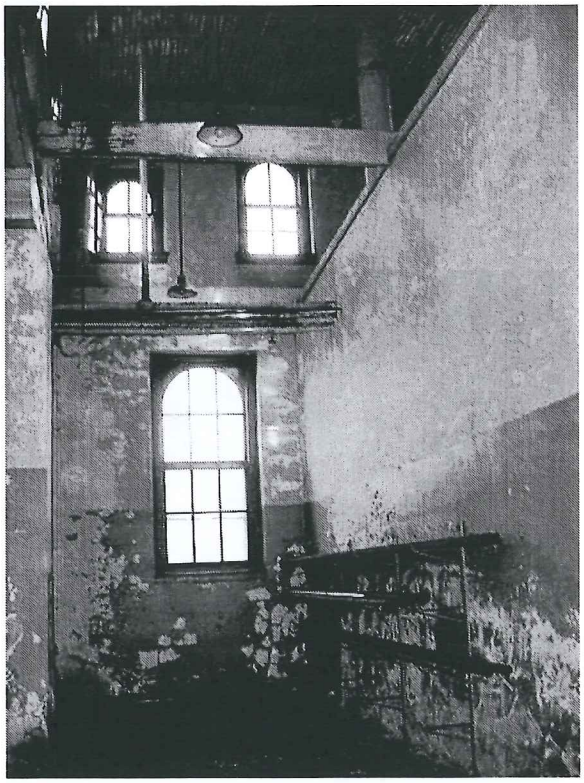
West facing facades of the Carpentry Shop, Building #9



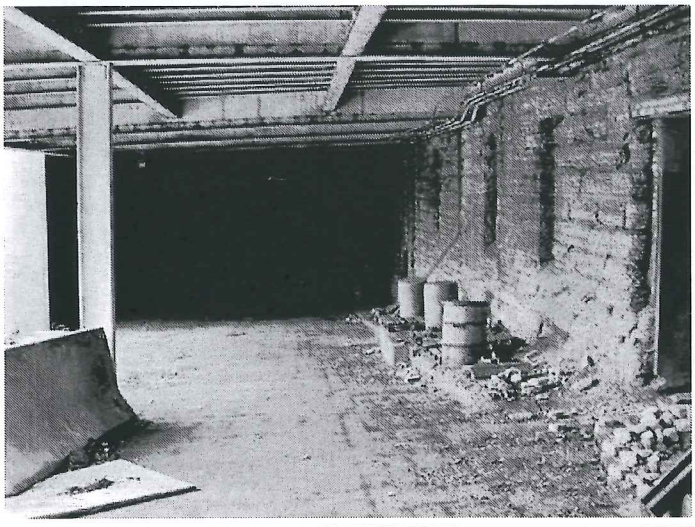
Silo, Structure #60



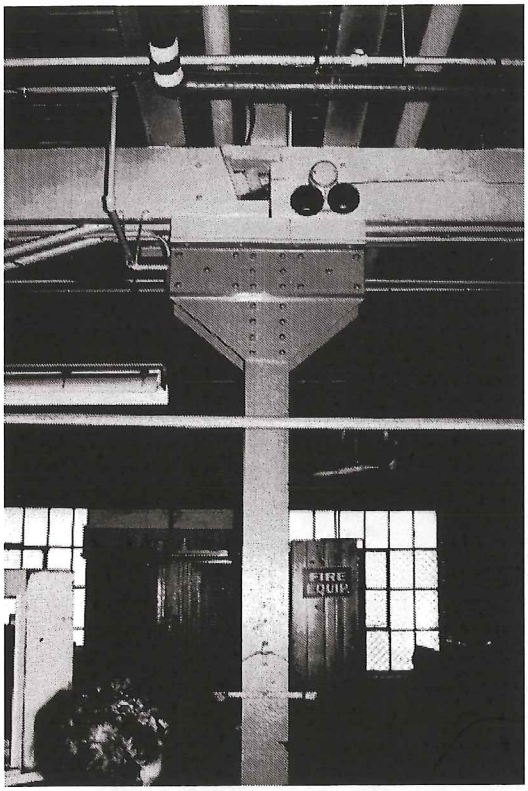
Stair adjacent to bluff



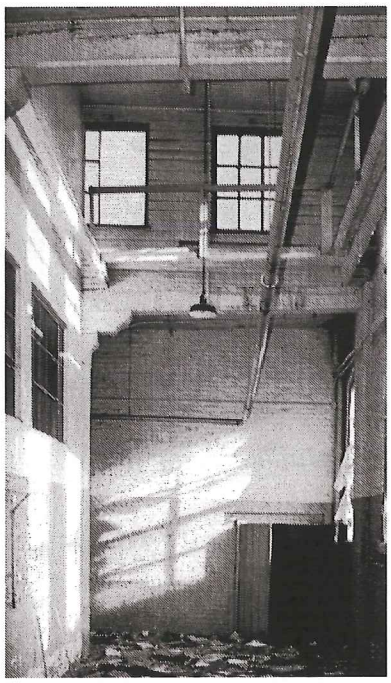
Window detailing on west wall



Foundation under west facade of the brewery complex

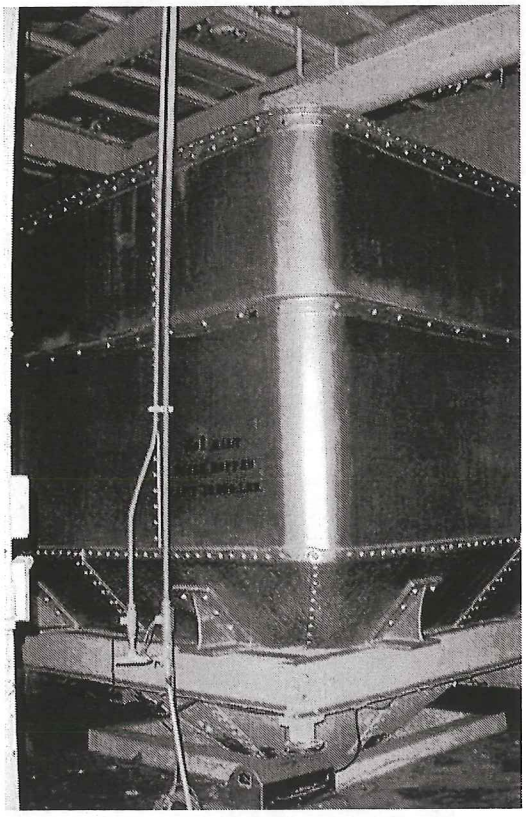


Detail of structural system, Building #13

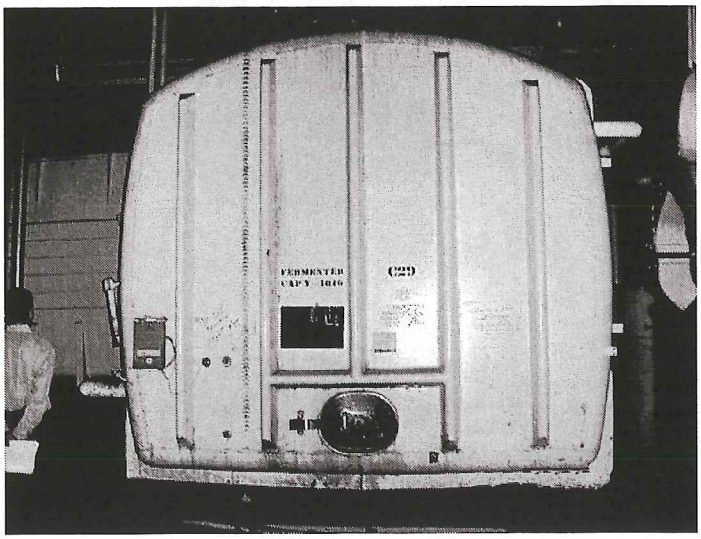


Interior detail

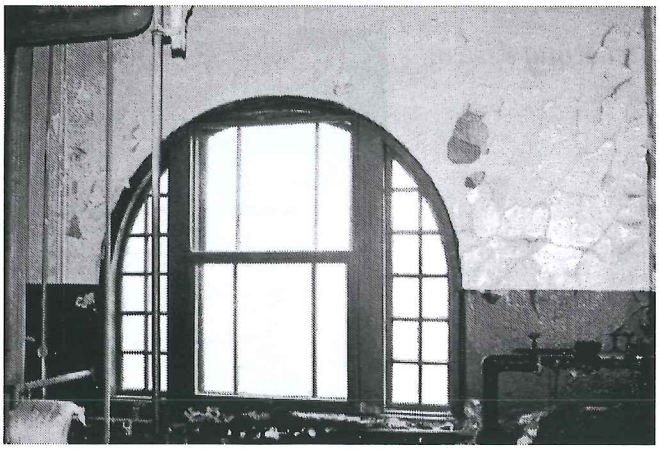
Machinery in Building # 8



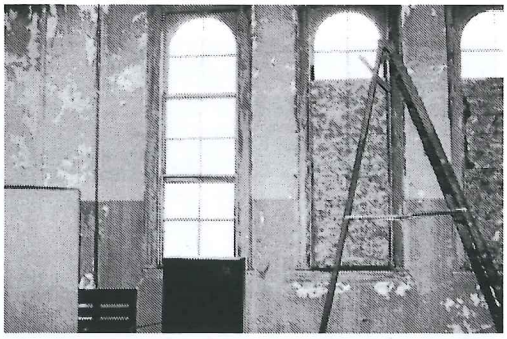
Stainless steel brewery vat



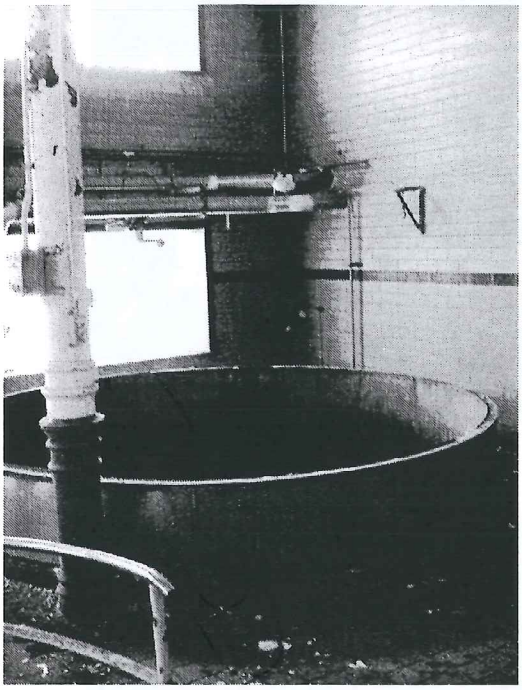
Fermentation tank, Building #17



Window detail in Brew House, Building #2



Window detail in Brew House



Partial vat in the Brew House

Iron staircase in the Brew House

View up of the staircase and atrium in the Brew House

Appendix IV • Listing of Contributors and Consultants

Hamm Brewery Ad Hoc Advisory Group

Carol Carey, Historic Saint Paul—co-chair
Kathi Donnelly-Cohen, Planning Commission—co-chair
Mike Anderson, Eastside Neighborhood Development Company, Inc.
Kristin Dawkins, Friends of Swede Hollow and District 5
Karin DuPaul, Friends of Swede Hollow and District 4
Kathy Lantry, City Council
Weiming Lu, Lower Phalen Creek Project
Curt Milburn, Phalen Corridor
Kris Nelson, Upper Swede Hollow Neighborhood Association
Kurt Schultz, Mayor's Office
Maychy Vu, HOPE Academy

Consultant Team Firms and Members

Miller Dunwiddie Architects
John D. Mecum, AIA, Principal-in-charge
Charles D. Liddy, Jr. AIA, NCARB, Principal Designer
Michael J. Bjornberg, AIA, NCARB, Project Manager
Laura J. Faucher, AIA, Project Architect

Thomas R. Zahn & Associates
Thomas R. Zahn, Principal Investigator

McComb Group, Ltd
James McComb, Principal Real Estate Specialist

Hess, Roise and Company
Charlene K. Roise, Principal Historian

SRF Consulting Group
Barry J. Warner, FASLA, AICP, Urban Designer
John Al Larson, ASLA, Landscape Architect
Michael J. Monahan, PE, Traffic Engineer

Meyer, Borgman, and Johnson
Daniel E. Murphy, Structural Principal

Michaud Cooley Erickson
Douglas C. Cooley, PE, Mechanical and Electrical Principal

Saint Paul City Staff

Amy Filice, PED
Sheri Pemberton, PED
Penelope Simison, PED
David Gontarek, PED
Don Ganje, Parks and Recreation
Phil Waugh, Heritage Preservation Commission (through 12/31/03)

Criteria for the Evaluation of Historic Properties - The quality of significance in American history, architecture, archaeology, engineering, and culture is present in districts, sites, buildings, structures, and objects that possess integrity of location, design, setting, materials, workmanship, feeling, and association.

Facade Easement – The donation of the appraised value of an historic building's façade to a not-for-profit entity set up to receive such donations. The value of the facade can then be taken as a tax deduction. The appraised value of the property is then lower because of the facade easement donation.

GSF – Gross square foot/feet

HABS / HAER – Historic American Building Survey / Historic American Engineering Record

Historic Context—a unit created for planning purposes that groups information about historic properties based on a shared theme, specific time period, and geographical area.

Historic Property—a district, site, building, structure or object significant in American history, architecture, engineering, archeology or culture at the national, state, or local level.

Historic Tax Credits – The 20% Federal Tax Credit available for qualifying properties and projects.

Historic Treatment Options

Preservation is defined as the act or process of applying measures necessary to sustain the existing form, integrity, and materials of an historic property. Work, including preliminary measures to protect and stabilize the property, generally focuses upon the ongoing maintenance and repair of historic materials and features rather than extensive replacement and new construction. New exterior additions are not within the scope of this treatment; however, the limited and sensitive upgrading of mechanical, electrical, and plumbing systems and other code-required work to make properties functional is appropriate within a preservation project.

Reconstruction is defined as the act or process of depicting, by means of new construction, the form, features, and detailing of a non-surviving site, landscape, building, structure, or object for the purpose of replicating its appearance at a specific period of time and in its historic location.

Rehabilitation is defined as the act or process of making possible a compatible use for a property through repair, alterations, and additions while preserving those portions or features which convey its historical, cultural, or architectural values.

Restoration is defined as the act or process of accurately depicting the form, features, and character of a property as it appeared at a particular period of

time by means of the removal of features from other periods in its history and reconstruction of missing features from the restoration period. The limited and sensitive upgrading of mechanical, electrical, and plumbing systems and other code-required work to make properties functional is appropriate within a restoration project.

Integrity—the authenticity of a property's historic identity, evidenced by the survival of physical characteristics that existed during the property's historic or prehistoric period.

Low-rise – Three or four-story stick-built construction over a concrete, concrete block, and/or precast concrete parking garage structure

Mid-rise – Five to ten-story structures built of concrete or steel

National Register Criteria—the established criteria for evaluating the eligibility of properties for inclusion in the National Register of Historic Places.

Criterion A: Associated with events that have made a significant contribution to the broad patterns of our history; or

Criterion B: Associated with the lives of persons significant in our past; or

Criterion C: Embodies the distinctive characteristics of a type, period, or method of construction, or that represent the work of a master, or that possess high artistic values, or that represent a significant and distinguishable entity whose components may lack individual distinction; or

Criterion D: Has yielded or may be likely to yield, information important in prehistory or history.

National Register of Historic Places - The Nation's official list of cultural resources worthy of preservation.

NSF – Net square foot/feet

Period of Significance – The period of time shown on a property's National Register of Historic Places Nomination Form during which the property achieved its historic significance.

Recapture Period – The period (currently five-years) during which tax credits can be taken.

SF – Square foot/feet

Stick-built – Built of wood stud construction

TIF – Tax Increment Financing

Brewery Preservation: Success Stories

Compiled by Rich Wagner 3/23/04

As feature editor of the E.C.B.A.'s Spring '04 issue of ***the*** **KEG** I prepared the following list of USA brewery sites that I know to have been adapted to reuse. RW 04 indicates when I visited the site. ABA is a site identified in the American Breweriana Association (ABA) Journal, and PG indicates an ABA story by Phil Graf. I encourage any visitors to my website that know of additional "success stories" so that the list can grow.

ABII	Brewery	Reuse
	Traquair House, Innerleithen	Historic castle, 1664 brew house, Scotland
	Leacock Abbey, Leacock, England	13th century priory with brewhouse and equipmer
	Whitwell, Mark Highgate England	Pre-industrial brewhouse adjunct to dwelling, 175
	Shibden Hall Museum England	1718 brewhouse with equipment
	Charleston House, Chipping Norton	1603 mansion with unequipped brewhouse Engla
	Staffordshire County Museum	18th cent. country mansion lg. domestic brewhou
	Fishing Village, Nova Scotia	Excavations. 1732-44, furnace for brewing coppe
	Heineken Brewery	Brewery Museum
	Keith Brewery	Shopping Mall, Restaurants RW 87
CA 142	Hamms Brewery	Shopping Mall ABA
CA 286	Mission Brewery	Shopping Mall, Restaurants RW 86
CA 364	Anchor Brewery	Commercial RW 86
CO 041	Tivoli Brewery	Auraria College Student Union Internet

CO 044	Zang Brewery	Sports Bar in old drivers hostel.
CT 015	Old England B.C.	Boy Scouts ABA 02
FL 014	Tampa Florida Brewery, Inc.	Law Offices ABA
HI 005	American B.C.	Royal Brewery Housing Newspaper
IA 090	Dubuque Brewing & Malting	Trucking Company RW 93
IL 253	Fulton Brewery	Antique Mall RW 91
IL 360	Bielfeldt Brewery	Restaurant ABA
IN 150	Terre Haute B.C.	Terre Haute B.C. RW 02
KY 004	Bavarian Brewery	Brew Works Brewpub ABA
LA 016	Jackson Brewery	Shopping Mall RW 86
MA 016	Heffenreffer Brewery	Boston Beer Company RW 94
MA 072	Dawson Brewery	Unknown PG 91
MA 089	Bowler Brewery	Industrial PG 91
MD 009	Heileman Brewery	Brimstone B.C. ABA
MD 016	Bauernschmidt Brewery	Industrial ABA
MD 024	Mount Brewery	Industrial ABA
MD 103	Brewers' Park	Park RW RW 89
MD 112	American Brewery	Unknown, Unsure
MN 032	Fitzger Brewery	Shopping Mall RW 93
MN 071	Jordan Brewery	Apartments ABA
MN 124	Hauenstein Brewery	Warehouse RW 89
MO 067	Appleton B.C.	Lagering cellars below house ABA 04
MO 113	Fallstaff Brewery (Plant #1)	Industrial RW 92
MO 147	Griesedick Brewery	Housing RW 92
MT 002	Washoe Brewery	Housing RW 91

MT 012.1	Lehrkind/Gallatin Brewery	Historic District RW 91
OH 156	Columbus B.C.	Brewery District RW 91
PA 039	Goundie, John	Goundie House Museum, restoring brewery RW
PA 058	Brownsville Brewery	Apartments RW ?
PA 156	Koehler Brewery	Plans for Office Space, Mall Internet
PA 349	Scheidt Brewery	Office Park RW 86
PA 371	Poth Brewery (Brewerytown)	Red Bell B.C. RW 81
PA 373	Bergdoll Brewery	Brewery Condominiums RW 86
PA 390	Class & Nachod Brewery	Temple U. Housing RW 04
PA 506	Morris Brewery (vault)	Condominiums RW 86
PA 568	Ortlieb Brewery	Poor Henry's Brewery & Pub RW 2000
PA 649	Eberhardt & Ober Brewery	Penn Brewery RW 86
RI 004	Rhode Island B.C.	Offices PG 91
RI 005	Providence B.C.	Records Storage PG 91
RI 017	Roger Williams Brewery	Unknown PG 91
RI 020	Henry T. Molter Brewery	Industrial PG 91
RI 104	Narragansett Brewery	Unknown PG 91
TX 051	Kriesche Brewery	State Park RW 95
TX 076	Lone Star Brewery	Art Museum RW 95
WA 079	Bohemian Brewery	Industrial/Commercial RW 91
WA 119	Yakima Brewing & Bottling Co.	Yakima Brewing & Malting (WA 122) RW 84
WI 003	William Briggeboos Brewery	Brewery Caves PG 92
WI 009	Walters Brewery	Brewpub, Shopping Mall RW 89
WI 024	Hussa B.C.	Feed Mill PG 92
WI 040	Badger Brewery	Microbrewery (Pioneer B.C.) ABA

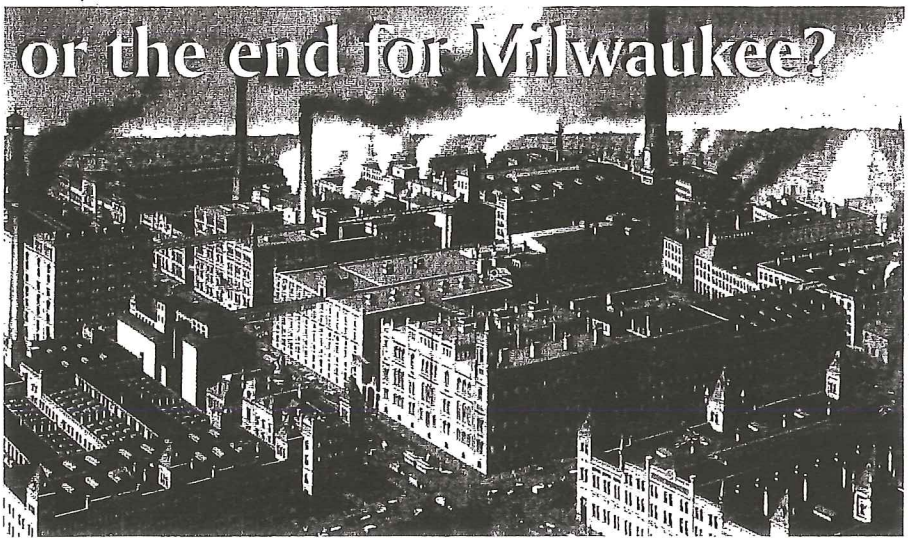
WI 041	Bloomer Brewery	Unknown PG 92
WI 047	Burlington B.C.	Unknown PG 92
WI 059	Cedarburg Brewery	Unknown PG 92
WI 080	Denmark B.C.	Commercial PG 92
WI 102	Bechaud Brewery	Unknown PG 92
WI 139	Grand Rapids B.C.	Storage Warehouse PG 91
WI 184	Breunig's Brewery	Fitness Center PG 92
WI 215	Gund Brewery	Industrial RW 89
WI 218	La Crosse Brewery, C. & J. Michel	Industrial RW 91
WI 276	Leidiger Brewery	Commercial, Mansion, residential ABA 95
WI 286	Pabst Brewery	Plans for Brewpub, Mall ABA
WI 288	Blatz Brewery	Office and Loft Space RW 89
WI 316	Schlitz Brewery	Schlitz Park, Offices RW 89
WI 341	Gettelman Brewery	Miller Brewery complex RW 89
WI 388	People's Brewery	Industrial ABA
WI 412	Princeton B.C.	Antique store and Mushroom grower PG 91
WI 429	Reedsburg Brewery	Apartments RW 91
WI 457	Farmers B.C.	Industrial PG 91
WI 476	Polish B.C.	Storage Warehouse PG 91
WI 479	Sturgeon Bay Brewery	Unknown PG 92
WI 490	Weber Brewery	Antique Mall ABA
WI 512	Weber Waukesha B.C.	Industrial/Commercial ABA 02
WY 010	Sweetwater Brewery	Tavern ABA

[MAIN]

METRO FOCUS

MILWAUKEE

The beginning or the end for Milwaukee?



After a few years of development, growth and national headlines, Milwaukee is at a crossroads and the future is partly cloudy or partly sunny, depending on who you talk to.

By Bob Craig

Milwaukee was riding high at the beginning of 2003 with two new office projects nearing completion and big plans for revitalization of the city.

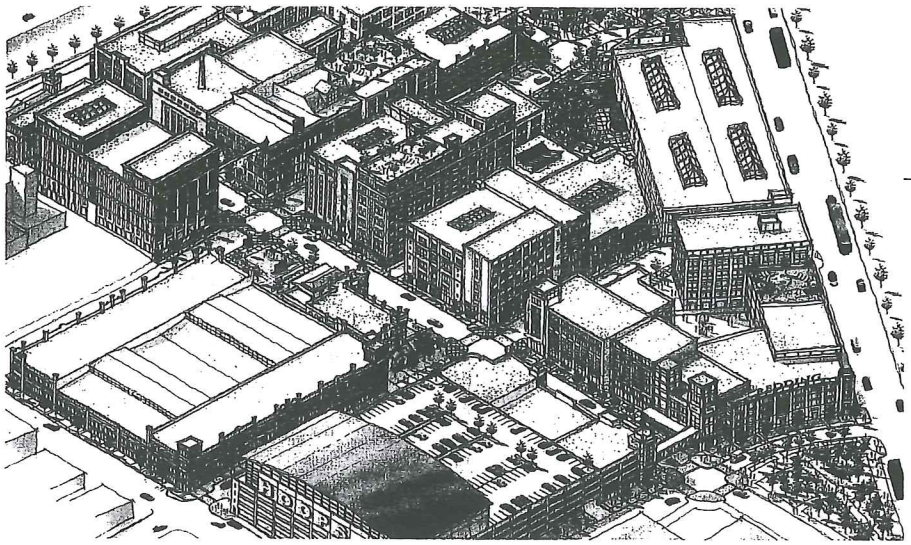
Those office projects, the 209,000 square foot 875 East Wisconsin building and the mixed-use Cathedral Place at 555 East Wells Street, are now open and the city is looking forward again.

The next big thing for downtown Milwaukee is the redevelopment of the area where the Park East freeway once cut a swath through the near west side.

Despite this opportunty for creative development and urban planning, an air of uncertainty over the future of the city's leadership is putting some of the elation over the next wave of development on hold.

Mayor John Norquist, whose term was scheduled to end in April 2004, announced he was leaving office four months early. Earlier this month, he took over as president of the Chicago-based Congress for the New Urbanism, an organization promoting good urban design.

As is the case with most politicians, opions vary on the



PabstCity (left), a planned 1.2 million square foot historical redevelopment of the former Pabst Brewery (opposite page), will be the centerpiece of the redevelopment of the Park East area on Milwaukee's near west side. Drawings courtesy of Juneau Avenue Partners.

quality of his leadership, yet Norquist's early exit leaves a void where strong leadership once existed and many in commercial real estate are unsure about how to proceed with projects until the city's election this spring.

"We're waiting to see what the new attitude is," says James Barry, president of James T. Barry Co. Inc./Colliers International. "It's been pro-development for the last 10 years and a lot has been put in place. Now, we're in a situation where we have to determine if the new mayor and county commissioners will embrace that or turn away."

Park East Redevelopment

One of the legacies of the Norquist administration will be the redevelopment of the Park East corridor.

The seven-block area stretches from the former Pabst Brewery, near Interstate 43, east to the banks of the Milwaukee River and has been the subject of discussion by developers and city planners for years.

The cornerstone of the Park East redevelopment will be Pabst City. The former Pabst Brewery, closed since 1996, is going to be converted to a mixed-use development by Juneau Avenue Partners. The partnership is a joint venture of Wispark LLC, the real estate development subsidiary of Wisconsin Energy Corp., The Ferchill Group, a Cleveland-based real estate development and management company, Milwaukee-based BCR Group and Atlanta-based TerreMark Partners.

Plans for the site include 480,000 square feet of entertain-

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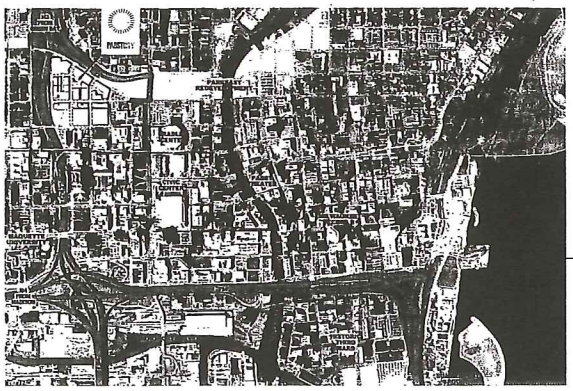


An aerial view of Milwaukee shows the location of the Park East area and PabstCity. Photo courtesy of Juneau Avenue Partners.

ment and retail space, 225,000 square feet of office space and 648 loft residential units.

With a projected cost of about $300 million, the Pabst City development is projected to open in 2005. Environmental work is expected to start this winter.

The remainder of the Park East corridor's plan for redevelopment is working its way through the local government. A proposal in front of the Redevelopment Authority to require developments to include affordable housing was defeated and the Milwaukee Zoning, Neighborhoods and Development committee of the Milwaukee County Common Council approved the redevelopment in December. The final approval by the Common Council was pending in mid-December.

The plan provides design and land-use guidelines for the Park East area.

Adding to the retail mix in Milwaukee is Bayshore, the Columbus, Ohio-based Steiner+Associates and Brookfield, Wisconsin-based Corrigan Properties Inc. redevelopment of the Bay Shore Mall along Interstate 43 near Glendale, just north of the city.

Office space

After the completion of the new Class A office building at 875 East Wisconsin and Cathedral Place there are no major plans to add more office space in downtown.

Roundy's, the parent company of the Pick n'Save grocery chain is the anchor tenant at 875 East Wisconsin and the law firm of Whyte Hirschboeck Dudek S.C. took 70,000 square feet at Cathedral Place.

These two buildings were the first major office projects in downtown Milwaukee in nearly a decade and have added enough Class A space to keep the market satisfied for at least a few years to come until demand increases.

"Fortunately there aren't a lot of projects ready to roll," says Bill Boniface, an executive vice president with The Polacheck Company.

Another Pabst

The Milwaukee metro market is continuing to expand both west toward Madison and south toward Chicago along Interstate 94.

CenterPoint Properties and Wispark have done well in the Lakeview Corporate Center in Pleasant Prairie, Wisconsin near the Illinois border—adding the 250,000 square foot Volkswagen of America Inc. parts distribution facility. Wispark's Business Center of Kenosha and GrandView Business Park in Stutevant, Wisconsin also have attracted tenants based on the proximity to I-94 and Chicago.

NAI MLG's Renaissance Business Park in Stutevant is adding to the growth of Southeastern Wisconsin's I-94 corridor. The 390-acre office, light industrial, retail and residential development is being built in cooperation with the Village of Sturtevant.

Despite the positive growth in the industrial sector, the market is still waiting for the economic recovery.

"Manufacturers are still waiting a couple more quarters before they make any major capital expenditures," says Barry Chavin, a principal with Brookfield, Wisconsin-based NAI MLG.

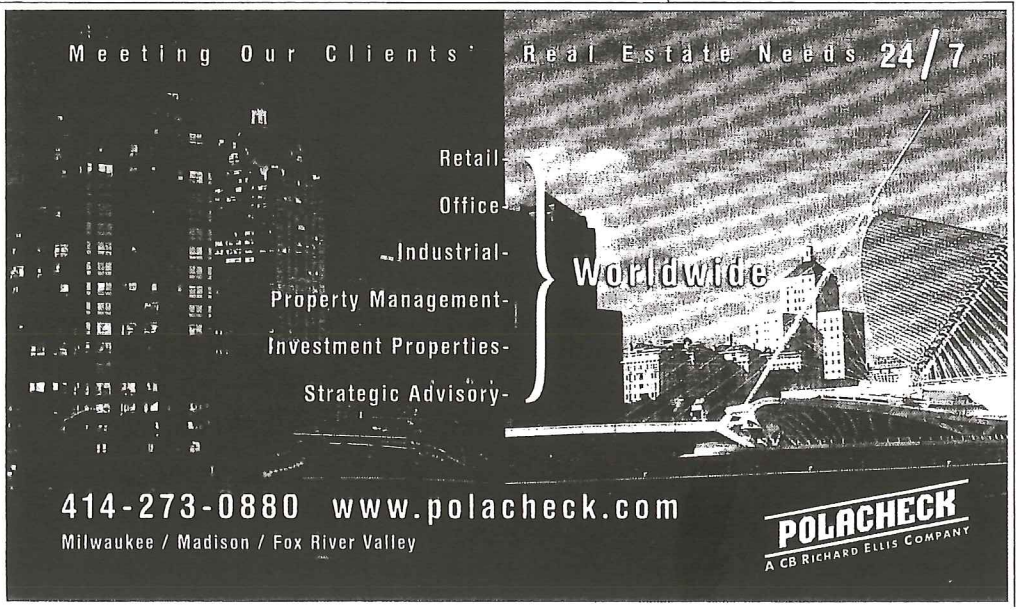
Heading west along I-94, Pabst Farms, a 1,500-acre development by Libertyville, Illinois-based First Realty Co., in Oconomowoc, Wisconsin is bringing retail, industrial, office and residential to an area that only a few years ago was considered to be on the fringes of the Milwaukee market.

Roundy's announced in November that it was going to build a 950,000 square foot distribution center at the 200-acre Pabst Farms Commerce Center, giving that portion of the development a shot in the arm.

"That's going to be huge," says Bob LeClaire, a senior vice president with Waukesha, Wisconsin-based Wangard Partners Inc. "They're moving from Wauwatosa and that is a huge boost for Pabst Farms."

Two retail areas also are planned for Pabst Farms, Pabst Farms Town Centre and the Shops at Pabst Farms and the Pabst Farms Research/Technology Park.

As the Pabst Farms development continues to grow it is drawing development farther west toward Madison and the corridor is beginning to fill in. | MWREN



UP CLOSE

COMPANY PROFILE

Ferchill Group finds success in historic redevelopment

Working in markets from Pittsburgh to Milwaukee, the Cleveland-based firm is pumping new life into old buildings.

By Robert Carr

The Cleveland-based Ferchill Group has more than $750 million of development projects in various phases throughout the Midwest.

"We've been focusing on second-tier cities," says John Ferchill, the company's chairman. "We're trying to use our expertise to create value out of old buildings in key locations."

The firm is building 268 lofts in five former H.J. Heinz Co. food-processing plants in Pittsburgh, Pennsylvania a $70.2 million redevelopment. The company also is partnering with BTE Co. of Kent, Ohio and a local public-private entity, MidTown Cleveland, in converting the Ohio Knitting Mills Inc. building, in Cleveland, into a 400,000 square foot technology park.

The largest project by far is the planned $375 million redevelopment of the former Pabst brewery in Milwaukee. Ferchill has partnered with Wispark LLC to begin a mixed-use development, which will include 450,000 square feet of retail and entertainment, up to 300 apartments and up to 75,000 square feet of office space.

"We've really exploded," Ferchill says. "The stuff we do, historic rehabilitation, has just hit the national scene, and we're seen as experts."

Ferchill started early in the rehab business when most developers wanted to construct new buildings.

The move into older building rehabilitation coincided with new governmental restoration incentives, such as new tax and credit programs, and Ferchill began to learn how to use the programs.

Part of the expertise the firm offers is figuring out the tax incentive process.

"The only way you can learn is through experience," Ferchill says. "You do small buildings, and then you get bigger, you need a minimum of about five years experience. However, that's difficult, because there's the same amount of brain damage for a $500,000 project as there is for a $500 million project. It's very important that you surround yourselves with professionals who know the rules, the laws and everything for these incentives."

For example, Timm Judson, the company's chief investment officer, was a practicing real estate attorney for six years before joining Ferchill about six years ago.

(Left to right) Ross Halloran, project manager; Kevin Weigand, chief financial officer; John Ferchill, chairman; Martin Herman, president; and Timm Judson, chief investment officer. They are standing in front of the firm's Detroit Hilton Garden Inn project, which opens this month.

He says the way the company funnels money into a deal depends on the project type.

"In general, we use senior debt from traditional lenders and pension fund advisors," Judson says. "Our typical subordinated debt is in the form of loans from government entities or quasi-public entities.

"For project equity, we use internal capital, as well as capital from outside investors, such as Taft-Hartley pension funds, money managers, or high net worth individuals. Equity usually comprises 20 percent to 25 percent of total development cost."

In the $17 million first phase of the Knitting Mills project initial funding was secured through Cleveland's Empowerment Zone Office and the state, with additional funding support anticipated with Cleveland Tomorrow.

"The more a city has experience in dealing with historic redevelopment, the easier the project is to finance and complete," Ferchill says.

Jim Haviland, executive director of MidTown Cleveland, said Ferchill was picked for the job because of his expertise in handling complex deals.

"Clearly, we were interested in them because of their capacity to get things done," Haviland says. "John has the ability to take on challenging and difficult projects, and he's built a reputation that he's someone to go and discuss ideas with."

Building in Detroit is Ferchill's newest visionary project. The company is redeveloping the Hilton Garden Inn in the downtown area, and is also in talks with city officials to take over the redevelopment of the city's historic Book-Cadillac Hotel.

Kimberly-Clark, which had the struck a deal to renovate the Book-Cadillac for $146.8 million into apartments and hotel rooms, pulled out in January. Detroit officials had lauded the project as a sign of the rebirth of the Motor City, but Kimberly-Clark said costs became too high to continue.

Ferchill had bid with the city to handle the Book-Cadillac, and is again meeting with local officials. Judson said he could not comment on the talks.

The company expects to open the 10-story, 198-unit Hilton Garden Inn this month, a major coup for Detroit, a city that is hurting for hotel rooms in anticipation of Super Bowl XL to be held at Ford Field downtown in 2006.

"We think it's one of the prime locations in downtown Detroit," Judson said. "We're very excited about the strong demand this hotel will have."

The company is able to use historic tax credits through institutions such as National City Bank, says Kevin Weigand, Ferchill's chief financial officer. An institution that has tax liability can partner with a limited liability corporation to apply for the credits, and to use them on a development.

Weigand, has kept a busy schedule of traveling to Ferchill's various projects.

"I drive to Pittsburgh every Monday and fly to Detroit every Tuesday," Weigand says. "I love it. I'm a numbers guy, but right now my job is only about 20 percent financial, and 80 percent construction related. I love it, I'd rather go out and be there instead of at a desk."

Ferchill says that's the way he likes to operate.

"I also like to be someone that can be very hands-on, I like to see the projects, get out to them as much as possible," Ferchill says. "I don't expect we will get much bigger. We are looking at moving into Chicago, but probably won't move into larger cities."|MWREN

Pabst Brewery Complex Adaptive Reuse

The Goal

To increase Downtown employment opportunities

Objectives:

- Create a place for incubator industrial and manufacturing uses.
- Improve the streetscape in and around the complex.
- Allow a range of uses in the buildings.
- Preserve and enhance the historic facades.
- Create Downtown employment opportunities.

Benefits

- Incubator industrial and manufacturing potential.
- Additional tax revenues.
- Additional jobs Downtown.
- Reactivates a dormant area of Downtown.

Responsible Parties

- Property Owner
- Private Developers
- Milwaukee Redevelopment Corporation
- City of Milwaukee
    - Department of City Development

Rationale

The recently vacated industrial complex contains significant mixed-use redevelopment potential. Rehabilitation as a light industrial, mixed-use complex could re-invigorate the employment sector. MATC will benefit from the proximity of incubator employment opportunities.

Recommendations

The Plan proposes that the landmark historic structures of the Pabst site be redeveloped into a mixed-use development. The industrial buildings lend themselves immediately to rehabilitation as light industrial buildings. Other uses for the buildings are back offices, live/work units, studios, recreation facilities, office/distribution, storage, etc. The large floor plates lend themselves to many users.

The Plan recommends that affordable apartments be developed on upper levels of the rehabilitated buildings. Smaller affordable units could be created in separate buildings or mixed with other uses. Live-work housing would be particularly appropriate on this site. Residential uses can be compatible with light industry, service and incubator employment provided that there are strict controls of emissions, noise and truck docks.

Vacant lots and surface parking lots can be infilled with mixed-use buildings.

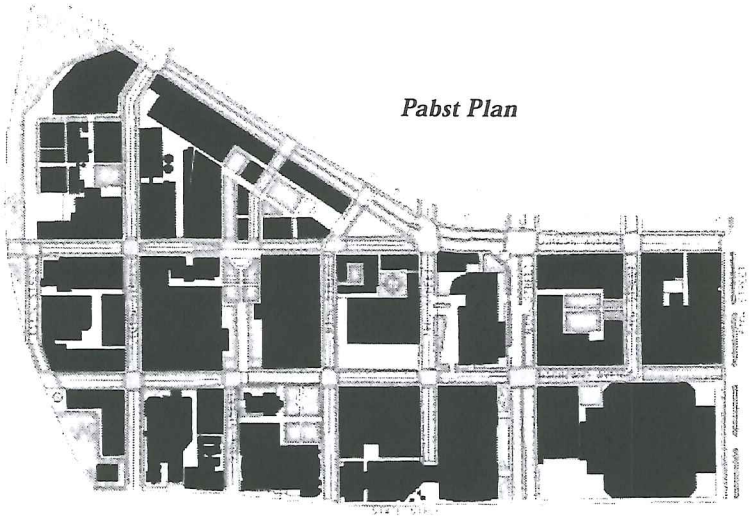
A high quality streetscape with street trees and lights is required. It is important that ground level or the walls surrounding the proposed jail not have visible barbed or razor wire; it can be confined to inside walls.

The Plan recommends mixed-use parking decks as part of the redevelopment program. The future plan for the site should program the location for industrial loading facilities and recycling areas that are not located in the primary viewsheds.

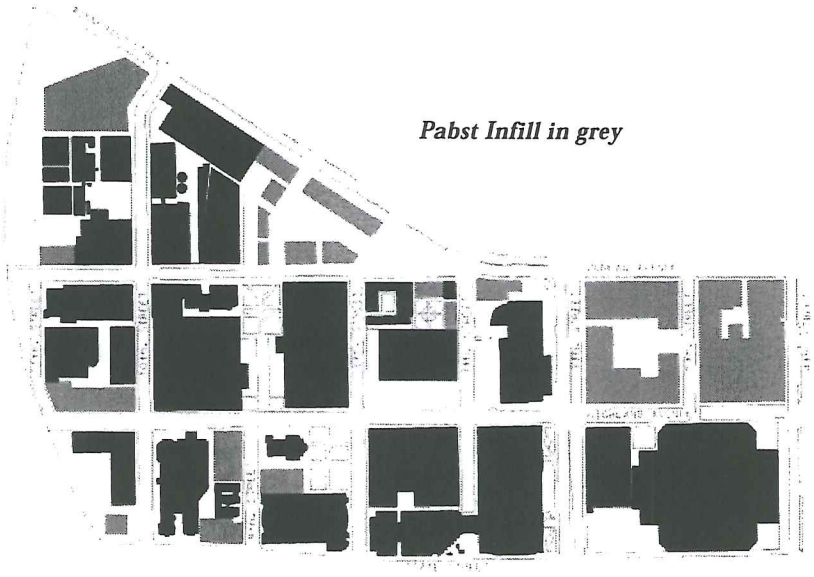
The Plan recommends a positive pedestrian realm must be created on these streets, which includes street trees, lighting and crosswalks.

Phasing

As an initial step, the Milwaukee Department of City Development and Milwaukee Redevelopment Corporation should open discussions with the property owner regarding options for redevelopment of the property.

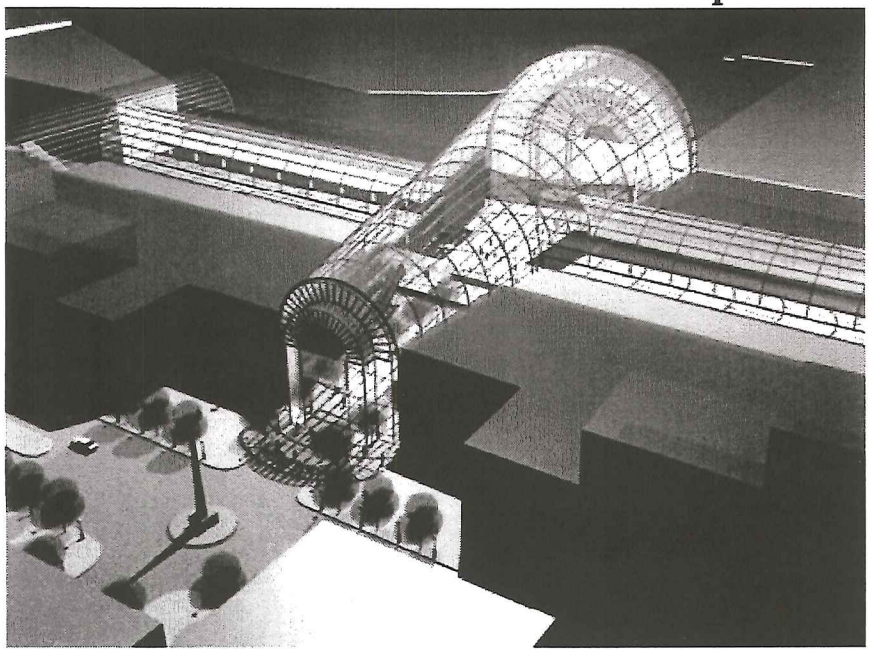


Pabst Plan



Pabst Infill in grey

Train Station / Post Office Redevelopment



Goal

Redevelop the Post Office building and Train Station into a mixed-use and multi-modal complex

Objectives

- Create a mixed-use neighborhood center.
- Enhance connections between the train station and the rest of Downtown.
- Enhance the transit experience.
- Increse transit ridership.
- Integrate all existing and proposed transit services.
- Extend RiverWalk including new opportunities for river edge parks on both sides of the Menomonee River.
- Create the opportunity for new residential types.
- Create an opportunity for long term parking facility.
- Improve St. Paul streetscape.

Benefits

- Enhance neighborhood redevelopment opportunities.
- Increase range of Downtown residential opportunities.
- Creates redevelopment opportunities at regional bus terminals.
- Increase tax revenues.
- Create new employment opportunities.
- Enhance Downtown's regional accessibility.

Responsible Parties

- Property Owner
- Private Developers
- Milwaukee Redevelopment Corporation
- City of Milwaukee
    - Department of City Development

Rationale

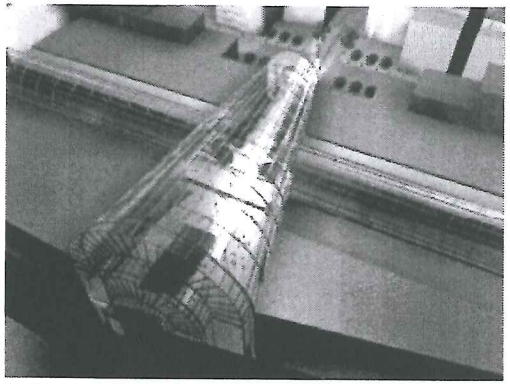
If the Post Office building becomes available for redevelopment there will be an opportunity to augment recent redevelopment projects. The Post Office building and Train Station can create a neighborhood center. Intensive redevelopment of the Post Office could provide incentives and confidence to rehabilitate other historic buildings in this neighborhood.

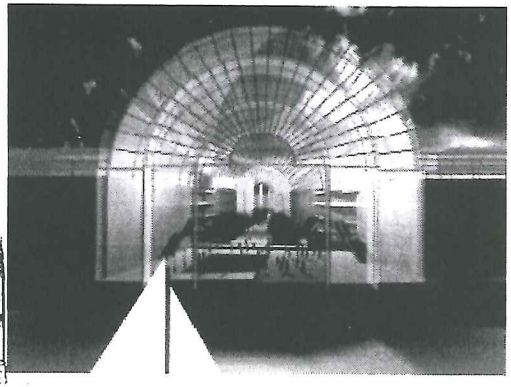
This site presents a unique opportunity to provide a mixed-use complex containing offices, retail, parking, a multi-modal transfer center, and possibly housing. It also provides an opportunity to reconnect this neighborhood to the river. Multi-modal redevelopment will improve Downtown connections to the train station thereby increasing train ridership.

Recommendations

The strategic location along the River makes this a very desirable site for redevelopment. The Plan recommends that redevelopment of the site extend the street grid of 2nd, 3rd, 4th and 5th Streets. This will have the dual benefit of providing access to the river and creating developable blocks. Each one of these streets should bridge across the tracks to the river.

The Plan recommends that, when available, this site be converted into a mixed-use, multi-modal transfer center. The site could contain a redesigned train station, offices, retail, parking, regional bus depot, housing and a branch Post Office. A schematic plan proposes a glass barrel vault to link the entrance plaza to the river, a waiting room for the station and location for cafes and related retail. This "open space" will permit views of the water and also of the passing trains. This hardscape plaza will provide a dramatically different open space experience in contrast to all other Downtown green open spaces.





Crossing the rail line will provide the largest challenge. Two possibilities include a bridge over the tracks accessed through monumental stairs, escalators and elevators. Alternatively, a movable floor could be designed to extend over the train tracks when there are no trains in the station and recess when trains approach. This will extend the pedestrian realm and connect the river to Downtown.

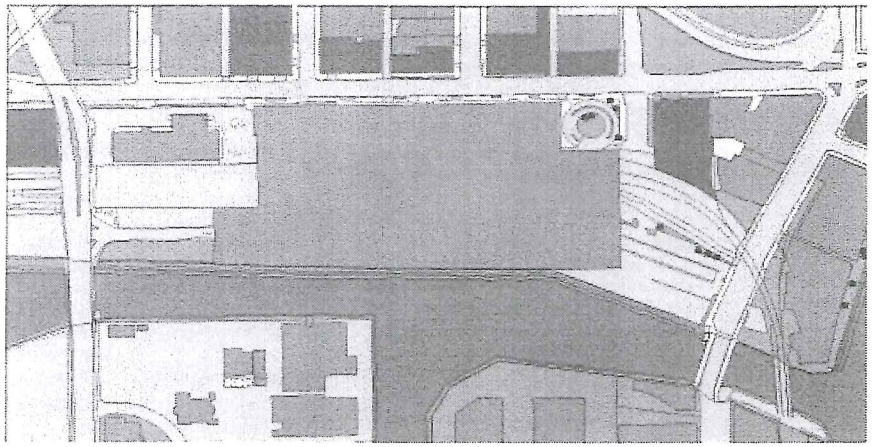
A new waterfront park and a pedestrian bridge connection to the already improved southern edge is proposed as part of this plan. The entire edge of the Menomonee River is recommended as a linear park. The Riverwalk would extend through this park. The new Post Office building should contain outdoor restaurants and cafes that overlook this linear park. Pedestrian bridges are recommended to connect the north and south sides of the river.

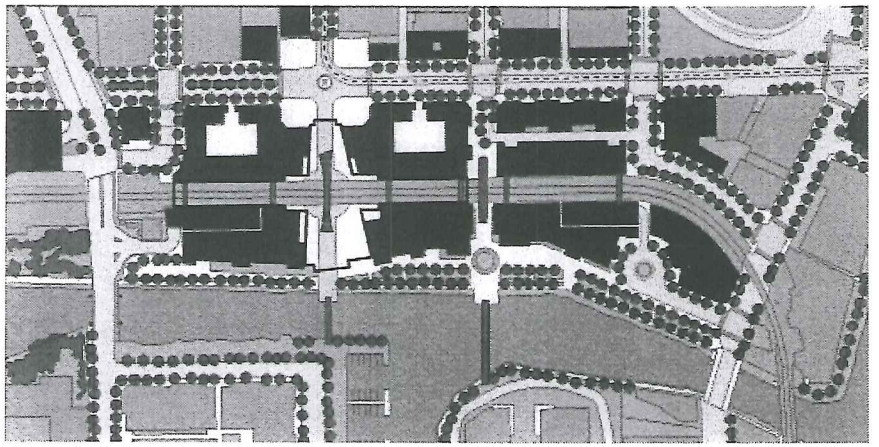
Two bus depots are recommended; one for the county buses and another for the regional Badger and Greyhound buses. This would ease transfers between buses, trains, trolleys and streetcar. The plan recommends that the southern and western County bus routes use this as a significant transfer location.

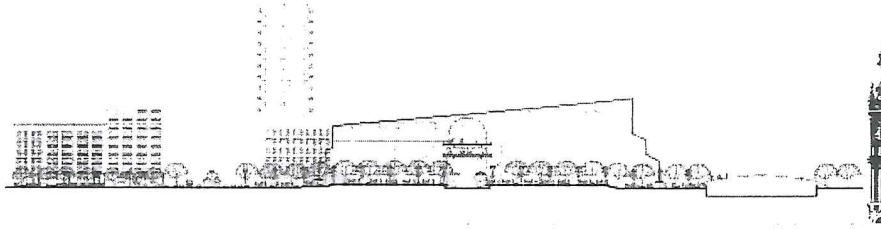
Several parking decks are recommended in this plan. These facilities would be important capture locations within the Park Once system. Signing on I-794 and I-94 will direct drives to this location.

Phasing

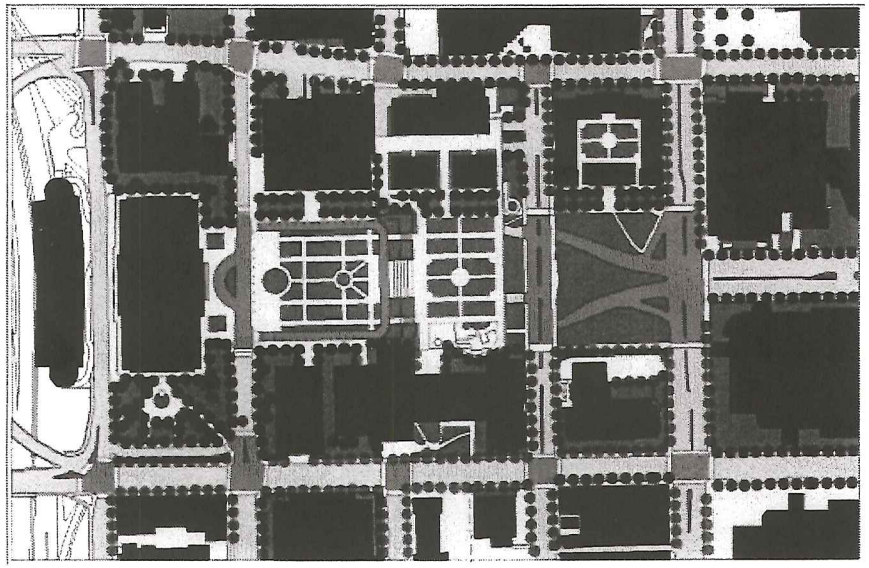
If the U.S. Postal Service decides to relocate from the site, the Milwaukee Department of City Development and Milwaukee Redevelopment Corporation should open discussions with the property owner regarding options for redevelopment of the property.







MacArthur Square



Goal

To identify the square as the most prominent civic complex in southeastern Wisconsin

Objective

- Provide better vehicular and pedestrian access to the square.
- To complete the square in an architecturally distinct complex.
- Reinforce the Kilbourn Boulevard visual connection.

Benefits

- More people will use and see the square.
- Create an important Downtown attraction and civic space.
- Enhance the overall image of the County government complex.

Responsible Parties

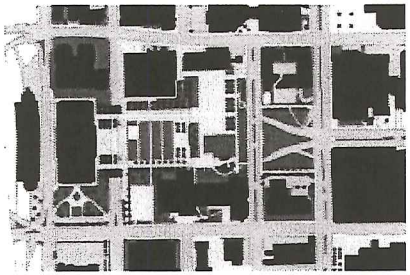
- Private Developers
- Milwaukee Redevelopment Corporation
- Milwaukee County
- City of Milwaukee
  - Department of City Development

Rationale

The character of public open space largely determines the quality of civic life. High quality public spaces are not a luxury in an important American city. Rather, the attention paid to the creation of public spaces will be reciprocated through private investments.

Recommendations

The County Court House Complex sits at the highest point in Downtown. The buildings



contain most of the County-wide governmental functions. The significance of these structures should be reflected in the site design of this complex.

The design of this square must reflect the exhaulted stature of the buildings and the activites within.

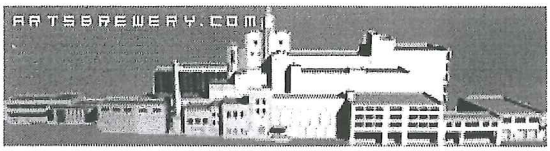
The plan recommends that the street structure be redesigned to allow vehicular access from 9th Street and short-term parking around the re-landscaped square. 9th Street should be elevated to the level of the square. This would permit a ceremonial entrance with a redesigned monumental staircase. The staircase should cascade across the to the square. With limited vehicular access, the square and the buildings will become more accessible.

The Plan encourages the infill of buildings to complete the civic image of this prominent civic monument, particuraly at the newly vacant site at the North 6th Street and West State Street.

Phasing

The City of Milwaukee and Milwaukee County should open discussions regarding options for redevelopment of the square and surrounding property.

Existing Conditions



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Arts Brewery Presentation
Project Overview
Latest
Who's at the Brewery?

Arts Brewery Gallery

Contact Us
Little Animation

Image of the Moment

Slide twenty-seven

Who's Online

We have 16 guests online

No Users Online

Brewery News

The Next all tenant meeting will happen on Sunday April 18th, 2004 at the Mountain Room near Conan's Office.

Finally recovered the phpBB discussion from the early days of artsbrewery.com. For those that were there, it will be a time warp and for those that were not...come on over.

Machine Translation

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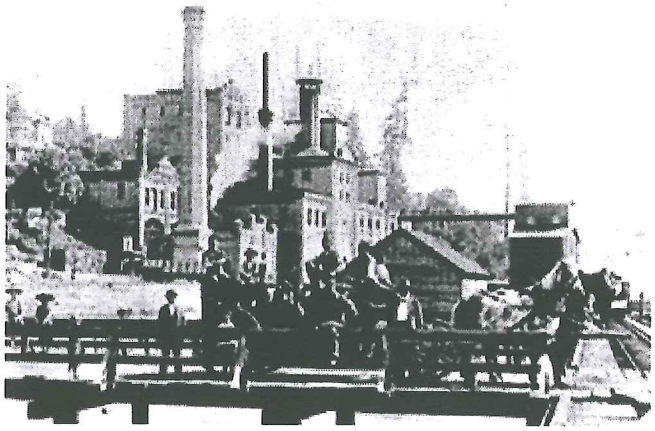
- Arts Brewery Project Overview

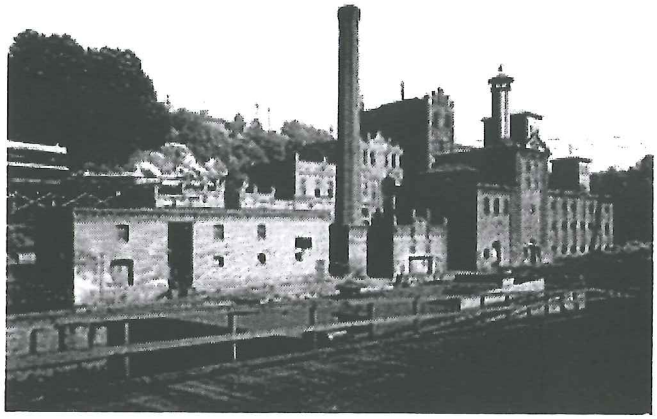
Arts Brewery Project Overview

On July17th, 2003 a group of developers and associates bought what is commonly known as t complex. The newly formed Rainier Commons, LLC. Ownership group immediately began cle the brewery into live/work & work studio spaces for artists and arts organizations.

A master use permit is required for the changes necessary to revitalize this facility. Initial cc Business Community and the Greater Duwamish Neighborhood Council indicate there should permitting process. Life safety systems will be brought up to date for the live/work spaces i Seattle requirements.



The Brewery Complex was established in 1878, in the same decade as Seattle's first brick bu Brewery has since then grown to include 25 buildings over a quarter mile in the SODO Distric historic buildings remain intact - solid bedrock under the foundation and construction standa have helped these structures weather
time with little or no damage. The next major growth spurt was in 1903 when some addition portion of the site were constructed.

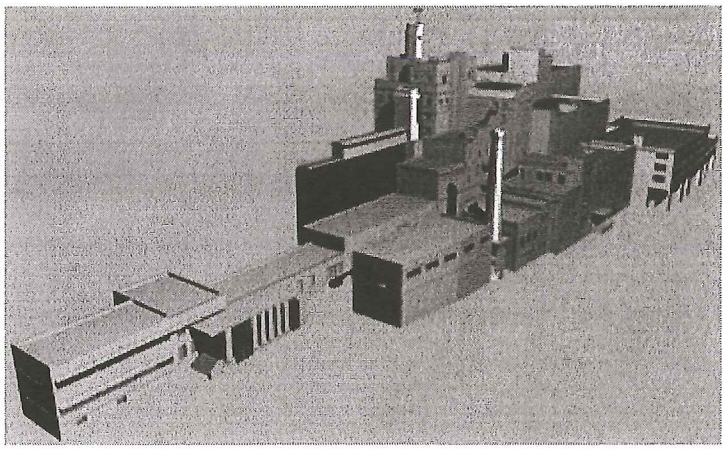


Another major addition came in mid 1930 when the tallest building was added (Tully's neon building). The last and most robust concrete structures appeared in early 1950. At this time, were added, each towering 40' over the land and 28' in diameter. There will be significant c buildings. However, the development plans retain an economy of design - helping to protect site.

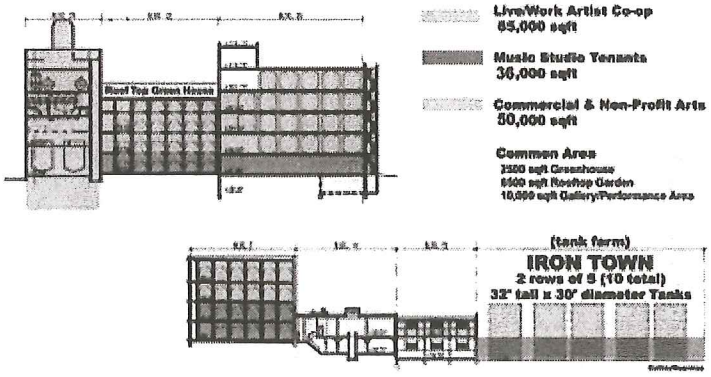
- Brewery 3d
- Coming Soon to the Brewery
- Coop leases near completion
- Excuse our dust

The new ownership has a very clear goal; to create an extensive sustainable arts community structures for live/work, arts business and education purposes. After carefully analyzing the economy and local needs - the choice was clear - live/work artist repurposing of these struct sound approach to turn this non-functional brewery into a thriving complex that will last a fe

Although the changes are intensive and touch many of the buildings of the project, some are Tully's Coffee will keep their headquarters in the north side of the project and continue to c third of the complex.



Many of the structures 1st and 2nd floor areas cannot be live/work studios. This windowless reapplied for music rehearsal & recording studios. Organizations including Jambox Studios & developing parts of the complex into practice space and performance environments.



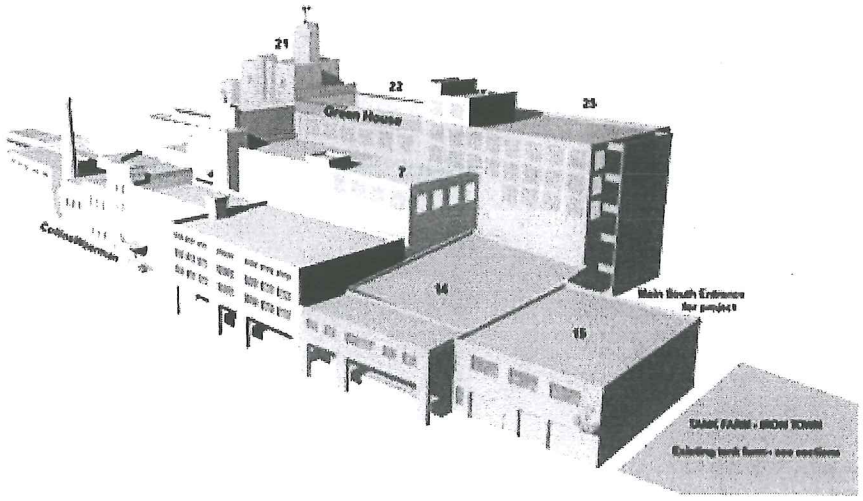
Three cooperative tenant groups will occupy the largest most modern buildings for live/work are clear, clean and have new windows and doors where needed, basic utility services will b collectively, will finish their units once the permit-dependent work is complete. This joint e owner/developers and tenant/builders is necessary to keep these areas as affordable housin

· The Sabaki Cooperative - occupying the "T" building, a group of artists brings skills includir woodworking, industrial/mechanical sculptures, music, film making, neon, stained-glass, fus montage, digital interactive art, graphic design, custom metal, carpentry, dance, spoken wc

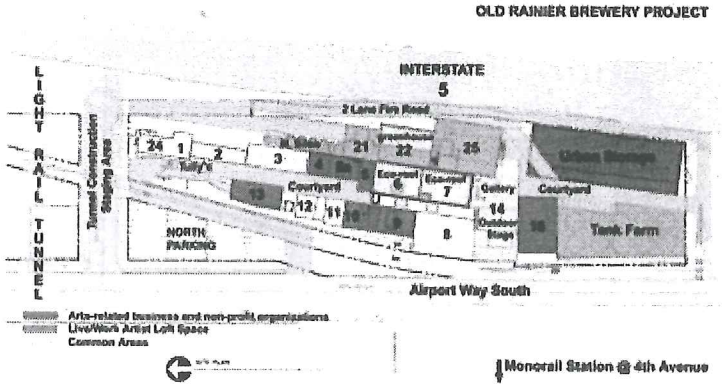
· The Futureruins Collective - Sabaki's next door neighbor, a group of artists skilled in rock/

woodworking, music digital and acoustic, dance, blown glass, architectural rendering, a vari clothing design and web-related art.

· The Double X Five Group - Futureruins' next door neighbor and occupier of the largest buil (building 25), this collective sports broad skills in photography, writing, industrial design anc art, painting, music, interactive installations, pottery, mixed media, performance and theat



Besides the live/work studios and music industry spaces - arts-related business and non-profi some of the Airport Way street front buildings and a portion of the north courtyard area. Thi arts, collaborative performance, community arts outreach and dozens of other programs, th complete the diversity of use and culture this project aspires to provide.



Perhaps what is most impressive about the Old Rainier Brewery Project is the extensive arts shared by the tenants. Numbering in the dozens and growing, the programs at the Brewery v the artists as well as improving the community through art experiences.

· The "Green Roof System" spans across three building's roofs. Easily accessed from all of th areas are comprised of a large greenhouse and garden area creating a "Parks" atmosphere a (rainwater) collection for irrigation.

· Brewery tanks "Reuse" program utilizes some of the scrap materials on site for interior loft by the tenants, the reuse program will also keep some of the historic materials as a theme i common spaces.

· Also common to the project is the Gallery/Performance Area of Building 14. Offering a 500 gallery. Besides having multiple existing skylights, The gallery shares a common wall with th Performance Stage. Double garage doors allow for excellent circulations between the two ac will be the central hub for all major events at the Old Rainier Brewery Project.

· The Iron Dormitory project. Perhaps the most ambitious of all the endeavors at the Brewer some of the more space-aged and unique architectural features of the complex - these high designed to hold tens of thousands of gallons) will be converted into hotel-like suites for visi anyone wanting to take classes in a wide variety of arts disciplines.

Photo by Paul Jordan

Iron Town Dormitory when fully realized will act like a portal, providing access to the extens as well as a start point connection to many other significant arts events around Seattle for a unmatched in diversity and depth.

The proposed Monorail stop on 4th avenue (four blocks west of the Brewery) provides a direc neighborhoods and downtown district of Seattle. The Light Rail tunnel parallels the north bo proposed stop on 6th Avenue (just two blocks west of the Brewery).

Greater Seattle Area's Regional Transit / Monorail Transit and Metro Transit Bus Tunnel will area, helping make the Old Rainier Brewery Project a central destination point in years to cc

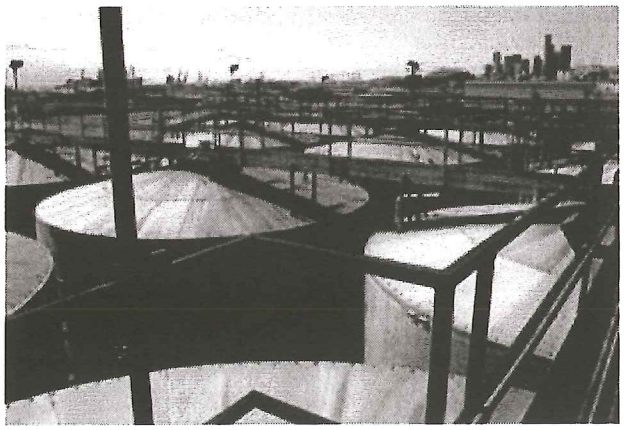


Photo by Stefanie Ashby

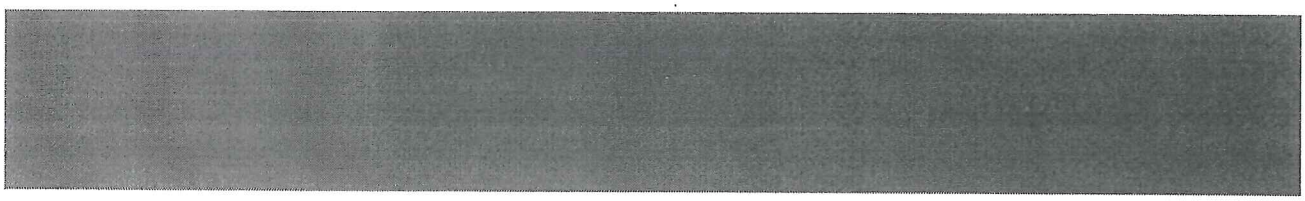
If you would like to be kept up to date on the project and its expanding programs, check out join the newsletter membership. The ArtsBewery website is growing with the project and wi extensive resource for arts events and projects around the North West.

Wanting to contact us? Send email to

conan@artsbrewery.com or elan@arieldevelopment.com

Call or stop by our office at the brewery inside the Tully's Courtyard on the north side of the business hours Monday through Friday.

View the project presentation



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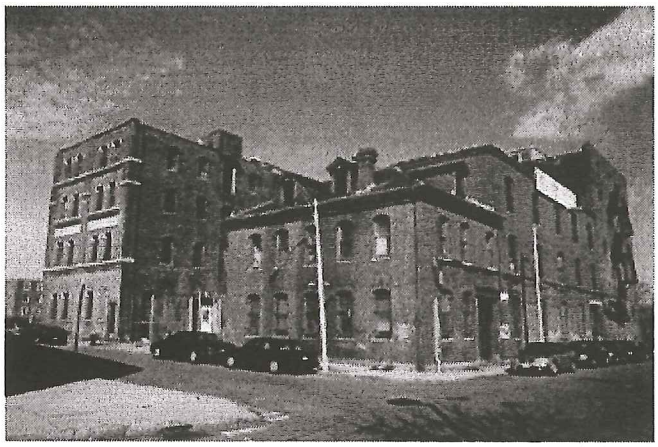
Houghton-Vienna Brewery	***Mission Hi***

- *Oldest brewery in Stony Brook Valley*
- *Essentially intact complex pre-dating mechanical refrigeration*
- *Recent compromise by Boston Landmarks Commission allows Wentworth to demolish three buildings at rear of property*
- *Brew House and Office Building along Station Street to be retained while Wentworth plans to build anathletic complex on rest of land*



Name: Houghton-Vienna Brewery	**Bldg SqFt:** Office Building: 3,096 Brew House: 8,116 Fermentation/Cold Storage: 20,936 Keg Shed: 3,466	**Lot SqFt:** 18,494
Address: 133 Halleck St./37 Station St.	**Ward:** 9	**Parcel:** 2855
Neighborhood: Mission Hill	**Zoning:** Local Industrial Subdistrict (LI)	
Year Built: 1876-1890	**Use:** Vacant	
Style: Italianate; Panel Brick	**Condition:** Fair to Poor	
Architect(s): Unknown	**Owner:** Wentworth Institute of Technology Boston, MA 02115 550 Huntington Avenue	
Historic Certification: Boston Landmark; National Register eligible		
FY99 Building Assessment: $782,000 **FY02 Building Assessment:** $0	**FY99 Tax:** N/A **FY02 Tax:** $9,099	
FY99 Land Assessment: $193,500 **FY02 Land Assessment:** $300,000	**Tax Status:** Current	

Preservation Strategy:

Continue to monitor demolition and stabilization process overseen by BLC; maintain dialog with interested parties to ensure reuse by Wentworth or disposition for redevelopment by a subsequent owner.

Significance:

By the late 19th century, Boston was one of America's largest brewing centers with most breweries located in Roxbury and Jamaica Plain because of the combination of pure water from the Stony Brook aquifer, reasonably priced land near the city, and large German and Irish immigrant populations. This complex is part of the largely intact A. J. Houghton (Vienna) Brewery. In 1870, Houghton, along with brewer John Kohl (1827-1901), erected this brewery. They purchased land on the east side of Halleck Street from brewer Gottlieb Burkhardt and in 1875 purchased the Jutz Brewery which was in operation on the west side of Halleck Street since the 1850s (a brick stable from the Burkhardt complex is still extant on the north side of this complex). Houghton and Kohl enlarged the Jutz complex to accommodate the manufacture of lager beer. Renamed the "Vienna" Brewery, it was one of the first to utilize artificial refrigeration. In 1901, the business was purchased by Reuter and Co. which retained the original name until the beginning of Prohibition. By 1930 the site was occupied by Gatte Service, Inc., (waste dealers) and not long after by the Great Eastern Packing & Paper Stock Co. which remained until the 1980s. As a relatively rare but intact complex, the Houghton Brewery serves as an important record of the area's industrial heritage.

Preservation Challenges:

The fermentation and cold storage buildings as well as the keg shed will be demolished. Maintaining a sense of the original u-shaped complex as well as stabilizing and preserving the remaining buildings is the intent of landmark designation. What happens to the land surrounding the complex is an important factor. With the redevelopment of the Mission Main housing project and proposed development on Wentworth land surrounding the brewery, it is important to try and connect the complex with surrounding new uses rather than isolating it in the past.

Neighborhood Context:

Part of a small but intact concentration of breweries surviving along what was once the Stony Brook in Roxbury and Jamaica Plain. Its more immediate environment is dominated by the Mission Main housing complex to the west as well as several surface parking lots. A few blocks to the south is Tremont Street, the main business street in Mission Hill while the Mission Church lies just beyond a large, currently empty, lot to the west. MBTA Orange Line tracks run along the corridor on the other side of the parking lot to the east.

Other Sources of Information:

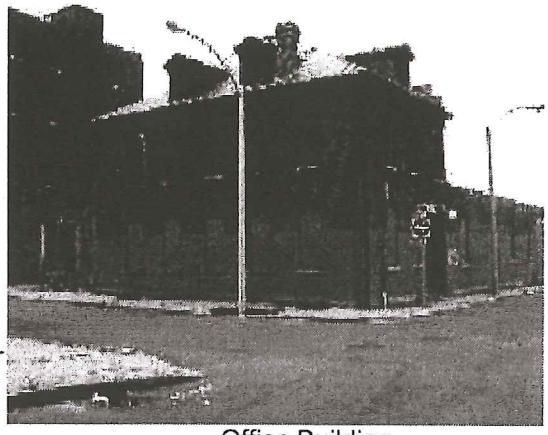
Vienna Brewery Feasibility Study Prepared for The Boston Housing Authority (Finegold Alexander + Associates Inc, 12/23/97)

Report on the Potential Designation of the Vienna Brewery as a Landmark (Boston Landmarks Commission, 3/13/98)

Entry Completed: 05/07/1999

Summer 2002 Update:

In August 1999 the Fermentation/Cold Storage building and the Keg Shed were demolished in accordance with a BLC landmark agreement. (The Burkhardt brewery stable was also demolished at this time.) Wentworth spent approximately $250,000 to stabilize the remaining buildings, including installing a new roof on the Brew House. Wentworth is planning to construct a student recreational/athletic center on this block, which is currently used for parking, in the next five to ten years. Conceptual rehabilitation ideas for the brewery buildings include utilizing the Brew House as a contributing structure to the future student recreational/athletic center and the Office Building as Wentworth office space. Any redevelopment proposals will preserve the courtyard space between the two buildings.



Office Building
(06/26/2002)

Update Entry Completed: 08/07/2002

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STRUEVER BROS. ECCLES & ROUSE, INC.

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PROPERTY MANAGEMENT
STRUEVER ROUSE HOMES
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IN THE NEWS:

Plan Would Restore American Brewery

Baltimore Sun July 9, 2001

Ed Gunts

Nearly a decade after Baltimore's vacant and deteriorated American Brewery was placed on a local "end landmarks" list, there's new reason for optimism that it finally might be on the way to restoration.

Construction began last month on a $10 million project that will transform much of the former brewery pr 1700 block of N. Gay St. to a senior living center by mid-2002.

Now one of Baltimore's most hard-charging developers - Struever Bros. Eccles and Rouse - tentatively h work with the nonprofit Council for Economic and Business Opportunity to develop a plan to restore the p brew house.

"It's a magnificent, incredible building, and we hope to be able to do something to save it," said develope who toured the five-story structure two weeks ago with CEBO president and chief executive officer Larry would be a sad day for Baltimore if it collapsed."

Struever said he has looked at the ornate brew house "with great admiration" since he came to Baltimor was pleased to find that it appears to be in basically sound condition even though it has been dormant fc years.

"It's a building of magic and mystery, with some very special spaces and very special detailing," he said. expect to see it on Jackson Square in New Orleans or some other place of great dignity. With the work g the street, there's an opportunity to save it."

Built in 1887 to house a brewery founded in 1863 by John Frederick Wiessner, the complex was known t elaborately detailed brew house, called "circus architecture" by the writer John Dos Passos. It later was contain the offices of the Allegheny Beverage Corp., which produced American Beer there. At its peak, tl 20 buildings and was an employment center for hundreds.

The brewery closed in 1973, and its buildings subsequently were acquired by the city. In recent years, th deteriorated badly, and many smaller ones have been razed.

In 1992, the Baltimore Heritage preservation group featured the brewery on a poster of endangered plac wanted to protect. The preservationists noted that the main building is an East Baltimore landmark and c country's last surviving gravity flow breweries. The problem, they said, was not that anyone wanted to te that no one wanted to fix it up because the surrounding area was in decline.

A year later, then-Mayor Kurt L. Schmoke selected a group headed by CEBO to redevelop the brewery p phases, as funds become available. Several years ago, a Rite Aid branch was constructed on part of the since closed.

The first development to incorporate any of the historic American Brewery structures is the Coel-Grant-H Living Center, under construction across Gay Street from the brew house.

It is a combination of historic rehabilitation and new construction that will provide 58 apartments for senic incomes at or below 50 percent of the area's median income, and a 6,000-square-foot senior center. His that are being preserved as part of the project include the former brewmaster's mansion and the wagon stables used when the beer was distributed by horse-drawn wagons. New buildings have been designec older ones into one unified complex.

The development team includes the Southern Baptist Church Community Development Corp., an affiliat

Southern Baptist Church; Savannah Development Corp., and the Enterprise Foundation. KCM Architects designer.

The senior living center is named after Nathaniel Higgs, pastor of Southern Baptist Church, and two of h predecessors.

"This is the first major investment in East Baltimore," Higgs said. "It is critical to the church that, as down redeveloped, the existing senior population can afford to live in the area."

"This project would not have been possible if not for the staying power of the church," said Betty Jean M president of Savannah Development.

Smith said CEBO is counting on the senior center to help build momentum for the area and provide the s promote redevelopment of the brew house and other buildings on the east side of Gay Street.

He said CEBO recently engaged Bernard Berkowitz, former head of the Baltimore Economic Developme recommend ways to reuse the 1950s-era bottling plant on the property. He said CEBO is in the process co-development agreement with Struever Bros. to work on the brew house and that others also might joi

Smith said the team members are in the early stages of exploring options for the brew house, and that h present a redevelopment plan to the O'Malley administration by Aug. 1. He said one idea is for the buildi levels to be renovated to contain 30,000 square feet of office space, possibly for a public agency such a Department of Aging. He also would like to move CEBO's offices there from North Charles Street.

Smith added that CEBO hopes to come up with a project that works with other initiatives in the area, suc by Johns Hopkins Medicine to create a biotech park in East Baltimore. And since the brew house is liste National Register of Historic Places, he said, he wants to comply with federal restoration guidelines so th take advantage of tax credits for historic preservation. KCM Architects has done all of the preliminary wo

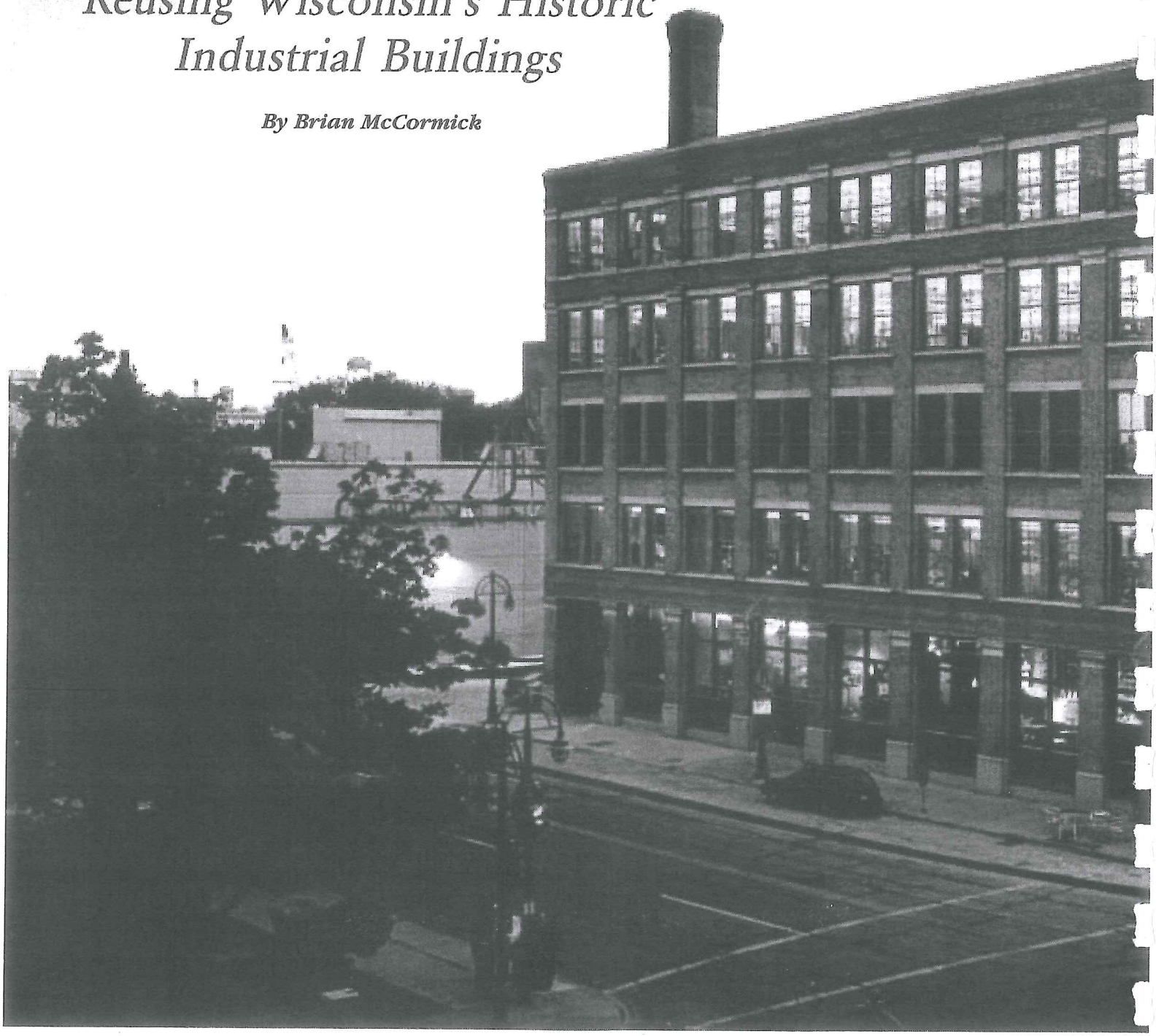
"We have the makings of an excellent development team," Smith said. "Struever has great experience ir reuse of industrial buildings, and this was basically an industrial building. We hope that by getting this go could be an anchor for the east side."

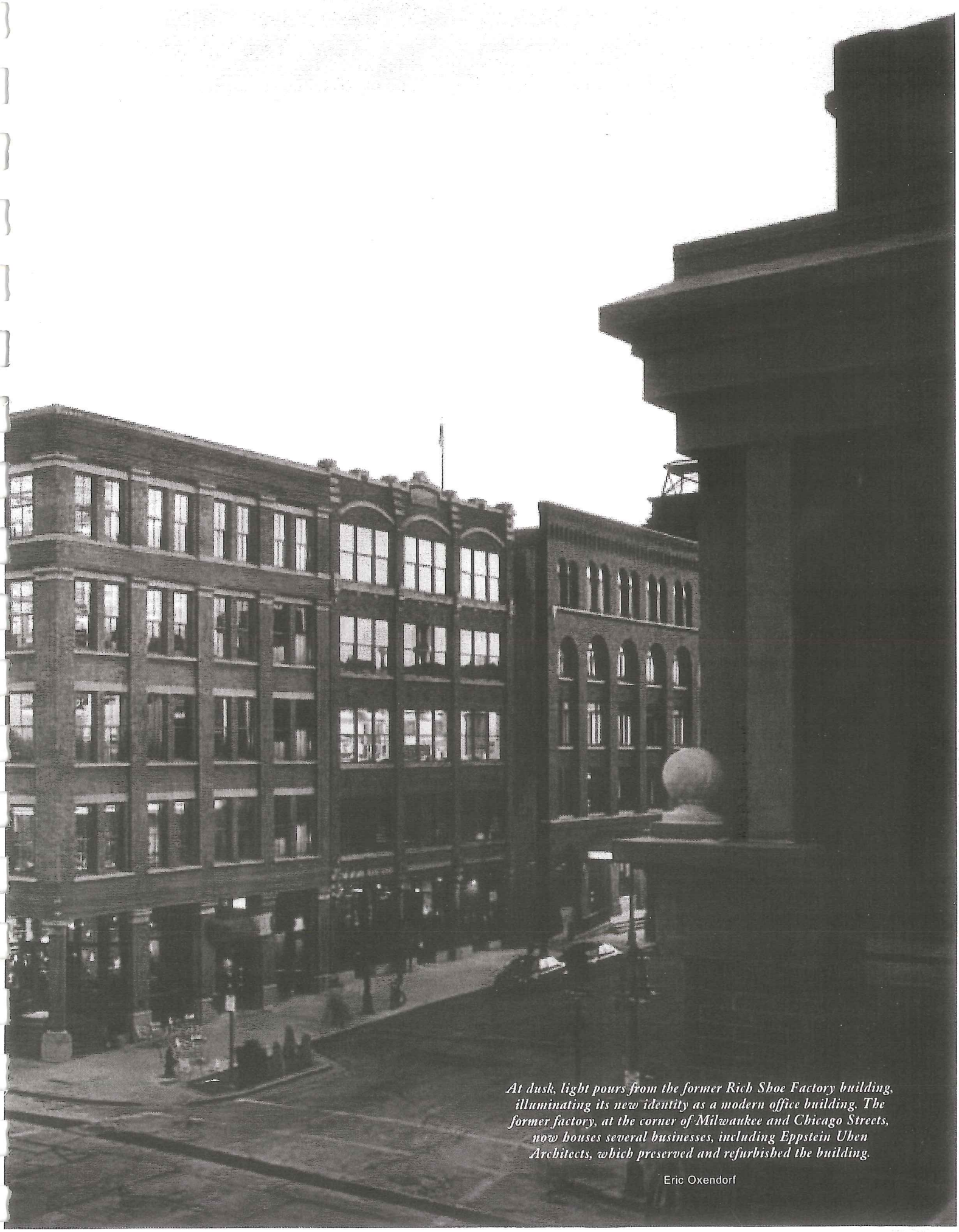
Related Projects
American Brewery

Factory

Reusing Wisconsin's Historic Industrial Buildings

By Brian McCormick





At dusk, light pours from the former Rich Shoe Factory building, illuminating its new identity as a modern office building. The former factory, at the corner of Milwaukee and Chicago Streets, now houses several businesses, including Eppstein Uhen Architects, which preserved and refurbished the building.

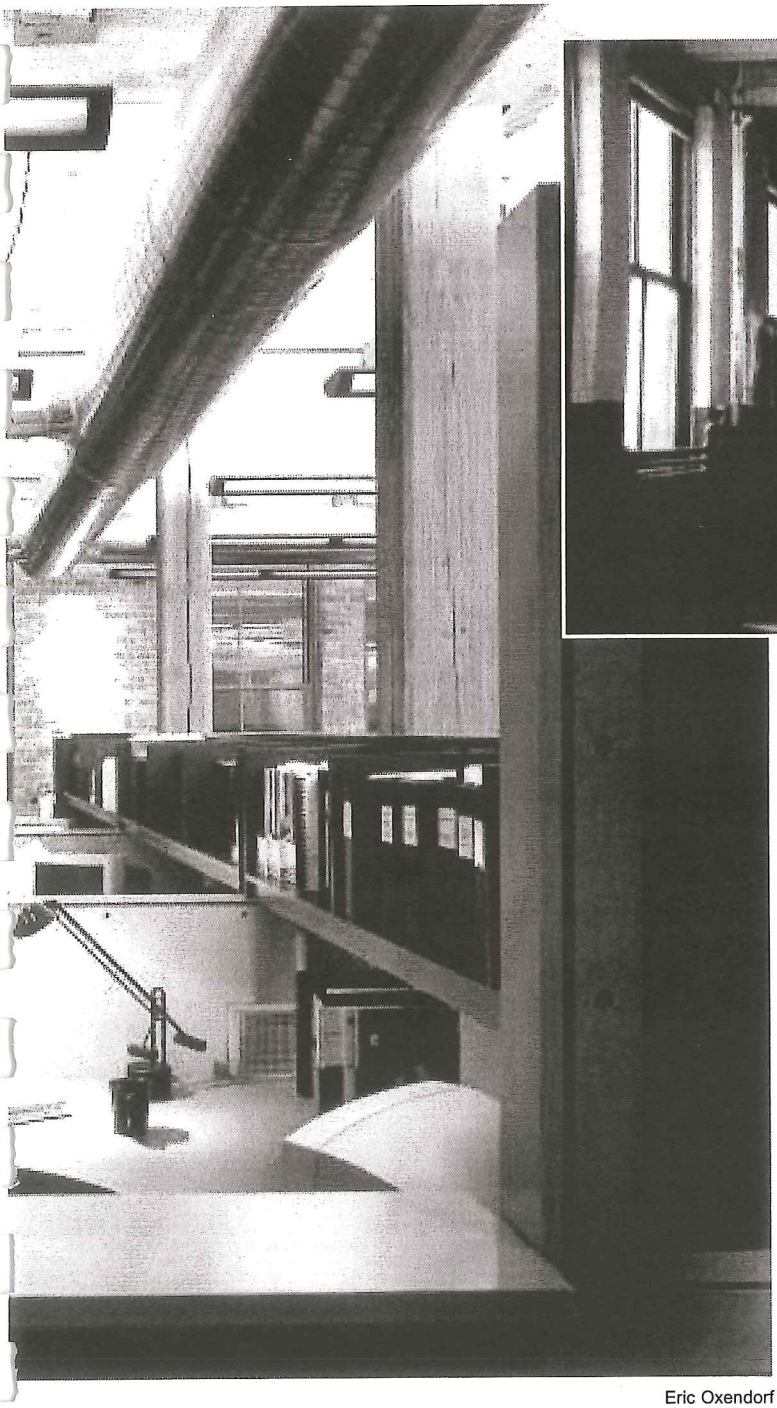
Eric Oxendorf

LARGE and austere, often abandoned, dirty, and located on the wrong side of the tracks, they bide their time, waiting for their transformation. The buildings of Wisconsin's early industries stand as tangible reminders of the state's development and growth. A paper mill in Appleton, a shoe factory in Sheboygan, and a grain mill in Mazomanie all tell the history of the way each city grew. Their very presence reflects the natural resources that were available and the ways the community capitalized on those resources in the creation of the region's wealth.

Most industrial buildings were solidly built. Often engineered to handle loads and stresses beyond their original functional requirements, they have outlived the processes they were designed to house. Modern technology, from the fluorescent light to the electric forklift to inexpensive shipping of foreign commodities, has changed the way we produce and store our goods. These advancements have resulted in the gradual abandonment of these historic structures. Today factories have relocated to big-box, single-floor metal buildings on the city's fringe. But abandoned factories, warehouses, and mills have proved to be popular candidates for reuse. Across Wisconsin they are being transformed to serve new uses, and for good reason. They offer large, adaptable spaces. They are well sited near urban cores or natural features. And they meet the current esthetic passion for interiors featuring natural materials and exposed structure.

Once ignored by the general public and preservationists alike, the industrial building has now taken its place as a symbol of America's technological transformation that began with the Industrial Revolution. When developers rehabilitated San Francisco's Ghirardelli Square from 1964 to 1968, the idea of adapting derelict industrial buildings to new uses captured the public's imagination. The project converted an abandoned chocolate factory into a collection of fourteen restaurants and seventy shops that has proved to be an immensely popular tourist destination in a city of tourist destinations. Preservationists endlessly cited Ghirardelli Square as an example of the "new" preservation in action. No longer was preservation just concerned with maintaining the homes of famous historic figures.

Now, several decades after Ghirardelli Square opened, the modern public has embraced industrial buildings—almost more than any other historic building type—as places to live, work, and play. These buildings, with their exposed structural systems and open floor plans, have proved to be extremely adaptable. Because they are often quite large, they provide an



Eric Oxendorf

Eppstein Uhen Architects

Above: Before the Rich Shoe Factory building was "rehabbed," natural light fell on rows of storage boxes that never quite reached its high ceilings. Left: After the building's transformation to office space, its windows bring welcome light to staff work stations. The architects maintained the industrial look of the space with the original brickwork, exposed ductwork, and prominent wooden beams.

economics of scale that allows developers to divide spacious open floor plans in various ways as their new use requires—from offices, restaurants, and shops to apartments and condominiums. Exterior walls in industrial buildings were often originally lined with windows, a necessity for any work space in the days before adequate artificial light. This allows for easy conversion to apartments, since the many windows provide the necessary light and ventilation required by the Wisconsin Building Code. The natural light provides an amenity that modern buildings often lack. Industrial buildings' popularity with developers hinges on this adaptability, but there is more to it than that.

For instance, these buildings also benefit from their locations. Initially chosen for their easy walking distance to worker housing, these areas have frequently grown into the kind of neighborhoods that offer urban amenities such as walkable streets with interesting destinations, buildings with unique character, and a diverse night life. This translates well into new uses as housing, offices, restaurants, and shops for those who want to avoid the nowhere of suburbia, characterized by streets built only for car traffic, national chain stores and restaurants, buildings designed to look like all the others in the chain, and little or no night life. In addition to a centralized location, the functional relationship of Wisconsin's factories and mills to water—which often provided their power or was used in numerous ways in the manufacturing process—means that many of these structures are beautifully sited near lakes or rivers. While the areas were probably not so desirable in their day, in many communities the industrial pollution and trash of industry have given way to a new respect for and focus on the water's edge. Communities have combined the

Courtesy of Rich Arneson, Stone House Development

On May 7, 1919, the Weyenberg Shoe Factory was under construction in Beaver Dam, and workers plied their trade while two unknown businessmen (distinguished by their overcoats and fedoras) stood watch. Like most industrial buildings, the Weyenberg factory was designed with large windows to take advantage of natural air and light, as well as spacious areas for production. These features make such buildings ideal for later conversion into apartments.

development of new river walks and lakeside parks in old industrial areas with salvaged buildings to create an attractive environment to work and live in.

Another factor in the trend to reuse industrial buildings is style. Although the issue of style may seem rather inconsequential at first, an industrial esthetic has been a part of popular tastes for several generations. In the 1960s, when developers rehabilitated Ghirardelli Square, architectural modernism was fully entrenched in American society. The international style, the hallmark style of modern architecture, espoused the use of honest materials, in their natural state and unornamented, and a clearly articulated structure, which left exposed the means by which a building stood. These attributes describe old industrial buildings as well, and modernists accepted them almost as their own.

In addition, Americans' appreciation of all things rustic saw a major revival in the "natural" sixties. In some guises a natural style has never lost its appeal. Although the heyday of the industrial style has passed, public acceptance of industrial buildings remains. Exposed brick, heavy rustic columns, and beams of wood timbers or metal still hold a certain cachet. While much of what was fashionable during the sixties has thankfully gone by the wayside, the look of exposed structure as an interior decorating scheme has stayed with us as an icon of the trendy interior. An interior wall of roughly pointed common brick still seems to many people to have the air of cosmopolitan sophistication. Unless a contemporary builder contrives to recreate original elements and artificially distress expensive new brick and timbers, this look can be achieved only when you start with an old building.

Unfortunately, the popularity of this look has caused problems with the preservation of some historic buildings. While it is quite appropriate to maintain the utilitarian character of an old factory when converting it to a restaurant or apartments, other types of buildings' historic character may be in quite fine interior finishes. Sometimes this decoration and ornamentation does not meet the demands of today's public. Owners have altered some of these building to match "the look" by ripping out historic finishes to create the appearance of a bare factory loft. The ornamental finishes that today's developers remove in old storefronts, offices, and apartment buildings are sometimes the work of skilled craftsmen, who used materials that are expensive or

impossible to duplicate today. Even at their simplest, these details are historically characteristic of a building type. One developer's market study maintained that new apartments wouldn't be rentable unless they had exposed brick. Unfortunately, the commercial building he wished to rehab had plaster walls, a decorative wainscot trim, and an egg-and-dart plaster cornice. It's an intriguing point to consider: a developer wished to remove decorative interior details and finishes to make the space look more like a factory, and he did this in order to make it a more attractive space for people to rent as homes.

In Wisconsin, since 1978 the tax credit program (see sidebar) has helped in the restoration of more than sixty industrial buildings. All but one of the projects, the Kohler Company Factory Complex in Kohler, involved a conversion to a new use. The list of original uses of these buildings reads like a history of Wisconsin's industrial past: warehouses of every sort; water-pumping stations and electric power plants; mills for lumber, paper, textiles, flour, and feed; and factories making wagons, furniture, farm machinery, candy, toys, lace, gloves, and shoes.

Working in a Shoe Factory

Shoe factories in particular have been a popular choice for rehabilitation (often referred to as "rehab") in the state. In the history of the tax credit program, developers have rehabilitated eight shoe factories—the largest number of any factory type. This reflects the importance of shoemaking to the state. Wisconsin had all the necessary ingredients for leather and shoe production: animal hides from the farmlands; water from its many lakes and rivers; and the tanning agent itself, which was originally made from tree bark. Early tanneries were located close to the source of tree bark, and the northwoods of Wisconsin were an excellent source. Tanning and shoemaking were skills at which Germans traditionally excelled—and Wisconsin's large German population helped these industries grow. At the end of the nineteenth century, the state was the fourth largest leather producer in the union and among the top ten states for shoe manufacturing.

During that period, the A.W. Rich Shoe Company was one of the largest shoe factories in Milwaukee. The company

Between Restoration and the Wrecking Ball

The historic preservation tax credit program provides the country s only major impetus for owners to sensitively rehabilitate their historic building. Created as part of the Tax Reform Act of 1976, the program originally offered a federal tax credit of 25 percent. The federal government reduced this to 20 percent in 1986, but the State of Wisconsin stepped in soon after that and added a state piggy-back credit of 5 percent to bring it back up to the original number. This tax credit can be applied only to income-producing properties, though Wisconsin does have a separate tax credit program for owner-occupied residences.

Since the inception of the program, developers have rehabilitated sixty-one industrial buildings in Wisconsin at a cost of almost $131 million using the preservation tax credits. Including buildings of all types, developers have carried out five hundred projects in Wisconsin, with rehabilitation worth almost $450 million. Note that industrial buildings account for only 12 percent of the total number of projects but 30 percent of the total project costs. This is indicative of the clearly larger scale of these projects as compared to other restoration work for example, a storefront building or a bed-and-breakfast inn.

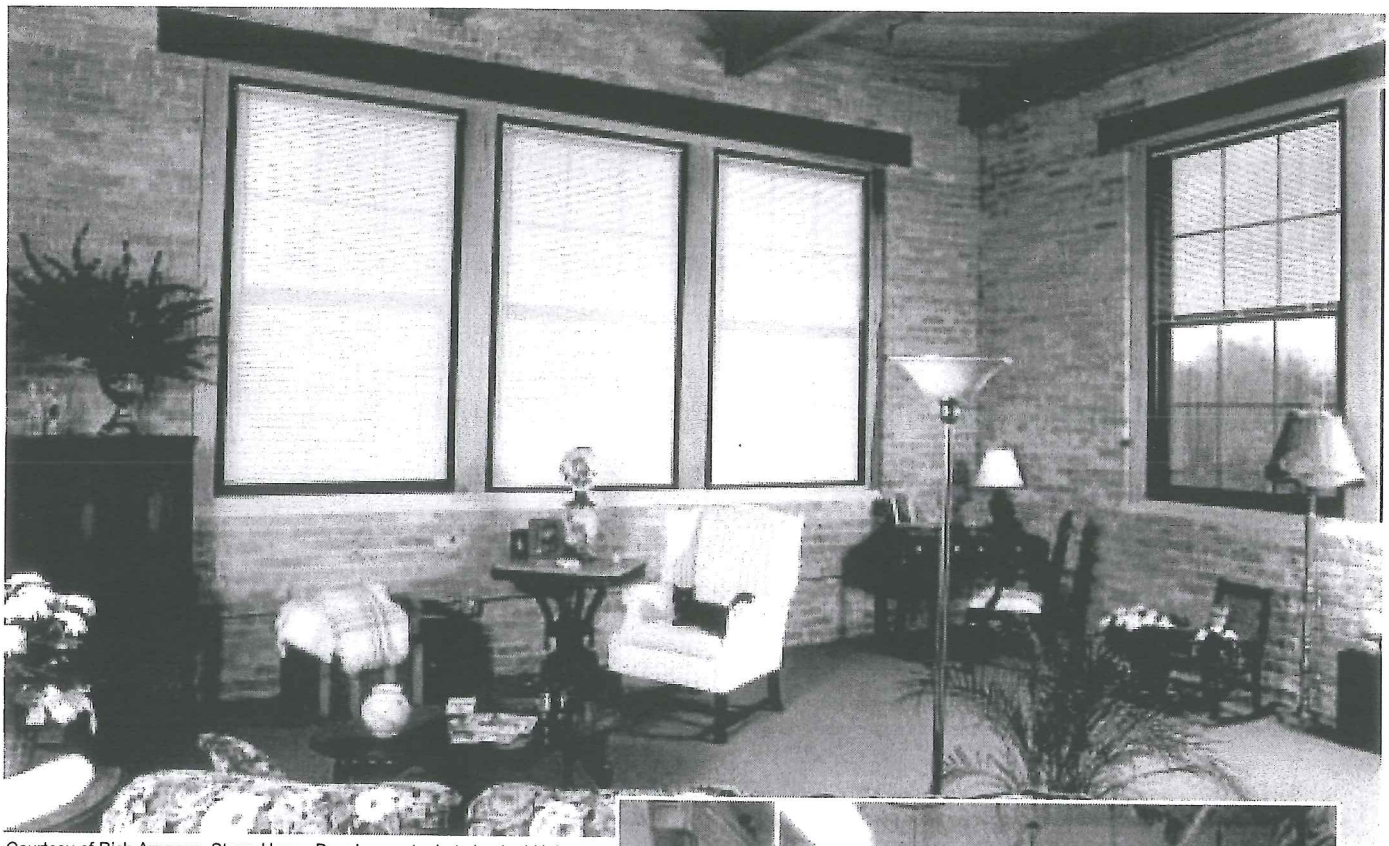
The impact of these tax credits is sizable. Counting just the industrial building projects, over $30 million came back to developers in Wisconsin for bringing these old factories and warehouses back to life. For many this incentive meant the difference between a viable investment and one they would have abandoned. For a few buildings the credits meant the difference between restoration and the wrecking ball.

To qualify for the tax credits, owners must meet certain requirements. Buildings must be listed or eligible for listing on the National Register of Historic Places. The Division of Historic Preservation at the Wisconsin Historical Society maintains the National Register listings in Wisconsin. The Wisconsin Historical Society Web site offers access to the Wisconsin Architecture and History Inventory (http://www.wisconsinhistory.org/ahi/index.html), allowing anyone to search for the National Register status of surveyed buildings in the state.

The owner must do a substantial rehabilitation on the building to be eligible for the credits. This is defined as spending on the rehabilitation an amount equal to the depreciated value of the building. This is rarely a problem on large industrial building conversions, but it sometimes means that if all a building needs is a new roof, it might not be eligible for the program.

The work that the owner carries out on the building must meet the Secretary of the Interior s Standards for Rehabilitation. These standards try to ensure that the historical character of the building, inside and out, is maintained. The owner must also make a formal application for the credits, preferably before the work starts; and the owner cannot sell the building or destroy its historical significance for five years after completing the project.

The Division of Historic Preservation staff at the Wisconsin Historical Society is available to help guide owners through the program. For general questions regarding the tax credit program and for questions about appropriate architectural treatment, contact Brian McCormick, preservation architect, at 608-264-6491 (brmccormick@whs.wisc.edu). For questions concerning a building s National Register eligibility, call Joe DeRose, historian, at 608-264-6512 (jrderose@whs.wisc.edu). To receive a tax credit application/information packet, call Don Aucutt at 608-264-6488 (dmaucutt@whs.wisc.edu).



Courtesy of Rich Arneson, Stone House Development; photo by Joel Heiman

From pallets to parlors: In May of 1999 the interior of the Weyenberg Shoe Factory resembled the average warehouse. Now the "Shoe Factory Apartments" offer the height of industrial chic.

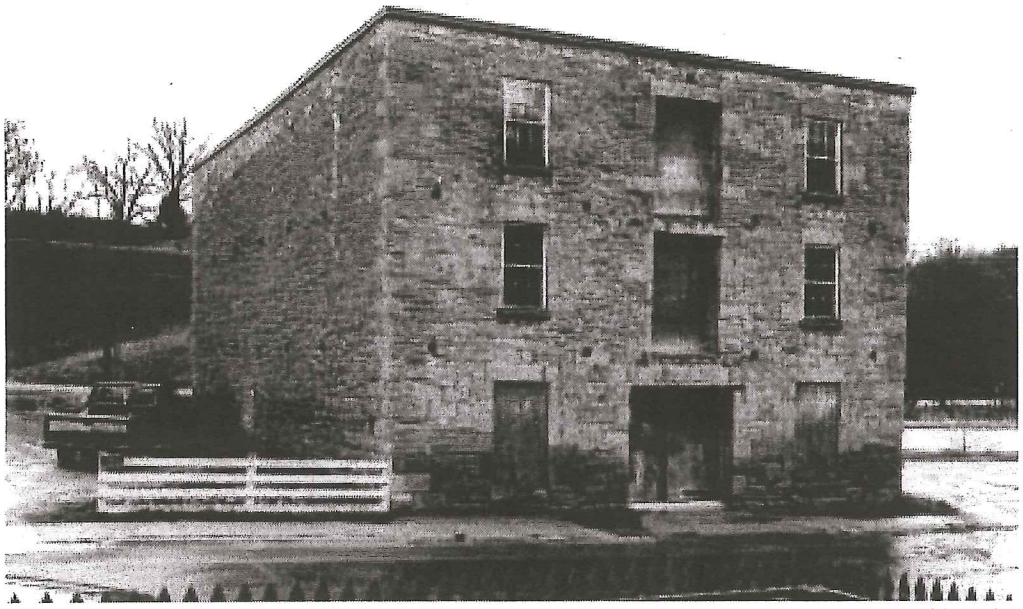
closed its doors after the financial panic of 1893 but was back on its feet again by 1900 when it constructed a five-story factory building in Milwaukee's old Third Ward. Today the Third Ward is a Historic District on the National Register, and the Rich factory building has found new life as the offices of Eppstein Uhen Architects. After a $2.5 million restoration of the building, this large firm has managed to fill most of the five floors plus the basement with its offices. The company set aside a small space on the first floor for retail use.

The shoe factory's exposed brick and timber ceiling beams and columns contrast nicely with the sleek lines of the modern office furnishings. The low office partitions—used in place of full-height walls—maintain the original open plan of the factory. Exposed ductwork and utilitarian but elegant light fixtures contribute to the industrial esthetic of this beautiful office interior. If one questions why an architecture firm would choose an old building over one of their own design, one only need to tour this building. Eppstein Uhen Architects has created an inviting and sophisticated space, one that amply displays the firm's creativity.

Courtesy of Rich Arneson, Stone House Development

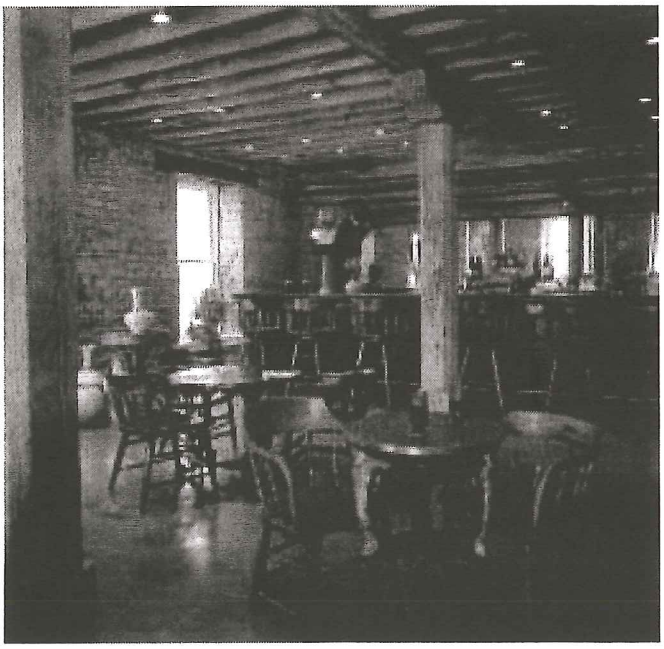
Living in a Shoe Factory

In 1914 the Weyenberg Shoe Manufacturing Company, another Milwaukee firm, was looking to expand outside the city and found a home for its new branch facility in an empty woolen mill building in Beaver Dam. It had soon outgrown that building and in 1919 constructed a new brick four-story factory building on Spring Street in Beaver Dam. Shoe production soon became the second largest industry in town, right after iron manufacturing. Weyenberg Shoe thrived for many years, opening factories in many neighboring communities and a second



Courtesy of the author

Before its transformation into the Brewery Creek Inn, Pub, and Restaurant, the old Cobb Warehouse in Mineral Point had the typical existence of many of Wisconsin's historic industrial buildings: unused, neglected, and gloomy.



Courtesy of Brewery Creek Inn

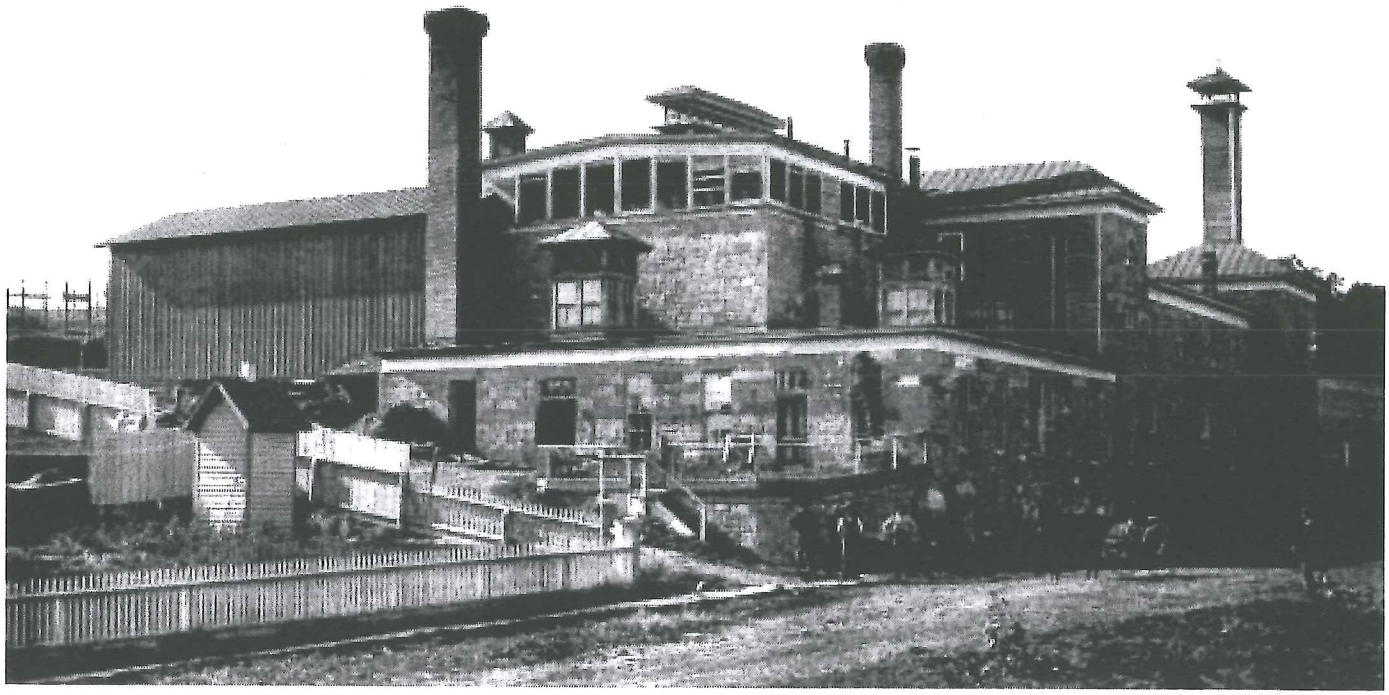
The dining room of the Brewery Creek Inn, Pub, and Restaurant features the building's original stone walls and beams.

facility in Beaver Dam. During the Great Depression the company began a slow decline, reducing shoe production continuously over the years and gradually purchasing foreign-made shoes. By 1994 only Weyenberg's two Beaver Dam factories were still making shoes, and in that year even the Spring Street facility closed to manufacturing and was converted to a warehouse. In 1999 the company was eyeing a new single-floor metal building when Rich Arneson at Stone House Development—a Madison firm specializing in redeveloping historic buildings—approached the owner to ask about the potential purchase of the building.

After discovering the Beaver Dam factory building, one of Arneson's first questions was, "Is this building eligible for the National Register?" Arneson knew that in order for the building to qualify for the rehabilitation tax credits, the Wisconsin Historical Society would have to make the decision regarding eligibility. He contacted the Society's Division of Historic Preservation to get a preliminary determination. The division's staff believed that while the history of the shoe company was interesting, the building was particularly significant as a fine example of the "textile mill industrial loft" building type. It was for this architectural significance that the building earned its place on the National Register.

The building incorporates a number of the attributes that define the type: a long narrow shape optimized the amount of exterior wall, and the high number of windows allowed for a well-lit interior work space in the days before florescent fixtures. High ceilings also aided the interior lighting and were necessary for housing machinery. Heavy timber floor joists and wood flooring minimized the vibration of heavy machinery. These once functional attributes made the interior attractive to Stone House for conversion to fifty loft apartments, providing the "industrial chic" of bright daylight, high ceilings, and exposed brick and wood structure. According to Rich Arneson, the response to the apartments in Beaver Dam has been good and the units rented quickly. Arneson said the industrial esthetic was appreciated by all but a few seniors who, looking at the exposed brick and ceiling joists, asked, "when will this apartment be finished?"

Most of the units at "The Shoe Factory Apartments" are committed to low-to-moderate-income tenants. As part of its financial package, Stone House Development used not only the Historic Preservation Tax Credit, but also the Affordable Housing Tax Credit provided by the Wisconsin Housing and Eco-



WHS Place File, WHi(W6)20718

The brewing industry has long played a role in the community of Mineral Point. The Mineral Spring Brewery, pictured here c. 1910, was erected in 1850.

nomic Development Authority. WHEDA created this tax credit to encourage the development of affordable multifamily rental housing in Wisconsin, much as the Preservation Tax Credit was created to encourage the reuse of historic buildings. Stone House has done a number of rehabilitation projects involving old buildings around Wisconsin, and most have involved both tax credit programs. The positive impact of such projects is doubled: a piece of local history is given new life while providing desirable low-cost housing. A community's history helps create community.

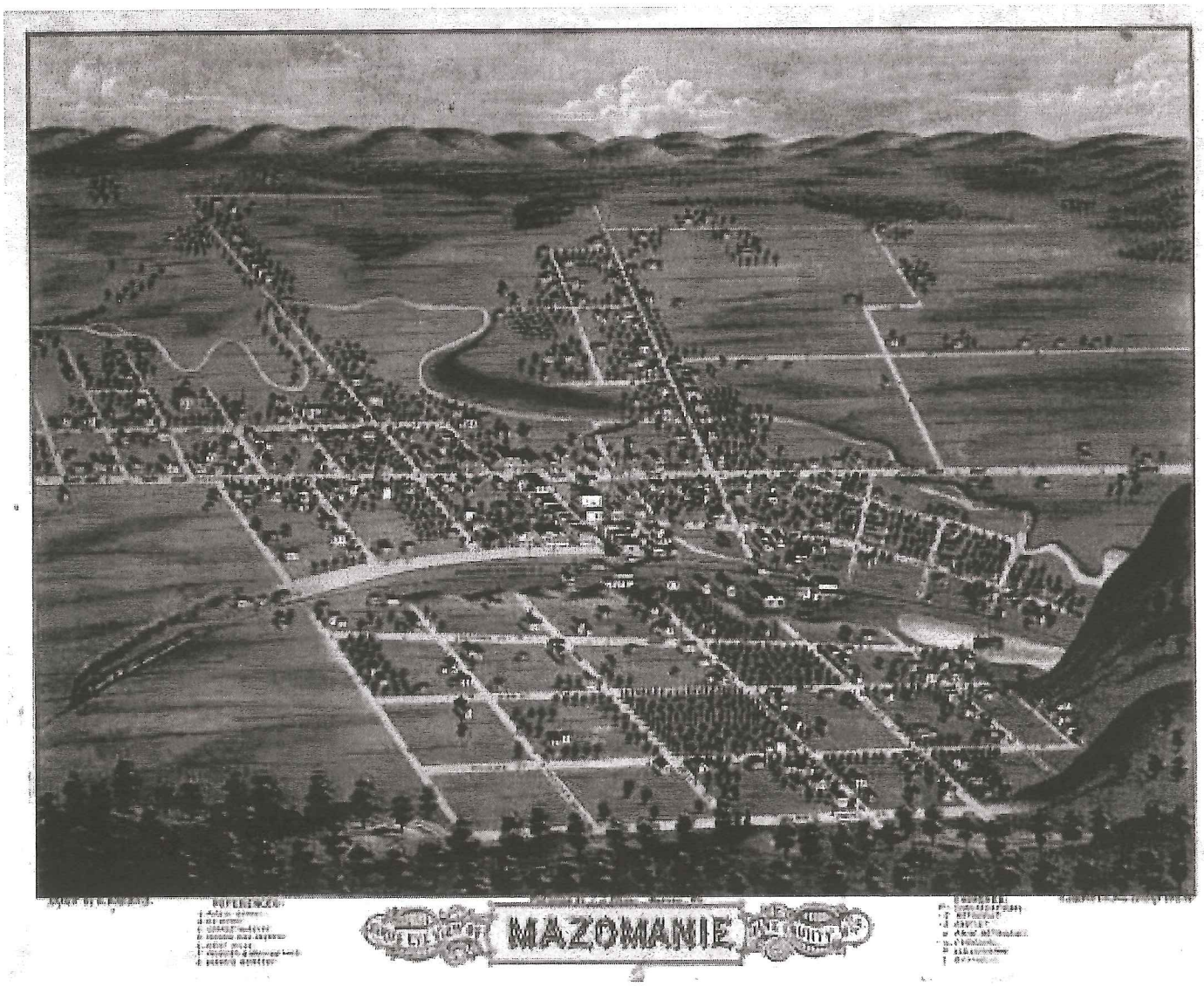
Beer, Bed, and Breakfast in a Warehouse

The warehouse is another adaptable building type that lends itself well to conversion. Developers have restored a dozen old Wisconsin warehouses using the preservation tax credits; the oldest is the George W. Cobb Warehouse in Mineral Point. Built by Cobb in 1854 in anticipation of the coming railroad, this three-story warehouse is constructed of local yellow dolomite limestone with two-foot-thick walls. To service the freight trains, Cobb built near the tracks. The building is only a half-block from the Mineral Point Depot on Commerce Street, the oldest train station in Wisconsin, built in 1856. While the warehouse's age certainly makes it noteworthy on its own, it is also historically significant as part of the Mineral Point Historic District, which is listed on the National Register. One of Wisconsin's largest and oldest historic districts, it takes in most of the city and boasts more than five hundred buildings that contribute to the district's character.

The Cobb Warehouse had stood vacant for a long time when Jeff and Deborah Donaghue purchased it. Their dream was to open a brew pub. Mineral Point, with its beautiful setting in southwestern Wisconsin's Driftless Region, its outstanding collection of charming mid-nineteenth-century stone and brick buildings, and its growing tourist business, seemed to be a good choice as the location for their new business. And the old stone warehouse, which happened to be sitting near Brewery Creek, seemed meant for this new use.

The brew pub trend has revived the Wisconsin tradition of small local breweries. Pub owners appreciate this tradition and, true to their sympathies, naturally gravitate to old buildings. Likewise, they expect their customers will appreciate the ambiance an old building helps create. The Donaghues were no exception to the rule and in fact have created a warm environment inside the old warehouse.

The exposed limestone walls and heavy oak timber post-and-beams structure of Brewery Creek Inn, Pub, and Restaurant act as a rustic counterpoint to the intricate antique bar



WHS Place File, WHi(X3)51358

In 1875, this bird's-eye view of Mazomanie listed a grist mill for Reference E, at far left of the image.

and backbar. The Donaghues' discovery and purchase of the beautiful bar and backbar required that they reconfigure their original conception for the front dining room, but it was well worth the extra effort and inconvenience of changing the plans. The Donaghues used the extra space in the upper floors to create an elegant bed-and-breakfast inn. The rustic appeal of the stone and timbers is evident in the guest rooms as well, but modern conveniences like private baths, whirlpool tubs, and gas fireplaces do not diminish their charm.

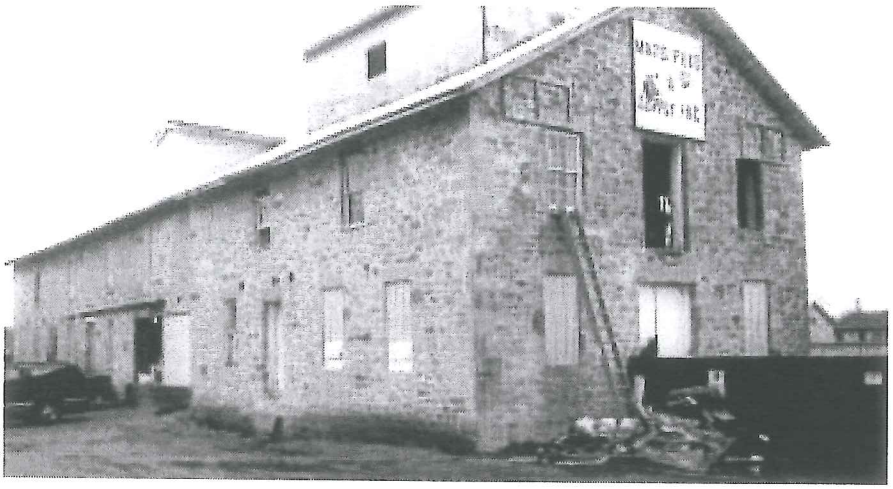
Dining in a Mill

Another sturdy limestone structure, very similar to the Cobb Warehouse, is the Lynch and Walker Flouring Mill in Mazomanie. A Milwaukee firm constructed the mill in 1857, just three years after the warehouse was built. Various owners added to the building a number of times, and by 1886 the mill was producing 125 barrels of flour a day as well as the electricity to light the downtown business district. In 1900 it suffered a major fire. Soon after the fire, a new owner purchased the ruined building and rebuilt it—a bit larger, but in a manner that closely matched its older appearance in both materials and design.

When Daniel and Nancy Viste purchased the building in 1992, its most recent use had been as a feed mill, Mazo Feed and Supply. Big Mazomanie boosters, the Vistes saw the old mill as the kind of attraction that could help transform the small community of 1,500 into a tourist destination. They had a vision of converting the mill into a combination restaurant, bakery, and gift shop.

Their first act, however, was to address a stone wall in real

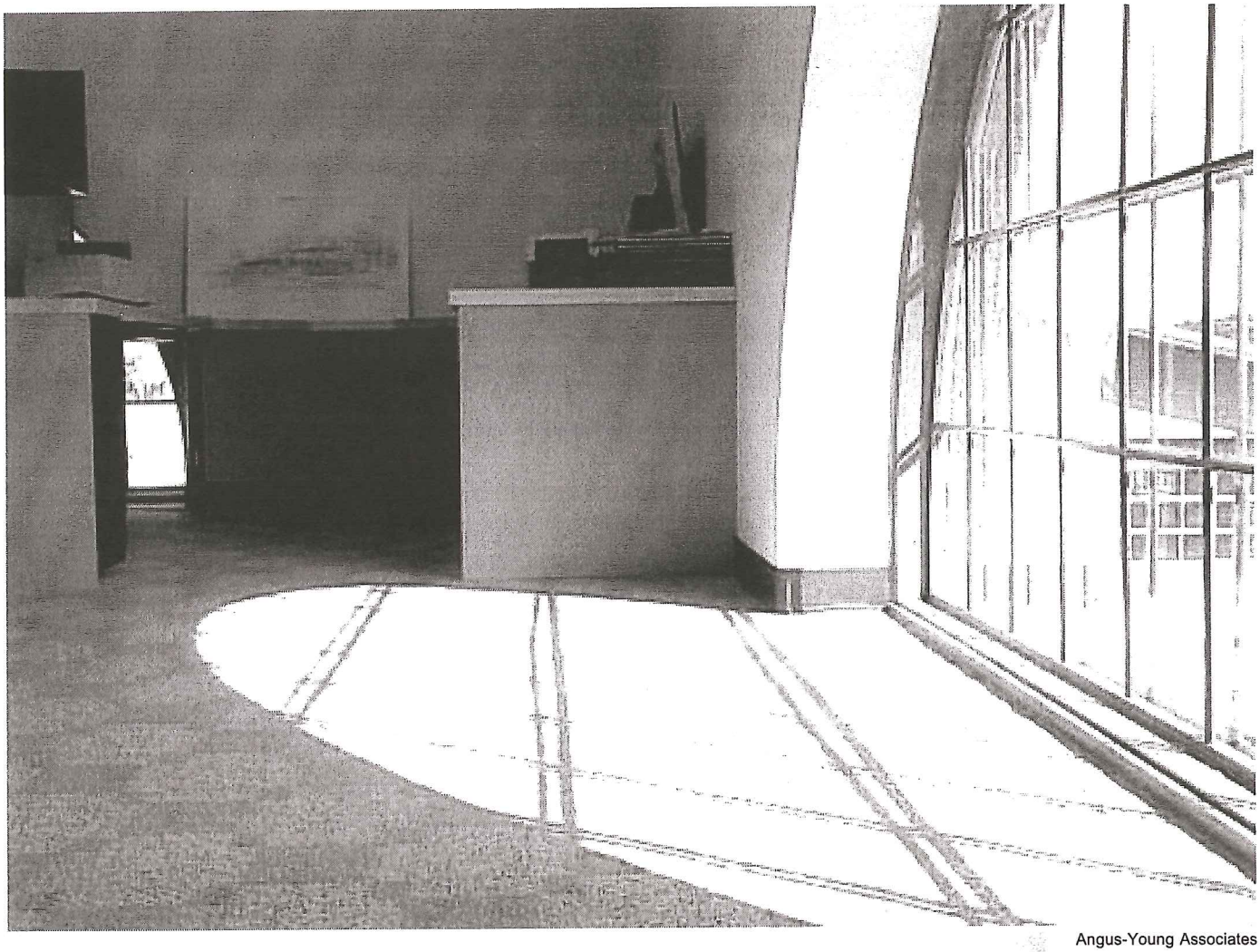
Photos courtesy of Nancy Viste



Above: The Mazo Feed & Supply, Inc., building had been in operation as a feed mill until the Vistes began to renovate the limestone structure. Top: The building's most serious weaknesses—a failed foundation and ruined wall—allowed the Vistes to practice their historic preservation skills. Right: The Old Feed Mill Restaurant of Mazomanie.

distress. A failed foundation had caused the wall to sag out and eight- to twelve-inch-wide cracks to appear. The wall was clearly in danger of collapse. This portion of the wall had to be taken down and rebuilt with a new foundation. The Vistes were careful to match the original mortar. Realizing that the grain size and color of the sand used in the mortar mix is one of the most important elements for a good match, they researched the source. As was common historically, the sand had been obtained from a nearby location, in this case, Black Earth Creek. Hauling sand back from the creek, the Vistes tested a number of samples until their mix of cement, lime, and sand was a good match for the historic mortar.

To make the project possible economically, the Vistes combined the preservation tax credits with various grants that helped with the start-up of the business. Their architect consulted with the Wisconsin Historical Society early in the process to ensure the work would meet the tax credit program standards. Their goal to maintain the rustic character of the building coincided with the preservation guidelines, and though the three-year rehabilitation process involved both exhausting



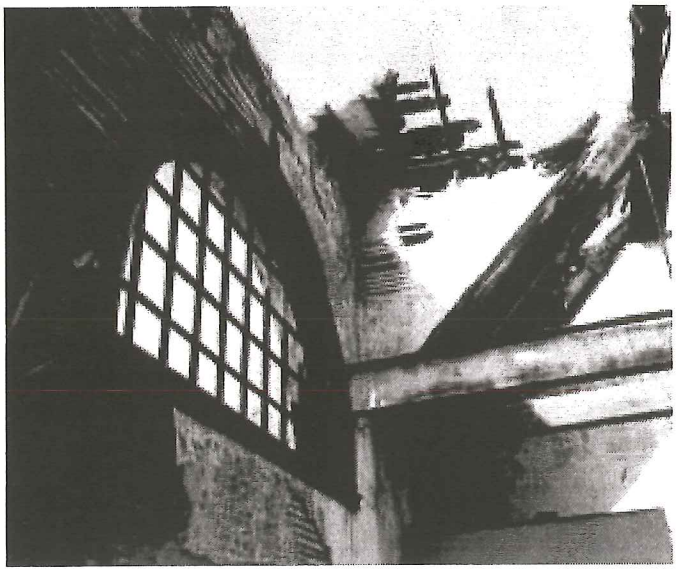
Angus-Young Associates

labor and careful scrutiny of details, the Old Feed Mill restaurant and gift shop opened in 1995. The Vistes have restored an important part of Mazomanie's history and created a destination business that draws busloads of tourists.

Working in a Pumping Station

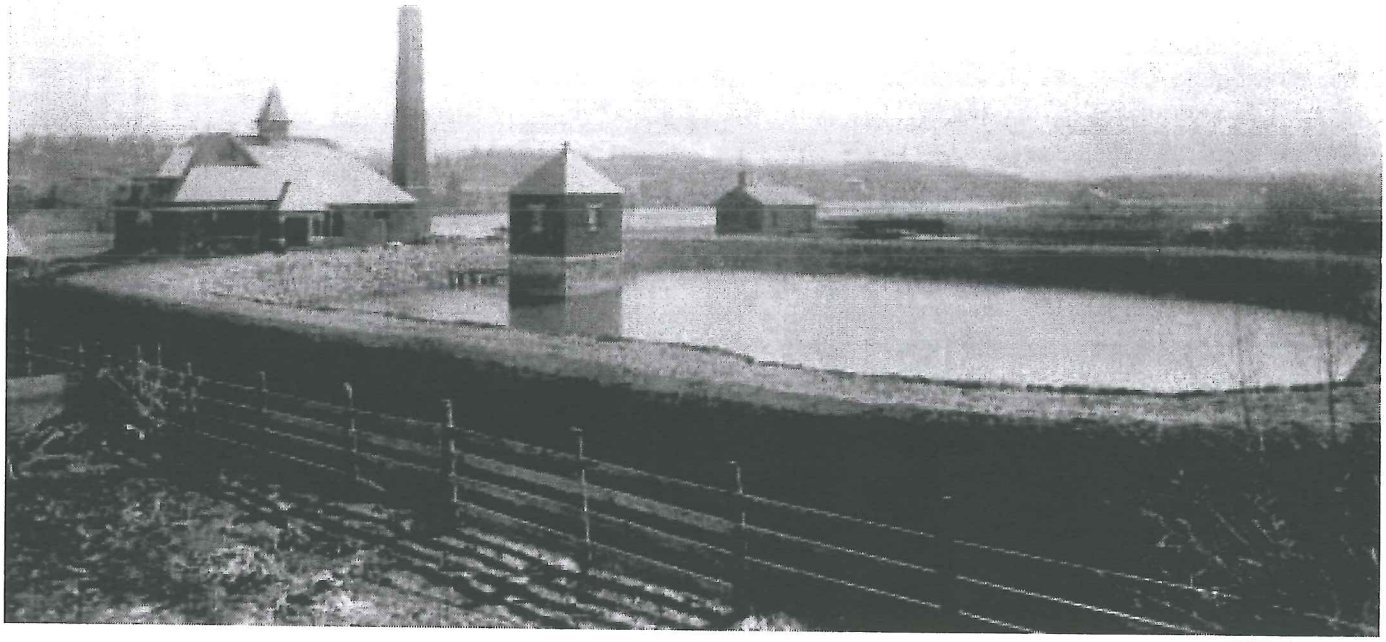
Janesville's Water Works started out as a private utility. Years of debate about how the city should provide water and fire protection to its citizens resulted in a referendum. The vote approved a privately owned utility instead of one owned publicly, and in 1887 the Janesville Pumping Station was built. The engineering firm of Turner, Clarke and Lawson owned and operated the water works, and the City of Janesville paid for the water with funds received from liquor license fees.

The pumping station was designed by Ernest Boynton and constructed by Turner, Clarke and Lawson, all from Boston. Described in the National Register nomination as "utilitarian in nature with neoclassical tones," the building is picturesque to modern eyes, with its multiple roof forms and large arched win-



Angus-Young Associates

Above and top: When the Janesville Pumping Station was nearly gutted by fire in 1989, its arched windows were one of the few original features to survive.



WHS Series 4883

The Janesville Pumping Station is described as "utilitarian in nature with neoclassical tones" in the National Register nomination. The building is pictured here in its original form in 1883.

dows. Later additions only enhanced that quality, adding complexity to the form but maintaining the original structure's character by matching materials and using similar roof profiles.

By 1915 the city had purchased the water utility. Its use as a pumping station was abandoned in 1964 when the building was remodeled for office and maintenance use. Unfortunately, it was at this time that the city removed an attractive cupola. Ironically, for a building built to provide water for fire protection, the old pumping station suffered a major fire in 1989. The roof, windows, and interior were almost completely destroyed.

The damage was major, and demolition seemed the only option. But under pressure from local preservationists, the city instead offered to sell the burned-out building to a private party for reuse. The city warily required in the sale of the building that the exterior be restored to the Wisconsin Historical Society's standards and that a restrictive covenant be placed on the deed, requiring that future maintenance and modifications be approved by the city.

In 1992 the architectural firm Angus-Young Associates saw a challenge but also saw an interesting building located on a pleasant site right on the Rock River. The firm purchased the building with the intention to restore it for their own use as architectural offices. Since the covenants placed on the property already required that the firm meet the Secretary of the Interior's "Standards for Rehabilitation" in their work, the architects knew that it made sense to take advantage of the preservation tax credits. Approval of tax credit projects is based on those same standards.

Their first task was to get a roof on the building as quickly as possible to prevent further damage. Members of the firm contacted the Wisconsin Historical Society to get approval of their proposal to rebuild the roof as part of a phased tax credit project. They didn't intend to rehab the rest of the building for several years, but approval of their master plan allowed them to proceed and recoup the credit on the entire project as it progressed. Four years later, in 1996, they were ready to start the work on converting the building to their offices.

This building, of a little more than 9,000 square feet and with five separate additions, was a planning challenge. But the new layout works well, a testament to the firm's creativity. Though the fire had eliminated much of the interior, certain elements remained. The firm incorporated the floor pit that once housed the pumping equipment into the firm's library. And they cleaned the exposed brick on the interior and kept it

Eppstein Uhen Architects

The architects' rendering of the converted Rich Shoe Factory in Milwaukee.

as a design element. Again, as in the Rich Shoe Factory in Milwaukee, an architectural firm has displayed its vision not by designing a new building, but by finding an inventive way to reuse an important historic structure.

Wisconsin's industrial buildings have proven to be adaptable and desirable.

A couple of shoe factories, a warehouse, a mill, and a pumping station—little did their builders know that these structures would become stylish places to live, dine, shop, or work. Wisconsin's industrial buildings have proven to be adaptable and desirable. As the developers of Ghirardelli Square seemed to know from the start, besides the visual warmth of brick and timbers, there is also an element of fun in the reuse of these buildings. To walk through an old building, to get a feeling for its historic use, and to see how the building has been adapted is edifying and enjoyable. Living in a shoe factory, dining in an old mill, or meeting with your architect in an old pumping station are all unique experiences and perhaps more entertaining than they might be otherwise. Preservationists believe that saving these elements of a community's history is a noble endeavor, but the building's occupants know it's just plain fun, as well.

Resources

Much of the information for this article came from various written nominations for the National Register, including Donald N. Anderson's 1971 nomination for Mineral Point Historic District; Carol L. Cartwright's 1984 nomination for Waterworks Structures of Rock County--Nineteenth Century, which was a thematic nomination; Timothy F. Heggland's 1989 nomination for the Mazomanie Downtown Historic District; and Elizabeth L. Miller's 1999 nomination for the Weyenberg Shoe Factory in Beaver Dam. All of these can be found on file at the Wisconsin Historical Society.

The publications that were instrumental to this piece are Walter C. Kidney's *Working Places: The Adaptive Use of Industrial Buildings, A Handbook Sponsored by The Society For Industrial Archeology* (Pittsburgh: Ober Park Associates, 1976) and Paul Lusignan's "Tanning and Leather Products" in *Cultural Resource Management in Wisconsin*, Vol. II, edited by Barbara Wyatt and published in Madison by the Wisconsin Historical Society in 1986.

The Author

Brian McCormick, preservation architect with the Division of Historic Preservation at the Wisconsin Historical Society, has been with the Society since 1989. He received a master s of architecture with a concentration in historic preservation from the University of Illinois. Brian administers the rehabilitation tax credit program for owners of income-producing buildings. He divides his free time between his home in Madison s Sherman Avenue Historic District and an 1854 stone farmhouse just across the state line near Galena, Illinois. Both give him more than ample opportunities for hands-on restoration work.

THE ECONOMIC POWER OF RESTORATION

The following was delivered by Donovan D. Rypkema, January 15, 2001, at the Restoration & Renovation Conference, Washington, DC. Mr Rykema is a nationally known consultant on historic preservation economics.

Historic preservation doesn't have a value - it has a multitude of values: aesthetic value, cultural value, social and psychological value, political value, environmental value, educational value. In the long term I believe each of those values is far more important than preservation's economic value. Most of you at this conference can explain those other values far better than can I. Frankly I don't know much about those values. What I do know a bit about is the economic value of preservation.

I am going to try to do three things today: first, identify and quantify a number of aspects of the economic benefits of historic preservation; second, suggest where the challenges to the success of historic preservation are likely to come from in the next decade; and third, propose five key roles for historic preservation in this beginning of the 21st century.

These remarks are entitled The Economic Power of Preservation but I am going to define that economic power broadly. Preservation can mean profits to developers, and homeowners, and bankers, certainly. But also, I believe, it can generate profits for neighborhoods, community activists, visitors, and the city at large.

So first to the economic benefits of historic preservation. We have identified a couple dozen of them here in the U.S. I'm going to tell you about eight of them. And I'll begin with the impact of simply rehabilitating an historic building. The Bureau of Economic Analysis has developed an econometric model to measure the local impact of output from a variety of economic activities. Five hundred twenty eight types of activities are evaluated and then consolidated into thirty-nine industry groups. These range from coal mining to household services, from agricultural production to retail trade. Using this data there are a couple of ways of quantifying the impact of production in each of these groups: one is number of jobs created; another is local increase in household income.

Conventional wisdom suggests that manufacturing activities would have the greatest impact. So I would like to compare for you manufacturing to building rehabilitation.

We will begin with jobs. On average for every $1 Million in output from manufacturing in Ohio, for example, 25.5 jobs are produced. For a Million Dollars in building rehabilitation 38.5 jobs. Now admittedly the 25.5 is an average of seventeen manufacturing sectors. Those of you who can recall your high school math or college statistics will remember that sometimes averages under reflect individual highs and lows. So how many of the 17 components of that average create more jobs per million than building rehabilitation? None. Again in Ohio the average manufacturing firm produces 13 fewer jobs for each million of production than does rehabilitation.

The next measurement is household income - how much does $1 Million in manufacturing in a manufacturing state like Michigan add to the household incomes of Michigan citizens? $561,000. How much does a Million Dollars of building rehabilitation add? $784,000. Now admittedly the $561,000 is an average of seventeen manufacturing sectors. How many of the components of that average create more household income per million than building rehabilitation? None. Again in Michigan a million dollars of manufacturing adds an average of $223,000 less in the pockets of workers than a million dollars of rehabilitation.

So why is there this greater local economic impact? It is a function of labor intensity. As a rule of thumb, in the U.S. new construction will be half labor and half materials; rehabilitation will be sixty to seventy percent labor with the balance materials. So while you might buy an air conditioner from Texas and timber from Oregon, you buy the services of the carpenter, the electrician, the painter and the plumber from across the street. Those tradesmen, in turn, spend their dollars locally on groceries, clothes and new cars. Thus the secondary local effects of labor are significantly greater than that of materials. Labor intensity adds to the local economy. That million dollars of rehabilitation in Ohio adds eight more jobs and $153,000 more in household income than does the same amount in new construction.

Further, construction jobs are generally skilled and therefore generally well paid jobs, particularly for those without advanced formal education.

So the construction trades have traditionally been a path for young people for learning, apprenticeships, advancement, and the building of their own household assets. So the case can certainly be made that the rehabilitation of historic structures is a highly beneficial local economic activity. But this might be countered with, "Yes, but construction is a finite task and once the work is done the job is gone." There are two responses to that argument. First, with building component life cycles of between thirty and fifty years, a community can rehabilitate two to three percent of its building stock per year and have perpetual employment in the construction trades.

Second, and more important is the nature of what is being created. A rehabilitated building is a capital asset, like a drill press or a railroad car. There is an economic impact in its creation but a subsequent economic role in its long-term use. So I would like to move to some of the uses we have found for historic buildings that have additional economic impact.

One area of significant preservation economic impact is heritage tourism. Heritage tourism is among the fastest growing segments of the visitor industry worldwide and will continue to be so. But that does not mean a heritage tourism approach is appropriate for all or even most places with historic assets. I would estimate that of all the heritage resources in economically productive use in the U.S., ninety-five percent are being used for something other than the tourism industry. Furthermore, heritage tourism is based on a rather fragile commodity, the overuse of which can diminish sustainable opportunity. So is the economic use of historic resources limited to heritage tourism? Certainly not.

Having said that, however, heritage based tourism, properly managed, does represent a significant opportunity for many communities. In Virginia preservation visitors stay longer, visit

twice as many places, and spend two and a half times as much money as nonpreservation visitors.

In North Carolina visiting historic sites is far and away the most common visitor activity. And this is a State where much of the business community and political leadership think that their major visitor assets are car races and their professional sports teams - neither of which make more than a minor blip on the visitation statistics. But North Carolina is known for another culturally based activity. For generations in the mountains of western North Carolina has been a vibrant crafts industry. Today that industry - almost entirely made up of one and two person operations - adds over $120 million annually to the economy of that State. What is the connection between the crafts industry and historic preservation? There they have learned that historic buildings make the ideal place both to make and to sell their wares - the authenticity of the historic building adds to the sense of authenticity of the crafts product. It is a natural linkage.

Back to heritage tourism for a moment. In Maryland when we looked at heritage tourism here's what we learned: preservation visitors stayed a full day longer in the State than did other visitors; the average daily expenditure of preservation visitors was greater than other visitors; the consequence of these two factors means that the per trip expenditure is decidedly higher. There are two ways to look at this: either we can take in more revenues with heritage visitors or - since there are many instances where sheer numbers of people may not be desirable - we can take in the same amount of money with far fewer visitors. Either way heritage tourism, when it is appropriate, can have substantial local economic benefit. Further, heritage tourism is the singular form of tourism that, when done right, can preserve the local culture and enhance the quality of life for full time residents as well as for visitors. The same is not true for one more amusement park or one more time-share beach resort. Tourism is inherently a volatile industry, but heritage based tourism means that local assets are preserved for local citizens even in the down cycles of visitation.

A while back I attended a one-day symposium at the Brookings Institute in here in Washington of 30 or so people - both academics and practitioners - who are looking at ways of measuring the economic impact of historic preservation. The president of a tourism analysis firm from Toronto looked at visitor numbers slightly differently. He eliminates those people traveling for business, for example, who happen to visit a historic site incidental to the primary purpose of the trip and concentrates on discretionary travelers and what attracts them. For that person who is traveling for pleasure and has as a major purpose visiting historic places, for every $3 she spends on the historic site itself, $97 are spent elsewhere - food or shopping or hotels. But she came to town because of the historic resources. The leverage of that historic site, therefore, is incredible.

The next on my list of economic benefits of historic preservation is, perhaps, a less obvious one - small business incubation. The vast majority of net new jobs in the U.S. are not created by General Motors or IBM or Texaco. Around 85% of all net new jobs are created by firms employing less than 20 people. One of the few costs firms of this size can control is occupancy costs - rent. Many simply cannot afford the rents demanded in a new office building or in a shopping center or a new building in an industrial park. For many of these firms historic buildings are an attractive alternative. The twenty fastest growing types of businesses in the US have on average 11 employees. How much space to these people require? Well it depends a little

on the specific business type but around 200 square feet per person would be typical. What is the average size of a small historic building downtown? 25' by 100' or 2500 square feet, almost precisely what is needed for this type of small business. Just up the road is Annapolis, Maryland - the most historic of America's state capitals, and there is a wonderful historic district in the downtown there. In that downtown 60 percent of all of the businesses employ five people or less - the perfect match between historic building and small business opportunity.

High tech industries seem to be what everyone wants to recruit today - and probably for good reason. But 70% of all high tech firms employ less than ten people. Some idiots in Duluth, Minnesota tore down a whole block of historic buildings recently in order to build a "high tech center." I don't know; maybe all the planes in Duluth are frozen to the ground year round so they couldn't look at the pattern anywhere else. But in the fast growth high tech areas in Seattle, in Portland, in Boston and Cambridge, in Silicon Alley in Manhattan, where are those types of firms locating? In old industrial and retail buildings, Rennsseler Polytechnic Institute in Troy, New York is one of the great technological colleges in the country. They have a history of graduates forming companies in the high tech fields. The school in the past has partnered with some and provided business incubation space for others. Well they recently ran out of space on campus to accommodate all of the need - and that need includes direct connection to the school's main frame computers, and a variety of communication and data transfer systems. So they built a new glass and chrome building in the industrial park right? Wrong. In partnership with a local bank and a non-profit preservation organization RPI created a state-of-the art high tech business incubator in a historic building in downtown Troy. Less than a mile from here a group of venture capitalists is creating an incubation space for high-tech businesses they want to invest in. Where are they doing this? In an historic building in Washington's Chinatown. The adaptability of historic buildings is one of their most valuable and under-recognized attributes.

There is one more aspect of small businesses and historic buildings that merits mention, and it is on the quality side of the equation. There are certainly some very high quality new commercial buildings being built in America today - but virtually all of them large buildings. Small businesses rarely find a place in these buildings either because the size is inappropriate or the rent is too high. There are almost no high quality, small buildings being built for tenant occupancy anywhere in the U.S. The rehabilitated historic building provides that opportunity for a small business - high quality at an appropriate scale and an affordable price. Many small firms are recognizing that.

The next area of preservation economic benefit is downtown revitalization. For fifty years we have seen a departure from the central city and its downtown to the suburbs. This has had huge adverse consequences socially, economically, politically, and physically. As a result many towns and cities of every size have embarked on downtown revitalization efforts. Some of these efforts have been going on for nearly thirty years; others are more recent initiatives. Today downtowns are making a great turn around - new economic life in areas that not long ago were nearly dead. But I do not know of a single sustained success story in downtown revitalization anywhere in the United States where historic preservation was not a key component of the effort. That doesn't mean it isn't theoretically possible to have downtown revitalization but no historic preservation, but I don't know about it, I haven't read about it, I haven't seen it.

Once consequence of these downtown revitalization efforts is that for the first time in two generations people of middle class means are moving back into the central city - often into the downtown itself. This is happening in places as diverse as Philadelphia, San Francisco, Atlanta, Houston, Denver and Des Moines. But in nearly every instance the housing they are moving back into is rehabbed housing in historic buildings. Obsolete factories, warehouses, department stores, office buildings are now finding new life as apartments. This is historic preservation that has nothing to do with tourism or museums but is making a huge and sustainable economic impact all over America.

At the same time we have seen departure from our central cities there has also been an out-migration from small towns. For 20 years now the National Trust has had the program - economic development in the context of historic preservation - known as Main Street. Main Street is now active in neighborhood commercial districts in several large cities. It has had an incredible success. Over 1500 communities in over 40 States have had their own Main Street programs. Over the last 20 years in excess of $12.8 Billion dollars has been invested in these downtowns. There have been 62,000 building renovations, 51,000 net new businesses and 193,000 net new jobs. There is simply no more cost effective economic development program of any type, on any scale, anywhere in the country and I don't care what standard of measurement you choose. And this is economic development that focuses on historic preservation and retaining community character.

Stable residential neighborhoods may not seem to be central to economic development, but in fact they are critical. Declining neighborhoods means loss of tax revenues for local government. Declining neighborhoods mean the departure of the skilled, the educated, the employed and the middle class. Declining neighborhoods see increased crime, declining property values, underutilized public infrastructure, deficient schools. Both the public and private sectors suffer economically when residential neighborhoods decline.

More and more, historic districts have become the strategy to stabilize and reinvigorate urban neighborhoods. The only way I know to communicate this pattern to you is to give you some examples from around the country. In Kansas City, Missouri the city itself is declining in population, but the historic districts are growing. In Rock Island, Illinois, a Mississippi River town, many of the older homes in close in residential areas had been covered up with cheap and inappropriate materials. A concerted effort of a local group to undo the damage has been in place for six or seven years. The neighborhood has taken on a whole new life. If you were to drive through some of these neighborhoods you might well say, "What is historic about this neighborhood?" And, frankly, on a global scale, nothing. But the neighborhoods have a local history that they now celebrate. The overwhelming majority of what we call "historic properties" have no international, in most cases not even national importance. But they have local importance to the people who live there. Both economic development and historic preservation are essentially local in the United States; that's one reason why the two can work so well together. In Indianapolis an area of very modest housing is seeing rates of property value appreciation far greater than surrounding non-historic neighborhoods. In the small town of Staunton, Virginia, historic district properties appreciate significantly faster than the market as a whole. In Oklahoma City a neighborhood that ten years ago was nearly vacant is seeing new life based on a preservation strategy. Columbus, Ohio has created an entire new neighborhood

through the adaptive reuse of former breweries and warehouses. None of these examples are the enclaves of the rich or famous, not neighborhoods of mansions. But they are all examples of a consistent pattern of effective neighborhood stabilization through historic preservation.

Related to the issue of neighborhood stability is neighborhood diversity. America is a diverse country, ethnically, racially, economically. From a political perspective there's not much unanimity in the U.S. regarding overall urban policy. But I think there is rather widespread agreement on one issue - our cities would be healthier of we had diverse urban districts - that no one particularly benefits from neighborhoods that are all rich or all poor; all white or all black. And while for over thirty years we have had laws prohibiting discrimination based on race or religion, while anyone with the money to buy can live wherever they choose, our neighborhoods as a whole are not very diverse.

Let me give you an example. Philadelphia, one of America's oldest cities, has a population of one and a half million people. It's about 53 percent white, 40 percent black and the balance Asian and Other. But when the census is taken Block Groups are identified. A block group is small - in Philadelphia only eight or nine hundred people in each one. There are about 1,750 Block Groups in Philadelphia. While the city as a whole is certainly diverse, the Block Groups are not. In a recent analysis we said that to meet the test of a diverse neighborhood, the Block Group had to be less than 80% white and less than 80% black, that is no extreme concentration of any race.

Barely one Block Group in five met that test. 79% of Philadelphia small neighborhood clusters were effectively all white or all black. Not so in the National Register Historic Districts, however. In the 106 Block Groups within historic districts nearly half met the diversity test - people of all races living together because of the appeal of the historic neighborhood. These were not all high-income areas, by the way. The income distribution in Philadelphia's historic districts mirrors the income of the city as a whole. There is housing available in historic neighborhoods to accommodate a wide range of income levels.

Philadelphia is a city that is losing people. Since 1980 it has lost between 12 and 14% of the population. Some will argue that a city's diversity is what drives people away. Not true in the historic districts. The historic neighborhoods have lost less than 5%. These historic districts only make up 6.3% of the city's entire population but: fifteen percent of the people that moved in from the suburbs in the last five years went to historic areas; twenty one percent of the people that moved into Philadelphia from other parts of the country moved to historic sectors. Historic neighborhoods are home to nearly 24% of the college graduates and over 28% of those with graduate and professional degrees. Even in a city by many measures in decline, the diverse appeal of historic districts is evident.

So there are eight of the ways we have found historic preservation to be an economic generator: jobs, household income, heritage tourism, small business incubation, downtown revitalization, small town revitalization, neighborhood stability, and neighborhood diversity.

So the story of the economic importance of preservation is a positive one. It is a story that is being heard and understood and adopted by decision makers - bankers, elected officials, city managers, economic development professionals, real estate developers, accountants, and

business people. Those very people that a decade ago were the most vociferous opponents of historic preservation; or at best dismissed it as a cute avocation for the retired librarian. I do not mean to suggest that the need to continue to make these arguments is now over. This economic power of preservation message still needs to be told.

But I think our biggest challenges in the immediate future come not from our former foes. Today our biggest challenges come too often from our friends in preservation. A battle isn't lost when people yell at you. A battle isn't lost when people talk down to you. A battle is lost when you become a joke. And, I would suggest, we are on the verge of that happening far too often. Let me give you four examples.

In the name of historic preservation this is happening all over America. In what absurdist dictionary written by Salvador Dali on drugs can this be called historic preservation? Maintaining a four-inch brick depth of a façade is not preservation. Either a justification can be made for economic hardship or it can't. If there is no feasible way to save the building, we ought to demand a high quality new building be built. If there is not demonstrated economic hardship we ought not settle for this Halloween preservation - saving the mask and throwing away the building. This is the worst of both worlds - no historic preservation, by any sane definition, and yet encumbering the developer with an extraordinary cost of removing an entire building behind the skin and pasting it back on again. Every time some historic preservation commission accepts - or in most cases mandates - this façadeomy as "historic preservation" it not only makes it more likely to happen again, it also has taxpayers and 7 elected officials shaking their heads in wonder and saying, "this is what preservation is about"? The laughter will soon follow.

My second example is on the other end of the spectrum. The Secretary's Standards for Rehabilitation have a clause that says "distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved." Well that used to mean grand lobbies, ornate stairways, decorative banisters, stained glass windows. Today too often every 8" pine, painted mopboard is declared a "distinctive feature" whose retention is mandated. Again, let me give you a concrete example. A building like this one - this isn't the building, I didn't want to embarrass the parties involved - but a building like this - late 19th century. And you all know how this building is configured on the upper floors - a long, double-loaded hallway with very small rooms and transoms over each door. The property owner and his architect convinced the SHPO and the Park Service that those small rooms simply could not be effectively reused and so were allowed to remove all the walls between them, creating two large, well lighted and usable spaces. But they were required to maintain the hallway - doors, transoms, and all. But the hallway goes nowhere! All because the doors and transoms were identified as "distinctive features". But how can we call a door a distinctive feature if there's no room behind it. It reminds me of this Oklahoma version of façadeomy - a door but no building. A hallway to nowhere - mandated by our friends - makes preservation the subject of laughter.

Example three. I've been involved for the last year with Peter and the National Trust in a cooperative agreement with the U.S. Army to identify the issues and challenges and to look for solutions in trying to deal with the Army's historic buildings. They have 12,000 historic buildings currently and thousands more coming online over the next 20 years. The leadership at the Pentagon recognizes their stewardship responsibilities and is prepared to do what is

necessary for their historic buildings. The responsibility for identifying what is "historic" falls into the hands of Cultural Resources Managers. Very nice people, very committed, most of whom are trained as archeologists, botanists, or entomologists. Trouble is, many, many of them use the term "historic building" to apply to everything over 50 years old. I'll admit to sleeping through some classes in graduate school, but I think if "fifty years old" and "historic" were synonyms I'd have come across it somewhere. Now when some commander is told that every temporary wooden storage building built in 1951 is "historic" and has to be saved, historic preservation is going to be dismissed as simply foolishness.

Example four. There has been lots of discussion lately about the preservation of the recent past. And I think that's great. There are certainly plenty of buildings built since World War II that merit preservation - Dulles Airport, the Seagram building, Transamerica Tower, the motel where Martin Luther King was assassinated and hundreds of others. But to suggest that every roadside motor inn, 1950's strip center, Dairy Queen and Esso gas station is somehow "historic" stretches the limits of credibility. Historic preservation has always held with it an implication of quality and significance. When we allow Gresham's Law to apply to what we consider historic, we dilute the importance of those buildings that are important, that are historic, that do merit saving.

We have made great strides in the last 15 years in cities, in neighborhoods, in economic development because historic preservation has demonstrated it should be taken seriously. But when saving four inches of brick constitutes historic preservation, when every mopboard becomes a "distinctive feature", when everything 50 years old is defined as "historic" and when mediocre structures of no architectural, historical, or aesthetic importance are called landmarks, we will have taken a giant step backwards and laughter will be our departure music.

And this risk of now losing this hard won credibility is particularly troubling to me because of the great opportunity for historic preservation as we enter the 21st Century. I believe there are five crucial roles that historic preservation has the opportunity to play in the decades ahead.

First is globalization. Like it or not the 21st Century will see a globalized economy. 1.2 billion people in the world live in poverty, most of them people of color. You will never tax the industrial world enough to end hunger. The only way it can happen is if there is an opportunity to produce and sell goods and services to world markets. The protesters in Seattle and elsewhere are simply wrong. A globalized economy is not only going to happen, but it is critical on any humanitarian perspective that it does. There will be a rapidly growing demand for goods worldwide. But the manufacture of those goods will require fewer and fewer people. Likewise the need for agricultural products will only increase with world population growth but fewer agricultural workers will be necessary to grow that food.

The areas of the economy that will grow, both in output and in employment are these: Services; Education; Ideas; One-of-a-kind products, individually produced; Culture; Entertainment; Travel. What does that have to do with historic preservation? Three things: 1) every one of those activities can take place within a historic buildings; 2) for each of those growth areas, quality and authenticity will be major variables in consumer choice; and 3) just as with the crafts industry in North Carolina, being in a historic structure adds to the sense of quality and authenticity of the good or service. Historic buildings can house the 21st century economy.

There is a second role for historic preservation in relation to globalization and it is this: for all of the potential benefits of a globalized economy (and there are many) it carries with it the substantial risk of a globalized culture, of which there are few if any benefits. But a globalized economy does not have to lead to a globalized culture. The westernization or the Americanization or the McDonaldization of local and regional cultures will not only have short-term adverse sociological and political consequences but long-term adverse economic consequences. But again, historic preservation can play a critical role. There is no better way to maintain, understand, and appreciate a local culture than the ongoing, evolving use of a community's historic resources. So historic preservation, perhaps only historic preservation, can simultaneously foster economic globalization while resisting cultural globalization.

A third role for historic preservation in the coming years is one that it has been playing all along, and that is community building. In fact I would argue that historic preservation is the singular form of economic development that is simultaneously community development. Not long ago with the creation of the Internet, the growth of telecommunications, and the ability to work around the globe from one's house, there were predictions that the importance of one's physical place would diminish in importance. In fact the opposite has been true. The ability to work anywhere, the ability to electronically be everywhere, has increased our need to be somewhere - somewhere in particular, somewhere differentiated. It is our built environment that expresses, perhaps better than anything else, our diversity, our identity, our individuality, our differentiation. Our historic buildings are the physical manifestation of our community.

We may be dismissive about teenagers, their values, their outlook, but they often understand this better than anyone. Let me tell you about the small town of Rushville, Illinois. There is this school there built in 1919 with an addition built in 1925. The addition was the gymnasium on the lower level and an auditorium space on the upper level. The school board decided the structure no longer worked so they built new schools, added to others, and a year ago the junior high kids who were the most recent users of the school were moved out. But the school board decided that not only didn't the building work as a school - it was unusable for anything and intended to demolish it. When I toured the building I went into one of those little dressing rooms that are usually found behind the stage in high school auditoriums. There written in graffiti on the wall - clearly by a 14 or 15 year old was this: "Those who want to tear this building down have never seen this place as Wonderland." That kid clearly understood what the school superintendent did not - that the evolution of the community was represented in that building and it was a far too precious commodity to be lost. The School Board didn't understand that and the building was torn down.

But if the Rushville School Board didn't understand that, others do. In his book The Good Society sociologist Robert Bellah observes, "Communities, in the sense in which we are using the term, have a history--in an important sense they are constituted by their past--and for this reason we can speak of a real community as a 'community of memory', one that does not forget its past."

The fourth role of historic preservation is its environmental role. I have to credit Dick Moe at the National Trust for bringing this aspect of preservation to the forefront. The relationship between

sprawl in the suburbs and abandonment of historic buildings in the city is so obvious, most of us missed it for years. But now this relationship is better understood. No new land is consumed when a historic building is renovated. Construction debris takes up 24% of increasingly expensive sanitary landfill, and much of that is from buildings being demolished. Historic preservation constitutes a demand side approach to Smart Growth. I'm not at all opposed to acquiring greenbelts around cities or development rights on agriculture properties. Those are certainly important and valuable tools in a comprehensive anti-sprawl strategy. But they only reduce the supply of land to be developed - they do not address the demand for the use of that land. The conversion of a historic warehouse into 40 residential units reduces the demand for ten acres of farmland. The economic revitalization of Main Street reduces the demand for another strip center. The restoration of the empty 1920s skyscraper reduces the demand for another glass and chrome building at the office park. Again, I don't mean to be remotely critical of supply side strategies, but without demand side responses, their success will be limited at best. Historic preservation is in and of itself an environmental strategy, one that addresses the demand for uses.

The fifth role for historic preservation is its effectiveness as a vehicle of fiscal responsibility. If Democratic governors, legislators and mayors have gotten onto this Smart Growth movement because of their concern for the environment, Republican governors, legislators and mayors have become advocates for Smart Growth because they are advocates for fiscal responsibility. The huge cost of public resources in providing roads, fire protection, water and sewer, schools and other infrastructure further and further into the countryside while at the same time we are abandoning historic buildings and the infrastructure that's already in place to serve them is the height of fiscal irresponsibility. Preserving historic structures is conservative in the best sense of the word. We are conserving tax payers' dollars, conserving our local heritage, and conserving the natural environment.

So when you go back home, getting your hands dirty restoring that deteriorated white elephant project that no one else would take on, please don't think what you are doing is just fixing up some old building. What you are doing is preparing your community for a globalized economy without being swallowed up by a globalized culture. You are building your community. You are saving the environment. And you are saving scarce public resources.

I know that you've heard them before, but I think, particularly for this audience, the words of John Ruskin are a fitting conclusion. He wrote, "When we build let us think that we build forever. Let it not be for present delight, nor for present use alone; let it be such work as our descendants will thank us for, and let us think, as we lay stone on stone, that a time is to come when those stones will be held sacred because our hands have touched them, and that men will say as they look upon the labor and wrought substance of them, "See! This our fathers did for us." What you are doing for historic preservation your descendants will thank you for. And I thank you for allowing me to be here with you today.

Thank you very much.

Donovan D. Rypkema