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The Next Big Thing: The Rehabilitation of Chicago's IBM Building

By John M. Tess, Heritage Consulting Group

ith the real estate market returning, albeit more quickly in some places than others, there are two noticeable trends. First, that hotel use is one of the more prominent and prevalent forms of adaptive reuse. And second, that there is increasing interest in modern post-war buildings.

As to the first trend, in the world of adaptive reuse there are only so many possibilities. While there are always exceptions to the rule, most projects fall into one of three common use categories: hotels, offices and residential. Among these three, the hotel market is said to be "hot" by those in the industry. Residential continues to be strong and office is just beginning to see a comeback. Because of the costs involved, it is just as common - if not more common - to see adaptive reuse downtown hotel projects as it is to see new construction downtown hotel projects.

The second trend, the rehabilitation of post-war modern buildings, echoes the first. Most cities experienced a building boom in the 1910s and 1920s. The result was an enormous and consistent building stock. The typical office building was 10 to 14 stories, commercial in style, with ground floor retail spaces, a first floor lobby, and small upper floor elevator lobbies that led via a double loaded corridor to offices. Even if well maintained, by the 1970s these office buildings had fallen to the "Class C" level with low demand, low rents, high turnover and high maintenance costs. However, state and federal historic tax credits (HTCs) made these buildings attractive for redevelopment. Since 1976, some 38,000 buildings have been rehabilitated using HTCs. Thus, the



Photo: Courtesy of Langham Chicago
The IBM Building, center, is a 52-story glass and steel office building in Chicago designed by architect Ludwig Meis van der Rohe.

availability of this inventory of pre-war buildings has been reduced in many locations.

Following World War II, most cities experienced a second great building boom. These new buildings were the next generation of skyscrapers with air conditioning and modern amenities. Pedestal design was popular during this period. Frequently, these buildings represented a significant community investment attempting to maintain a city's downtown as its business center. Today, like those of the earlier boom, many of these early post-war buildings are considered dowdy and have fallen out of favor. Good examples of buildings that have lost their appeal are the orange or turquoise glass and metal panel office buildings that cropped up in the mid-1950s. And as with the earlier

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Photo: Courtesy of Langham Chicago The IBM Building will open as The Langham featuring 316 guest rooms and suites.

generation of buildings, they faded downward from Class A to Class B to Class C as demand faded and maintenance became more costly.

Like buildings from the previous generation, these buildings can be prime opportunities for redevelopment using HTCs. Today, the 50-year demarcation makes post-war buildings constructed as recently as 1963 eligible for the National Register of Historic Places and hence opens the door for the HTC program-funded rehabilitation. More recently, it is even common to see buildings less 50 years old become eligible for listing in the National Register.

However, getting the HTCs is no simple feat. The recent adaptive reuse of the IBM Building in Chicago wonderfully illustrates some of the challenges involved with rehabilitating this type of property.

The first step in the HTC program is getting the building certified as a historic structure. This can be a problem for post-war buildings.

The easiest path is for a building to be a contributing structure in a National Register historic district. Most downtown historic districts were listed on the register between in the 1980s and 2000s. With the 50-year threshold, typically the period of significance ended prior to World War II. Post-war buildings were often designated noncontributing. Logic would suggest that this should be an easy fix because the district period of significance would evolve with time. It is not that easy. If a building is constructed after a district's period of significance, the only path to making it a contributing building is to change the period.

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Novogradac Journal of Tax Credits Information

Correspondence and editorial submissions: Alex Ruiz / 415.356.8088

Inquiries regarding advertising opportunities: Emil Bagalso / 415.356.8037

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Practically speaking, this means a single developer is on the hook for securing changes to the entire district.

The more direct path for certifying a building as historic is to prepare a National Register nomination for individual listing. This presents the challenge of demonstrating that a particular modern building is worthy for listing on the National Register. For post-war properties, cultural resource inventories and historic contexts are often weak or may be non-existent.

The IBM Building, a 52-story glass and steel office building in Chicago, was designed by Ludwig Meis van der Rohe shortly before his death and erected in 1972. It was his last work and exemplifies what many would think of as a classic Meis van der Rohe design. On one level, one would think that the last work by an architect that was so influential as to have a style named after him (Meisian) would be easy to list on the National Register. But, in fact, it was not. First, the building was only 40 years old at the time the designation was sought. This meant the nomination had to address Criteria Consideration G, deemed to be of "exceptional importance." In other words, Heritage Consulting Group had to justify what made the building so special that it warranted being listed 10 years earlier than most other buildings of its era. Additionally, although the building was Meis van der Rohe's last work, the architect was incredibly prolific. Moreover, Chicago has a remarkable and deep architectural heritage, which placed greater pressure on Heritage to prove that it was a standout building.

The Illinois Historic Preservation Agency and the National Park Service (NPS) worked with Heritage to find a path to the National Register listing that worked within the existing framework for review. To succeed, the nomination required substantial research so that the IBM building could be placed within Meis van der Rohe's body of work and articulate its unique qualities.

Once the building was certified, the next hurdle was the comprehensive nature of the NPS review. Post-war buildings are quite often taller and bigger than their pre-war counterparts. In the 1920s, the typical "skyscraper" was 12 stories. The IBM Building is 52 stories. Only the lower 13 stories were being adapted for hotel use; the remainder was still office space. In this instance, as is increasingly common, the building was divided between two owners. The hotel owners controlled portions of the lobby and floors 2 through 13, but did not own anything above.

HTC program rules require design review of the entire property. This meant design review not only for floors 1 through 13, but floors 14 and up, which were owned separately. The office segment owner did not have any specific plans for rehabilitation beyond re-tenanting as necessary. Understandably, they were continued on page 4 continued from page 3



Photo: Courtesy of Langham Chicago The Langham will also feature 15,000 square feet of private event space and 12 function rooms, such as the Devonshire Ballroom.

initially concerned with potential costs, delays and design review for a program for which they were not getting any benefit. During a series of meetings, the office owner came to accept that the NPS design review would not impede their development of the office floors and a framework was established which would allow development that would ensure meeting of the Secretary's Standards during the office build out.

For its part, the hotel redevelopment faced a number of design hurdles. The building's façade largely established the width of individual rooms; under no circumstances could walls abut the glass. Placement of built-in furniture was also a concern.

Because of the building's two uses, it was necessary to segregate the lobby. To maintain the openness of Meis van der Rohe's first floor design, hotel reception activities were limited on the first floor and accommodated instead on the second floor. This made it possible to use full glass partitions to segregate the uses while allowing the first floor to continue to "read" as an open floor.

One of the truly difficult challenges was the installation of air conditioning in the guest rooms. The IBM offices had been air conditioned, but the floor plan was largely an open one with standard venting. The hotel required vents at the windows of each room. Meis van der Rohe's design was such that the ceiling and window head abutted the underside of the floor deck. The only way to create a vent was to lower the ceiling below the window head. Through extended conversations with the mechanical engineer and the NPS, a design was developed that satisfactorily held back the venting from the window.

Another major design challenge lay with signage and identification of the main entrance. To address this, preliminary designs were developed, shared and revised as directed by various review bodies. Ultimately, to get to go on the entrance and signage, mockups were done, meetings had and submittals made. It was a process that took time, effort and consideration by all involved. The end result was a flat bronze colored canopy over the west entry that integrated the hotel's name in its fascia.

The IBM Building will open as The Langham featuring 316 luxurious guest rooms and suites. Historic buildings often lend themselves to interesting floor layouts and The Langham is no exception. The hotel boasts rooms starting at 516 square feet, which make them some of the most spacious in Chicago. The Langham will also feature 15,000 square feet of private event space and 12 function rooms, in addition to a spa and pool. The soft opening of the hotel is scheduled for early summer and reservations are already being taken. A formal opening is scheduled for the fall and at the time of this writing, there were still limited opportunities to secure office space on the upper floors of this iconic building.

The successful rehabilitation of the IBM Building into contemporary office space and creation of the Langham Hotel required four years to come to fruition. A visit to the building located at 330 N Wabash in Chicago will show that it was worth the wait. In the end, the project illustrates some of the challenges of adapting a modern building using the federal HTC, from having the building designated historic to securing all the necessary historic design approvals. The success of the project demonstrates the diligence, flexibility and fortitude from the owners, reviewing agencies and investors that made the rehabilitation of this contemporary building a success.



John M. Tess is president and founder of Heritage Consulting Group, a national firm that assists property owners seeking local, state and federal historic tax incentives for the rehabilitation of historic properties. Since 1982 Heritage Consulting Group has represented historic projects totaling more than \$1 billion in tax credits. He can be reached at 503-228-0272 or jmtess®

heritage-consulting.com.

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