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HISTORIC TAX CREDIT TOOL BOX



Considerations and Challenges with Mid-Century Rehabilitations

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The notion of a historic rehabilitation generally conjures up images of Victorian late-19th-century or early 20th-century classical architecture. Many people don't realize that buildings constructed as recently as 1965, or possibly more recently, may, in fact, qualify for historic tax credits (HTCs). Increasingly, HTC projects involve the rehabilitation of buildings constructed in the mid-20th century, in the style known as Mid-Century Modern or Modern Movement in Architecture.

"The rehabilitation tax incentives program is seeing increasing numbers of projects for modernist buildings as more and more of these buildings are listed in the National Register of Historic Places," said Guy Lapsley, HTC reviewer with the National Park Service (NPS). "Rehabilitating these historic buildings can have unique challenges, but with careful planning and early consultation with program officials to ensure the project meets the Secretary of the Interior's Standards for Rehabilitation, these buildings are able to be successfully rehabilitated under the program."

Opportunities for rehabilitating mid-century buildings are abundant as these buildings are often located in prime downtown locations and many are undervalued, as the buildings are often in need of significant upgrades and the general public is just now coming to appreciate the

aesthetic of the period. The adaptive reuse of these mid-century buildings does, however, present a host of unique and specific challenges.

Modern Movement of Architecture

The period known as the Modern Movement in architecture is generally defined as the period between 1920 and 1970. This period embodied the notion of looking toward the future and embracing scientific and technological advances. In the world of architecture, this translated to eliminating historical references and ornamentation on building facades, incorporating new materials, and implementing new applications for materials. In the period of urban renewal, which climaxed in the 1950s and 1960s, construction activity in city centers was booming. City planners instituted new requirements for building siting, favoring buildings set back from the streets to allow for broad plazas with hardscaping and public art. Buildings assumed new forms and facades reflected the forward-looking spirit of the period.

Considerations and Challenges in Rehabbing Mid-Century Modern Buildings

In assessing the potential for utilizing HTCs on a mid-century building, it is important to anticipate the potential challenges in terms of meeting the Secretary of the Interior's

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Standards for Rehabilitation, which are the standards the National Park Service (NPS) uses in assessing whether proposed work is approvable. Features of the building deemed by the NPS to be character-defining might be difficult to change or remove. Character-defining features for mid-century modern buildings might include site features, exterior materials and interior public spaces, as well as interior materials.

Buildings constructed in the mid-century were often designed for a single use—commercial, residential or governmental. Changing the use of the building may present issues as there could be potential conflicts with Standard 1, which reads, “A property will be used as it was historically or be given a new use that requires minimal change to its distinctive materials, features, spaces, and spatial relationships.” For example, a building constructed for office use in the mid-century may contain small windows, spaced far apart. Converting that type of building to vibrant mixed-use or a residential development may present a challenge, as enlarging windows or adding

windows to primary facades to increase natural light and afford views is generally not approved. It may be difficult to identify a new use for a mid-century office building with small widely-spaced windows. It is important for a developer to consider whether the qualities of a particular building will translate if the building were in a different use.

Mid-century planning philosophies sought to reduce site density: buildings featured wide setbacks from the lot line, affording significant buffers from the street. A unique architectural sub-type from this period is the pedestal building form, where the first floor is recessed into the volume of the building with the tower floors cantilevered above. Developers looking to rehabilitate this building type may wish to infill the recessed area to expand ground floor retail opportunities. However, that type of alteration may not be approved by the NPS as the pedestal form may be viewed as character-defining.

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Image: Courtesy of Heritage Consulting Group
Drayton Tower in Savannah, Ga., was rehabilitated by Flank, a New York City-based developer, using historic tax credit equity.



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A developer pursuing a mid-century building also needs to consider whether the public is ready to embrace the style. Brutalist architecture, an emerging style in the mid-century, featured massive, fortress-like exteriors constructed of exposed concrete or brick. Brutalism became favored for municipal projects, high-rise public housing projects and university architecture. Boston's city hall, once regarded by some as one of the ugliest buildings in the country, is now embraced by preservationists and design professionals as an important example of mid-century civic architecture. The jury is still out among the general public, many of whom still consider this building to be inhuman and cold, and it may be another decade before this style is widely accepted. Developers interested in pioneering efforts in their communities to redevelop mid-century buildings should consider whether the market will share their appreciation for a particular building type or style.

Another challenge unique to mid-century buildings relates to the innovative materials employed and the fact that materials do not always withstand the test of time in terms of aesthetic and material longevity. It was during this period that a range of metals were introduced as cladding or screening and, for the first time, plastics were explored for exterior application. Full-façade metal screening may not be aesthetically in vogue today, but the NPS generally does not permit removal to achieve a desired design effect. Similarly, interiors of mid-century building also featured new materials such as flush wood paneling and acoustic ceilings. Often, these materials have deteriorated to the point where they have failed or the original aesthetic has been compromised. Interior flush wood paneling was commonly used in office buildings, often employing exotic wood species resulting in distinctive colors or patterns. Over time, the original varnish or shellac finishes deteriorated, resulting in an uneven appearance. Refinishing wood paneling may not be possible as the paneling from this period was often executed in veneers rather than solid wood.

Alternative solutions, such as retaining those sections that remain in good condition and consolidating the paneling, might be a feasible solution. Another challenge might be the method of installation: wood paneling during this period was often glued on with mastics that contain asbestos. Environmental regulations require remediation

so retention may not be feasible. Likewise, original acoustic tile ceilings may survive, but often have suffered from water staining or have heavy grime from decades of smoking permitted in office buildings. Retention may not be possible and finding matching tile is unlikely. Obtaining approval for appropriate ceiling solutions will be necessary for a project to move forward. It is important to anticipate these issues early in the project to allow for time to address these issues in the HTC review process.

Issues of interior functionality may also come into play in rehabbing mid-century buildings. Office buildings constructed during this period generally contained distinctive floor plans that reflected corporate operations, with open interior rooms which housed rows of secretaries, perimeter offices for middle management and corner offices for executives. Partitions were commonly flush metal panels with windows or drywall with tall flush wood doors with stainless steel hardware. Today, the modern corporate world demands open office floors, with little or no partitioning. Converting a mid-century building that retains its original floor plan and partitions may be a challenge as the NPS will likely require retention of these character-defining features. A flexible office tenant and a creative project team can often arrive at a compromise solution, whereby partitions are retained, reconfigured and reused.

Finally, current energy efficiency requirements might present conflicts when rehabbing buildings constructed before the energy crisis. Mid-century materials generally had poor thermal performance. Metal exterior panels were often not insulated and windows were single-pane. When embarking on a mid-century rehabilitation, it is important to determine early in the process whether thermal performance requirements can be met without changing the character of the exterior. The NPS does not typically approve replacement based on inferior thermal performance. To justify window replacement, it must be proven that the windows survive in poor condition. A qualified window consultant might be able to arrive at a solution where the windows can be retrofitted with thermal glazing.

Case Study: Drayton Tower, Savannah

Drayton Tower, located in the heart of the historic district in Savannah, Ga., opened in 1951 and for decades was

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one of the most unpopular buildings in the city: a 12-story modern apartment tower rising above the quaint low-rise 18th and 19th century historic district. In the past decade, local residents began to appreciate the building's modern style and the city embraced the building, which is now considered one of the finest examples of modern architecture in Savannah.

The building was rehabilitated as a HTC project by Flank, a New York City-based developer who recognized the opportunity for modern loft apartments in Savannah. The building exterior features continuous horizontal bands of aluminum-framed windows in three-light vertical orientation. The windows retained the original distinctive green-tinted single-pane Solex glass which was an early energy-efficiency measure to control heat gain. In general, the windows were in fair condition with cracked and missing glazing, and failing sealants at the perimeter. Operation of the units required a special tool and few windows could be easily opened.

A window assessment confirmed that retention was possible. Frames were cleaned and reinforced with new anchors, failed sealant was replaced and cracked and missing glazing was replaced with matching green-tinted glass (now Solexia). In limited areas, replacement of units was undertaken with new matching aluminum windows. While the Solex glass was successful in reducing heat gain, it was initially decided that installing new interior storm windows was desired to limit air penetration. The NPS approved interior storm windows, requiring that the vertical mullions aligned with the historic mullions and that the mullions of the storm windows were thinner than the historic. It was decided that installing interior roller shades was also necessary to provide privacy and assist with limiting heat gain. Since the windows are set just below the concrete ceiling deck, the NPS required the submission of details demonstrating that the shade housings would not be readily visible from the exterior.

Understanding early on in the project that the NPS would recognize the continuous bands of windows with green-tinted glass as character-defining allowed the project team to identify cost-effective solutions for increasing energy efficiency, and avoid potential costly scheduling delays.

Conclusion

Opportunities for rehabilitating mid-century buildings are abundant. Buildings of this period are generally sited in prime locations in downtown business districts and are conducive to modern transit-oriented development. Often undervalued, these buildings are frequently overlooked by developers as they don't perceive a 1960s building as historic and a viable candidate for HTCs.

In pursuing a mid-century rehabilitation, it is important that the project team consider the compatibility of the original with the proposed use. Materials should be assessed to determine whether reuse is feasible. As mid-century interior features can appear dated, it is important to have the interior designers on board early so that they can develop plans that will incorporate and embrace those features that the NPS will require be retained. Potential issues should be identified early so that there is ample time in the project schedule to rectify any conflicts. A project team qualified in mid-century rehabilitations can help anticipate and resolve issues. ❖

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