

**CITY OF MINNEAPOLIS
CPED PLANNING DIVISION
HERITAGE PRESERVATION COMMISSION STAFF REPORT
BZH-27049**

FILE NAME: 519-523 Central Avenue Northeast, Wheaton and Reynolds Company

Building/Totino's Building

DATE OF APPLICATION: November 29, 2011

APPLICANT: Hillcrest Development (Scott Tankenoff), 612-623-2480

PUBLICATION OF STAFF REPORT: November 22, 2011

DATE OF HEARING: November 29, 2011

CATEGORY: Historic Resource

CLASSIFICATION: Demolition of a Historic Resource

STAFF INVESTIGATION AND REPORT: Aaron Hanauer, Senior City Planner, 612-673-2494

DATE: November 29, 2011

A. BACKGROUND

Mr. Tankenoff of Hillcrest Development submitted a wrecking permit for the building at 519-523 Central Avenue Northeast on June 16, 2011. Built in 1891, the building is often referred to as the Totino's Building since it was the location of Totino's Italian Kitchen for 56 years (1951-2007). On July 3, 2011, CPED staff informed the Applicant that the demolition of the building will require a Demolition of Historic Resource application because it may meet at least one of the criteria for designation contained in section 599.210 of the Minneapolis City ordinance. Mr. Tankenoff submitted the Demolition of Historic Resource application to pursue the wrecking permit.

Hillcrest Development, located in Minneapolis, has been in business since 1948. They have completed a number of renovation projects in Minneapolis including 600/640 McKinley Place Northeast, 2201 Kennedy Street Northeast, 2100 Summer Street Northeast, 600 Stinson Boulevard, 1209 Tyler Street Northeast (Attachment B8-B14). Hillcrest explored the possibility of renovating the subject property and determined that there are no reasonable alternatives to demolition based on the structure's condition and economic consideration (Attachment B6).

B. DESCRIPTION

The subject property, the Wheaton and Reynolds Building (also known as Totino's Italian Kitchen) is located at 519-523 Central Avenue Northeast. The building's historical name is the Wheaton and Reynolds Building. The lot is approximately 37,000 square feet (Attachment A1, B15 and B21-B24). The two-story building, built in 1891, has a 5,509 square foot footprint (Attachment B18 and B46). The building is currently vacant. Historically it had commercial tenants on the first floor and residential units on the second floor. The basement has been primarily used for storage and utilities.

The primary (southeast) façade edges the sidewalk on Central Avenue, which angles slightly to the northeast. The southwest wall abuts a three-story building that together with adjacent buildings, forms a cluster of late nineteenth and early twentieth century construction that continues around the corner and extends down Fifth Street Northeast (Attachment A1-A5, and B46). The Melrose Flats, a Minneapolis historic landmark is an adjacent property to the south and west at 13-23 5th Street Northeast (see Attachment A1 and A7)

The building originally had four storefronts on the first floor, and that configuration is still discernable (Attachment B21-B22, B45-B46). Over time, the storefronts have been altered. The appearance of the second story is largely in tact. Brick pilasters divide the monochromatic red-brick façade into a series of bays holding one to four double-hung windows with stone lintels (Attachment B46).

The Applicant's historic consultant estimates that the Totino's sign on the northeast elevation is from circa 1975 (Attachment B23 and B47). A concrete-block addition, measuring 20'-8" x 28' and rising 12' high was attached to the north end of the building in 1957 (Attachment B24).

C. PROPOSED CHANGES

The Applicant is proposing to demolish the building at 519-523 Central Avenue Northeast. In addition to owning the property at 519-523 Central Avenue Northeast, Hillcrest Development owns the adjacent surface parking lot at 514 1st Avenue Northeast (attachment A1, A3-A4). Future plans are for a mixed-use building (commercial on the first floor and residential on the floors above). The Applicant states that planning is in the early stages and plans have not been prepared (Attachment B15).

Hillcrest Development states that if the demolition is approved, the footprint of the existing building would be temporary green space until they redevelop the property. Accordingly, there will be no expansions of the parking lot following the demolition of the existing building (Attachment B15).

D. NECESSITY OF DEMOLITION

The Minneapolis Code of Ordinances, Title 23, Heritage Preservation, Chapter 599 Heritage Preservation Regulations states that before approving the demolition of a property determined to be an historic resource, the commission shall make findings that the demolition is necessary to correct an unsafe or dangerous condition on the property, or that there are no reasonable alternatives to the demolition. In determining whether reasonable alternatives exist, the commission shall consider, but not be limited to the significance of the property, the integrity of the property and the economic value or usefulness of the existing structure, including its current use, costs of renovation and feasible alternative uses. The commission may delay a final decision for up to one hundred-eighty (180) days to allow parties interested in preserving the historic resource a reasonable opportunity to act to protect it.

D1. UNSAFE OR DANGEROUS CONDITION

The Applicant does not contend that the demolition of the subject property is necessary to correct an unsafe or dangerous condition, however, evidence is provided that the building is in

poor condition. As part of the Demolition of Historic Resource Application, Hillcrest submitted a structural condition assessment that outlines the extensive work that would be required to rehabilitate the building (Attachment B60-B76). The executive summary of that assessment states that,

“In general, the original building structure was sufficient to support the historic and previous building uses. Currently, lack of maintenance, and specifically water intrusion, have compromised the building condition and structural capacity. The foundation walls are in poor condition; the visible masonry walls above grade appear to have sufficient structural capacity (note that the majority of the above-grade masonry walls were not visible due to exterior stucco and interior finishes.). The one-story addition is in poor condition.”

Specific conditional assessments called out in the structural condition assessment include the following:

- The exterior masonry walls in the basement are in poor condition (Attachment B73);
- The building contains the presence of mold and fungal activity (Attachment B73);
- The interior masonry walls are in fair condition and are able to support the building loads (Attachment B73);
- The moisture content of all of the first floor joists was above recommended limits (Attachment B74);
- The second floor joists were generally found to have an acceptable moisture content and capacity (Attachment B75);
- The second floor had a large deflection (sag) in unit 523, likely due to a missing column (Attachment B75);
- The one-story addition was found to be in poor condition (Attachment B75);
- The roof of the one-story addition was in extremely poor condition (Attachment B76).

D2. REASONABLE ALTERNATIVES TO DEMOLITION

Hillcrest Development states that the best use for the building is to be demolished. They have explored the possibility of renovating the building and determined that there are no reasonable alternatives to demolition based on the structure’s condition and economic considerations. The Applicant states that when including the purchase price (\$796,000), a completely rehabilitated building would cost \$3.034 million. When factoring in the purchase price, the per square foot cost of renovating the 8,000 square feet of usable space is \$379 per square foot (Attachment B87).

The estimated cost to purchase the subject property and renovate the building is \$3 million (Attachment B87). The developer estimates that the per square foot cost for renovating the 8,000 square feet of usable space when including the cost of the building, is \$379 per square foot. Excluding the purchase price of \$796,000 in August 2011, rehabilitation costs would be approximately \$2.2 million (\$275 per square foot).

It should be noted that a rehabilitation of this building may be eligible for federal and state preservation tax credits which would reduce the rehabilitation costs by 40 percent. However, that option does not appear to have been explored. In addition, historic variances are possible and could eliminate the need for parking.

If tax credits are used for this project, CPED believes, based on a preliminary analysis, that the rehabilitation project could be completed for approximately \$1.65 million (Attachment A8). It is estimated that a comparable new building with 8,000 square feet of commercial and residential would cost approximately \$1.23 million. Based on this analysis a rehabilitation of the building would be approximately \$420,000 more compared to the construction of a new building (Attachment A8).

D2a. SIGNIFICANCE

The subject property is a historic resource and is a candidate for possible local historic designation as a City of Minneapolis landmark based on an analysis of the local criteria:

Criteria #1: The property is associated with significant events or with periods that exemplify broad patterns of cultural, political, economic or social history.

The subject property appears to be associated with significant events and exemplifies broad patterns of cultural, economic, and social history. Totino's Restaurant, established in 1951, was the first pizzeria in the Twin Cities (*Minneapolis Argus*, 5/24/1972). It is also the origin of the Totino's frozen pizza business, which became the largest frozen pizza company in the world in the 1970s (*Minneapolis Argus*, 3/10/1976). Totino's Restaurant was in operation for 56 years, from 1951-2007. "From their savings of \$1,500 in 1951, Roise and Jim Totino built a multi-million dollar business which was acquired in 1975 by the Pillsbury Company (*Business People*, March/April 1984).

The Wheaton and Reynolds Company Building is also part of the "Hennepin and Central Potential Commercial Historic District" (Attachment A6). This commercial area developed as the first major commercial corridor for the St. Anthony community, prior to its annexation into Minneapolis. Today, the district continues to serve as an important commercial district north of downtown (Historic Resources Inventory, July 2011).

Criteria #2: The property is associated with the lives of significant persons or groups.

The subject property appears to be associated with the lives of significant persons. Rose and James Totino were well regarded in Minneapolis and nationally as successful entrepreneurs and philanthropists.

Rose Totino was a nationally known figure who was described as a "Mrs. Horatio Alger", legend with the success of her Totino's Pizza Company. She was elected into the Frozen Food Hall of Fame, Minnesota Business Hall of Fame, and was featured in an American Express national advertising campaign that highlighted American success stories in business (*Star Tribune*, 6/22/1994). When Rose and Jim Totino sold Totino's Pizza to Pillsbury in 1975, Rose Totino became the first female vice president at Pillsbury. Paul Walsh, chief executive officer of Pillsbury said "She was a brilliant business woman and the spirit behind our pizza operations."

The story of how Rose and Jim Totino started the first pizzeria in 1951 and turned it into the largest frozen pizza company in the world is legendary and shared in countless books including the following (none of the following sources were consulted by the Applicant's historic consultant):

- *Women Business Leaders*, Robert B. Pile (1995),
- *Enterprising Minnesotans 150 Years of Business Pioneers*, Stephen George (2005),
- *Encyclopedia of American Women*, Carol Krismann (2005),
- *We are what we eat: ethnic food and the making of Americans*, Donna R. Garbaccia (2000),
- *The Minnesota Book of Days: An Almanac of State History*, Tony Greiner (2001),
- *In their time: the greatest business leaders of the twentieth century*, Anthony J. Mayo (2005).

Rose Totino (1915-1994), was raised in a Scandinavian neighborhood in northeast Minneapolis, but always took pride in her Italian heritage. She was one of seven children in a low-income household. "She was a child of poverty who had one orange a year –on Christmas Eve (*Minneapolis Star*, 7/28/1976)." Rose Totino, when asked years later, "remembered the childhood days when she stayed late at school recess to pick up and suck orange peelings other children had dropped in the playground (*Minneapolis Star*, 7/28/1976)." She quit Edison High School at 16 and started cleaning houses for \$2.50 a week to help with family expenses and to support herself. Her husband Jim, who also quit school to support his family, worked in a bakery (*Business People*, March/April 1984).

Prior to 1951, Rose Totino had tasted pizza while visiting relatives in Pennsylvania, where it was very popular. Active in their Northeast Minneapolis community, the Totinos often hosted community groups which gathered at their home to meet and eat Mrs. Totino's pizza. Friends started requesting pizzas from the Totino's and later encouraged them to open a store where people could buy take-out pizza and spaghetti (*Business People*, March/April 1984).

In 1951, with a \$1,500 bank loan and a mortgaged car, the Totinos set up shop at Central and East Hennepin Avenues (*Minneapolis Argus*, 5/24/1972). Rose had to bake a pizza for her loan officer at the bank because he didn't know what it was (*Star Tribune*, 6/22/1994). When the first pizza house in Minnesota opened in 1951, Jim initially kept his baker's job, and Rose operated the pizzeria. But after being open for only three weeks, business grew so rapidly that Jim quit his job to join his wife to run the establishment. Rose and Jim operated Totino's Restaurant and Totino's Finer Foods out of the Central Avenue storefront until 1962. That year, the couple purchased a factory in Saint Louis Park for their frozen food business (*Business*, 1984). Totino's Restaurant on Central Avenue stayed in operation until 2007.

The Pillsbury Company purchased the Totino frozen pizza line in 1975 for \$20 million. Jerry Levin, Pillsbury's executive in charge of acquisitions and an experienced negotiator, recalled his first formal encounter with Rose Totino: "We offered \$16 million, saying it was a fair price. She wanted \$20 million, saying it was God's will. We didn't know how to handle that, so we gave her \$20 million." Totino's went on to become the world's largest frozen pizza company in the 1970s. By 1992 Totino's would control 20 percent of the national frozen pizza market.

Rose Totino became Pillsbury's first female vice president. In charge of advertising and public relations for her namesake brand. In addition to her control of the pizza line, her talks with the chairman of Haagen-Dazs ice cream paved the way for its acquisition by Pillsbury in 1983 (*Star Tribune*, 6/22/1994).

Rose Totino's accomplishments and achievements went beyond the business community. She gave millions to charity including Sharing and Caring Hands, the Northwestern College in Roseville, an adolescent mental health center in Fridley, and paid for church repairs and a new school in her mother's hometown of Scopoli, Italy (*Star Tribune*, 6/22/1994 and *New York Times*, 6/23/1994). In 1980, Grace High School in Fridley was renamed Totino-Grace in the Totinos' honor (*Star Tribune*, 6/22/1994)." In 1992, The National Council on the Aging recognized Rose Totino for her commitment to excellence and devotion to the welfare of the nation's citizens. Rose Totino was the first woman recognized with this honor.

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

The property is associated with distinctive elements of city and neighborhood identity. The Wheaton and Reynolds Company Building housed Totino's Italian Kitchen, Minneapolis' first pizzeria. With the creative thinking and hard work of its owners, Totino's Pizza went on to become the world's largest frozen pizza company. The building at 519 Central Avenue Northeast plays a key role in that history as it provided the start for the frozen pizza line for the first eleven years.

The Wheaton and Reynolds Company Building is also part of the "Hennepin and Central Potential Commercial Historic District" (Attachment A6). This commercial area developed as the first major commercial corridor for the St. Anthony community, prior to its annexation into Minneapolis. Today, the district continues to serve as an important commercial district north of downtown (Historic Resources Inventory, July 2011).

The potential historic district consists of one to three-story commercial and industrial buildings featuring primarily brick construction (Attachment A2-A6). The commercial district was constructed from the 1880s through the early twentieth century and displays architectural styles popular during this period including Greek Revival, Italianate, and Beaux Arts. Integrity throughout the district is good, with pockets of mid-twentieth-century and modern infill development (Historic Resources Inventory, July 2011).

Criteria #4: The property embodies the distinctive characteristics of an architectural or engineering type or style, or method of construction.

The Wheaton and Reynolds Company Building is a two-story mixed use building built 1891. It was designed with Queen Anne and Italianate features. Brick pilasters divide the red-brick façade into a series of four bays (Attachment B21-B22, and B46). The stone sills are incorporated into the stone stringcourse. The pilasters become deeper as they rise to a cornice of corbelled arches.

The subject property is considered a contributing resource to the "Hennepin and Central Potential Commercial Historic District", which is significant for its architecture. The general boundaries of the proposed district are Harrison Street Northeast on the north, University Avenue Northeast on the south, 2nd Avenue Southeast on the east, and the railroad corridor between 1st Avenue Northeast and 3rd Avenue Northeast on the west (Attachment A6).

In their 2011 report, *Historic Resources in the Windom, Kenny, and Armatage Neighborhoods and Historic Resources in the Central Core area*, Mead and Hunt, recommend the Wheaton and Reynolds Company Building as a contributing resource to the “Hennepin and Central Potential Commercial Historic District”. The report summarizes the significance of the district as follows:

“The potential historic district consists of one to three-story commercial and industrial buildings featuring primarily brick construction. The commercial area developed as the first major commercial corridor for the St. Anthony community, prior to its annexation into Minneapolis. The commercial corridor was also serviced by the streetcar beginning in the late nineteenth century until the 1950s. Today, the district continues to serve as an important commercial district north of downtown. The commercial district was constructed from the 1880s through the early twentieth century and displays architectural styles popular during this period including Greek Revival, Italianate, and Beaux Arts. Integrity throughout the district is good, with pockets of mid-twentieth-century and modern infill development.”

Criteria #5: The property exemplifies a landscape design or development pattern distinguished by innovation, rarity, uniqueness or quality of design or detail.

The property may exemplify a development pattern distinguished by its association with streetcar era commercial development. The Wheaton and Reynolds Company Building was built in 1891, the same year that the streetcar line was installed on Central Avenue from 4th Street North to 29th Avenue Northeast. John W. Diers and Aaron Isaacs state in *Twin Cities by Trolley* that “Central Avenue became a busy commercial-industrial strip, the retail spine of northeast Minneapolis, thanks to the streetcar service.”

The Wheaton and Reynolds Company Building is also part of the proposed “Hennepin and Central Potential Commercial Historic District” (Historic Resources Inventory, July 2011). This proposed district comprises the first major commercial corridor for the St. Anthony community, prior to its annexation into Minneapolis (see Criterion #4 above).

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

The property may exemplify a work of a master architect. The building was designed by William H. Dennis, a locally prominent architect. W.H. Dennis arrived in Minneapolis from New York in about 1878 (Attachment B49). He first worked as a draftsman for William Grimshaw before setting up his own office (Attachment B52). Notable buildings in Minneapolis designed by William H. Dennis are the following (source: *Minnesota Architects: A Biographical Dictionary*):

- Augustana Lutheran Church, 704 11th Avenue South (1881-1883).
- Langford-Newell Block, 300 First Avenue North (1887)
- Chute Building (1881-1882) (razed 1979)
- Citizen’s Bank (1884) (razed 1941)
- Times Annex (Century Piano Company) (1889-1890) (razed 1992)
- S.E. Olson Department Store (later Powers) (1893) (razed 1993)

Criteria #7: The property has yielded, or may be likely to yield, information important in prehistory or history.

The subject property may yield information important in history, but the destruction of the building in question would need to occur to investigate this possibility. Sanborn Fire Insurance Maps indicate that this was a developed block by 1885 (Attachment B57).

D2b. INTEGRITY

519 Central Avenue Northeast retains its architectural integrity

Location: The building remains in its original location, indicating the building maintains integrity of location.

Design: The facade retains its integrity of design. Alterations have been made to the first floor; however, these alterations do not take away from the building's original design of having commercial on the first floor and residential on the second floor. In addition, they were done in such a way that restoration would be possible. The ornate detail on the second floor is also highly intact.

Setting: The property's integrity of setting is intact. The subject property is part of the "Hennepin and Central Potential Commercial Historic District", which is significant for its concentration of late 19th century and early 20th century commercial buildings.

Materials: Overall, the principal elevation's integrity of materials is intact. The original dark red brick remains on the entire second floor and continues to the first floor on two bays. It also appears that the original windows may exist behind the storm windows on the second floor. Limited pieces of the property's materials have been replaced. These include the storefront windows and the surrounding brick.

Workmanship: Integrity of workmanship remains evident with the brick pilasters, stone sills, stone stringcourse, and corbelled arches still present.

Feeling: The building, although it has experienced alterations on the first floor, retains the look and feel of a 19th century commercial building with residential on the second floor.

Association: The property's integrity of association remains intact. The Wheaton and Reynolds Company Building, when it was built in 1891, was part of the first major commercial corridor for the St. Anthony community, prior to its annexation into Minneapolis. Today, the district continues to serve as an important commercial district north of downtown and displays architectural styles popular during this period including Greek Revival, Italianate, and Beaux Arts.

D2c. ECONOMIC VALUE OR USEFULNESS OF THE EXISTING STRUCTURE

The Applicant states that the rehabilitation of the building is cost prohibitive. The Applicant states that they have explored the possibility of renovating the building and determined that there are no reasonable alternatives to demolition based on the structure's condition and economic considerations (i.e. the cost of rehabilitation in relation to the building's potential value). The estimated cost to purchase the subject property and renovate the building is \$3 million (Attachment B87). The developer estimates that the per square foot cost for renovating the 8,000 square feet of usable space when including the cost of the building, is \$379 per square foot. Excluding the purchase price of \$796,000 in August 2011, rehabilitation costs would be approximately \$2.2 million (\$275 per square foot).

The Wheaton and Reynolds Company Building (Totino's Italian Kitchen) and land are currently valued at \$454,200 by Hennepin County (land value of \$238,000 and building valuation of \$216,200). The adjacent parking lot at 514 1st Avenue Northeast, which is owned by Hillcrest Development, is valued at \$277,200 by Hennepin County.

The City of Minneapolis recognizes that the subject property consists of eight residential units and 4,000 square feet of commercial space on the first floor.

A rehabilitation of this building may be eligible for federal and state preservation tax credits which would bring down the rehabilitation costs by 40 percent, but that does not appear to have been explored for the Applicant's figures.

It is also possible to do new construction on the parking lots at 523 Central Avenue Northeast (30,000 square feet) and 514 1st Avenue Northeast Plans (19,800 square feet) and incorporate rehabilitation of the Wheaton and Reynolds Company Building into those plans. In addition, historic variances are possible and could eliminate the need for parking for the subject building.

E. MITIGATION

The Applicant has not proposed a mitigation plan for the Totino's Building.

F. PUBLIC COMMENT

Staff has received no comment letters as of the date of publication of this staff report.

G. APPLICABLE ORDINANCES

Chapter 599. Heritage Preservation Regulations

ARTICLE V. DESIGNATION

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

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

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

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

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

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

ARTICLE VIII. HISTORIC RESOURCES

599.440. Purpose. This article is established to protect historic resources from destruction by providing the planning director with authority to identify historic resources and to review and approve or deny all proposed demolitions of property.

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

599.460. Review of demolitions. The planning director shall review all building permit applications that meet the definition for demolition to determine whether the affected property is an historic resource. If the planning director determines that the property is not an historic resource, the building permit shall be approved. If the planning director determines that the property is an historic resource, the building permit shall not be issued without review and approval by the commission following a public hearing as provided in section 599.170.

599.470. Application for demolition of historic resource. An application for demolition of an historic resource shall be filed on a form approved by the planning director and shall be accompanied by all required supporting information, as specified in section 599.160.

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

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

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

(d) *Demolition Delay.* The commission may stay the release of the building, wrecking or demolition permit for up to one hundred-eighty (180) days as a condition of approval for a demolition of an historic resource if the resource has been found to contribute to a potential historic district to allow parties interested in preserving the historic resource a reasonable opportunity to act to protect it. The release of the permit may be allowed for emergency exception as required in section 599.50(b).

H. FINDINGS

1. The subject property is a historic resource.
2. The demolition is not necessary to correct an unsafe or dangerous condition on the property.
3. There are reasonable alternatives to the demolition, specifically rehabilitation.
4. The Wheaton and Reynolds Company Building (also known as Totino's Italian Kitchen) is significant and eligible for designation as City of Minneapolis Landmark by meeting the local criteria:
 - Association with the significant events and with periods that exemplify broad patterns of economic history (local criterion 1),
 - Association with significant persons (local criterion 2),
 - Association with distinctive elements of city and neighborhood identity (local criterion 3),
 - Embodies distinctive characteristics of an architectural style (local criterion 4),
 - Exemplifies a development pattern (local criterion 5),
 - Exemplifies the work of a master architect (local criterion 6).
5. Although some alterations have taken place on the first floor facade, the building possesses integrity, as evident in its retention of the seven aspects of integrity (location, design, setting, materials, workmanship, feeling, and association).
6. The Wheaton and Reynolds Company Building (Totino's Italian Kitchen) and land are currently valued at \$454,200 by Hennepin County (land value of \$238,000 and building valuation of \$216,200). The adjacent parking lot at 514 1st Avenue Northeast is valued at \$277,200 by Hennepin County.
7. The building is currently vacant.
8. The Applicant submitted a rehabilitation estimate that indicates the cost to bring the overall rehabilitation cost would be \$3.034 million. When factoring in the purchase price, the per square foot cost of renovating the 8,000 square feet of usable space is \$379 per square foot. Excluding the purchase price of \$796,000 in August 2011, rehabilitation costs would be approximately \$2.2 million (\$275 per square foot). Based on the preliminary analysis completed by CPED a rehabilitation of the building would be approximately \$420,000 more compared to the construction of a new building (Attachment A8).
9. Feasible alternatives and information should be considered including the following:
 - Pursue state and federal tax credits for rehabilitating the subject property, which can provide up to a 40 percent tax credit;
 - Incorporate the rehabilitation of the subject building and the development of the parking lots at 519 Central Avenue Northeast (approximately 30,000 square feet) and 514 1st Avenue Northeast (19,800 square feet) into the same redevelopment/development plan.
 - Use historic variances as a tool to eliminate parking requirements for The Wheaton and Reynolds Company Building (Totino's Italian Kitchen)

I. STAFF RECOMMENDATION

CPED recommends that the Heritage Preservation Commission **adopt** staff findings and **deny** the demolition application of the property at 519 Central Avenue, establish interim protection; and direct the Planning Director to prepare or cause to be prepared a designation study.

ATTACHMENTS

A. CPED Attachments

- A1: Zoning Map
- A2-A5: Aerials
- A6: Potential Historic District Map
- A7: Melrose Flats Historic Landmark Page
- A8: CPED Rehabilitation and New Construction Preliminary Cost Estimate

B. Materials Submitted by Applicant

- B1-B102 (see cover page for Table of Contents)

Attachment A1-A8: CPED Attachments

Attachment B1-B110: Applicant Attachments