

**Community Planning & Economic Development
Planning Division**
250 4th Street South, Room 300 PSC
Minneapolis, MN 55415



City of Minneapolis
*Department of Community Planning
& Economic Development - CPED*

MEMORANDUM

TO: Heritage Preservation Commission
FROM: Joe Bernard, (612) 673-2422
DATE: August 7, 2012
RE: National Register of Historic Places Nomination – Lincoln Bank Building

Background

On January 19, 2012, the Minnesota Deputy State Historic Preservation Office (SHPO) sent the Minneapolis Heritage Preservation Commission a letter requesting comments on the nomination of the Lincoln Bank Building to the National Register of Historic Places. At the February 28, 2012, meeting of the Minneapolis Heritage Preservation Commission staff recommended that further analysis be completed by the Nominator regarding the historic nature of banking activity that took place on the subject property in the early 1900s.

On June 4, 2012, the State Historic Preservation Office submitted additional information prepared by the Nominator for consideration by City of Minneapolis staff and the Minneapolis Heritage Preservation Commission regarding the Lincoln Bank Building nomination.

As a Certified Local government, the Commission is required by federal law to participate in the National Register nomination process as follows:

- Afford the public a reasonable opportunity to comment on the nomination;
- Prepare a report as to whether or not the subject property is eligible for National Register listing; and
- Have a chief local elected official (the Mayor) submit this report and his/her recommendation to the Minnesota State Preservation Officer within sixty days of the notice from SHPO¹

The Owner has retained Hess, Roise and Company to nominate the subject property to the National Register of Historic Places as the first step in seeking financial aid for a substantial rehabilitation of

¹ More than a simple comment letter, this report provides the City with significant decision making power in the matter, If both the Commission and chief local elected official recommend that the subject property should not be nominated to the a National Register, the SHPO shall take no further action, unless within thirty days of the receipt of such recommendation by the SHPO an appeal is filed with the State. If such an appeal is filed, the State shall follow the procedures for making nomination pursuant to established procedures. Even then, the City's report and recommendations are included with the nomination submitted the State to the Keeper of the National Register.

this property. The Owner seeks state historic preservation tax credits and federal historic preservation tax credits to accomplish this goal which will require:

- The property to be listed on the National Register of Historic Places
- The work to consist of a substantial rehabilitation (an amount greater than the pre-rehabilitation cost of the building(s));
- The work meet the *Secretary of the Interior's Standards for Rehabilitation*; and
- The property's historic character be maintained for five years.

Attachment A includes a copy of the nomination, prepared by Hess Roise, for your review and comment.

Previous Reviews

In 2011, the Lincoln Bank Building was surveyed as part of the Section 106 review for the Southwest Transitway Project. In a letter from MnDOT to SHPO dated April 20, 2011, the Lincoln Bank was identified as not meeting the NRHP eligibility criteria because “it appears the activities associated with 730 Hennepin were more characteristic than particularly significant in this aspect of the banking industry.” A response dated June 3rd from SHPO agreed with this determination.

Less than a month later the SHPO sent a letter to the Minnesota Housing Finance Agency related to another Section 106 Review for rehabilitation of the subject building. The letter requested further in-depth review of the property by the National Park Service and “completion of our Section 106 review for this project must await the outcome of the National Park Service eligibility determination.” All noted correspondence is included in Attachment B.

In February of 2012, City of Minneapolis Staff and the Heritage Preservation Commission considered the nomination of the Lincoln Bank Building to the National Register of Historic Places. The Heritage Preservation Commission concurred with the staff recommendation to request additional research be performed on Lincoln Bank's historic significance, specifically related to the banking industry in Minneapolis.

Nomination Review

To be eligible for listing on the National Register of Historic Places, a property must be significant within a given context and retain its integrity, defined as its ability to communicate that significance. Hess Roise has identified that the Lincoln Bank Building is locally significant under the National Register Criteria A; the property is associated with events that have made a significant contribution to the broad patterns of our history. The areas of significance identified are Commerce/Trade for both a financial institution and business.

The Lincoln Bank was established by Harry E. Pence in 1917 in an existing building at 809 Hennepin Avenue and a couple of years later it was moved into a new building at 730 Hennepin Avenue. The Lincoln Bank building's period of significance begins with the buildings opening in 1921, continues with its transformation into the Lincoln branch of Northwestern National Bank the following year, and ends in

1929 when Northwestern National reorganized into a new holding company, Northwest Bancorporation, signaling a new era in Minneapolis banking.

There are two elements of the Lincoln Bank building mentioned in the nomination material as significant to its history in banking:

1. The context in which the bank operated, exemplifying the systematic and national trend toward growth and then consolidation of the banking industry following World War I
2. The location of the bank on Hennepin Avenue

Establishment, Location on Hennepin Avenue, and Consolidation

Establishment

Harry Pence was one of the Upper Midwest's pioneering automobile dealers and promoters in the early twentieth century. He entered the automobile trade in 1903 by opening one of the city's first automobile dealerships in a one-story building on 3rd Street South between 3rd and 4th Avenues in Downtown Minneapolis. Two years later he partnered with General Motors to become a local Buick distributor and became influential in opening the market in rural areas of Minnesota, the Dakotas, and Montana to car ownership. His substantial Buick sales soon dubbed Pence "The House of Pence" in the automotive business because he owned the largest dealership in the West.

Financing was particularly important to the growing automotive industry for both dealers and car buyers. Even though buying on credit was seen as unsavory generally in the United States at the time, it was becoming more popular by the masses in order to own cars. The trend arrived in Minneapolis over the next few years and in many cases through branches of national banks. The Metropolitan Bank Building, for example, housed the Minneapolis office of the National Bond and Investment Company of Chicago and advertised "the car of your choice on convenient terms of payment." According to the nomination,

"Pence, however, with his insider's knowledge of the automobile business, recognized the long-term potential of the demand and founded Lincoln National Bank to serve it. He based the bank on Hennepin Avenue, the regional main street for automobile sales and services."

According to an article in the *Minneapolis Tribune* dated May 6, 1918, the bank was established "for the purpose of providing Hennepin Avenue with banking facilities that might properly care for the automobile trade which promised to develop very rapidly along the thoroughfare." However, the *Minneapolis Journal* added that the bank's original purpose had been "to meet the demand for a complete banking service for large corporation and busy businessmen on upper Hennepin."

In addition to the clear connection between the banking and automotive industry the Lincoln National Bank exemplifies, its creation occurred at a time of great growth in the banking industry both locally and nationally. Following WWI demand for agricultural products skyrocketed and with that the price of land rose rapidly. This in turn led to greater need for lending to support agricultural land purchases. The resulting economic growth found its way into larger cities where transportation, storage, and processing of agricultural commodities took place. A boom in both rural and urban banking occurred at this time, and Lincoln National Bank's opening coincided with this period of growth. After the successful opening

and operation of the National Bank, Lincoln Trust and Savings Bank was created as an affiliate in 1919, in part as a response to the demand for expanded services.

Location on Hennepin Avenue

The nomination makes the argument that locating a bank on Hennepin Avenue was revolutionary considering Minneapolis' financial district was a few blocks northeast. Starting in 1905 with the opening of the Auto Construction Company at 1401 Hennepin and the Barclay Auto Company's new building on Harmon Place, Hennepin and Harmon Avenues gradually became Automobile Row, the center of the city's automotive district. By the time Pence was building the Lincoln Bank Building and running his auto distribution center across the street, over one-hundred car dealers, wholesalers, and repair garages were concentrated along Hennepin Avenue and Harmon Place.² The new Lincoln Bank was outside of Downtown's financial district on Marquette Avenue but in direct proximity to one of its target markets – auto dealers and buyers. Only one other bank was located along the corridor at 1313 Hennepin and like Lincoln, it had a board of directors with ties to the nearby automobile industry.

Since the writing of the February 28, 2012, memo from staff to the HPC, Hess Roise conducted additional research that indicates a broader involvement in the general operation of commercial entities near Hennepin Avenue following WWI. The bank was involved in loans that, according to the report, served a “broad array of business including automobile-related companies, fuel and lumber dealers, state banks, wholesale manufacturers, produce and fruit distributors, clothing retailers, and movie theater operators.” As stated in the nomination, advertisements from the time emphasize the Minneapolis focus of their holdings and claim that the Lincoln National Bank stands at the center of “the liveliest mercantile district in Minneapolis.” In addition, the nomination notes the neighborhood focus of the day to day operation of the bank. Local meetings were held in the bank's community room and flexible banking hours were employed to attract local customers, in part to accommodate those participating in Hennepin Avenue's nightlife.

Consolidation

Due to a change in leadership at the federal level in 1921, a new interpretation of existing banking regulation opened the door for national banks to establish or acquire local branch offices. Minneapolis' two largest banks (Northwestern National and First National) responded quickly to this opportunity and began acquiring smaller local banks and turned them in to branch offices. As stated in the nomination, Northwest took the strategic approach of acquiring banks located in different neighborhoods. The two Lincoln banks located at 730 Hennepin were the first of three acquired by Northwestern National. Harry Pence, among others with Lincoln Bank, became board members of Northwestern National following the acquisition. Local papers noted the new trend in banking that occurred, explaining the strategic nature of the geographic distribution of the acquired banks. Consolidation continued throughout the decade as the national banks in Minneapolis expanded their reach into the neighborhoods.

Integrity

The National Register of Historic Places divides integrity into seven aspects: location, design, setting, materials, workmanship, feeling, and association. Possessing several, and usually most of these aspects

² Landscape Research, *Harmon Historic District Designation* (Minneapolis Heritage Preservation Commission, 2001) 6.

allows resources to successfully communicate their historical significance within a given context.³ The Nomination provides a thorough analysis of the property's features and resources and identifies the alterations that have occurred to the property since the period of significance.

During the period of significance, the original bank occupied the ground floor and basement and the upper seven stories contained leased office space. The existing floor plans date from 1982 or later and include carpet over the original terrazzo floors and acoustic tiles covering plaster ceilings. These non-historic treatments will be removed as part of the rehabilitation. The basement still contains the massive vault doors and the vault has been converted into a meeting room. The vault doors can now be seen through an opening cut into the main level's floor from a previous remodeling project.

The primary facades on Hennepin Avenue and 8th Street still retain their original integrity. Both facades continue to be finished with the same white brick material and the window openings are intact but with modern windows. The first floor storefront and cladding materials are not original even though they still have the large window openings that let light flood into the original bank hall.

Hennepin Avenue has an overall historic character that would be diminished without the Lincoln Bank Building. This setting begins on the southern end of Downtown with the Harmon Place Historic District, jumps over contemporary buildings and parking lots to the historic theaters north of 10th Street, carries through the Pence and Lincoln Bank buildings on the corner of 8th Street to more contemporary structures, and arrives at the periphery of the Warehouse Historic District. Each of these blocks of structures has its own architectural style but the corridor overall shows a rich story of the evolution of Hennepin Avenue. While the styles are different, what has stayed consistent is the intermingling of commerce with entertainment and the variety of people patronizing the corridor.

Staff Recommendation

The Nominator has prepared a nomination that indicates their consideration of the subject property's contributions to the history of commerce and trade in Minneapolis. Staff recommends the Commission adopt this CPED report, approve the nomination, and direct staff to transmit the report and a letter summarizing the report to the State Historic Preservation Officer.

Attachments

- A. Lincoln Bank Building National Register of Historic Places Nomination prepared by Hess Roise
- B. February 28, 2012 memo from staff to the Minneapolis Heritage Preservation Commission
- C. 2011 Section 106 correspondence

³ National Park Service, *How to Apply the National Register Criteria for Evaluation* (Washington: U.S. Government Printing Office, 1998) 44-49.