

Department of Community Planning and Economic Development – Planning Division
Demolition of a Historic Resource
BZH-27395

Date: August 21, 2012

Applicant: John Carlson, Trammell Crow Company (630) 368-0253

Address: 643 5th Street North

Project Name: Demolition of Regan Brothers Bakery Building

Planning Staff and Phone: Janelle Widmeier, Senior City Planner (612) 673-3156

Date Application Deemed Complete: July 26, 2012

Public Hearing Date: August 21, 2012

Appeal Period Expiration: August 31, 2012

Ward: 5

Neighborhood Organization: North Loop Neighborhood Association

Attachments:

A. CPED Attachments

- A1: Historic review letter
- A2: Zoning map
- A3: Aerial
- A4: Correspondence received
- A5-6: Recent photos of 5th Street facades
- A7: Photo of exposed Kahn concrete tile system
- A8: Photo of floor collapse in area adjacent to 1909 addition
- A9: Photo of brick spalling between 1890's and 1909 additions
- A10: Photo of cog and pulley wheels on the upper exterior level on the west side of the property

B. Materials Submitted by Applicant

- B: Application worksheet
- B1-56: Application materials (see Table of Contents)
- B57-71: Renderings of proposed development
- B72: Site survey

A. BACKGROUND

John Carlson of Trammell Crow Company has applied for a demolition of historic resource application for the building located at 643 5th Street North. The building was home to the Regan Brothers Bakery for more than 70 years (1890's to the 1960's). On May 23, 2012,

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CPED staff informed the applicant that the demolition of the building will require a Demolition of Historic Resource application because it appeared to meet three of the criteria for designation contained in section 599.210 of the Minneapolis City Ordinance. In order to pursue demolition, completion of a Demolition of Historic Resource application and a public hearing with the Minneapolis Heritage Preservation Commission (HPC) is required.

The property was also previously assessed for eligibility for the National Register because it was located within the Area of Potential Effect for the Southwest Light Rail. It was determined to be an individually eligible property by the State Historic Preservation Office.

B. DESCRIPTION

The subject property, the Regan Brothers Bakery Building, is located at 643 5th Street North. The site is 1.37 acres or 59,509 square feet in area (attachment B58). It is located one block from the nearest boundary of the North Loop Warehouse Historic District. The present building was constructed and expanded between 1895 and 1968 and has a 43,537 square foot footprint. Historically, the bakery occupied the entire site. The building is currently vacant and has been since approximately 2009.

Permits for a 2 to 3-story, brick bakery were obtained in 1895. This is the oldest part of the building, which is located in the northwest corner of the site. Building permit records show that other substantial additions followed. The original building was expanded again in 1899. In 1909, a permit was obtained for the 3-story brick office building at the northeast corner where a principal entrance is also located. These older structures were primarily clad in a lighter, yellowish brick. In the 1920's, the bakery expanded south. These additions are clad with orange and rusty toned brick facing 5th Street North. The final addition was constructed in 1968 for a bulk flour storage tower.

Observed alterations to the exterior of the building include removal of part of the second floor of the original structure, multiple window openings that have been filled in with glass block or other materials and a large billboard structure. Deterioration of the exterior is also evident, such as missing/damaged windows and missing mortar, and is most significant on the older portions of the building. No remaining bakery equipment was seen in the building.

PROPOSED CHANGES

The applicant is proposing to demolish the building at 643 5th Street North in order to construct a 6-story, 182 unit multiple-family dwelling (attachment B46-47 and B49-50).

C. 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. SIGNIFICANCE

The property was previously assessed for eligibility for the National Register because it was located within the Area of Potential Effect for the Southwest Light Rail. It was determined to be an individually eligible property by the State Historic Preservation Office. The subject property is a potential 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. The Regan Brothers Bakery, established in the 1890's, operated at the site until 1966 when it was bought by Pan-O-Gold Baking Company.¹ The bakery was one of the first to use innovative methods for receiving and handling flour in the region. These methods led to better sanitation and cleanliness. They were also purportedly the first bakery that established a system of buying flour and other ingredients according to quality specifications, rather than by brand name or price, installed testing laboratories, and sold sliced bread. These innovations became part of the quality standards set for the industry as commercially sold bread became more of a commodity market starting after World War I. Prior to this time, households primarily made bread at home or purchased it from local bakeries.² As the Architecture History Investigation for the Proposed Southwest Transitway Project for this property (Attachment A1) points out, the Regan Brothers Bakery is an example of a leading company in an important industry that was ancillary to flour milling—once a primary Minneapolis industry.

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

The Regan brothers, William, John and Joseph, established the bakery around 1885. The bakery was moved to site in the 1890's. William was a prominent business man and was the president of the Master Bakers' Association in 1903 and president of the Minneapolis Retail Dealers' Association in 1904.³

Around 1927, the Regan Brothers sold the business to M. L. Molan. Molan had started as a salesman at Regan. Through a partnership, he established and built a national competitor company, American Bakeries. He and his sons managed the Regan Brothers Bakery until 1956.²

¹ "Regan Bakeries Absorbed Into Pan-O-Gold Co.," *Minneapolis Star*, October 17, 1968.

² "A Truly Holsum Story," *Industrial Supply Expediter*, February 1959.

³ "Dealers to Protest," *Minneapolis Tribune*, October 4, 1904; "Masters Bakers' Association," *Minneapolis Tribune*, September 20, 1905.

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Although the Regan Brothers and M. L. Molan were integral to the success of the bakery, their lives do not appear to have other significant aspects that are associated with this property.

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

The property does not appear to be associated with distinctive elements of city and neighborhood identity.

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

The building consists of a series of additions with different construction types. The following is a summary of the primary structural systems in each area of the building as noted in Meyer Borgman Johnson's Structural Condition Assessment (attachment B22-23):

- Area 1: timber
- Area 2: reinforced concrete
- Area 3: timber
- Area 4: concrete, masonry and steel
- Area 5: timber and steel
- Area 6: timber
- Area 7: timber
- Area 8: concrete and steel

Each area does not appear to embody any distinctive architectural style. However, Area 2 embodies an engineering style, the "fireproof Kahn concrete tile system."⁴ Area 2 is the building addition constructed in 1909 located at the northwest corner of the site. When a beam was reinforced with a Kahn Trussed Bar, it was claimed that the beams carried 20 percent or more load and increased fire and shock resistance than beams reinforced with horizontal rods and loose stirrups used at that time.⁵ The reinforced concrete was developed to replace wood in factory walls, roofs, and supports. "The system of reinforcement was composed of a steel skeleton supported by soldered wings angled upwards, which, positioned according to the direction of the principal forces of compression, had the advantage of offering greater resistance while also simplifying the construction." After taking several years to address weaknesses of the system, it quickly became established and popular throughout the country.⁶ "Small pieces of tile...were often placed in the forms to finish the bottom of the joists, to provide a continuous fire protection and furring surface of tile across the underside of a slab."⁷

⁴ Minneapolis Building Permit B82601 dated July 2, 1909.

⁵ Engineering Department, Trussed Concrete Steel Company. *Kahn Building Products, Trussed Concrete Steel Co.* Detroit: Trussed Concrete Steel Company, 1910. Print.

⁶ Bucci, Federico. *Albert Kahn: Architect of Ford.* New York: Princeton Architectural Press, 2002.

⁷ Friedman, Donald. *Historical Building Construction: Design, Materials and Technology.* New York: W.W. Norton & Company, Inc., 2010.

This is the only known building in Minneapolis built with the Kahn system. The applicant's historic consultant identified the Minnesota State Fair Grandstand and Lowry Medical Arts Building in Saint Paul as other examples built with this system.

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

The property does not exemplify a landscape design or development pattern distinguished by innovation, rarity, uniqueness or quality of design or detail.

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

The 1909 addition was designed by locally prominent architects, Kees and Colburn. However, the building design does not appear to exemplify their work with better examples of their work in existence. Notable work in Minneapolis designed by them includes the Advance Thresher/Emerson Newton Building (1901), the Loring Theater (1920), the Charles M. Harrington House (1902), and the Grain Exchange Building (1900).

City building permit records and plans from the Northwestern Architectural Archives (Attachment A5) identify that a Kahn concrete truss system was used in the 1909 addition. Brothers Albert and Julius Kahn collaborated on the design to improve its strength. Albert Kahn's work is significant nationally.⁸ Dario Gasparini, a professor at Case School of Engineering and an expert on C.A.P. Turner, considers Albert Kahn as "A pioneer in reinforced concrete building construction. His reinforcing system was innovative and effective. His work is certainly an important part of the development of reinforced concrete floors." "Reinforced-concrete systems came from a small group of geographically dispersed people (e.g. Ernest Ransome in San Francisco, Claude (C.A.P.) Turner in Minneapolis, Julius Kahn in Detroit, and Henry Turner in New York)...."⁹ "The rapid and enduring success of the Kahn System of Reinforced Concrete is related to the brilliant commercial management of the patent awarded to Trussed Concrete Steel Company. The Detroit company extended its activities through a network of affiliates in many American and European cities, and even in Japan."¹⁰ Despite the use of the Kahn truss system, staff is not aware if the Kahn's were directly involved in the structural design of this building. Construction plans for the 1909 addition, viewed at the Northwest Architectural Archives, Elmer L. Andersen Library, University of Minnesota, Minneapolis, did not identify who drafted the plans.

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

Research of the property did not yield information important to prehistory or history, and therefore, should not be evaluated for archeological significance.

⁸ "Albert Kahn (Architect)." *Wikipedia*. ([http://en.wikipedia.org/wiki/Albert_Kahn_\(architect\)](http://en.wikipedia.org/wiki/Albert_Kahn_(architect))); viewed August 1, 2012).

⁹ Friedman, Donald. *Historical Building Construction: Design, Materials and Technology*. New York: W.W. Norton & Company, Inc., 2010.

¹⁰ Bucci, Federico. *Albert Kahn: Architect of Ford*. New York: Princeton Architectural Press, 2002.

D2. UNSAFE OR DANGEROUS CONDITION

The applicant contends that the building presents an unsafe condition and has provided evidence that the building is in poor condition. As part of the application, a structural condition assessment was included that outlines the extensive work that would be required to rehabilitate the building (Attachment B19-B46). The report identifies that all areas of the building would require repairs in order to rehabilitate the building. The extent of repairs range from reconstructing a collapsed roof and floors to remediation of hazardous materials to addressing moisture problems. Due to years of neglect, the building has deteriorated. It has been vandalized, is open to trespass and areas of it are open to the elements. In 2010, the City condemned the building for any use until the necessary permits are obtained. The necessary permits were not obtained and the City listed the building as vacant in 2011. Without any action, the building will continue to deteriorate and become more unsafe.

D3. REASONABLE ALTERNATIVES TO DEMOLITION

The applicant states that the best use for the building is demolishing it. 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. They've determined that the best investment return would be generated by an office use. The applicant states that the projected rehabilitation costs total \$14.48 million, which includes construction, environmental and development work. The purchase price is \$1.26 million of that estimate. After assuming that state and federal historic tax credits would provide a \$4.3 million benefit, the project costs would be reduced to \$10.18 million. With all of the costs and credits factored in, the per square foot cost of rehabilitating the 101,000 square feet of usable space is approximately \$100.59 per square foot. Of that, \$62.86 per square foot would be hard costs. The applicant looked at comparable office properties to determine market sales rental rates. With these comparisons, the projected loss for rehabilitating the property is \$3.9 to 5.47 million (attachment B47-51).

Another option explored by the applicant is mothballing the building. Mothballing would include reconstruction of the roof where needed, stabilizing parts of the structure to correct or prevent further collapse, install a dehumidification system, remediation of some hazardous materials and securing the building. The projected costs of this option, including property acquisition costs, are approximately \$3.42 million (attachments B48 and 52). This option would still require future rehabilitation of the building.

Although the applicant has demonstrated that rehabilitating the entire building may not be economically feasible, they did not explore the costs of rehabilitating only a portion of the building. As described in the findings below, the portion of the building constructed in 1909 at the corner of the 5th Street North and 7th Avenue North intersection may have significance under several of the local designation criteria. Retaining only this portion of the building would likely leave the rest of the site available for redevelopment.

D4. INTEGRITY

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The National Register traditionally recognizes a property's integrity through seven aspects or qualities: location, design, setting, materials, workmanship, feeling, and association. The integrity of 643 5th Street North remains intact.

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

Design: The facade retains its integrity of design. Observed alterations to the exterior of the building include removal of part of the second floor of the original structure, multiple window openings that have been filled in with glass block or other materials and a large billboard structure. However, they were done in such a way that restoration would be possible.

Setting: The property's integrity of setting is somewhat intact. The area is still industrial/commercial in nature, but newer structures and parking lots have replaced some buildings that existed during this buildings period of significance.

Materials: Overall, the principal elevation's integrity of materials is intact. The original brick remains. The cornice on the 1909 addition remains. Observed alterations to the exterior of the building include removal of part of the second floor of the original structure, multiple window openings that have been filled in with glass block, replacement windows or other materials and a large billboard structure.

Workmanship: Integrity of workmanship remains evident with the brick details, stone sills and buttresses, and cornice still present.

Feeling: The building retains the look and feel of an industrial building.

Association: The property's integrity of association remains intact. A ghost sign for the Holsum Bakery Thrift Store is located on the northwest corner of the building.

D5. ECONOMIC VALUE OR USEFULNESS OF THE EXISTING STRUCTURE

The applicant states that the rehabilitation of the building is cost prohibitive. They've determined that the best investment return would be generated by an office use. The applicant states that the projected rehabilitation costs total \$14.48 million, which includes construction, environmental and development work. The purchase price is \$1.26 million of that estimate. After assuming that state and federal historic tax credits would provide a \$4.3 million benefit, the project costs would be reduced to \$10.18 million. With all of the costs and credits factored in, the per square foot cost of rehabilitating the 101,000 square feet of usable space is approximately \$100.59 per square foot. Of that, \$62.86 per square foot would be hard costs. The applicant looked at comparable office properties to determine market sales rental rates. With these comparisons, the projected loss for rehabilitating the property is \$3.9 to 5.47 million (attachment B47-51).

Another option explored by the applicant is mothballing the building. Mothballing would include reconstruction of the roof where needed, stabilizing parts of the structure to correct or prevent

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further collapse, install a dehumidification system, remediation of some hazardous materials and securing the building. The projected costs of this option, including property acquisition costs, are approximately \$3.42 million (attachments B48 and 52). This option would still require future rehabilitation of the building.

Although the applicant has demonstrated that rehabilitating the entire building may not be economically feasible, they did not explore the costs of rehabilitating only a portion of the building. The portion of the building constructed in 1909 at the corner of the 5th Street North and 7th Avenue North intersection may have significance under several of the local designation criteria. Retaining only this portion of the building would likely leave the rest of the site available for redevelopment.

E. MITIGATION

The applicant has proposed a mitigation plan that would document the Regan Brothers Bakery for the Minnesota Historic Properties Record before demolition occurs. The developer also plans to incorporate some interpretation of the bakery into the new development. A complete description of the proposed mitigation plan can be found in Attachment B54.

Although staff is recommending approval of the demolition of historic resource application, staff would like the applicant to consider keeping and rehabilitating the 1909 addition of the structure as a part of the proposed redevelopment of the property. A number of components of the existing structure, including some from the 1909 addition, would preferably be incorporated into the new development. Those components include the following:

- Front, yellow brick from the 1909 addition (if the addition is not retained),
- Cog and pulley wheels on the upper exterior level on the west side of the property (shown in attachment A10).

F. PUBLIC COMMENT

Correspondence that has been received is attached to this report.

G. 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 if appropriate measures are taken to stabilize the building in the immediate future.
3. Rehabilitation of the entire building is not a viable alternative to demolition. Rehabilitating the part of the building constructed in 1909 at the northwest corner of the site would leave most of the site available for redevelopment.
4. The Regan Brothers Bakery building is significant and eligible for designation as a City of Minneapolis Landmark by meeting the local criteria:

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- Association with the significant events and with periods that exemplify broad patterns of cultural, social and economic history (local criterion 1),
 - Embodies distinctive characteristics of an engineering method of construction (local criterion 4).
5. Although some alterations have been made to the exterior, 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 building is currently vacant.
 7. The applicant submitted a rehabilitation estimate that indicates the overall cost for rehabilitating the property would result in a \$3.9 to 5.47 million investment loss. This included acquisition costs, which were estimated at \$1.258 million, and an assumed tax credit of \$4.3 million. The estimate did not separate rehabilitation costs for separate parts of the building. The portion of the building constructed in 1909 at the corner of the 5th Street North and 7th Avenue North intersection may have significance under several of the local designation criteria. Retaining only this portion of the building would likely leave the rest of the site available for redevelopment.

H. STAFF RECOMMENDATION

The Department of Community Planning and Economic Development – Planning Division recommends that the Heritage Preservation Commission adopt the above findings and **approve** the demolition application for the property located at 643 5th Street North with the following mitigation conditions:

1. As mitigation for the demolition of the Regan Brothers Bakery building, a photographic recordation of the property shall be prepared and submitted to staff that is in accordance with the guidelines of the Minnesota Historic Property Record.
2. As mitigation for the demolition of the Regan Brothers Bakery building, some components of the existing structure, including the front, yellow brick from the 1909 addition (if the addition is not retained) and cog and pulley wheels on the upper exterior level on the west side of the property, shall be incorporated into the new development.
3. As mitigation for the demolition of the Regan Brothers Bakery building, the applicant shall incorporate interpretation of the bakery into the new development.

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Attachment A1-A10: CPED Attachments

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Attachment B-B72: Applicant Attachments