

Project Success

Back to School

Rehabilitating historic schools for housing

And

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| What We Are Working On



Swift Factory

Hartford, CT | Civic & Educational

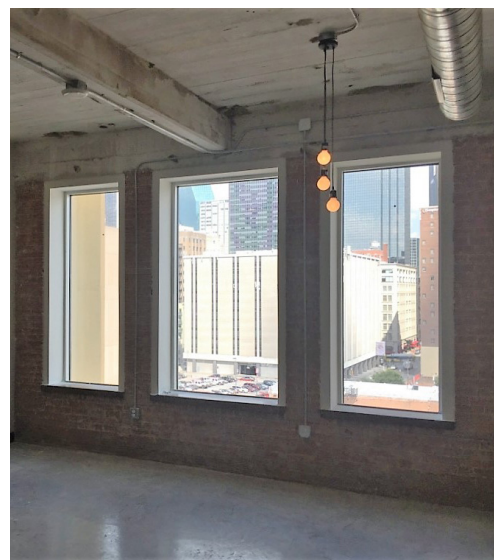
This former gold leafing factory is being transformed by **Community Solutions** into a multi-faceted community center that will focus on food production as well as nutrition and wellness. MHA is listing the property on the National Register and managing historic tax credit applications.



Garver Feed Mill

Madison, WI | Artisan Food Production

A former commercial feed mill, the early 20th century Garver Feed & Supply Co. complex is being rehabilitated by **Baum Revision LLC** as a local artisan food production facility with event, retail, and meeting venues, and adjacent units of microlodging. MHA is undertaking National Register listing for the complex and is coordinating all historic rehabilitation tax credit applications.



Butler Brothers Building

Dallas, TX | Market-Rate Housing

500 S. Ervay in downtown Dallas was once a mercantile warehouse that is now getting a new life as a market-rate housing development. **Alterra International** is marketing the project to college students and young professionals as they are nearing completion of the project. MHA is serving as historic consultants for the project which includes the newly implemented Texas Historic Preservation Tax Credit.



Alexander House Apartments

Hagerstown, MD | Senior Housing

Constructed in 1927-29 as the Alexander Hotel in downtown Hagerstown, the building was converted to affordable senior housing in the 1970s. **The NHP Foundation** is rehabilitating the property for continued use as affordable senior housing. State and federal historic tax credits are being pursued with MHA as historic consultants for the project.



Lowenstein Building

Rock Hill, SC | Office

Located on the campus of the former Rock Hill Printing & Finishing Company, the Lowenstein Building will house Class A office space as part of an economic corridor connecting Winthrop University to the city of Rock Hill. MHA is managing state and federal historic tax credits for the project.

Completed Projects

May - September 2016

- **@4240** | St. Louis, MO
- **A-Mill Artist Lofts** | Minneapolis, MN
- **Artist Lofts** | Manitowoc, WI
- **Custom House** | St. Paul, MN
- **Hickman Memorial Hall** | Graniteville, SC
- **Holy Name Seminary** | Madison, WI
- **Kenwyn Apartments** | Springfield, MA
- **Library Lofts** | Chicago, IL
- **Pabst Brewing Company Bottling House** | Milwaukee, WI



It's fall and the halls of schools around the country are flooded with life. At the same time, some historic schools across the country are shuttering for many reasons including the need for new and larger facilities, demographic changes, or because years of deferred maintenance make them unsuitable for further use as a school. What historic schools lack in modern conveniences, however, they make up for in location and a long collective community investment.

Many schools built in the early decades of the 20th century coincide with newly organized school systems of their towns and cities. They are often good examples of Classical, Gothic, or Art Deco craftsmanship and represent some of the best architecture in a community. Many of these schools follow a prescribed layout: a grand entrance, wide corridors, large open stairs, large windows, and fine finishes like woodwork or terrazzo floors. They can also have a large auditorium or gymnasium – or both.

MHA are consultants to many adaptive reuse projects of former school buildings throughout the country. As previously noted, most schools of this period are connected to walkable neighborhoods, which make them a good target for reuse as housing: affordable, senior living, and occasionally market-rate. In addition to their location, the design of historic schools often layout well for apartments with large windows, high ceilings and historic details attractive to tenants. With that said, there are challenges relative to their character-defining features, such as wide corridors and large interior volumes found in auditoriums, gymnasiums and cafeterias.

Developers that have not utilized historic credits on a school rehabilitation before might first try to maximize unit yield by building out these large, historic open volumes. If there are multiple spaces like this, there may be an opportunity to utilize one of them, such as putting units in a nondescript gym while preserving a more architecturally significant auditorium, but in general they need to be retained to meet the Standards. In addition to reducing unit counts, the preservation of these large open volumes adds operating expense but doesn't necessarily add any income to the project.

When large open volumes must be preserved – and even when they are not – historic material may



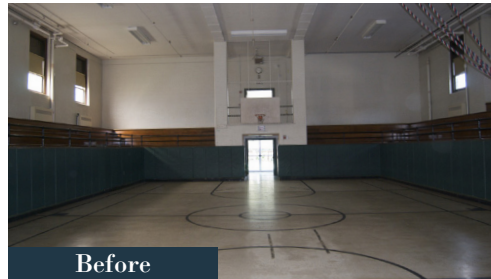
Oconomowoc School Apartments | Oconomowoc, WI

Project Success

Back to School



Riverside Apartments | Buffalo, NY



Before



Sitkowski School Apartments | Webster, MA

need to be repurposed, such as gym floors being used in units. There may be some modifications to larger remaining open volumes, such as floor raking reduced in auditoriums and backstage space being incorporated into units, with the proscenium and a portion of the stage retained.

A similar operating issue arises around corridors, which tend to be very wide and long as they were established for the circulation of many people at one time. They also tend to have limited openings, one or two per large classroom, creating visible architectural rhythm in the hallway. It's this size and rhythm that most historic reviewers focus on when reviewing these projects and developers are advised that door openings and transoms should be reused to the greatest extent possible. Where they cannot be used as active entrances, the doors can be secured in place and walled over on the unit side. If the opening can be reused, a new fire-rated door is installed and if an existing door is present, it may be retained in the open position or pinned back on the corridor side. For new unit openings, they

must be differentiated from the historic openings to distinguish old from new. Other elements found in the corridors including lockers, chair and picture rails, and historic flooring must be retained in corridors as well.

Classrooms can be divided into multiple dwelling units and, like the corridor, they may have features that also must be retained. Some of these features include chalkboards, built-in cabinets, closets or other millwork like cased openings between classrooms. Often a balance can be struck relative to chalkboards and some elements that are found in every classroom, but there should be an expectation that most of the nicer millwork will be retained as a component of the project.

While elements intrinsic to historic school buildings can create a real challenge for the development and design team, retaining these character-defining features often creates very interesting apartments, marketability, and a continued sense of place for a community.

HTC Watch



Clarendon Courts | Arlington, VA

Virginia legislators review state historic tax credit

The Virginia Joint Subcommittee to Evaluate Tax Preferences has recently turned a scrutinizing eye toward the state Historic Rehabilitation Tax Credit that allows for a 25 percent credit against income, insurance premiums, and bank franchise taxes. In 2015, the program had a \$98 million revenue impact on the Commonwealth. Concerns about the program were raised in the June meeting and were addressed at length by supporters of the tax credit in an August hearing. Issues discussed in that hearing included a review of the economic impact for the state based on a VCU Center for Urban and Regional Analysis conducted in 2014 and a report on state programs around the country with capped programs.

The Joint Subcommittee has decided to defer recommendation until next year, with questions outstanding about whether the credit should remain at 25 percent, the impact of a potential cap on the credits, and whether there should be any prioritization in the program.

Connecticut historic tax credit program cap met in first quarter of fiscal year

Last year, the state historic tax credit program in Connecticut met its \$31.7 million cap in April 2016, the fourth quarter of the state's July-to-June fiscal year. In 2016, however, the cap was met in September leaving rehabilitation project owners hoping to apply for the credit unable to do so. Projects are limited to \$4 million with an extra incentive for those projects twinning with low-income housing tax credits, a pairing the state has been promoting for the reuse of historic Connecticut mills. Another factor in the uptick of rehabilitations can be attributed to the location of mills in desirable walkable locations and a trend towards industrial spaces as residences that appeal to many age groups.

Advocacy groups are urging state legislators to raise the cap for the program in the coming years to address the issue currently at hand and to ensure that preservation efforts will be encouraged through this form of incentive.



Yale & Town Industrial Complex | Stamford, CT

Project Honors

May - September 2016



A-Mill Artist Lofts | Minneapolis, MN

- **Chicago Athletic Association** MCJ Development | Chicago, IL
ULI 2016 Vision Awards: Historic Preservation
- **Stony Island Arts Bank** Rebuild Foundation | Chicago, IL
ULI 2016 Vision Awards: Adaptive Re-Use
- **A-Mill Artist Lofts** Dominion | Minneapolis, MN
Novogradac Journal of Tax Credits Historic Preservation Award:
Overcame Significant Obstacles
- **The Lofts on Arthington** Mercy Housing Lakefront | Chicago, IL
Wintrust Partners 2016 Partners in Innovation Award



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