



HISTORIC TAX CREDIT TOOL BOX

Maintaining Character In Multiple-Building HTC Project

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Like movies, buildings are full of character: usually a couple of lead characters, aided by supporting characters. When rehabilitating a historic building using historic tax credits (HTCs), the National Park Service (NPS) requires the character-defining features of a building to be maintained. To ensure that this character is maintained, the Secretary of the Interior's Standards for Rehabilitation are used.

Similar to our favorite movies, each historic building has unique characters that give the building its distinctive feeling and appearance. Consideration of a building's character is not only a requirement on the building exterior, but also applies to interior spaces, features and finishes. Maintaining a building's character may require specific approaches to treatments and materials, and may ultimately impact the building's overall aesthetic. The NPS generally requires retention and limited change to the lead character defining features, while permitting more substantial change to the supporting character defining features.

In multiple building projects, there may be individual lead character-defining features for each building, which must be maintained. Similarly, for buildings that were built in stages, it is not uncommon for each section to have a unique character, and HTC rehabilitation needs to retain and reflect the uniqueness of each. This article discusses the recently completed Novelty Iron Works project in Dubuque, Iowa, which successfully overcame such challenges.

Novelty Iron Works History

The Novelty Iron Works building is in the Dubuque Millwork Historic District, which was listed in the National Register of Historic Places in 2008. Comprised of 19 industrial buildings, the historic district includes the buildings of historic millwork firms Carr, Ryder and Adams (CARADCO) and Farley and Loetscher. Made up of large industrial buildings, the district represents an early 20th century transitional period, when Dubuque went from lumber production to millwork production.

As noted by its name, the Novelty Iron Works building history predates its millwork function, with a heavy



Image: Courtesy of Novelty Iron Landlord LLC

The Novelty Iron Works building is in the Dubuque Millwork Historic District, which was listed in the National Register of Historic Places in 2008.

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timber section of the building constructed around 1880 for use as an iron works. In 1909, the site was purchased by CARADCO and incorporated into their millwork operation. Following its purchase, CARADCO completed two five-story additions to the earlier iron works building, a heavy timber brick section added in 1910 and a reinforced concrete section added in 1919. The interiors of the various sections are fully interconnected to function as one building, though the building was referenced as five separate buildings over its history. The building was last used by the millwork industry in 2000 when Eagle window company relocated.

Project Overview

Dubuque-based developer Bob Johnson recently completed a \$45 million rehabilitation of the Novelty Iron Works building to loft-style apartments. The building contributes to the Dubuque Millwork Historic District, so in addition to federal HTCs, the building was

eligible for state HTCs. The rehabilitation was an eight-year, multiphased project which enabled the project to be divided into manageable sections.

The redevelopment rehabilitated the building as loft-style apartments with ground-floor commercial space. Additional work included upgrades to vertical circulation, mechanical systems, window replacement and exterior/interior masonry work.

Unique Aspects

The three sections of the building (c. 1880, 1910, 1919) each presented unique aspects that had to be recognized in the rehabilitation. While considered one building, each of the sections had a distinct and separate industrial character, derived from independent construction methods, architectural features and materials. Standard 2 of the Secretary of the Interior's Standards for Rehabilitation states the following:

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The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.

The NPS issues guidance on interpreting the Standards and there is ample guidance related to identifying and preserving character-defining features. Preservation Briefs 17 and 18 address the need to assess building exteriors and interiors to determine which spaces, materials and features comprise a building's character so that decisions can be made in assessing proposed work. Recently released guidance from the NPS, most notably guidance entitled, "Interior Spaces, Features and Materials in Highly Deteriorated Condition and Standard 2," provides insight on interpreting Standard 2. This guidance suggests that it is important to evaluate the space, feature or material within the context of the overall property to understand its relative importance to the building's historic character. Guidance suggests that if integrity has been compromised as a result of deterioration, there may be greater latitude in adapting the character, provided the space or feature is not integral to establishing the building's overall integrity.

When applied to the Novelty Iron Works rehabilitation, the distinct features, characteristics and materials in each of the sections of the building had to be identified, documented and preserved. While the building is conceived of and evaluated as a whole, each section required a unique design approach which prioritized preserving its individual character-defining features. For the purposes of the HTC design review, the character of the sections of the building were essentially viewed as separate buildings with distinct character-defining features.

The 1880 and 1910 sections are constructed of brick and heavy timber construction, whereas the 1919 section is reinforced concrete construction. Due to the different

structures and materials, the two sections of the building required different approaches and treatments.

In addition to differences in masonry, the sections contained three types of windows, including wood hung windows in the c. 1880 section, steel hung windows in the 1910 section and multi-light industrial steel windows in the 1919 section. Thus, window replacement entailed matching each window type in configuration and using compatible materials. The wood windows within the 1880s brick heavy timber section of the building were replaced with new matching wood windows. As is often the case with historic rehabilitation projects, it was more difficult to find a match for the steel windows. After some refining of the original design with input from the State Historic Preservation Office and the NPS, the project team identified two compatible aluminum windows which closely matched the historic multi-light and hung steel windows in configuration, profile and dimension. While it is desirable in a rehabilitation project to have a single window manufacturer, in the case of Novelty Iron Works, it was necessary to use two manufacturers, which added to the cost and had an impact on the construction schedule.

In terms of the interior character, the building had two unique aesthetics: the c. 1880 and 1910 heavy timber sections of the building featured wood columns and exposed wood ceiling structure with brick perimeter walls, whereas the 1919 reinforced concrete section featured concrete columns, ceilings and walls. Retaining the exposed structure is required in HTC rehabilitations of industrial buildings and thus, the loft apartment units have characteristics that reflect the original construction methods and materials. During the course of construction, it was verified that the interior side of the brick perimeter walls within the 1880 and 1910 sections had been painted in the 1970s and, as a result, the SHPO and NPS approved removal of the paint to expose the original red brick appearance. In the reinforced concrete 1919 section, it was clear

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that the concrete had historically been painted, so the SHPO and NPS required repainting. As a result, the apartments in the heavy timber sections of the building have a different aesthetic than the apartments in the 1919 section.

Iowa State Historic Preservation and Cultural & Entertainment District Tax Credit Program

In addition to the federal HTC, the project also used state HTCs through the Iowa State Historic Preservation and Cultural & Entertainment District (HPCED) Tax Credit Program. The Iowa state HTCs provide an income tax credit of up to 25 percent of qualified rehabilitation expenditures (QREs).

The Iowa state historic tax credit program is a competitive program with a \$45 million annual cap. Five percent of the credits are allocated specifically for projects with less than \$750,000 in QREs. An owner contemplating using the state historic tax credit should give consideration to the timing of the review and potential impacts on the construction schedule.

“Last fall, after years of planning and collaboration, our historic Novelty Iron Works project achieved final ‘Part 3’ approval from Iowa SHPO and the National Park Service,” said Bob Johnson of Novelty Iron Landlord

LLC. “We are very pleased with the end result and are proud to have brought this 260,000-square-foot complex into its next chapter as a mixed-use community. A number of critical public funding sources were utilized to deliver the project, including the Iowa state historic tax credit. Without this program (and several others), this transformation would not have been possible.”

Conclusion

As seen in the case of Novelty Iron Works, it is important to recognize that for buildings that evolved over time, the unique aspects of each section must be identified and maintained in a HTC rehabilitation. An experienced project team that understands that a one-size-fits-all approach may not be possible can anticipate and address these challenges. Identifying the distinct character-defining features of each section of a building and prioritizing the preservation of those features can simplify the design process. ❖

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