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## HISTORIC TAX CREDIT TOOL BOX

# Mid-Century Retail Spaces: Challenges and Opportunities for HTC Rehabilitations



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The notion of a historic rehabilitation generally conjures up images of Victorian late-19<sup>th</sup> century or early 20<sup>th</sup> century classical architecture.

In reality, buildings constructed as recently as 1968, or possibly more recently, may qualify for the 20 percent federal historic rehabilitation tax credits (HTCs).

Increasingly, HTC projects involve the rehabilitation of buildings constructed in the mid-20<sup>th</sup> century, in the style known as Mid-Century Modern or Modern Movement in Architecture. Opportunities for rehabilitating mid-century resources are abundant as these buildings are often in prime downtown locations and many are undervalued as the buildings are often in need of significant upgrades. Urban midcentury office and residential buildings often included ground-floor or subterranean retail space. Adapting these retail spaces for modern use is not without difficulties, but a creative project team can help to resolve these challenges.

Aimco, a Denver-based national real estate developer with a diversity of projects across the country, recently rehabilitated two Mid-Century complexes with retail space in Philadelphia using HTCs.

Park Towne Place Museum Residences and The Sterling Apartment Homes are high-rise developments built in the mid-century period at a time when Philadelphia was transformed by urban renewal. Both developments used HTCs and their historically sensitive rehabilitation earned awards from the Preservation Alliance of Greater Philadelphia. This article addresses considerations and challenges of rehabilitating mid-century modern buildings with retail space using HTCs, featuring Park Towne Place Museum District Residences,

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which features below-grade retail, and The Sterling Apartment Homes, which features above-grade retail.

### Mid-20<sup>th</sup> Century Retail Spaces

In assessing the potential for using HTCs on a mid-century building, it is important to anticipate the potential challenges in terms of meeting the Secretary of the Interior’s Standards for Rehabilitation (Standards), used by the NPS assessing whether proposed work is approvable.

Features of the building deemed by the NPS to be character defining might be difficult to change or remove. Character-defining features for mid-century modern retail spaces might include site features such as arcades and plazas, storefronts, signs, exterior materials, and interior

features and materials.

*Image: Courtesy of Heritage Consulting Group*

**The Sterling Apartment Homes in Philadelphia features retail space with a new stair and ramp access.**

In the mid-20<sup>th</sup> century, commercial architecture was revolutionized. New methods of construction and display altered retail design. The commercial façade was no longer two-dimensional with a storefront display. Often, it combined an open glazed front with dynamic three-dimensional features to create a “deconstructed” front facade. Steel lintels, which could span the entire façade, enabled transparent open entries and storefronts. These replaced earlier opaquely backed display windows. The store or restaurant itself became the display.

Mid-century site planning often included buildings featuring wide setbacks from the lot line, affording significant buffers from the street. Elevated plazas and private tenant amenity spaces were also common. A unique architectural sub-type from this period is the pedestal building form, where the first floor is recessed into the volume of the building with the tower floors

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cantilevered above. Retail space is often located at the first floor. These spaces were conceived as amenity spaces for tenants and are often cut off from the street to create privacy. However, modern retail requires a more direct connection to the street and ease of access.

While these retail designs were sleek and modern when built, they didn't necessarily stand the test of time. Although components of the storefront often survive in good-to-fair condition—including aluminum, glass and steel—damage from ongoing signage alterations or damage to bulkheads may discourage building owners from retaining these elements. Designs may be hard to appreciate because they were once heavily

integrated with dramatic script, neon or individual cast letter signs long gone due to business changes. It is also important to note

*Image: Courtesy of Heritage Consulting Group*  
**Park Towne Place Museum District Residences in Philadelphia has a lower-level retail area.**

that while the mid-century aesthetic is now enjoying a wave of mass appeal, it may still be too “dated” in appearance for some owners.

While the pedestal form or a subterranean retail space may be considered character-defining by the NPS, there is some latitude in establishing a connection to the street; two such projects which overcame these challenges are explored below.

### **Case Study: Park Towne Place Museum District Residences, Philadelphia**

Aimco is rehabilitating Park Towne Place in Philadelphia. The enclave of four 18-story apartment buildings on a landscaped site designed by Chicago architect Milton M. Schwartz was constructed in 1959 as a component of Philadelphia's urban renewal plan. Park Towne was the first modern housing complex for middle- and upper-middle-class residents in Philadelphia. The ongoing

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rehabilitation of the four International Style towers on the Benjamin Franklin Parkway will provide luxury apartments with tenant amenity spaces and retail in Philadelphia's Art Museum District.

Designed with an eye toward efficiency of space planning and construction, Park Towne's original design included a "Towne Center," which contained residential services spaces including a grocery store, dry cleaner and additional retail spaces catered to residents. The Towne Center was designed as a bi-level space, with the upper level accessible by the street-level plaza and lawn, and the subterranean lower level accessible from the apartment buildings, underground parking garages and pool area.

At the start of the project, the Towne Center appeared tired. Its subterranean lower level and dark finishes created an oppressive space, which was underused by residents and largely hidden from the public. The upper level was largely unused and housed a dated fitness center. The lower level contained retail spaces for residential services with angled storefronts and housed a dated grocery store.

Throughout the Towne Center, modern alterations limited the amount of natural light and created a dark feel to the space. These alterations included a 1990s paneled façade which limited the amount of natural light at the upper level and black terrazzo floors at the lower level. In addition, access to the lower level was limited to a stair and elevator.

For the rehabilitation, the project team wanted to open up the space to encourage use of the retail and amenity spaces not only by residents, but also by the general public. To make the Towne Center more inviting, the modern 1990s façade was removed and the original openings were re-established to the historic appearance, adding more natural light. An exterior seating area

was added adjacent to the plaza/lawn level entrance, creating a point of attraction, encouraging residents to go inside. An on-site demonstration kitchen and a fitness center were located at the upper level, creating a hub of activity, while the lower level remained retail amenity space including a new gourmet grocery store.

While rehabilitating the front façade and upper level was not a complicated process, a creative solution was needed for the lower level. The challenge with reactivating the lower level was twofold, with improvements needed to both lighting and circulation.

In order to provide more natural light and enhance accessibility, a new stair was added. However, circulation at the lower level also needed improvement, with the goal of increasing foot traffic between the pool area and the Towne Center. Initially, it was proposed that angled storefronts at the lower level would be reconfigured in favor of flush storefronts to encourage foot traffic. However, the NPS required that the historic angled storefronts be retained, as they were a character-defining feature. In response to the NPS condition, a more compatible design was proposed which retained the angled configuration of the historic storefronts.

To lighten up the space, the project team designed a new lighting plan with updates to fixtures and proposed removing the modern black terrazzo floors. Initially, the NPS required the retention of the floors, with the view that they were historic. However, additional research was conducted, which proved the floors were a later addition. As a solution, the project team proposed removing the modern black terrazzo and replacing it with a new terrazzo that was lighter in color, as was the historic condition. Ultimately, the NPS approved this proposal. The changes to the upper and lower levels created a successful retail space which serves as an amenity for residents.

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Some aspects of the project were straightforward, like the façade removal, while updating the flooring and the lower level were more challenging. Ultimately the project team was able to create a design which opened up the space, both in terms of accessibility and lighting, while meeting the Standards.

### **Case Study: The Sterling Apartment Homes, Philadelphia**

Aimco also recently completed a \$71 million HTC transformation of Philadelphia's Sterling Apartment Homes. Designed and built between 1959 and 1961 as part of Philadelphia's urban renewal initiative, the block-long high-rise Sterling residential and community development was planned to turn a then-gloomy Center City into a vibrant urban environment.

Updating this 30-story mid-century pedestal tower involved revitalizing the original retail arcade, updating the office floors and refurbishing 535 apartments with modern fixtures and finishes while retaining the mid-century aesthetic.

One of the biggest challenges on the project was rehabilitation of the storefronts within an arcade spanning the block-long primary elevation. The storefronts were recessed within an arcade that was elevated from street level. Each of the storefronts was separated by piers. Historically, each of the 18 bays within the arcade was accessible by an individual stair, but in the 1990s, the arcade was dramatically redesigned. Planters enclosed many of the former stair locations and four modern concrete stairs were installed along the elevation. Consequently, the storefronts recessed within the arcade were barely visible and difficult to access.

The project team realized that having these minimal access points and the visual barriers created by the modern planters was problematic in ensuring retail tenants' success. Establishing visibility and ease of

access from the street was the primary concern when redesigning the retail arcade in the rehabilitation.

Initially, it was proposed that the ends of the arcade the storefronts would be extended outward toward the street, using sliding glass panels located between the piers of the arcade, thus providing more visibility from the street. This would eliminate the visual barriers created by the historically recessed storefronts. However, the NPS didn't approve this alteration as it drastically changed the historic appearance of the arcade, stipulating that the arcade ends must remain open as was the historic condition.

As a solution, the project team revised the design to include the recessed storefronts and proposed changes to the signage system, which enhanced visibility. The revised design also included the addition of stairs and ramps as well as the expansion of existing stairs, which provided more access points to the arcade. This proposal helped to accomplish a higher level of visibility and access to the retail spaces and was ultimately approved by the NPS. The sensitive rehabilitation of the arcade helped retain the building's historic sleek mid-century modern appearance while creating more viable retail spaces.

While the original proposal did not meet the Standards, the project team was able to rethink the arcade and create a historically-sensitive design which was approved by the NPS.

### **Conclusion**

Opportunities for rehabilitating mid-century buildings are abundant. Buildings of this period are generally sited in prime locations in downtown business districts and are conducive to modern mixed-use projects with vibrant retail. Often undervalued, these buildings are frequently overlooked by developers, as they don't perceive a 1960s building as historic and a viable candidate for HTCs.

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When undertaking these developments, having a qualified project team that can creatively work within historic constraints is vital. As seen in the cases of Aimco's Park Towne Place Museum Residences and the Sterling Apartment Homes, there are significant opportunities to use the HTC for mixed-use developments with vibrant retail spaces. In both of these cases, the project team was able to adapt and

devise creative solutions to NPS conditions on retail spaces. ❖

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