

# Historic Overview of the Midtown Blocks

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## Executive Summary

Although the South Park Blocks between Clay and Stark were platted by Daniel Lowndale in 1848, the City of Portland gained clear title in 1876 to only the blocks between Clifton and Salmon. The blocks between Salmon and Stark remained in private ownership and were sold for private development. Therefore, in the 1903 Report of the Park Board outlining a *System of Parkways, Boulevards and Parks* for the City of Portland, the Olmsted Brothers described a two-part linear park system to break the monotony of Portland's downtown grid. Part one, the south park blocks, would begin at SW Salmon St. (currently the Arlington Club) and extend south to the "foothills" of the city. Part two, the north park blocks, would extend from Burnside to the "Freight Yards" (currently the post office site) Such a parkway was envisioned to be the "front yard of which the largest and handsomest public and semi-public buildings would face."

Within the Midtown Block area, a continuous linear park system was never realized. Instead a rich and varied collection of buildings, designed by some of Portland's most notable architects for Portland's most prominent families, were constructed. The area has developed into an eclectic collection of hotels, apartments, office towers, and retail spaces that reflect the cultural changes that have occurred in Portland over time. The unique block size contributes to the vibrancy and intimacy of the area. New structures, including premier examples of modern architecture by Pietro Belluschi, have both contributed to the urban fabric and reinforced the historic character. Other new structures, like the Fox Tower, altered the context of the streetscape in irreversible ways with the demolition of the circa 1911 Fox Theater.

Over 60% of the structures within the Midtown Blocks are either currently National Register Historic Properties or eligible for listing within the Register. The significant architectural periods span the hundred-year period between 1900 and 2000 and were designed by architects such as Whidden and Lewis, Doyle, Pietro Belluschi, and Thompson Vaivoda & Associates. There are six locations within the Midtown Blocks that define the character of the architecture, urban environment, and social fabric of the twenty-four block downtown area. These locations reflect the housing, hotel, and office mixed-use as well as portray the lively juxtaposition of architectural styles and time periods.

Current federal, state, and local rules and zoning ordinances govern the development opportunities for the existing structures. The City of Portland has not created any local rules or zoning ordinances that increase the development opportunities for historic resources. The incentive for development comes through local financial programs that assist with seismic and façade improvements. Additionally the well-known federal and state programs offered for National Register Properties have provided millions of dollars in savings to the property owners within the Midtown Blocks.

Seismic improvements to historic structures impose large development constraints on property owners. The cost for such improvements vary widely depending upon the type of structural framing system, the type of occupancy, and the amount of improvement desired. Compounding the issue is the continual increase in seismic strength requirements placed on Portland's building inventory. In 1974 there were no seismic requirements in the City of Portland. Today, buildings must be designed for Seismic Zone 3, and by year-end there may be an increase to Seismic Zone 4 (equivalent to San Francisco and Seattle).

Tremendous development pressure is being placed on the Midtown Blocks. A number of proposals have been suggested to increase and enhance the livability of the area and the City of Portland in general. There may be merit in all these ideas, but the City of Portland needs to carefully consider the loss of its social character if the proposals do not incorporate the inherent cultural value of its existing building stock.

## **Project Description**

The intent of this Historic Overview of the Midtown Blocks is to provide a synopsis of the rich and diverse historic resources that exist within the study area. The overview includes historic resources on both sides of the boundary streets (SW Broadway, SW Salmon, SW 10<sup>th</sup> Ave., and SW Burnside), and provides an historic context and framework for any subsequent discussions as to the future of the Midtown Blocks.

References to similar areas within downtown Portland are made on the historic context map and the appendix contains maps of nearby designated historic districts, partial information on some of the historic resources, and historical articles of the built environment.

In order to address the development opportunities and constraints associated with the historic resources, the Overview summarizes the local rules and regulations governing the development and use of historic resources. It also summarizes potential financial tools available to private building owners within the Midtown Block study area.

The Historic Overview intentionally does not address the related urban issues of retail, open space, and other specific re-development opportunities. These opportunities are addressed by other studies.

## **Identification and Description of the Historic Resources**

The Midtown Block area consists of 24 city blocks with 58 structures ranging in height and density from single story retail space to the 26-story Fox Tower. 48% of the existing structures within the area are on the National Register of Historic Places. 35% of the remaining structures would be eligible for nomination to the National Register. If all eligible building were nominated, 62% of the Midtown Block area would be National Register properties. Those properties built within the past 30 years would not be designated landmarks.

Twelve of the 24 blocks are of unique character and size. Six of those blocks, bounded by S.W. Park Ave. and S.W. 9<sup>th</sup> Ave. are half-block sizes (200 ft. x 100 ft.) and six blocks are triangular shaped ranging in size due to the intersecting grids corresponding to the curve of the Willamette River. All these block sizes contribute significantly to the historic character by creating unique shaped structures and by the reduced scale and size of the structures built to fit on the blocks.

There are six character-defining areas that capture the essence of the Midtown Block's historic ambience:

- 1) The street elevations of the Guild Theater and the Pythian Building along S.W. 9<sup>th</sup> Ave. at Taylor Street. This ensemble of buildings demonstrates the eclectic and juxtaposed architectural styles that exist throughout the Midtown Blocks. The nine-story Guild Theater is a light-hearted, playful interpretation of Mediterranean architecture. It is immediately adjacent to the more somber, yet stately, blond brick 5-story Masonic Temple (Pythian Building) built in 1907.
- 2) The three National Register Landmark structures along S.W. Broadway between S.W. Morrison and S.W. Alder. These buildings define the Midtown Blocks and are the circa 1912 Broadway Building, the circa 1917 H. Liebes & Co., the fantastic 1929 Charles F. Berg (historic name: Dolph Building) Art Modern

structure to the north, and the subtle Art Deco building at the southwest corner of Alder and Broadway.

- 3) Block 2 which epitomizes the scale and harmony of the area. (Bounded by Alder St., 9<sup>th</sup> Ave., Washington St. and Broadway) Block 2 contains the circa 1912 Woodlark Building, the Cornelius Hotel, the circa 1913 Platt Building, and the circa 1914 Standard Building. The circa 1908 Cornelius Hotel and the Stevens Building (now known as the Standard Building) are both on the National Register of Historic Places. This collection of significant historic structures is a major component of the proposed Terra Cotta Historic District. The 12-story Stevens Building is emblematic of early high-rise construction, the small floor area footprints of early 20<sup>th</sup> century buildings, detailed exterior ornamentation, and was designed by Whidden and Lewis.
- 4) The intersection of S.W. Park and S.W. Washington looking south. From this corner, the character of the early 1900s is captured over the next two blocks. The historic continuity of the city is amplified by the active use of all the historic buildings in this two-block stretch. Across Block 2 and across Park Ave. is the National Register Landmark 9-story Morgan Building adjacent to an early 20<sup>th</sup> century 6-story office building. Across S.W. Alder is Block 3, the "hotel" block, containing the 7-story, circa 1911 Hotel Ritz and the beautiful 5-story, circa 1912 Hotel Eaton. Across Park Ave from Block 3 and across from the Hotel Ritz is the historic Esquire Hotel, another National Register Landmark structure.
- 5) The block of S.W. Park between S.W. Salmon and S.W. Taylor. This part of the Midtown Blocks is representative of historic housing buildings that were and still are an integral part of the mixed uses prevalent in the area. Both sides of the street contain multi-story historic structures that create a narrow intimate pedestrian zone accentuating the narrow sidewalks and streets along Park Ave. This pedestrian-scaled environment is especially acute after walking through the south park blocks. The intimacy is created by the circa 1909 Wheedon Apartments, the 11-story Park Tower Apartments, and the National Register Arlington Club.
- 6) The modernist Federal Reserve Bank designed by Pietro Belluschi. The elegant tower establishes the role of modern architecture as emblematic of the recent past eligible for historic designation. Its grace and grandeur are in stately contrast to the neighboring turn of the century architecture.

### **Local, regional, and federal historic resource laws**

Consistent with other local jurisdictions on a national level, the City of Portland recognizes the National Historic Preservation Act of 1966 as the document establishing protection of nationally significant resources.

During 1994 and 1995, the Bureau of Planning drafted large-scale revisions to the Historic Resource Protection Amendments to Portland's Zoning Code. The Portland City Council adopted these revisions in April 1996. The broad changes adopted by City Council include the following:

- ? Approval to seek designation for Portland as a Certified Local Government. (CLG). Certified local governments locally administer the State and National historic preservation program. These programs are embodied in the National Register of Historic Places. (Portland subsequently acquired CLG status).

- ? The protection of Portland's historic resources has been severely compromised by eliminating the zoning ordinances associated with demolition of historic resources and modifying historic resource protection and historic review ordinances. Demolition review, and potential demolition denial, is limited to designated National Register Landmarks. Landmark status converted to owner choice to be consistent with new state rules. Local, regional, or state resources without National Register designation are not protected by demolition review. Demolition delay periods have been shortened from 150 days to 120 days.
- ? Two different levels of historic districts exist: Historic Districts and Conservation Districts. Two types of individual historic resource designations are established: Historic Landmark and Conservation Landmark. Conservation districts and conservation landmarks are subject to the demolition delay, but are not subject to high standards of design review. 90% of properties that were previously subjected to demolition review are no longer subject to such review.
- ? Incentive for commercial use of landmarks in industrial sanctuaries is eliminated. Allowance of multi-dwelling use of landmarks in single dwelling zones is approved; allowance of 100 percent business in RX zones is approved.
- ? Current language contained in Ch. 33.445.230 links demolition review of National Register Properties with city Covenants. This link language could be interpreted to remove all protection from all historic resources including National Register properties that do not have a Covenant with the City.

It is our opinion that Portland's zoning ordinances are possibly in direct conflict with Oregon Rules and Regulations. OAR 660-23-0200 (8) mandates that "local governments shall protect all historic resources of statewide significance through local historic protection regulations, regardless of whether these resources are "designated" in the local plan." Furthermore, OAR 660-023-0030 (5) states that local jurisdictions "shall determine significant sites and develop programs to achieve the [intent] of the goal."

### **Local and Federal Incentives**

The Federal Historic Preservation Tax Incentives are available for buildings that are National Historic Landmarks, that are listed in the National Register, and that contribute to National Register Historic Districts and certain local historic districts. Properties must be income producing and must be rehabilitated according to standards set by the Secretary of the Interior. The 20% rehabilitation tax credit applies to any project that the Secretary of the Interior designates a *certified rehabilitation of a certified historic structure*. The 20% credit is available for properties rehabilitated for commercial, industrial, agricultural, or rental residential purposes, but it is not available for properties used exclusively as the owner's private residence. Current tax incentives for preservation, established by the Tax Reform Act of 1986 (PL 99-514; Internal Revenue Code Section 47 [formerly Section 48(g)]) include:

- ? 20% tax credit for the *certified rehabilitation of certified historic structures*.
- ? a 10% tax credit for the rehabilitation of *non-historic, non-residential buildings* built before 1936.

For both credits, the rehabilitation must be a *substantial* one and must involve a *depreciable* building.

In the State of Oregon, in return for significant investments in historic rehabilitation on a National Register property, the Special Assessment of Historic Properties program offers a fifteen-year "freeze" of its assessed value. Investments in historic rehabilitation must achieve results meeting the Secretary of the Interior's Standards for the Treatment of Historic Properties.

On a limited basis, historic easements can provide economic incentives for a historic property owner. An easement is a legal contract by which the owner agrees the property will not be changed in a way that would compromise its historic and architectural integrity. Most easements are given into perpetuity. Under the Internal Revenue Service Code, historic property owners may claim a tax deduction for preservation easement donations if the donation reduces the value of the property.

Seismic improvement loans and Storefront improvement loans are available from the Portland Development Commission (PDC) as local incentives. The Portland Development Commission's seismic loan program is part of the Central City Jobs Strategy to upgrade the safety and use of underutilized Class B & C commercial buildings in downtown Portland to increase the number of quality jobs, particularly targeted industries. Funding for the loan program is limited, and preference will be given to buildings that are constructed of unreinforced masonry (URM) and/or on the National Register of Historic Places that will create new job opportunities. The loan program is intended to provide funding to "fill the gap" that may be created by the required seismic upgrades identified in the project's overall pro forma analysis.

The PDC Storefront and Lighting Improvement Program provides matching cash grants and technical assistance to business and property owners in eligible neighborhoods including the Midtown Blocks. Recipients can use the support for a variety of façade improvements, ranging from repainting and adding building lighting to purchase of new windows and awnings.

### **Cost ranges for seismic improvement**

Seismic improvements to historic structures impose large development constraints on property owners. The cost for such improvements vary widely depending upon the type of structural framing system, the type of occupancy, and the amount of improvement desired. Compounding the issue is the continual increase in seismic strength requirements placed on Portland's building inventory. In 1974 there were no seismic requirements in the City of Portland. Today, buildings must be designed for Seismic Zone 3 and by year-end there may be an increase to Seismic Zone 4 (equivalent to San Francisco and Seattle)

Structural frame types within the Midtown Blocks typically fall within four major categories: Reinforced concrete, Unreinforced masonry, Steel with concrete floors, and Wood. The costs associated with seismically upgrading these structural frame types ranges between 12% to 20% of total project costs.

