

2019 | By: Kathryn Stower, Research Assistant



Adaptive Reuse of Historic Buildings in Rural Minnesota

Regional Sustainable
Development Partnerships

UNIVERSITY OF MINNESOTA
EXTENSION



Center for Urban and
Regional Affairs | **cura**

UNIVERSITY OF MINNESOTA



Adaptive Reuse of Historic Buildings in Rural Minnesota

January, 2019 | By: Kathryn Stower, Research Assistant

This is a co-publication of the University of Minnesota's Center for Urban and Regional Affairs (CURA), Regional Sustainable Development Partnership, the City of Sandstone.

The Community Assistantship Program (CAP) is a cross-college, cross-campus University of Minnesota initiative coordinated by the Center for Urban and Regional Affairs (CURA) and the Regional Sustainable Development Partnerships (RSDP). Funds for CAP have been generously provided by the McKnight Foundation. The content of this report is the responsibility of the author and is not necessarily endorsed by CAP, CURA, RSDP or the University of Minnesota.

The Regional Sustainable Development Partnership brings together local talent and resources with University of Minnesota knowledge to drive sustainability in agriculture and food systems, tourism and resilient communities, natural resources and clean energy. The Partnerships are part of University of Minnesota Extension.

This report is available for download at: https://docs.google.com/presentation/d/1JfAg3Hyjqn-0t_4-cLcjwSK4SAPkkrNSzm27Eo2h0dg/edit#slide=id.p1

© 2018 by The Regents of the University of Minnesota.



This work is licensed under the Creative Commons Attribution--- NonCommercial-ShareAlike 3.0 Unported License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-sa/3.0/> or send a letter to Creative Commons, 444 Castro Street, Suite 900, Mountain View, California, 94041, USA. Any reproduction, distribution, or derivative use of this work under this license must be accompanied by the following attribution: "© The Regents of the University of Minnesota. Reproduced with permission of the University of Minnesota's Center for Urban and Regional Affairs (CURA)." Any derivative use must also be licensed under the same terms. For permissions beyond the scope of this license, contact the CURA editor.

This publication may be available in alternate formats upon request: Center for Urban and Regional Affairs (CURA); Phone: (612) 625-1551; E-mail: cura@umn.edu; www.cura.umn.edu

The University of Minnesota is committed to the policy that all persons shall have equal access to its programs, facilities, and employment without regard to race, color, creed, religion, national origin, sex, age, marital status, disability, public assistance status, veteran status, or sexual orientation.

The Kris Nelson Community-Based Research Program is coordinated by the Center for Urban and Regional Affairs (CURA) at the University of Minnesota, and is supported by funding from the McKnight Foundation.

This is a publication of the Center for Urban and Regional Affairs (CURA), which connects the resources of the University of Minnesota with the interests and needs of urban communities and the region for the benefit of all. CURA pursues its urban and regional mission by facilitating and supporting connections between state and local governments, neighborhoods, and nonprofit organizations, and relevant resources at the University, including faculty and students from appropriate campuses, colleges, centers or departments. The content of this report is the responsibility of the author and is not necessarily endorsed by the Kris Nelson Community-Based Research Program, CURA or the University of Minnesota

© 2018 by The Regents of the University of Minnesota.



This work is licensed under the Creative Commons Attribution---NonCommercial-ShareAlike 3.0 Unported License. To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-sa/3.0/> or send a letter to Creative Commons, 444 Castro Street, Suite 900, Mountain View, California, 94041, USA. Any reproduction, distribution, or derivative use of this work under this license must be accompanied by the following attribution: “© The Regents of the University of Minnesota. Reproduced with permission of the University of Minnesota’s Center for Urban and Regional Affairs (CURA).” Any derivative use must also be licensed under the same terms. For permissions beyond the scope of this license, contact the CURA editor.

This publication may be available in alternate formats upon request.

Center for Urban and Regional Affairs (CURA)
University of Minnesota 330 HHH Center
301—19th Avenue South
Minneapolis, Minnesota 55455
Phone: (612) 625-1551
E-mail: cura@umn.edu
Web site: <http://www.cura.umn.edu>

The University of Minnesota is committed to the policy that all persons shall have equal access to its programs, facilities, and employment without regard to race, color, creed, religion, national origin, sex, age, marital status, disability, public assistance status, veteran status, or sexual orientation.



Introduction



Table of Contents

Introduction.....	1-3
Executive Summary & Project Overview.....	4-6
Adaptive Reuse and Preservation.....	6-8
Key Findings and Recommendations.....	8-10
Case Studies.....	11
Cloquet: Middle School Apartments (3).....	12
Eagle Bend: Hilltop Kitchen (3).....	15
Fairmont: Fairmont Opera House (2).....	18
Fairmont: Red Rock Center (2).....	20
Grand Rapids: Historic Central School (2).....	22
Lanesboro: Church Hill School Condominiums (3).....	24
Long Prairie: Reichert Place Apartments (2).....	27
Long Prairie: Todd County Courthouse (3).....	29
New Ulm: Emerson Union (2).....	32
Red Wing: Central Park Condominiums (2).....	34
St. Peter: The Old Armory (2).....	36
Staples: Northern Pacific Railroad Depot (3).....	38
Appendices.....	41
Appendix A: Survey Instrument	42
Appendix B: Survey Responses	43
Appendix C: Examples of Historic Preservation Projects.....	44
Appendix D: Resources for Historic Preservation.....	45-46
Appendix E: Works Cited.....	47

Introduction

EXECUTIVE SUMMARY

The Adaptive Reuse of Historic Buildings in Rural Minnesota project was conducted in partnership with the City of Sandstone, as they explore options for repurposing a historic school building. Adaptive reuse offers a way for communities to preserve local treasures that help tell the story of that community. It also promotes environmental and economic sustainability, and often addresses a need for more affordable housing in rural communities. However, adaptive reuse projects are especially challenging for small communities because of complicated funding structures that impede smaller projects, the lack of local expertise in historic preservation in rural areas, and planning processes that must address strict standards for adaptive reuse. The twelve case studies highlighted in this report are success stories of adaptive reuse in rural Minnesota towns. As we look across these twelve case studies, their success is often due to one individual- a local champion who is persistent and finds creative ways to piece together multiple funding sources. In addition, many of these communities cited the importance of having a developer or contractor who has experience working with historic buildings. As one community leader shared, “Preservation of a historic building is a difficult and complicated process, but it is well worth it!”



Figure 1: Minnesota Map showing Sandstone [Map]. CURA, 2018.

PURPOSE

The old school in downtown Sandstone, affectionately known by local residents as “The Rock”, has been sitting empty for several years. The city is currently exploring options for the building, ranging from demolition to adaptive reuse. The purpose of this study was to gather information about ten or more exemplary projects in rural Minnesota where historic buildings were adapted or repurposed. These examples will provide valuable information for not only the city of Sandstone, but any other community interested in undertaking this kind of work.



Figure 2: School building in Sandstone, Minnesota [Photograph]. Kathy George, 2018.

Project Overview

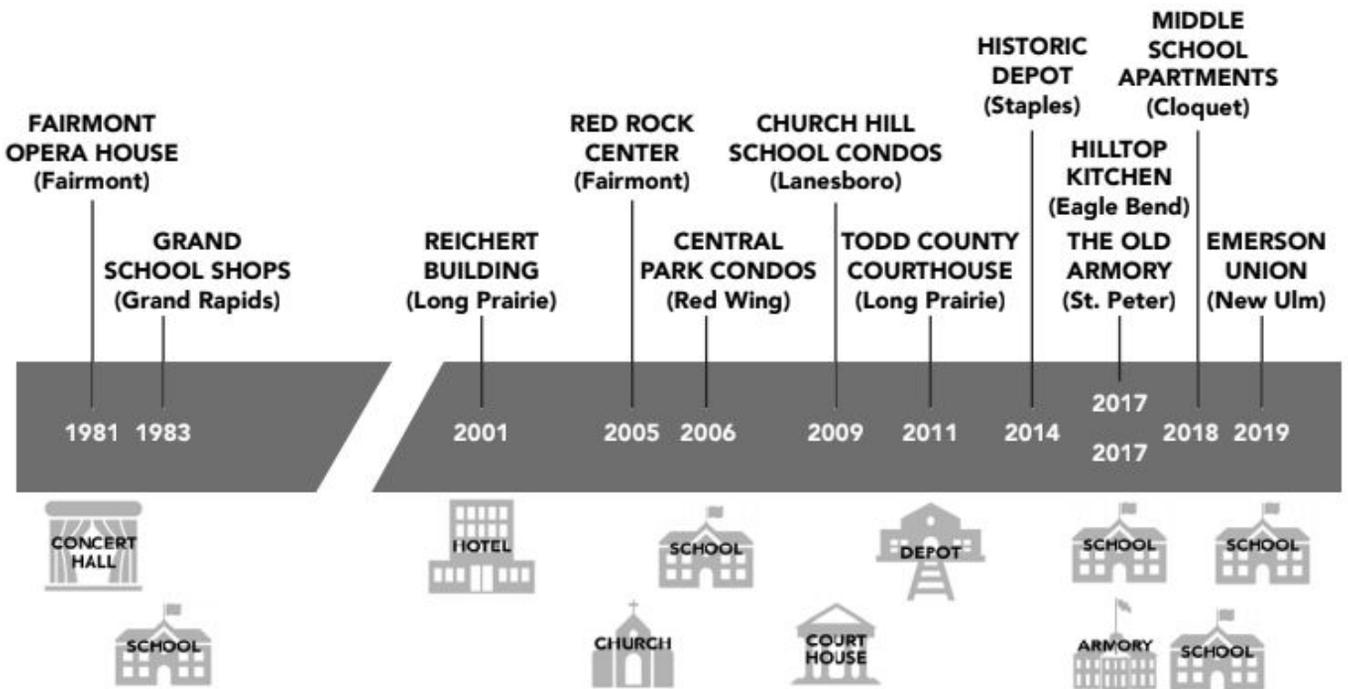


Figure 3: Twelve case studies included in the Adaptive Reuse of Historic Buildings in Rural Minnesota study [Infographic]. CURA, 2018.

PROJECT OVERVIEW

The bulk of this report is devoted to twelve case studies which provide a “snapshot” of each experience. Each case study includes an overview of the project (budget, timeline, key partnerships, how their projects were funded, etc.), background and contextual information, details about how the building was adapted, challenges they faced, how the building is being used today, lessons learned, and the benefits of reuse in their community. While not comprehensive, these case studies capture the essence of the project and provide links to further information in each community.

“We all have places that matter to us—places that define us, places that challenge us, places that bring us together and tell our story. These places help form our identity and our communities. They create opportunities for growth and help us feel at home. They explain our past and serve as the foundation of our future.”

Project Overview

Locations of Case Studies for Adaptive Reuse of Historic Buildings in Rural Minnesota

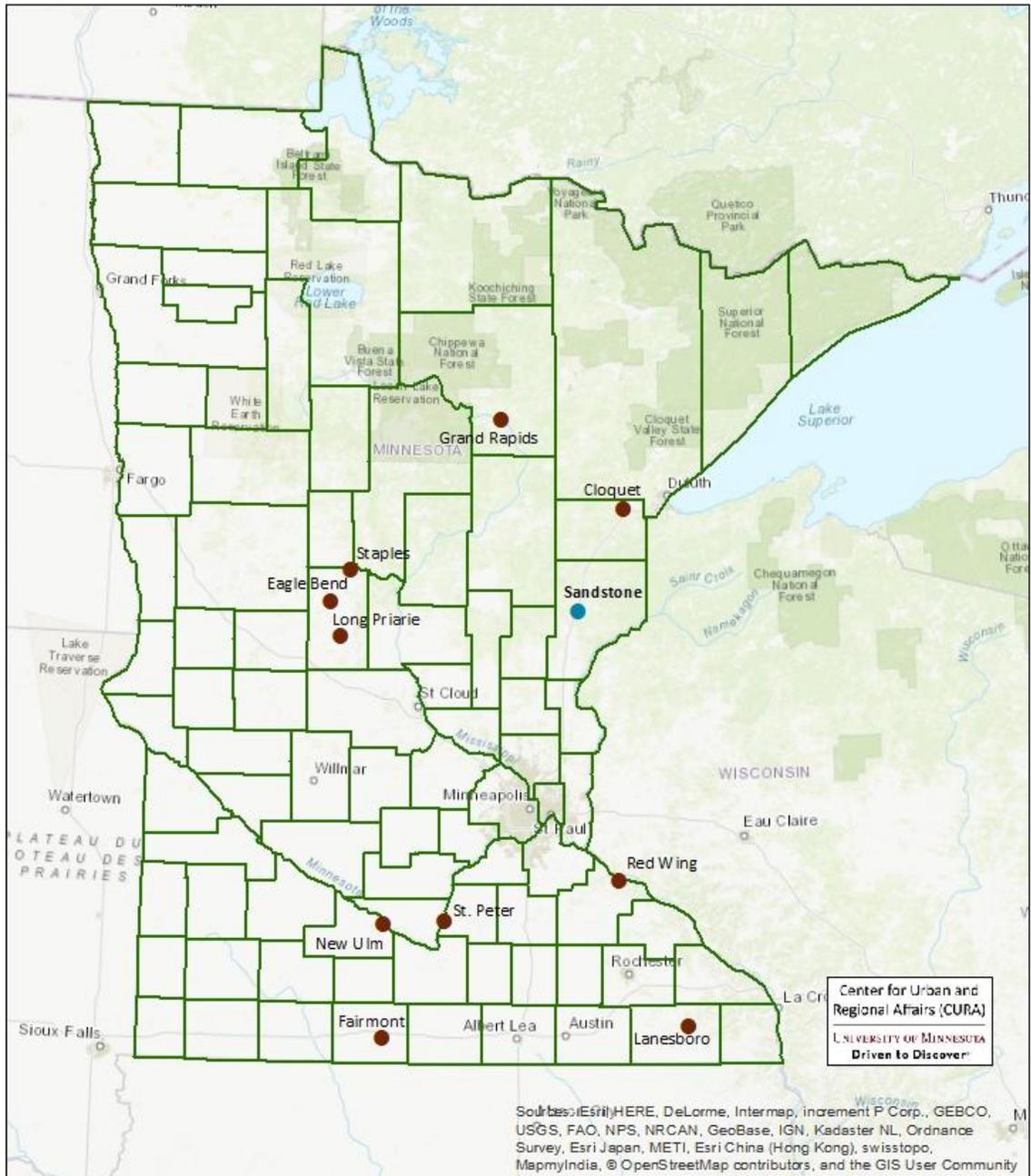


Figure 4: Minnesota Map showing all participants in the Adaptive Reuse of Historic Buildings in Rural Minnesota study [Map]. CURA, 2018.

Project Overview/ Adaptive Reuse

METHODOLOGY

Participants for the study were identified organically by community leaders throughout Minnesota. Several of the recommendations came from various stakeholders who were involved with Minnesota Housing Partnership's 2018 Housing Institute. Participants of the Institute included representatives from several cities, developers, funders, and community development associates. Two projects were recommended by other participants in the study. To be selected for the study each building had to have historic value, be located in a small, rural community (preferably a population of less than 5,000) outside the Twin Cities metro area, and must have completed part or all of the rehabilitation process.

We chose not to limit the study to school buildings, but to extend our search to various types of historic properties. *Historic* was interpreted as buildings that have been registered on the National Register of Historic Places. However, it should be noted that some of the projects highlighted in this study do not have NRHP status, which means they faced far fewer regulations and less stringent construction standards. In the "Project At A Glance" section for each case study, we have indicated whether the building had NRHP status. Ultimately, we chose to include these projects in our study because they do have important insights into repurposing historic buildings.

Seventeen community project leaders were invited to complete a survey. (See Appendix for the complete survey.) The survey was 56 questions, and took approximately fifteen minutes to complete. We received thirteen unique responses. One community asked to withdraw from the study because they felt their minor repairs constituted "maintenance" more than "adaptive reuse." For the remaining twelve, each project leader was interviewed for one hour to answer follow-up questions. The information from survey responses and interviews was compiled into the following case studies.

ADAPTIVE REUSE & PRESERVATION

Communities such as Sandstone face difficult decisions when confronting an older, decaying building that is taking up valuable real estate. Demolition costs are significant, so it often seems more prudent to repurpose the building.

There is a spectrum that captures the possibilities for reviving older properties, and terms are often used interchangeably. Preservation, sometimes also referred to as "conservation" or "historic preservation" is defined by the U.S. Department of the Interior as "the process of applying measures necessary to sustain the existing form, integrity, and materials of an historic property." Historic preservation is called for when it is acknowledged that a building has value because it has been important culturally, civically, architecturally, or historically (related to significant people or events that took place there). (U.S. Department of the Interior website, 2018 <https://www.nps.gov/tps/standards/four-treatments/treatment-preservation.htm>)

The Standards for Preservation state that in historic preservation efforts, the property should retain its historic use, or have a new use that retains as many of the "distinctive materials, features, spaces and spatial relationships" as possible, but does not include new additions or significant alterations to the building, although some permitted upgrades include mechanical, electrical, and plumbing systems. The main goal is to minimize or stop the decay of materials, and prevent further deterioration of the building. In order to preserve the authenticity and historical integrity of the building, the general rule of preservation is to do as little work to the building as possible but as much as is necessary to prolong the existence of the building and ensure its long-term survival for future generations.

Adaptive Reuse

A few case studies in this report would fall under this category of “preservation.” For example, a theater designed originally for live performances has now been renovated and serves the same purpose. These examples were included in this report because they also offer insights into rehabilitating an older building.

In contrast to preservation, adaptive reuse is the process of adapting buildings for new purposes and contemporary users while still maintaining some of the original elements of the structure. One might say that adaptive reuse is a compromise between demolition and historic preservation. Many of the case studies highlighted in this report, such as an old hotel that was converted into apartments, fall into this category of “adaptive reuse.” The variety of these projects show the creativity and innovation of communities who are dedicated to preserving one of their local historic assets.

Adaptive reuse includes the interior and exterior of the building, as well as any landscape features on the surrounding site including installing sidewalks, adding parking, and developing service roads for better access to the building. Adaptations could also include making changes to the original footprint, gutting the interior, replacing or modifying the mechanical systems and adding technology infrastructure.

According to the National Trust for Historic Preservation, it “is not just about keeping old buildings around. It is about keeping them alive, in active use, and relevant to the needs of the people who surround them.” (National Trust for Historic Preservation, 2018.)

According to the U.S. Department of the Interior, “Rehabilitation acknowledges the need to alter or add to a historic property to meet continuing or changing uses” and is defined as “the process of returning a property to a state of utility, through repair or alteration, which makes possible an efficient contemporary use while preserving those portions and features of the property which are significant to its historic, architectural, and cultural values” (U.S. Department of the Interior, 2018.)

BENEFITS OF ADAPTIVE REUSE

If adaptive reuse is so challenging, you may be asking, “Is it really worth the effort?” There are many benefits of adaptive reuse for the community, and it contributes to economic, environmental, and social sustainability.

Many rural communities highlighted in this report cited a lack of affordable housing in their community. Adapting and repurposing an older building allowed them to meet this local need for additional housing while maintaining a valuable local landmark.

Adaptive reuse is, “far more sustainable and environmentally friendly than tearing down a structure and building a new one. Less construction waste ends up in a landfill, more natural resources are conserved, and energy consumption is reduced.”

Donna Miller, Engineer
(Miller, 2016)

Adaptive Reuse/ Key Findings

BENEFITS OF ADAPTIVE REUSE

- Encourages economic growth
- Creates more jobs for local residents (because it is more labor intensive than new construction)
- Historic rehabilitation materials more likely to be purchased locally.
- 75% of the economic benefits stay in the community
- Costs less than new construction
- Uses existing public investments and infrastructure (utilities, roads, sewers, parks, schools, etc.)
- Provides markets for new commercial development
- Spurs innovation
- Supports small business -- older buildings make ideal locations for small, independent businesses and for start-ups
- Helps revitalize Main Streets
- Generates additional revenue from tourism (tourists drawn by a community's historic character typically stay longer and spend more during their visit than other tourists)
- Stabilizes, and often increases, residential and commercial property values near local historic districts
- Uses land more efficiently
- Conserves resources and avoids unnecessarily adding materials to landfills
- Preserves the character and identity of the community
- Improves walkability
- Prevents sprawl and helps strengthen neighborhoods
- Creates affordable housing

KEY FINDINGS & RECOMMENDATIONS

Adaptive reuse of historic buildings is a difficult undertaking, no matter where it takes place. Older materials and different construction methods of the past means that when doing adaptive reuse “you never know what you are going to find.”

However, from the case studies highlighted in this report, it is evident that adaptive reuse is especially challenging in small towns. Each building offers its own unique challenges that are difficult to predict or budget for. We heard from many of the communities that contractors prefer big projects and new construction. When the economy is good they bid less competitively on smaller adaptive reuse projects, especially those in rural areas. In rural areas, heritage materials are harder to find, and material costs are often higher. Adaptive reuse requires greater specialization and higher skill levels than does new construction. Many contractors with this expertise are located far away in urban metropolitan areas and don't want to transport staff or equipment to rural areas; this drives up the cost of rural projects.

Another challenge of adaptive reuse is the funding structure. Often, these projects are financed in part by applying for state or federal historic tax credits. Many developers want capital now to pay for construction materials and labor to complete the project, instead of a deferred payment. Therefore, they rely on investors who will purchase the tax credits in return for immediate cash payments. These investors are typically not interested in smaller projects (especially those less than \$5 million). (Interview with Professor of Historic Preservation Greg Donofrio, October 2018.)

(Preservation Alliance of Minnesota, 2018. Retrieved from <http://www.mnpreservation.org/>)

(Minnesota State Historic Preservation Office, 2018. Personal correspondence, retrieved from <https://mn.gov/admin/shpo/>)

Key Findings and Recommendations

The regulatory oversight required for historic preservation and adaptive reuse projects means additional financial burden for small projects. To ensure that they are meeting the more stringent set of construction standards required for historic buildings, these kinds of projects incur additional fees for historic preservation consultants and lawyers. These fees are relatively fixed, meaning that smaller projects have a harder time absorbing these costs than larger projects. More than one of the case studies highlighted in this report chose not to register on the National Register of Historic Places or to use these historic tax credit programs because they recognized the financial burden of complying with strict historic preservation standards.

In community after community, we were struck by the critical presence of one local leader who kept their eye on the goal and continued the steady, and often tedious and discouraging work of moving toward that goal. They all cited the importance of partnerships, and emphasized that these kinds of projects cannot be undertaken by one individual, especially because they require accessing so many different funding sources. However, in most cases the successful completion of the project could be attributed to one very dedicated individual. Adaptive reuse is hard work and often takes many years for full implementation; these projects require someone who has the time and passion to see them through to the end.

The funding structures for adaptive reuse projects are multi-pronged, and may include any one or more of the following: historic tax credit programs, library construction loans, housing loans, state bonds, place-based vouchers, a local tax increase, public funding, tax abatement, county historical society funding, loans, donations, or philanthropic organizations. Government entities often support these projects by establishing a TIF district, negotiating fees (such as building permits or SAC and WAC), or providing grant funding from the city, county, state or federal government. The case studies highlight the importance of maximizing funds from many different sources.

Another frequent recommendation from the communities in this study was the use of a contractor or developer who has prior experience working with older buildings. Using an expert was cited as a main reason for the project's success, and not using an expert was cited as one of the greatest regrets. It saves the project time, money, and a lot of headaches if those leading the rehabilitation work know how to work with older buildings.

Finally, these successful adaptive reuse projects required patience and persistence. It is never quick to apply for, and work through, a project that is funded through multiple government sources. Community support sometimes takes a long time to cultivate, as local residents may have a hard time seeing a new vision for a crumbling old structure. One interviewee explained that “Having the right people at the table makes a difference. The Executive Director of our HRA showed up at key public meetings. People think, ‘If Gertie is doing this, it must be a good thing!’ In a small town, it goes a long way if people can see someone they know and respect supporting something.” Several of the communities highlighted in the following case studies cautioned that it takes many years to see the project through to completion. Another community mentioned that before the project began the public referred to the historic building project as “A mistake, not worth saving, a boondoggle” and argued to “build new.” Yet after the building was restored, public comments include “We were wrong, glad you persevered, most beautiful venue in the city, definitely worth saving, WOW.”

Adaptive reuse “gives people the psychological and sociological sense of stability they need in an ever-changing world.”

National Trust for Historic Preservation

Conclusion

The focus of this study was to capture the details of successful adaptive reuse projects in rural Minnesota, and the featured community projects have provided valuable insight that will be beneficial to the City of Sandstone and other small communities in Minnesota that are pursuing adaptive reuse.

The following recommendations for the City of Sandstone are based on these case studies.

1. Several of the case studies in this report reveal that schools are especially well-suited to housing. These may be especially good examples to explore, especially if conversion to housing is a reuse being considered for the Sandstone school.
2. Many of the interviewees stated that investigative visits were an important part of their planning process. It is recommended that Sandstone community leaders take the time to visit sites included in this report and/or explore additional sites listed in Appendix C.
3. Be innovative in piecing together funding. One particularly creative community leader (highlighted in the last case study) investigated potentially valuable historic objects in the community and “traded” with the Minnesota Historical Society for specific services like a new roof. Historic preservation projects usually have many different funding sources, so be creative in your approach to funding.
4. Be clear on the main goal of the project, prioritize, and be prepared to compromise. The temptation with historic preservation projects is to try to address multiple objectives at once, but a clear and focused goal will make it easier to make the hard choices necessary in adaptive reuse.
5. Assemble a team of experts and a project “champion.” If at all possible, use a developer or contractor who has experience in historic preservation.
6. Be patient and persistent. Adaptive reuse projects take time.

All of these case studies highlight that historic buildings can be a very sound economic investment, and help to preserve the historical legacy of a community while also providing a new purpose for today’s residents. Yet, it is clear that historic preservation projects come with challenges. From the perspective of the communities highlighted in this report-- it will be a challenge but so worth it.

This study does not attempt to solve any of the complex issues that relate to the redevelopment of historic properties. However, there are several resources mentioned in the case studies, and a list of additional resources are provided in the appendices.

Further research is recommended to address a gap in the literature on adaptive reuse and historic preservation projects in rural areas. The twelve case studies in this report reveal that rural areas face unique challenges in undertaking adaptive reuse. How do we ensure that rural areas are able to equally benefit from programs such as the federal and state historic tax credit programs? To what extent are the regulatory oversight and corresponding financial burdens prohibitive? Additional research is needed to explore how these programs might more equitably serve rural areas, as well as to identify ways that small communities might more effectively access funding and expertise. There is a disparity between rural and urban areas, and further research may help ensure that *every* community, large and small, can reap the social, economic, and environmental benefits of adaptive reuse.



Case Studies



CLOQUET, MN

MIDDLE SCHOOL APARTMENTS



Figure 5: Cloquet Middle School building. [Photograph]. Holly Hansen, 2018a.



Figure 6: Minnesota Map showing Cloquet [Map]. CURA, 2018.

BACKGROUND & CONTEXT

After operating continuously as a school for more than 100 years, the old middle school building will be given new life as apartments. After a contentious campaign to win public support, the plan passed in 2018 and the \$14 million dollar project is set to break ground in 2019.

ADAPTING THE BUILDING

Convincing the public to invest in the old school building was the first step of this adaptive reuse project. The referendum for the new school building included a \$500,000 demolition placeholder. The message received by voters was “the old school building is so bad that we need a new school” and the public assumed that the old school must be condemned. In reality, this solid brick building had been well cared-for since the 1950s and was perfectly suited to reuse.

City leaders supported repurposing the building into needed affordable housing, even though the public supported demolition at a cost of more than \$2 million.

“Housing is part of everything these days. Retail is dying so you can’t count on this to fill space. If you’re going for highest and best use, you’re not going to put in an auto garage!”

Interviewee

Table 1: Cloquet Middle School Apartments Project at a Glance Information, CURA, 2018.

PROJECT AT A GLANCE

Population	11,938
Cost	\$12 million
Funding Source	housing tax credit, historic tax credits (state & federal)
Timeline	3 years
Year Completed	2019 (Projected)
Developer	Roers
Partners	Private (developer), Committee representing school district, school board, city, Cloquet EDA, county board, and community members.
National Registry	Yes
Original Building Use	School
Use Today	Residential
Income Source	Apartments, commercial space for rent
Website	https://www.cloquetmn.gov/
Staff Contact	Holly Hansen- City of Cloquet/ EDA Project Staff Lead Ken Scarborough, Superintendent, ISD 194

The city and school district worked together on the project. The school district publicly supported selling the building to a developer because they didn't have the money to demolish it. The school district formed a committee of school board, chamber, city, county, and community members. With the committee's help, city staff prepared the RFP and it was reviewed and issued by the school district. The RFP set a high bar requiring the developer to have had prior experience with both historic properties and tax credits. Wayzata-based Roers was selected as the developer, after Sherman Associates withdrew. Many Sherman Associates staff had moved to Roers and already had an established relationship with the city.

CHALLENGES

Housing in just about any form is controversial, even as research shows the need for all types housing stock. Project leaders put tremendous effort into educating the public and familiarizing residents with a community housing study done in 2014. The study showed a need for multiple types of homes, but especially affordable housing. The community currently has long waiting lists for both shallow subsidy housing and deep subsidy housing.

“Nobody wants to talk about this, but it is desperately needed and fills immediately!” Interviewee

The housing study findings were woven into public presentations related to any city issue. The developer also used these same talking points. The word affordable is equated and assumed entirely as Section 8, or very low income, so project leaders avoided using the term “affordable housing,” always referring to the housing units by their monetary value. It was an incredible amount of work, but ultimately an effective strategy to continually frame the conversation in terms of the needs identified in the community housing study.

	Somewhat of a Challenge	Significant Challenge
Community Support		■

Table 2: Snapshot of response to survey question “How significant, if at all, were each of the following challenges?”

Most people and elected officials do not understand complicated gap financing tools, layered complex financial tools, or income limits and housing bracket types. Controversy creates fear in neighbors and elected officials.

People are afraid of who “they” are that would occupy such units.

“Approximately 80% of Cloquet falls into these income brackets, so it is not “those people” but “us!” Interviewee



Figure 7: Cloquet Middle School building. [Photograph]. Holly Hansen, 2018b.

Project leaders were constantly strategizing to “stay ahead of the politics.” There was a lot of negative social media from a vocal minority. At first city officials responded to every critical comment posted, but gradually citizens took over promoting the project.

A series of public meetings helped educate the public on the project. A housing tax credit project simply needs a Council resolution for support, but the Planning Commission recommended rezoning the property from public to residential which required a Council supermajority of 5 votes. They learned what kinds of meetings would allow for constructive feedback. At one disastrous public meeting a few individuals dominated the microphone for so long that there was little room left for any other voices. Subsequent meetings were more structured and had different experts set up at several tables to allow every individual in attendance to have one on one conversations with each expert, vent their frustrations or voice their support. Residents were impressed that the head of Roers was one of the experts they could speak with directly, and city leaders later attributed the successful passage of the measure to his participation. He didn't send his assistant, but this “big wig” actually came in person to share how the project would be funded with money from his investment pipeline.

It was helpful to have the city attorney in attendance to confirm legal facts at Planning Commission and Council meetings requiring key votes.

Just before the city council vote, kids broke into the school and did \$50,000 in damage, breaking every window, many of the terrazzo tiles, and doing extensive damage to the original woodwork throughout the building. They held their last public meeting in the destroyed school so the community would get the message: “You can have more of this (vandalism to a vacant building) or you could have a \$14 million development.” The council voted 5-2 in favor of adaptive reuse but it remained controversial. A press release and TV stations helped broadcast this meeting.



Figure 8: Cloquet Middle School building. [Photograph]. Holly Hansen, 2018c.



Figure 9: Cloquet Middle School building. [Photograph]. Holly Hansen, 2018d.

REUSING THE BUILDING

This project almost died several times, and its survival can be attributed to the school district’s dedicated committee of champions, and the partnership of the school district and city.

The city is now conducting the building plan review to issue the building permit and start partial demo and construction work. The Middle School Apartments will include 57 apartments for mixed income. Some are market rate, some affordable, and eight will require HRA vouchers. The school district will also rent some office space in the basement.

BENEFITS

The project made use of a vacant or underutilized building, created a tax base/ market value, and conserved resources (avoiding unnecessary materials in landfills).

LESSONS LEARNED

It was an incredible amount of work to save and reuse a building worth saving, and the battle yielded scars that weren’t pretty for those leading the charge. Be prepared for frequent criticism.

There are types of public meetings that are set up to fail and there are types of public meetings that yield successful input and defuse a vocal minority. Avoid the open mic model!

EAGLE BEND, MN

HILLTOP KITCHEN

PROJECT AT A GLANCE

Population	610
Cost	\$800,000 for Phase I: Kitchen \$1.5 million estimated for Phase II: Housing & Auditorium
Funding Source	Multiple grants including from Initiative Foundation and Region 5
Timeline	2010-2017
Year Completed	2017
Developer	Unknown
Partners	Initiative Foundation, Todd County Council on Aging, Todd County Lutheran Social Services, South Country Health Alliance, NJPA- Sourcewell, USDA, Bertha School District, City of Eagle Bend, Treasured Treats, Eagle Bend Senior Citizens, Clarissa Senior Citizens, Browerville Senior Citizens, Long Prairie Senior Citizens, Bertha Senior Citizens, Staples Senior Citizens, State of Minnesota-Central Minnesota Council on Aging, Lions Organizations, Save the School Fund, Multiple businesses, organizations and churches.
National Registry	No
Original Building Use	School
Use Today	Commercial kitchen
Income Source	Kitchen rental
Website	https://www.facebook.com/HilltopRegionalKitchen/
Staff Contact	Verna Toenyan

Table 3: Hilltop Regional Kitchen Project at a Glance Information, CURA, 2018.



Figure 10 : Minnesota map showing Eagle Bend [Map]. CURA, 2018.



Figure 11: Former Eagle Bend high school [Photograph]. Verna Toenyan, 2018a.

BACKGROUND & CONTEXT

The non-profit Hilltop Kitchen in Eagle Bend, MN, occupies part of the former school building. A county-wide study, funded through a grant from the Initiative and Bush Foundations, revealed an aging population and county leaders projected a growing need to expand their senior meals program. The former Eagle Bend school building, a masterpiece of art deco style architecture, provided the perfect location for this new kitchen. In 2017 one wing of the building was opened as a commercial kitchen, and the community hopes to overhaul the rest of the school building for housing and a performing arts venue.

“This is an awesome asset to the region.” *Public comment*

ADAPTING THE BUILDING

After touring several different historic properties throughout rural Minnesota, including several school buildings (See Appendix for list of Examples of Adaptive Reuse of Historic Properties in Rural Minnesota) they decided that the Eagle Bend school was a good candidate for this new kitchen and housing. The school was built in the 1930s and used continuously for seven decades. By 2000 the school district was no longer using the building. At the same time, the Todd County historic courthouse was also undergoing a major rehab. This created a lot of buzz in the county that helped build momentum for another historic preservation project. Eagle Bend leaders used this momentum to drive the kitchen project forward.



Figure 12: Former Eagle Bend high school [Photograph]. Verna Toenyan, 2018b.

Instead of adapting the entire school building at once, they focused on a 1960s addition to the school designed for shop and agriculture classes. This wing of the building was structurally sound, despite sitting empty for two years. The City of Eagle Bend's Administrator took on the role of Project Manager.

The roof was replaced and they spent \$10,000 to move an electrical pole. The interior of this space was completely gutted and transformed from classrooms into a commercial kitchen. There is also an event space that can serve approximately 50 people now, but could be further adapted to serve up to 150.



Figure 13: Former Eagle Bend high school [Photograph], 2018. <https://www.facebook.com/pg/HilltopRegionalKitchen>

CHALLENGES

Financing was a major challenge that was overcome by piecing together multiple grants and leveraging available money. Initially they had hoped to get funding for the entire school building from Central Minnesota Housing, but this was not possible because the requirement to maximize housing would have precluded the commercial kitchen they badly needed. They decided to tackle the kitchen project first, and then work toward redeveloping the rest of the school building. Financial support from the Initiative Foundation and Region 5 were especially instrumental in the kitchen project. They also received donations from individuals and philanthropic organizations, thanks to the efforts of many volunteers, newspapers, and local non-profits.

“When everything stalled there was always something moving. There were a lot of smaller steps to get to the big money.” Interviewee



Figure 14: Hilltop Regional Kitchen Interior [Photograph], 2018. <https://www.facebook.com/pg/HilltopRegionalKitchen>

	Somewhat of a Challenge	Significant Challenge
Funding		■
Structural/ Building Issues	■	
Planning process	■	
Regulatory oversight challenges	■	
Community support	■	
Developer	■	

Table 4: Snapshot of response to survey question “How significant, if at all, were each of the following challenges?”

The Minnesota Department of Employment and Economic Development has awarded them \$1.5 million to demolish the rest of the school building, but they are exploring options for repurposing the space into housing instead. In a recent housing study of the entire county, over 1,000 returned surveys gave them rich data that may help them secure additional training, technical assistance, partnerships, or grant funding from the Greater Minnesota Housing Fund. United Church Homes has submitted a proposal for redevelopment. They are also working on land-lease programs as another housing option.



Figure 15: Hilltop Regional Kitchen Servers [Photograph], 2018.
<https://www.facebook.com/pg/HilltopRegionalKitchen>

REUSING THE BUILDING

Hilltop Regional Kitchen is the workspace for Lutheran Social Service Nutrition (LSS) to provide meals for older adults in Todd County and communities in surrounding counties. The service is funded in part by a contract from the Central MN Council on Aging with funding from the Older Americans Act through the MN Board on Aging. LSS produced over 55,000 meals in 2018 for the local areas. The services at Hilltop Regional Kitchen include community dining in the spacious dining room, home delivered meals for homebound individuals, and Bundled Frozen Meals that are delivered twice a month to rural clients. LSS is adding a shipped, frozen meal service that will deliver meals to the door of anyone across the state. The regional kitchen and services offered create a model that could be replicated anywhere.

The Minnesota Initiative Foundation funded the creation of a bakery known as “Treasured Treats” operated by seniors. Funds raised reimburse drivers who deliver the Bundled Frozen Meals.

Completely closed off from the new kitchen, the rest of the school building is an architectural gem that could be repurposed. Originally a Works Progress Administration project in the 1930s, it is solidly built with 18 inch thick walls and original terrazzo floor. It is estimated that this space could house 20-24 apartments. In addition, the school includes an amazing auditorium with great acoustics that could be updated for use by residents and the community (arts groups). The developer noted the enthusiasm for redevelopment, saying “In all my years of doing this (over 25 years) “In all my years of doing this (over 25 years) I have never seen this much community support.”

“Get a whole bunch of players aligned on your side. I know nothing about housing besides the desperate need we have for it in our county. So I found people to make it happen.” *Interviewee*



Figure 16: Former Eagle Bend high school [Photograph].
 Verna Toenyan, 2018c.

BENEFITS

Brought the community together, made use of a vacant or underutilized building, and provides meals for seniors in Minnesota.

LESSONS LEARNED

Set your eye on a goal- waiver when change is necessary- move forward- and be ready for the long hall. Significant projects do not happen without challenges or without commitment. Be prepared for the project to take 7 years (or more)!

FAIRMONT, MN

FAIRMONT OPERA HOUSE



Figure 17 : Interior of Fairmont Opera House. [Photograph] Fairmont Opera House Website, 2018. <https://fairmontoperahouse.org/history/>



Figure 18 : Minnesota map showing Fairmont [Map]. CURA, 2018.



Figure 19 : Nicholas Theater [Photograph] Fairmont Opera House Website, 1927. <https://fairmontoperahouse.org/history/>

BACKGROUND & CONTEXT

The Fairmont Opera House, the oldest continuously running theater in Minnesota, was built in 1901 for \$20k. Initially designed for live performances, it adapted to meet demand for motion pictures. The Opera House struggled to compete with newer movie theaters in Fairmont and slowly declined over the latter half of the century. In 1980 it was purchased by community members and restored to its original splendor, returning to its roots as a stage for live performances. Today it is a non-profit performing arts venue and event space serving the community of Fairmont and the surrounding area in southern Minnesota.

ADAPTING THE BUILDING

When the movie theater closed its doors, the community assumed the aging building was destined for demolition. Local dentist Bob Arneson put an ad in the paper and convinced 75 local people to help save the theater.

“We’re going to buy it and we’re going to fix it. We’re not going to tear this down.” *Community leader Bob Arneson*

The condition of the building was such that it seemed improbable that there would be a successful end. They needed \$51,000 to purchase the building. They also needed to dig out a basement under the building, which would require taking apart a skid loader piece by piece and re-assembling it inside the existing structure. There is a story of a reporter for the local newspaper who, like many community members at the time, thought the building should be condemned and torn down. She went to the meeting to hear the “crazy” ideas, but by the end of that meeting she knew that this group would make it happen. They purchased the building, dug the basement, and over 1,600 volunteers contributed 26,000 hours to restore the building. A live show *Another Opening, Another Show* marked the grand opening of the newly remodeled space in 1981.

PROJECT AT A GLANCE

Population	10,126
Cost	\$500,000
Funding Source	Private loans and donations
Timeline	5 years
Year Completed	1981
Developer	Unknown
Partners	Community
National Registry	Yes
Original Building Use	Theater
Use Today	Theater
Income Source	Performing Arts, Event Rental
Website	https://fairmontoperahouse.org/
Staff Contact	Blake Potthoff

Table 5: Fairmont Opera House Project at a Glance Information, CURA, 2018.

	Somewhat of a Challenge	Significant Challenge
Structural/ Building Issues		■
Planning Process	■	
Funding	■	
Regulatory Oversight	■	

Table 6: Snapshot of response to survey question “How significant, if at all, were each of the following challenges?”

CHALLENGES

The most challenging part of the process was ensuring that they met the renovation standards set by the National Parks Service, as a property on the National Register of Historic Places. The Opera House had extensive structural, engineering, and systems issues including water damage. Both the interior and exterior of the building needed work. NPS did an evaluation and provided guidance on how to renovate and maintain the building. The Minnesota Historical Society provided additional historic preservation resources. The Martin County Historical Society (“one of the best curated local historical museums”, according to one local leader) had meticulously collected artifacts from the entire history of the Opera House. Amazingly, they had crates of original plaster moldings still packed in straw from their journey from Chicago at the turn of the century. These were invaluable in recreating the interior of the theater. MCHS also provided historic photos that allowed them to accurately restore the building to its original state. A local retired teacher documented the entire renovation process.

REUSING THE BUILDING

Fairmont is a unique pocket of arts and culture in Minnesota with a vibrant art scene including the Red Rock Center (also featured in this report), a Community Concert Association, and a city band. The Fairmont Opera House continues to be a strength of the community, a place where memories can be made. The performance theatre space generates income for the organization, and allows them to host community theatre and a children’s theatre program with over 100 kids every summer. They continue to offer new programs, including murder mysteries that will be launched in 2019.

“It has been labeled a "Jewel of the Prairie" and an "irreplaceable asset to the community." Interviewee

Their motto “Where legacy meets innovation” is driving a proposed four million dollar renovation beginning in 2019. With so few theatres in southern Minnesota, the Fairmont Opera House could provide a destination theater with the same caliber of performance art as theatres in the Twin Cities, allowing people to stay closer to home to see shows like *Wicked* on stage.

Their primary goal is to make sure patrons, staff, and performers are safe, comfortable, and secure. MNHS legacy funds allowed them to do a historic structures report. Proposed exterior work includes a new roof, extensive tuckpointing, and new windows, doors, and security cameras, while interior work may include the HVAC system, redoing the stage, transitioning to LED lights and digital sound technology, and replacing theater seats. They are also considering a 21,000 square foot addition to add an elevator and administrative offices. All of these improvements are being made to ensure that the Opera House is available for another 117 years.

BENEFITS

Brought the community together, provided a location for non-profit use, and provided a location for community/ public use.

LESSONS LEARNED

“Preservation of a historic building is a difficult and complicated process, but it is well worth it!”

FAIRMONT, MN

RED ROCK CENTER



Figure 20: Red Rock Center [Photograph] Red Rock Center, 2018.



Figure 21 : Minnesota map showing Fairmont [Map]. CURA, 2018.



Figure 22: Red Rock Center exterior damage [Photograph]. 2018.

<http://redrockcenter.org/restoration.html>

PROJECT AT A GLANCE

Population	10,126
Cost	Projected \$1.2 million, completed with volunteer labor at \$650,000
Funding Source	MNHS grant, private loans, donations
Timeline	3 years
Year Completed	2005
Contractor/Architect	Herrig's Construction Inc., MSMSQ Architects,
Partners	Minnesota Historical Society
National Registry	Yes
Original Building Use	Church
Use Today	Art gallery, concert hall and public event space
Income Source	Event
Website	http://redrockcenter.org/
Staff Contact	Sonja Fortune

BACKGROUND & CONTEXT

A brick church built in 1898 served different congregations for ninety years. After sitting empty for two years, it was used as an indoor flea market. In 1998 the Martin County Preservation Association took over the church, beginning an adaptive reuse project that was completed in 2005. Today it is an event center and center for the arts.

ADAPTING THE BUILDING

One local individual led the charge to adapt the building. Don Milbrandt was a retiree who was very community-driven and had a passion for the arts. He felt the old church was perfect for a local art center.

“Everybody knows that the arts bring people together.”

Don Milbrandt



Figure 23: Don Milbrandt, the visionary behind the Red Rock Center, and wife Audrey.[Photograph] Red Rock Center, 2018.

The building was structurally sound, but contractors were hired to address issues on the exterior including holes in the roof and significant masonry work. On one side of the building all bricks had to be removed, numbered and replaced exactly as in the original structure. New elevators provided ADA accessibility.

They were able to reuse many original building materials, including bricks and floorboards that one local resident had saved from the construction of the church a century earlier! The stained glass windows had been removed in prior decades, but stored carefully in the building so they could be re-installed. They pulled bricks from the same quarry in Pipestone as the original front steps.

The interior restoration work was done entirely by volunteers coordinated by local Norm Langford. After gutting the interior, these volunteers refinished woodwork (including windows, the main staircase, and floors), put up sheetrock, and installed sound boards.

CHALLENGES

The planning process was the greatest challenge, especially in updating the building to meet building code requirements and preserving the historical value. Interior work was mostly done by volunteers under the direction of a hired architect and careful watch of the local building inspector to make sure everything was being done by code. The interviewee noted that “To preserve the historical value it is important to keep things exactly as they were, but may not always be the most economical way to do things today.”

Table 8: Snapshot of response to survey question “How significant, if at all, were each of the following challenges?”

	Somewhat of a Challenge	Significant Challenge
Planning Process		■
Funding	■	

In the beginning finding funds for the project was also a challenge but in the end they were able to complete the project without any bank loans! They credit their success to a “very good volunteer fundraiser who knew how to share the dream and inspire others.” The building is owned by the county, but the Martin County Preservation Association has a 100-year lease for \$1. The county also provides money to off-set the cost of insurance. Maintenance costs are substantial for an older building. Projected costs are \$10,000 for FY 2019 to address tuckpointing, cleaning bricks, reglazing window panels, adding vents in stained glass windows, and sealing around the roof.

Volunteer workers have declined as older generations pass on, and more dollars are being spent to replace those needs that were once done by volunteers. They have to work harder and think outside the box to engage and educate the younger generation on what an important role arts and culture plays in their community, because they are not seeing the younger generation engaging in the arts or even rental opportunities that bring people together.



Figure 24: Volunteers working on the Red Rock center restoration [Photograph] Red Rock Center, 2018.

REUSING THE BUILDING

The main floor provides a small, intimate setting for rent in a rotating gallery showcasing a different visual artist each month. With a maximum capacity of 100 people, the space works well for smaller weddings and receptions. They also do a lot of parties for graduations, holidays for local businesses, anniversaries, and birthdays. The building is rented about 60% of Saturdays throughout the year, and they have a total of about 75-100 events per year. This rental income, along with grants and contributions, is adequate to meet their budgeting needs and minimizes the impact of traffic on the building.

The lower level has administrative offices for Red Rock Center, and a small room that holds up to 40 people. This room is rented for business meetings, driver’s training, and other local groups.

Rental income subsidizes a lot of the arts programming, including a concert series that is held about six times per year and art classes for children and adults.

BENEFITS

Made use of a vacant or underutilized building, provided a location for non-profit use, and provided a location for community or public use.

LESSONS LEARNED

Dedicated people with a vision can get things done if they are willing to put in the time.

Historic buildings are worth saving.

GRAND RAPIDS, MN

HISTORIC CENTRAL SCHOOL



Figure 25: Central School Shops [Photograph]. Eric Trast, 2018.



Figure 26 : Minnesota map showing Grand Rapids [Map]. CURA, 2018.



Figure 27: Central High School [Photo] Itasca Historical Society, 1906.

BACKGROUND & CONTEXT

Located in the heart of Grand Rapids, Historic Central School is a beautiful example of Romanesque architecture. The 10,000 square foot building houses three stories of space around an open staircase lit by a skylight above, and a lower level that is partially below ground.

“The community loves this building and considers it the ‘centerpiece of town.’” Interviewee

ADAPTING THE BUILDING

The city wanted to maintain ownership of the property. A referendum authorized general obligation bonds and a local tax increase to fund most of the project, and a Blandin Foundation grant covered 30% of construction costs. The city acted as the developer, but hired a qualified architect who specialized in historic restoration, and then bid the work out to local sub-contractors.

CHALLENGES

The greatest challenge has been receiving sufficient rental income to off-set the operational costs. First, the building has a lot of common area compared to leasable space, which rules out affordable housing as an option. The city needs 100% occupancy to break even, but they have only been at 65% occupancy for several years. The second floor has been especially difficult to rent since the local historical society moved out after almost two decades in that space. Regulatory issues limit the leasability of the attic space, because it would require additional stairwells. Despite the fact that lease rates are lower than market rate, it is a struggle to find tenants that can thrive in the restored space. Advertising options are limited by how much and what kind of signage you can put on the exterior of a National Historic Registry building. In a small town people expect accessible parking immediately in front of each business, and less inclined to walk the extra distance. The city has considered repurposing the space again, but current tenants want foot traffic and are therefore opposed to more offices.

PROJECT AT A GLANCE

Population	11,242
Cost	Info not available
Funding Source	Referendum, bonds, local tax increase, grant from Blandin Foundation
Timeline	2 years
Year Completed	1983
Developer	City/Miller Dunwiddie
Partners	None
National Registry	Yes
Original Building Use	School
Use Today	Commercial, Visitors and Convention Bureau
Income Source	Commercial Rent
Website	https://www.cityofgrandrapidsmn.com/visitors/historic-central-school
Staff Contact	Rob Mattei, Community Development Office

Table 9: Historic Central School Project at a Glance Information, CURA, 2018.

Roof replacement and foundation repair have occurred since the major renovation in 1983, but there is a backlog of about \$1-2 million in deferred maintenance projects including an elevator, and updating heating and ventilating. Five years ago the city worked with the Preservation Alliance of Minnesota to create a list of developers who specialize in historic reuse, and sent an RFP to 36 developers. The terms: the city will lease this building to your firm for 99 years for \$1 if you adapt it and manage the property. There was not one single response!

Table 10: Snapshot of response to survey question “How significant, if at all, were each of the following challenges?”

	Somewhat of a Challenge	Significant Challenge
Planning Process	■	
Structural/ Building Issues	■	
Community Support	■	

“Retail is very challenged in the ‘age of Amazon.’ The more successful businesses in our Central School Shops are ‘destination businesses’ like a salon or photography studio.”

Interviewee



Figure 28: Central School Shops Interior [Photograph]. Eric Trast, 2018.

REUSING THE BUILDING

Current tenants on the first two floors include a salon, massage parlor, non-profit store for used children’s clothes, photographer, and yarn shop.

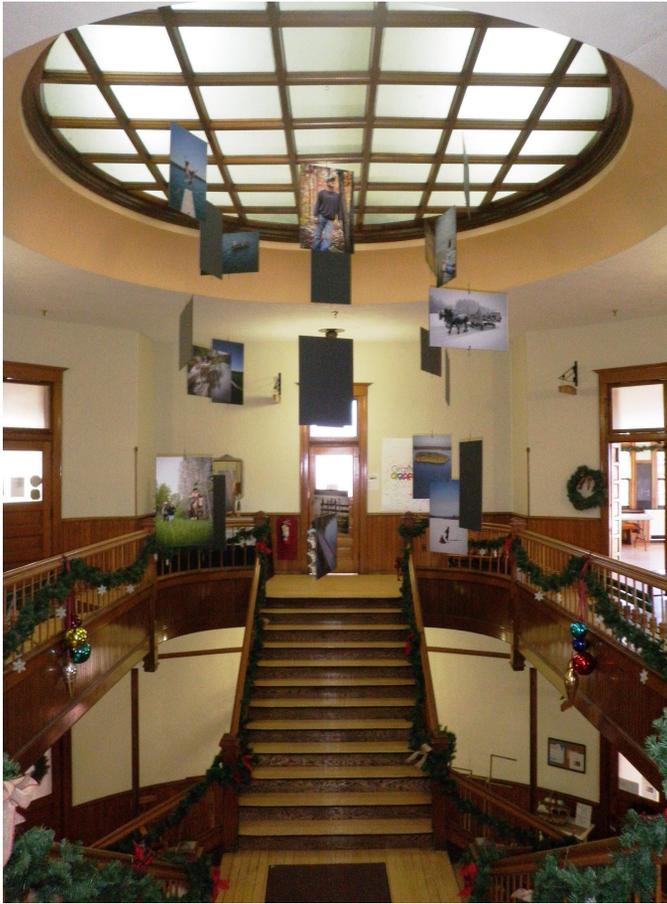


Figure 29: Central School Shops Stairway [Photograph]. Eric Trast, 2018.

BENEFITS

The project made use of a vacant or underutilized building, provided a location for small independent businesses or start-ups, and preserved a landmark building in the center of downtown.

LESSONS LEARNED

Before you invest in any plans, have a developer walk through the building to give you an initial impression of whether the space can be easily converted to commercial or office space.

LANESBORO, MN

CHURCH HILL SCHOOL CONDOMINIUMS



Figure 30: Church Hill School Condominiums Exterior [Photograph]. Daniel Anderson, 2009.



Figure 31 : Minnesota map showing Lanesboro [Map]. CURA, 2018.



Figure 32: Completed Interior [Photograph]. Linda Tacke, 2009.

BACKGROUND & CONTEXT

This school in Lanesboro was closed by the school district in 1990 after almost a century in use. Residents collectively invested in repurposing the building into fifteen condominium units.

PROJECT AT A GLANCE

Population	732
Cost	\$1.5 million
Funding Source	Individual Owners, TIF District
Timeline	10 years
Year Completed	2009
Developer	Owners/ Investors
Partners	City of Lanesboro
National Registry	No
Original Building Use	School
Use Today	Condominiums
Income Source	N/A
Website	http://www.churchhillschool.com
Staff Contact	Daniel Anderson

ADAPTING THE BUILDING

The building was purchased from the school district by two local residents for \$5,000 with the intention of redeveloping it into housing. North Country Cooperative explored developing coop housing in this space. They paid for architectural drawings and worked with the city to secure a Tax Increment Financing (TIF) district, but ultimately failed to get enough units sold and walked away.

At this point the owners decided to finance the project independently. Five investors provided \$5,000 initially for plans and drawings. After trimming expensive features like a horseshoe entrance from earlier plans, they estimated that they could complete the project for \$1.5 million. The exterior was solid, so exterior work was limited to replacing windows and doors and upgrading the parking lot. However, the interior had significant environmental hazards and needed to be gutted. They also brought in electrical and gas, and reworked the school hallways and classrooms into a new floor plan.



Figure 33: Interior Adaptation [Photograph]. Linda Tacke, 2008.

Without outside financing, every person was required to bring cash (\$100,000 on average) and pay in four installments. This allowed them to pay contractors as the work was being done. Each unit was priced differently based on location. Because of the physical condition of the building, they needed to start at the bottom and work up, but everyone wanted the top floor with beautiful views of Lanesboro. When they couldn't get anyone to buy first floor units, they shifted to a two-phase plan in which anyone who bought a first floor unit then would have the option to buy a third floor unit in Phase 2. They ended up with eleven buyers, including three people who bought with the intention of immediately selling their unit in phase 2. Construction started in 2007, and as the project got more attention they sold all but two of the units by 2008. They held off on tuckpointing and landscaping, and managed to function with only these 13 units until the last two units sold in 2017. These last two units paid for the remaining work. The developer explained that a reuse project couldn't have been done this way in a bigger city, where they require an occupancy permit and completed work before anyone moves in. They had no deadline on finishing a unit, so they could work on it unit by unit, as investors bought in.

“Big projects can be done by individuals with scarce resources if not hindered by excessive regulation.” Interviewee



Figure 34: Common Area [Photograph]. Linda Tacke, 2009.



Figure 35: Lanesboro High School [Photograph]. Unknown, n.d.

The planning process was complicated and capitalized on the work North Country Coop had done. Initially, the owners/ investors planned to follow a coop model similar to what the North Country Coop had proposed. However, they eventually decided to convert to condominiums because it is much easier for individuals to get financing for a condo than cooperative housing. (In a coop model, an individual owns a right to occupy space in that building, but there is nothing tangible for the bank to foreclose on if that person doesn't pay their mortgage.) They also benefited from a TIF district that North Country had previously negotiated. The owners received up to 90% rebate (net 80%) on taxes for the first year, and this would eventually taper off around the year 2024. According to project leaders, if not for the TIF, the project would likely have not been completed.

They also had to “get their legal ducks in a row.” People thought they were buyers, and didn't realize they were *investors* in this property. Had the cost of construction gone higher, the owners/buyers would have been “on the hook”, because they were all joint owners and shared the risk. When the project began, there were no documents showing what people were getting for their money. First, they formed a homeowners association in which all investors/ owners were board members, but soon realized how challenging it was to get everyone together to make decisions. They developed articles of incorporation and bylaws and formed a more reasonable board of five people (based on legal advice about an adequate number to represent the fifteen occupants). It took ten years to establish the legal protections for owners, and they learned a lot along the way.

The total project budget benefited tremendously from the original owner (a retired electrician) doing much of the work “in-house” and leveraging his relationships to get competitive bids from local sub-contractors. For each element they either hired architects to spec it out and then put out on bid, or offered that the sub-contractor could do design work for free in order to get the job. Lumber and building materials came from Rushford, and they were pleasantly surprised when they were only charged for the actual material used! After the sole bid for a general contractor came in at \$75,000, the original owner took on project management, doing the work for \$20,000 instead. This competitive bidding process worked to their advantage; in the end the project came in \$30,000 under their budget of \$1.5 million. Other than the TIF, they wanted to stay away from anything that would have limited them. For example, NRHP standards would have limited the kind of windows they could have used. Without NHRP distinction, they were able to replace all the windows with modern double-pane, double-hung Marvin windows.

CHALLENGES

The greatest challenge was the planning process that required gathering owners/ investors to fund the project, and this was overcome mostly through a phased approach to construction. An earlier investor had done a lot to raise awareness about the project, so the Church Hill Condos HOA did not have to do much marketing at all. Because of the tourist traffic in Lanesboro, word of mouth and on-site signage produced all of the investors they needed.

“I don’t know if getting on NRHP would have helped us. Maybe it would have helped get owners, but it would have taken away the biggest selling point (the cost).”

Owner/ investor

Table 12: Snapshot of response to survey question “How significant, if at all, were each of the following challenges?”

	Somewhat of a Challenge	Significant Challenge
Planning Process		■
Funding		■
Structural/ building issues	■	

REUSING THE BUILDING

Community support grew as the project gained traction. Initial public responses were that this was “too big of a project for an individual to take on. Will probably never happen.” However, once the project was completed, public comments included, “Great addition to the city. Good reuse of the old school building.”

BENEFITS

Made use of a vacant or underutilized building, created a tax base/ market value, and created or supported local jobs.

LESSONS LEARNED

One board member suggested that it may have been wise to channel TIF rebates into the HOA rather than refunding individual owners/investors. This would have established a reserve for future projects like roof replacement, and avoided raising monthly fees for the first several years. However, he also noted that taking away the personal tax rebates may have resulted in the units not selling as well initially.

LONG PRAIRIE, MN

REICHERT PLACE APARTMENTS



Figure 36 : Minnesota map showing Long Prairie [Map]. CURA, 2018.



Figure 37: Reichert Place Apartments [Photograph]. Central Minnesota Housing Partnership, 2018.

BACKGROUND & CONTEXT

The former Reichert Hotel building on main street in Long Prairie was given new life as affordable housing units in 2001. It is currently co-owned (50%) by the Central Minnesota Housing Partnership and the Long Prairie Housing and Redevelopment Authority.

ADAPTING THE BUILDING

A tax forfeiture that was owned by Todd County, the Reichert building was in rough shape by the end of the 1990s. It sat vacant for several years. There were trees growing out of the roof and significant water damage. The county would have had to demolish the building as well as remove environmental hazards prior to demolition, so they preferred to find a way to get the property back on the tax roll. The Long Prairie HRA got involved, hiring a consultant and applying for funding. However, the project became much more than they could handle and they requested Central Minnesota Housing Partnership participate in ownership and development. CMHP is a nonprofit originated by several county CAP Agencies to address the lack of housing for clients. They help develop housing in central Minnesota and currently own 29 rental properties, but the Reichert Building is their only historic property. They also provide programs like home-buyer education and small cities development programs. They work on several programs from homelessness to homeownership. Similar organizations exist throughout Minnesota.

The county provided a loan to assist in removal of asbestos and lead, and sold the building to the Long Prairie HRA and Central Minnesota Housing Partnership for \$1. They gutted the interior of the building, preserving historic elements of the building while also meeting current building codes such as installation of a fire system and elevator. During the rehab, a community member donated what had been the old check-in desk in the lobby so that it could be incorporated back into the building.

PROJECT AT A GLANCE

Population	3,324
Cost	2.6 million
Funding Source	Federal Home Loan Bank; Deferred Dev. Fees, loans, housing tax credits, historic tax credits (federal)
Timeline	Unknown
Year Completed	2001
Developer	Reichert Place Apartments, LLC. (owned 50/50 by Long Prairie (Housing and Redevelopment Authority and Central Minnesota Housing Partnership, Inc.)
Partners	Minnesota Housing, Federal Home Loan Bank, Tax Credit Investors, Local Lender, Federal HOME Funds, County Funding, Deferred Developer Fee.
National Registry	Yes
Original Building Use	Hotel
Use Today	Housing
Income Source	Apartment rental
Website	https://www.apartments.com/reichert-place-apartments-long-prairie-mn/fj58wys/
Staff Contact	Deanna Hemmesch- Central Minnesota Housing Partnership

Table 13: Reichert Place Apartments Project at a Glance Information, CURA, 2018.

Table 14: Snapshot of response to survey question “How significant, if at all, were each of the following challenges?”

	Somewhat of a Challenge	Significant Challenge
Planning Process		■
Structural/ Building Issues		■
Funding		■
Regulatory oversight challenges		■

CHALLENGES

The greatest challenge was compiling all of the funding sources together, which included Federal Home Loan Bank, deferred development fees, loans, housing tax credits, and historic tax credits (federal). When looking at a new development, it can be a delicate balancing act. You want to make sure there are enough units to make sure the property cash flows while balancing the number of units needed within the community.

Another challenge is that a small project such as this one does not always generate enough tax credits to entice investors, so they worked with the National Development Council (NDC) to secure investor equity. CMHP negotiates an investment plan and establishes terms for the investors to exit the partnership when needed, while maintaining controlling interest. Currently, CMHP and the Long Prairie HRA own the property 100%.

The planning process was especially challenging because of the multiple sources of funding and the restrictions on the property. Throughout the process they kept meeting with funders to determine funding sources needed. It was critical that they had good consultants and attorneys who could push the process along, and get all of the funders to agree on terms. Throughout the project they worked with PDC, a consultant that helped secure funding, made sure they were addressing historic preservation requirements, and worked with the contractor to meet the more stringent construction standards.

The building was sound structurally, but there were some issues that had to be addressed such as the roof and water damage. Both the exterior and interior had significant work done. They relied on structural engineers, historical architects and a lot of funding to overcome these challenges! In addition, the Minnesota Housing Finance Agency provided support.

It was difficult to find a contractor who had expertise in adaptive reuse. The contractor they used did not have experience in historic preservation, so they ended up with about 36 change orders and some materials were ordered incorrectly. For example, the interior doors had to be six-panel in a particular color. They were ordered in the wrong color and had to be stripped and restained, which ended up costing more money.



Figure 38: Reichert Hotel [Photograph]. Minnesota Historical Society, 1971.

REUSING THE BUILDING

Today the Reichert Place building includes 17 apartments, including efficiencies, one and two bedrooms. Because they used low-income housing tax credits, The rents must be kept at 60% of the area median income. They have had ups and downs since they opened in 2001, but currently the project is full.

BENEFITS

Made use of a vacant or underutilized building, created a tax base/ market value, and addressed a need for affordable housing.

LESSONS LEARNED

There is always resistance to affordable housing in a community, but this can be overcome through educating people on what “low income renters” look like. It is often your neighbor.

LONG PRAIRIE, MN

TODD COUNTY HISTORIC COURTHOUSE



Figure 39: Todd County Courthouse Aerial View [Photograph] Todd County, 2018.

PROJECT AT A GLANCE

Population	3,324
Cost	\$100,000 for windows Total project cost: \$3.5 million
Funding Source	County voter approved bond
Timeline	2 years
Year Completed	2012
Developer	Contegrity Group from Little Falls
Partners	Minnesota Historical Society, Todd County
National Registry	Yes
Original Building Use	Courthouse
Use Today	County Offices
Income Source	Government's role: owned the building, state grant funding, local bond
Website	https://www.co.todd.mn.us/departments/env_land_resources/env_land_resources_frontpage_panel
Staff Contact	Loren Miller

Table 15: Todd County Courthouse Project at a Glance Information, CURA, 2018.

BACKGROUND & CONTEXT

The Todd County Courthouse was originally built in 1887. It was rehabbed in 1918, and again in the 1950s to make it more “energy efficient” by covering 1/2-2/3 of each arched windows with plywood panels and installing a false ceiling in the board room. In the late 1990s the county offices moved to a new judicial center and the historic courthouse was abandoned. It was used as cold storage for paper documents and election equipment for a few years, but sat empty at the top of the hill for 10-12 years. The county jail across the street deterred vandals, but there was some water damage where the roof had leaked. In 2009 the County Board began talking about what to do with the old courthouse that was starting to show its age. People in Long Prairie were asking, “Are we going to tear down this eyesore or fix it?” A former county leader explained,

“It (fixing it up) wasn’t going to be just for show. It would be so we could use it.” Interviewee

ADAPTING THE BUILDING

The planning process included asbestos remediation, a reuse study, and a historic architectural assessment. Structural engineers looked at the condition of the building and determined that it was a good candidate for reuse. After noting the amazing condition of the materials such as wood framing, brick, floor tiles (“the wood beams are probably in as good shape now as when constructed” and “with routine maintenance should last another 200 years”) they provided ideas for how they could use the space in the courthouse. In the fall of 2010 they had a referendum on the ballot. County leaders embarked on a series of public informational meetings in every county commissioner’s district, and did many public presentations, radio shows, and newspaper ads. Todd County Historical Society partnered on the project, and local service organizations like the Lions and Rotary provided opportunities to promote the project to their groups. Some residents said, “Tear the dang thing down and haul it away. It’s ugly and it just sits there.” However, if they had paid the \$1 million to demolish it, the city still would have had an eyesore-- an empty hill.

“Even though you show people that you are providing an efficient product and preserving a piece of history along the way, there are still some people who will be against it.”

Interviewee

The referendum carried by 19 votes, authorizing the county board to issue bonds for the full project. Next, the county board voted 4-1 in favor of it. Interest rates were super low (they refinanced part of the project at about 1.75%) and they received money through the Obama Administration’s Economic Recovery funds that were pouring money into local projects.

The developer, the Integrity Group from Little Falls, had worked on other projects with the Todd County Board and brought in necessary expertise and resources. They had worked with historic courthouses before, as well as several other NHRP buildings, so they knew how to handle the inevitable surprises that come with adaptive reuse of historic buildings. They also worked with Collaborative Design out of the Twin Cities, who brought expertise in historic properties.

They saved as much as possible from the original building, including terrazzo floor tiles and woodwork. The board room on the second floor was largely unchanged. The safe in the treasurer’s office is original.

However, they did make some changes as the building was adapted to comfortably provide modern offices for county staff. During construction they had discovered a beautiful system of 1.5-2 ft. brick arches that had been built to strengthen the top floor, but this unfortunately had to be replaced with steel framing instead.



Figure 40: Todd Co. Courthouse [Photograph] Todd County, 2018.

There was extensive work done to the exterior of the building. Heat and air transfer is always a concern in an older building, and this was probably the biggest structural/ design challenge for this project. Their solution was to put in geothermal wells under the parking lot.

The outside of the building needed masonry work and a new roof. The original soft yellow bricks were manufactured in a brick yard about 15 miles from Long Prairie in 1887, and transported in wagon loads to the courthouse. They have held up well, but did need tuckpointing, especially on the cupola and south side of the building. The roof was re-shingled with metal shingles; these cost \$50,000 more but have a 50 year life expectancy (versus asphalt shingles with a 15-30 year life expectancy). During the project it was also discovered that the building had a fieldstone foundation that had to be replaced with concrete.

A ramp was installed to the main floor and a new elevator allows access to all floors, making the building completely ADA accessible. They also added windows to get more natural light to the lower level and main floor. They even found a creative way to use old doors as window shutters for some of the offices.

See several interior pictures of the redesigned Todd County Courthouse Space here:

<http://www.collaborativedesigngroup.com/Portfolio%20Categories/PublicFacilities/ToddCounty.html>

CHALLENGES

The biggest challenge on the project was, as one leader explained, “Getting off first base and getting the public on board...getting things moving.” Funding was a related challenge, and required that voters approve a bond and local tax increase.



Figure 41 : Minnesota map showing Long Prairie [Map]. CURA, 2018.



Figure 42: Todd County Courthouse [Photo] MPR News Nov. 22, 2010. <https://blogs.mprnews.org/ground-level/2010/11/i-wrote-about-the-ongoing/>

REUSING THE BUILDING

Demolition began in 2011 and by July of 2012 the first meeting of the County Board was held in the Historic Courthouse chambers. Public opinion initially spanned from “Isn’t this grand?!” to “They should have never done this!” Public opinion gradually became more favorable and comments were more positive such as “We didn’t think it would turn out this way.”

“Counties are unique. If people don’t see the building on a day to day basis, then they don’t see the value in spending tax dollars on this old building.” Interviewee

Some government offices had been moved to the Main Street government center, but moved back to the Historic Courthouse after rehab. The lower level houses the Planning & Zoning Department and the Land Soil & Conservation Department, Auditor Treasurer, Recorder, County Assessor, UMN Extension, and 4H. The second floor includes the county board room, meeting rooms, Human Resources Department, and the County Coordinator. The top floor (not open to the public) has a magnificent panoramic view of Todd County.

Throughout the project, there were several change orders that required additional funds. There was no capital improvement or long-standing funds at the time the project began, but the county started one in 2009 to cover expenses like the new foundation which arose unexpectedly. In later years, Todd County received a \$100,000 grant from MNHS for new windows in the courthouse building.

BENEFITS

The project made use of a vacant or underutilized building, used existing public investments and infrastructure, and provided a location for community/ public use.

LESSONS LEARNED

What would we do differently next time? Nothing
We were so happy we were able to save as much of the building as we did.

NEW ULM, MN

EMERSON UNION



Figure 43 : Emerson School Entrance [Photo]. Community Housing Development Corporation, 2018.



Figure 44 : Minnesota map showing New Ulm [Map]. CURA, 2018.



Figure 45 : Emerson School Entrance [Photo]. Community Housing Development Corporation, 2018.

PROJECT AT A GLANCE

Population	13,238
Cost	\$11 million
Funding Source	
Timeline	2 years
Year Completed	2020
Developer	Flannery Construction
Partners	City of New Ulm, Minnesota Housing Finance Agency, Greater Minnesota Housing Fund, Wells Fargo, Alliance Bank, Bank Midwest, Prairie Bank, MN State Historic Preservation Office, National Park Service, State Street Theater
National Registry	Yes
Original Building Use	School
Use Today	Apartments
Income Source	Yes
Website	http://chdcmn.org/
Staff Contact	Heidi Rathmann- Community Housing Development Corporation

Table 16: Emerson Union Project at a Glance Information, CURA, 2018.

BACKGROUND & CONTEXT

The former Emerson School in New Ulm is being refashioned as affordable housing units for low income residents in the community. After sitting empty for a few years, it is a high priority for the city because it is in a prominent location in the center of New Ulm, and many residents who attended school there have strong emotional ties to the building. After students moved out in 2013, the school district used it as administrative offices for a few years and eventually sold it to a series of different investors. The building sat vacant through many different “potential” projects, so the community is cautiously optimistic about the adaptive reuse. In 2017, the building was purchased by the Community Housing Development Corporation, a non-profit developer and owner of affordable housing that has many historic properties in their portfolio.

“School buildings work pretty nicely for housing because of the space set” *Interviewee*

ADAPTING THE BUILDING

The building has remained in good shape. The school district addressed several environmental issues. In addition, the heat remained on throughout the time the building sat empty. An earlier investor replatted the property to separate the school auditorium from the rest of the building and create a home for a local community theater. However, the heating system is connected for the entire school building, so keeping the heat on prevented damage and saved money in the long run.

The planning process for redevelopment included working with PDW (Preservation Design Works), a historic preservation consultant, and took over a year. The State Historic Preservation Office and the National Park Service have to approve the project scope, and ensure that the developer is following historic preservation standards such as repairing instead of replacing windows.

They closed on financing and began demolition in December of 2018. Restoration work should begin in early 2019 and they anticipate a 12- month construction period. Their contractor is Flannery Construction, whom they have worked with on several projects because they feel the company understands affordable housing and all of the many requirements that come with public funding. They write into the contract that priority must be given to as many local sub-contractors as possible.

CHALLENGES

The main challenge was the significant cost of rehabilitation and securing the financing sources necessary. They overcame this obstacle by creating a very complete and accurate scope. It took one and a half years to get all the funding arranged, which was quicker than they had expected given that it is always quite a long process involving state and federal agencies and tax credit programs.

“It is really hard (for an individual citizen) to walk into a bank and get a loan for a historic building. The numbers just don’t work.”



Figure 46 : Emerson School Interior [Photo]. Community Housing Development Corporation, 2018.

CDHC’s goal with affordable housing units like this one are to subsidize the rehab costs, keeping the first mortgage at a minimum in order to keep rental costs as affordable as possible for residents. They must keep all rents under 60% of area median incomes, and rents at or below 50% of area rental costs. In addition, they also found that cultivating community support was a challenge.



Figure 47 : Emerson School Exterior [Photo]. Community Housing Development Corporation, 2018.

REUSING THE BUILDING

The Emerson Union housing complex will maintain many of the historic features of the building, including terrazzo floors, woodwork, chalkboards, and raised platforms for teachers’ desks. As much as possible they will keep the built-in wood bookshelves and glass-front cabinets, turning them into storage units like “buffets” in dining room spaces, or built-in dressers in bedrooms. Two residential units in remodeled kindergarten classes will have the original “ABC” tiles in the living room spaces.



Figure 48 : Emerson School Built-In Cabinets [Photo]. Community Housing Development Corporation, 2018.

In addition to residences, the laundry facilities and a fitness center will also be located in former classrooms. The library provides a large common space for the building and the repurposed space will include a kitchen and game room. The former cafeteria will be converted into residential units.

BENEFITS

Made use of a vacant or underutilized building, addressed a need for affordable housing, and provided a location for community/ public use.

LESSONS LEARNED

“Find a developer who has experience with the finance sources needed for a building like this. It is trickier than you think!” *Interviewee*

RED WING, MN

CENTRAL PARK CONDOMINIUMS



Figure 49 : Central Park Condos [Photo]. City of Red Wing, 2018.



Figure 50 : Minnesota map showing Red Wing [Map]. CURA, 2018.



Figure 51 : Central High School [Photo]. Minnesota Historical Society, 1954.

PROJECT AT A GLANCE

Population	16,412
Cost	Approximately \$7 million in private investment, Approximately \$1.2 million in local assistance
Funding Source	City, County, Developer
Timeline	3 years
Year Completed	2006
Developer	Sutton & Associates Miller Dunwiddie (Architect)
Partners	Goodhue County, City of Red Wing, Red Wing Area Fund
National Registry	Yes
Original Building Use	School
Use Today	Residential
Income Source	No
Website	http://www.millerdunwiddie.com/projects/central-park-condominiums/#sthash.rZjln1hP.bhMFQVKL.dpbs
Staff Contact	Steve Kohn- Planning Manager, City of Red Wing

BACKGROUND & CONTEXT

Central High School was built in 1916 in downtown Red Wing and served continuously as a school until the mid-1990s. The county purchased the two-block property with an eye toward demolishing the building for parking lots or expansion of government offices. The city's Historic Preservation Commission blocked demolition because of its location on the eastern edge of the city's mall district. It sat empty from 1995 to 2004, when a private citizen convinced the county to pursue adaptive reuse. Central Park Condominiums were completed in 2006.

“There’s a lot of memories for a lot of people in that school.” Interviewee

ADAPTING THE BUILDING

A reuse study (made possible through a grant from the Minnesota Historical Society) revealed a structurally sound building that could be adapted to benefit the community. They looked at a few different options and ultimately decided that the community needed additional housing.



Figure 52 : Central High School Classroom [Photo]. City of Red Wing, 2003.

The project was a joint effort of the county, city, and a local philanthropic organization. The city of Red Wing provided a tax abatement and contributed labor for the streetscape. Goodhue County put out an RFP and received two bids from developers. They decided against the lowest bid, but were able to renegotiate terms with the developer they ultimately selected. The county sold the building for \$1, provided environmental abatement (for asbestos and mold), and assisted with interior demolition. A streetscape and small park were funded by the Red Wing Area Fund.

CHALLENGES

Although the building incurred some water damage in the nine years it was vacant, overall the building was in good shape. The Red Wing HPC was focused mainly on the exterior, and that did not change much. Work was done on tuckpointing, as well as replacing doors and windows. The original windows had all been replaced in the 1960s with smaller vinyl windows that were half the size of the originals. The developer wanted private first floor residences, so they built retaining walls and flower boxes to hide the doors that open directly onto the sidewalk. They got an easement for the historic facade on two sides of the building from the Preservation Alliance of Minnesota. A previous addition to the back of the school building was converted into a parking ramp and six loft apartments. This addition is not very visible from the street.

On the interior, classroom walls were removed and the hallways on the back side were made more narrow.

Table 18: Snapshot of response to survey question “How significant, if at all, were each of the following challenges?”

	Slight challenge	Somewhat of a Challenge	Significant Challenge
Planning Process			■
Funding		■	
Structural/ Building Issues	■		
Community Support	■		



Figure 53 : Central High School exterior damage [Photo]. City of Red Wing, 2003.

The planning process posed the greatest challenge to the project, reconciling city and county designs for the building. Community support was mixed. Many people wanted to see the building preserved and reused, recognized the need for additional housing in downtown Red Wing, and did not want to see a parking lot in its place. Others were concerned that it was not feasible.

“So many players were involved, it just took a lot of time to get everyone on the same page. Once the reuse project began, it went smoothly.”

Another challenge was funding the project, overcome by a multi-pronged approach that included public funding, donations from a philanthropic organization, and a private developer willing to invest in a historic property.

REUSING THE BUILDING

Today there are a total of twenty-one condominium units, including six loft apartments and fifteen standard units. The market-rate units vary, with the larger or corner units valued at around \$375,000. Some sold immediately, while other units took longer to sell and were rented for a period of time before they sold. All of the units are now privately owned.

BENEFITS

Preserved the character of the Red Wing Heritage Mall, made use of a vacant or underutilized building, and created a tax base/ market value. It also created 21 housing units in the historic downtown.

LESSONS LEARNED

The school left the site in 1995 and reuse of the property did not gain traction until 2004. A project like this may take time. Button up the building and keep working toward the goal!

And find the right developer!

ST. PETER, MN

THE OLD ARMORY



Figure 54: The Old Armory [Photo]. The Capitol Room, 2018.



Figure 55 : Minnesota map showing St. Peter [Map]. CURA, 2018.



Figure 56 : St. Peter Armory [Photo]. Nicollet Co. Historical Society, 1918.

BACKGROUND & CONTEXT

Originally built in 1913 as an armory, this 11,000 square foot building in downtown St. Peter showcases a castle front and tall, narrow windows. It served many purposes including a call center and yoga studio, and is now an event center. The old armory is part of a locally designated historic preservation district which offers a “stick” and “carrot” approach-- requiring building exteriors to maintain their historic facades but providing loan funds for owners to accomplish this. The building is not registered on the National Register of Historic Places because owners feared this distinction would limit its use.

ADAPTING THE BUILDING

In 2016, a developer came to the city requesting permission to adapt the old armory for a new event center. There was an identified need for a large event center to host weddings and other large gatherings in the community. The building was in pretty good shape structurally and did not require much work on the exterior. On the interior, walls and ceilings were stripped down to expose the original brick and steel girders. The manuals and other resources from the Secretary of Interior Standards for Rehabilitation provided important guidance on historic preservation.

“This building is a fantastic space, and the new Capitol Room takes full advantage of the historic features.”

Interviewee

36

PROJECT AT A GLANCE

Population	11,670
Cost	\$325,000
Funding Source	Locally controlled revolving loan fund.
Timeline	1 year
Year Completed	2017
Developer	Growth Holdings, LLC APEX Construction
Partners	City of Saint Peter Economic Development Authority
National Registry	No
Original Building Use	Call Center
Use Today	Event Center
Income Source	Event Rentals
Website	http://www.saintpetermn.gov/ https://www.capitolroom.com/
Staff Contact	Russ Willie- City of St. Peter

Table 19: The Old Armory Project at a Glance Information, CURA, 2018.

HISTORIC PRESERVATION DISTRICT

Any changes to the exterior of a building within St. Peter’s downtown historic preservation district must be presented at a public meeting and approved by the local Historic Preservation Committee, made up of one council member and four at-large committee members. To preserve the historic character of the façade, owners must use only period bricks when replacing bricks in masonry work, and use windows such as Marvin historic windows. Other examples of historic buildings in St. Peter include the Riley Tanis building, Nicollet Hotel, Stensly Cleaner building, 3rd Street Tavern/Conbrook, Brandt Law Office, River Rock Coffee House, and historic courthouse. The HPD ordinance is available online at saintpetermn.gov.



Figure 57: The Old Armory interior [Photo]. The Capitol Room, 2018.

CHALLENGES

Financing was the greatest challenge for repurposing the old armory. A below market rate loan from Saint Peter Economic Development Authority helped fund the new sprinkler system and extend city water lines from a block away to meet new codes established in the 1990s.

The community realized more than twenty years ago that there is value in maintaining the historic downtown, and that all residents in the community should share the burden of funding the ongoing costs of maintaining these historic buildings via a revolving loan fund for the businesses that fall within the HPD.

Table 20: Snapshot of response to survey question “How significant, if at all, were each of the following challenges?”

	Slight Challenge	Somewhat of a Challenge
Funding		■
Structural/ Building Issues	■	

REUSING THE BUILDING

The community was strongly in favor of the project to adapt and reuse the old armory building. The event center has over 3,000 square feet of rental spaces of varying sizes and a commercial kitchen for rent. Public comments included: "We really need more event space for wedding dances." This is a perfect example of how adaptation and reuse of historic buildings can help meet a critical need in the community.

“It's about time someone put that building to use.” Public comment

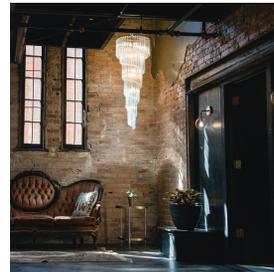


Figure 58: The Old Armory interior walls [Photo]. The Capitol Room, 2018.

BENEFITS

Made use of a vacant or underutilized building, commercial redevelopment, and was smart economic development (tourists drawn by a community’s historic character typically stay longer and spend more during their visit.)

LESSONS LEARNED

Have a clean understanding of your priorities. Historic preservation? Phony colonialism? Economic development? “You gotta worry about lunch first” so make sure you have the discipline to make hard decisions.

STAPLES, MN

NORTHERN PACIFIC RAILROAD DEPOT



Figure 59: Northern Pacific Railroad Depot [Photo]. Staples Historical Society, 2018.

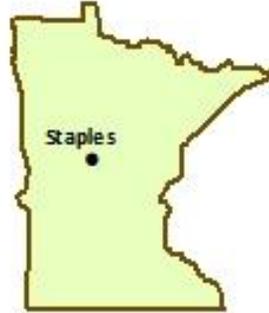


Figure 60 : Minnesota map showing Staples [Map]. CURA, 2018.



Figure 61 : Restoration of the Depot [Photo]. Staples Historical Society, 2013.

PROJECT AT A GLANCE

Population	2,955
Cost	\$1 million so far
Funding Source	MNHS, Region 5,
Timeline	10 years
Year Completed	2014
Developer	Alliance Building Corp.
Partners	MNHS, MN Dept. of Transportation, Todd County, Staples Historical Society
National Registry	Yes
Original Building Use	Depot
Use Today	Depot, Museum, Offices
Income Source	Offices
Website	http://www.alliancebuildingcorporation.com/portfolio/staples-depot-rehabilitation/
Staff Contact	

Table 21: Northern Pacific Railroad Depot Project at a Glance Information, CURA, 2018.

BACKGROUND & CONTEXT

In the railroad town of Staples, the depot has always been an important place. As the main switch from Duluth to Fargo, and Duluth to St. Paul, in years past more than 70 trains per day travelled through Staples. At its height there were many railroad officers who had offices on the 2nd floor of the depot and upwards of 400 men working on-site. Almost all are dead now, but there are a lot of memories tied up in this building. As the RR changed in the 1980s the Minnesota Department of Transportation encouraged the Burlington Northern Santa Fe railroad to destroy railroad infrastructure that was no longer utilized, including a large roundhouse, scotch yard, coal houses, ice houses, and potato houses. Instead of demolishing the depot BNSF sold the land around the depot to the Staples Historical Society for \$1 in 2008. However, because the tracks are still in use they would not sell land within 50 ft. of main line track (where the building sits); this is leased to the historical society. Today the depot is still used as a train station for Amtrak, as well as providing office space for rent and a museum.

ADAPTING THE BUILDING

Refurbishing the depot was a series of projects that spanned a 10-year period, although only 6-7 years included work on the building. The first thing the SHS did after acquiring the building was to put on a new roof, because of a fear of water damage.

In 2007 MNDoT rerouted Highway 10 and a railroad overpass was built over the new highway in 2012. During these projects it was made public that a small, brick medical office needed to be removed. A local resident did research on this building and discovered that it had historical value, so they negotiated a trade with the Minnesota Historical Society for a new roof on the depot.

They had to go through bidding process four times over a two-year period to get a developer for the main depot project. Each time they had to take things off the RFP, and reduce the scope of work. For example, the elevator was one of the things they scratched from the first RFP. The first bid was well over \$1 million which was way over their expected budget. New construction is a much easier way for contractors to make money when times are good than doing a small-scale reuse project in rural Minnesota. With reuse of any old building, there are always surprises and you don't know what you are going to have to deal with, whereas new construction is much more efficient and predictable. They had gotten bids from local sub-contractors in the first round of bidding but they lost interest by the end. The developer they finally got was Alliance Building Corp. from St. Cloud.

“The fact that we could not get a decent bid was most surprising to us.” Interviewee

The first phase of the rehab have focused on the first floor. They installed two garage style doors, and cleaned and restored all of the original terrazzo tile, plaster, and oak wood trim and mouldings. They have addressed all parts of the first floor except the baggage room, which they intend to leave unfinished as it is mostly wood, has less historical value, and is a good place for accessible storage space. The county engineer oversaw construction. He was a huge help and he knew all the requirements. Best of all, he forgave the entire bill for his services! They hope to eventually move onto Phase 2: refurbishing the second floor of the depot.



Figure 62 : Interior of the Depot [Photo]. Staples Historical Society, 2018.

CHALLENGES

Funding has been the greatest challenge in restoring the historic depot, but they have pieced together various funding sources to tackle different parts of the project. A \$90,000 grant from MNHS Legacy Funds paid for the architect, addressing asbestos and lead paint, and a \$10,000 assessment of the windows and elevator. A transportation grant from Region 5 Development Corporation provided a \$400,000 transportation enhancement grant (with 20% local match and 80% grant) They also were able to get federal transportation money from MNDoT but had to go through Todd County as the state aid agent, since small towns are not big enough to be their own agents.

Table 22: Snapshot of response to survey question “How significant, if at all, were each of the following challenges?”

	Somewhat of a Challenge	Significant Challenge
Funding		■
Planning process	■	
Regulatory oversight	■	

They have also received about \$30,000 in donations included a \$25,000 gift from the NP foundation, and another gift from Northern Pacific. A successful window sponsorship campaign resulted in all but two of the fifty-two windows in the depot being “purchased” for \$500. The cost to refurbish each window is over \$1,000 so this helped tremendously.

Regulatory oversight was another challenge, as historic preservation standards often seem at odds with ADA accessibility requirements. To preserve the historical character of the building they are required to use only original materials (like preserving original windows or using only period bricks), but they are also required to cut an 8x8 hole in the floor for an elevator.

“Some of the requirements seem over the top and add so much cost.”

Interviewee

All of the windows have been rebuilt on the first, which included removing and restoring one hundred year-old windows that are not energy efficient. They met with met with MNHS to see if they could instead replace windows with a Marvin “historic” style window, but this was not an option. The National Park Service is most concerned with the exterior of NRHP buildings, so an engineering firm suggested that they install a storm window on the inside of each window.



Figure 63 : Desk at Depot [Photo]. Staples Historical Society, 2018.

To use the second floor they will have to put in an elevator at a cost of \$100,000. However, this will allow them to create a local history museum which will take up at least four offices, and then they would have additional office space to rent.

The planning process had its own challenges, getting all concerned parties to agree and confirming what was necessary (ADA, abatements, etc.) and what was not allowed under NRHP rules. Tom Kajer of the Staples Historical Society was the driving force behind the depot project. However, the average age of SHS members is 75, and it has been hard to get young people involved.



Figure 64 : Ticket booth inside the depot [Photo]. Staples Historical Society, 2018.

REUSING THE BUILDING

Today the depot houses the Amtrak lobby and restrooms that are open 24 hours. Train traffic has decreased to only 52 trains per day, including Amtrak passenger trains and freight. The Chamber of Commerce is located in the former ticket office on the first floor of the depot. Professional Transportation Incorporated, a business which is responsible for shuttling train crews around, also rents space at the depot to keep vehicles and equipment on site.

The space is an important gathering place for the community. Public events include the annual “Christmas in the Depot” event which this year featured the Minnesota Boys Choir, an exhibit from the Minnesota History Museum, and over 150 people.

BENEFITS

Made use of a vacant or underutilized building, provided a location for non-profit use, provided a location for community/ public use.

LESSONS LEARNED

Persistence overcomes obstacles.

Be patient because nothing happens fast.



Appendices



Appendix A: Survey Instrument

To access the survey, please use the following link:

https://umn.ca1.qualtrics.com/jfe/preview/SV_9BN1p19XEOA4gNT?Q_SurveyVersionID=current&Q_CHL=preview

Appendix B: Survey Responses

To access the aggregate data from the Adaptive Reuse of Historic Buildings in Rural Minnesota, please access the google spread sheet.

https://docs.google.com/spreadsheets/d/11Et72ojfMyuwnwZS5rXBZuL32K-rfJHk_IfBenKICSE/edit?usp=sharing

Appendix C: Examples of Historic Preservation Projects in Rural Minnesota

Home Improvement Building	Albert Lea
Washington School	Alexandria
The Cooperative	Alexandria
Multi-Use Gustav Glader Bosch Farmstead	Atwater
Housing Boiler And Tank Shop Bldg.	Brainerd
Franklin Junior High School	Brainerd
Washington School in	Brainerd
Multi-Use Kruse Garage	Cannon Falls
Diedrick Building	Chaska
Second Street Professional Building	Chaska
Multi-Use Webster House	Clearwater
Graystone Hotel	Detroit Lakes
Multi-Use Holmes Block	Detroit Lakes
Glenwood school	Glenwood
Detroit Lakes school	Detroit Lakes
Cosgrove Glass Block	Faribault
Faribault Woolen Mill Company	Faribault
Hotel Kaddatz	Fergus Falls
St. Hubert'S House (Israel Garrard Block	Frontenac
Bank Building - Thomas Property	Henderson
Gerken Building New Leaf Development	Henderson
Gaar Scott & Company Implement War	Hennepin
Our Lady Of The Angels Academy	Little Falls
Thompson Summer House	Minnetonka Beach
The Grand Hotel	New Ulm
Heins Block	Olivia
Commerical Block	Red Wing
Goodhue County Co-Operative Co.	Red Wing
Round Barn Farm (Henry Dammon)	Red Wing
Phelps Block Building	Red Wing
Cogel/Betcher Block Building	Red Wing
Roseau County Courthouse	Roseau
J. C. Carlson House	Rush City
Kreitinger Garage	Springfield
K J Taralseth Company	Warren
Wilmar Tribune Building	Willmar
Winona Junior High & High School	Winona

Appendix D: Resources for Historic Tax Credit Programs

STATE HISTORIC TAX CREDIT PROGRAM

“The Minnesota Historic Structure Rehabilitation Tax Credit ([MN Statute 290.0681](#)), passed into law in 2010, has been a successful economic development tool for revitalizing distressed, vacant, and underutilized historic properties throughout the state.” Total Impact from 2011-2018: Since the state historic tax credit became available in 2011, **119 projects** have received initial approval. These projects have generated an estimated \$3.0 billion of economic activity in the state. This includes \$993.5 million in labor income (dollar figures are adjusted to 2018 dollars). The state historic tax credit has supported 16,557 jobs. (Preservation Alliance of Minnesota <http://www.mnpreservation.org/policy/>)

State Historic Preservation Office
<https://mn.gov/admin/shpo/>

Minnesota Historic Structure Rehabilitation Tax Credit Program Brochure:
https://mn.gov/admin/assets/SHPOtaxcreditbrochure_tcm36-327645.pdf

Preservation Alliance of Minnesota:
<http://www.mnpreservation.org/>

FEDERAL HISTORIC TAX CREDIT PROGRAM

U. Department of the Interior- Standards for the Treatment of Historic Properties
<https://www.nps.gov/tps/standards.htm>

Map of Federal Historic Tax Credit Projects in Minnesota, 2002-2016:
<https://forum.savingplaces.org/HigherLogic/System/DownloadDocumentFile.ashx?DocumentFileKey=0afc4538-cb7a-1f62-b784-b361216a970b&forceDialog=0>

National Trust for Historic Preservation:
<https://savingplaces.org/>

National Trust for Historic Preservation- Historic Tax Credits:
<https://savingplaces.org/historic-tax-credits#.XEjLZFxKhPZ>



Appendix D: Resources for Historic Preservation

STATUTES THAT RELATE TO HISTORIC PRESERVATION

The National Historic Preservation Act of 1966, as amended (16 USC 470 et seq.) is the most comprehensive federal law pertaining to the protection of cultural resources. Among the law's provisions:

-Section 106 requires federal agencies to consider the effect of their activities on historic properties and to afford the Advisory Council on Historic Preservation the opportunity to comment on those activities. In practice, this provision is administered under regulations defined in 36 CFR 800 that require federal agencies to consult with SHPO in all undertakings.

The Minnesota Field Archaeology Act (MS 138.31-138.42) requires licenses to engage in archaeology on public land; establishes ownership, custody and use of objects and data recovered during survey; and requires state agencies to submit development plans to the State Archaeologist, SHPO and the Minnesota Indian Affairs Council for review when there are known or suspected archaeological sites in the area.

The Minnesota Historic Sites Act (MS 138.661-138.669) establishes the State Historic Sites Network and the State Register of Historic Places, and requires that state agencies consult with the State Historic Preservation Office before undertaking or licensing projects that may affect properties on the network of the State or National Register of Historic Places.

The Minnesota Historic Districts Act (MS 138.71-138.75) designates certain historic districts and enable local governing bodies to create commissions to provide architectural control in these areas.

The Minnesota Environmental Rights Act (MS 116B.02) considers historic resources as part of the natural resources continuum, according them protections under the act.

The Minnesota Environmental Quality Board Rules (EQB) pertain to state Environmental Assessment Worksheets and Environmental Impact Statements.

Appendix E: Works Cited

Gause, J. : (1996) *New Uses for Obsolete Buildings*. Washington, DC: Urban Land Institute.

Michigan State University Extension. (2018). The basics of adaptive reuse. Retrieved from https://www.canr.msu.edu/news/the_basics_of_adaptive_reuse

Miller, D. (June 27, 2016). Adaptive reuse: Much more than historic preservation. *Consulting-Specifying Engineer*. Retrieved from <https://www.csemag.com/articles/adaptive-reuse-much-more-than-historic-preservation/>

Minnesota State Historic Preservation Office. (2018). Minnesota Historic Structure Rehabilitation Tax Credit. Retrieved from <https://mn.gov/admin/shpo/incentives/state/>

National Trust for Historic Preservation. (2018). Reurbanism: Shaping Communities Through Reuse. Retrieved from <https://savingplaces.org/reurbanism#.XEjLvFxKhPY> and <https://forum.savingplaces.org/blogs/forum-online/2016/09/07/ten-principles-for-reurbanism-reuse-and-reinvestment-in-the-21st-century? ga=2.96317788.1376254150.1548274405-1032799695.1541952368>

Preservation Alliance of Minnesota. (2018) State Historic Tax Credit Investment. Retrieved from <http://www.mnpreservation.org/services/state-historic-tax-credit/>

Rodriguez, S. et. al. (2002). Sustainability Assessment and Reporting for the University of Michigan's Ann Arbor Campus. Retrieved from https://www.researchgate.net/figure/Pillars-of-sustainable-development-Rodriguez-et-al-2002_fig2_324819797

Rypkema, Donovan. (2007.) *Feasibility Assessment Manual for Reusing Historic Buildings*. Washington D.C.: National Trust for Historic Preservation.

Simons, R. et. al. (2016). *Retired, Rehabbed, Reborn: The Adaptive Reuse of America's Derelict Religious Buildings and Schools*. Kent: The Kent State University Press.

U.S. Department of the Interior. (2018). Standards for Preservation. Retrieved from <https://www.nps.gov/tps/standards/four-treatments/treatment-preservation.htm>

Wong, Liliane. (2016). *Adaptive Reuse: Extending the Lives of Buildings*. San Francisco: Birkhauser.