

# The Blue Mountain Dispatch

Courtesy of the Weston Area Development Association

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## Supporting the Upper Floor Housing Wave With the Oregon Main Street

JANUARY 24, 2023

by Oregon Heritage

One of the hottest topics in the Main Street world these days is Upper Floor Redevelopment, particularly in the context of housing. Our downtowns are widely regarded as the place to start to begin addressing the nationwide housing crunch. **Recent studies from Main Street America and University of Oregon Institute for Policy and Research Engagement** (<https://tinyurl.com/4v45ns5y>) reveal that there is a significant amount of upper floor space that is already constructed and with the right vision, capable partners, and a viable capital stack, could be redeveloped into upper floor housing. While the available space seems to be plentiful, the devil is always in the detail. Many of these spaces simply aren't laid out properly for residential use, or don't have appropriate plumbing, electrical or mechanical systems to support residential occupancy. On top of that, structural and life safety requirements are likely to add significant costs to the redevelopment of historic buildings, many of which were built before modern structural and life safety regulations were contemplated.

All those factors create additional cost, which leads to the perception of financial risk in the absence of market comparators that can validate expected income. Many of our communities don't yet have reliable residential comparators, which creates a chicken vs. egg scenario: property owners won't invest in

residential development because they don't know how much the market will produce in income. But until there are some residential units in the market, we can't reliably evaluate what that income might be. Fortunately, this doesn't have to be a dead end. Through the **Oregon Main Street Revitalization Grant (OMSRG)**, (<https://www.oregon.gov/oprd/oh/pages/grants.aspx>) many of our communities have been able to infuse some capital into these projects to help overcome the financial risk factor. And in most cases these projects create a boon for the developer and the community in which they are located.

Klamath Falls has received two Oregon Main Street Revitalization Grants (2017 and 2019) to support upper floor residential development in three downtown buildings. These projects, like several others around the state, serve as examples to other property owners and developers that residential development can be viable in



*The "Subway" apartments in the Lamb-Swanson building in Downtown Klamath Falls feature high-grade appliances and finishes, and range between 800-1,100 square feet.*



downtown markets that are far from saturated.

In 2017, the OMSRG helped to fund the installation of two elevators that were required in two buildings to create a total of 20 residential units across the two properties. This was also a unique example of a high-density residential project where property owners agreed to rates slightly lower than market in exchange

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# Ten Reasons to Buy and Restore a Historic Commercial Building

## Weston Area Development Association

WADA was organized as a nonprofit to assist in obtaining grants, appropriations, donations, and other types of funding to work on historic preservation, economic development, and more in the Weston area — not just downtown.

Weston is in need of funding to restore the downtown buildings as well as develop economic opportunities for the community. WADA will work cooperatively with local, state, and federal government resources.

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*Reprinted from  
Wisconsin Historical Society*

There are many reasons why you might want to buy and restore a historic commercial building. You may

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for a long-term, guaranteed-occupancy arrangement. This type of project can be a creative way provide student or workforce housing.

And in 2019, another OMSRG supported upper floor residential development to create four modern downtown living spaces with high-grade finishes and appliances, allowing the property owners to charge slightly higher than what they believed was “market rate”. These apartments, ranging from approximately 800-1,100 square feet, were under contract before they were ready to occupy and have been continuously occupied since opening in summer, 2020.

The OMSRG was essential in making these early residential projects pencil, and perhaps even more important in helping to create confidence in the viability of the market. As a result of these projects and the continuing need for downtown housing, several more residential units have been added in Downtown Klamath Falls through private investment, some supported with local public funding. And like most of our communities, it doesn’t look like the wave of residential development will subside any time soon. If you have a potential upper floor redevelopment project waiting in the wings, consider the Oregon Main Street Revitalization Grant as an opportunity to help push it past the finish line!

*Submitted by Darin Rutledge, former Executive Director, Klamath Falls Downtown Association*

choose to operate your business in a historic building simply because you like the building’s architectural design and craftsmanship. But you might also look at an older building as an investment, because older buildings are often built with long-lasting materials and energy-efficient construction. Buying and preserving an older commercial building also allows you to benefit from, and contribute to, the well-being of your community.

Consider the following top 10 reasons to buy and restore a historic commercial building.

## **Reason 1: A Good Long-Term Investment**

Your purchase and rehabilitation of a historic commercial building could be an excellent long-term investment. Historic commercial buildings are well-built, energy efficient and often offer great flexibility in the reuse of space. Many older commercial buildings are located in downtown areas that are experiencing a revival as a shopping and tourist destination. The development of downtown residential units is also increasing in popularity. If your building is listed individually on the National Register of Historic Places or is a contributing building in a historic district, your rehabilitation work could qualify for substantial federal and state tax credits.

## **Reason 2: Well-Built and Long-Lasting**

Commercial buildings constructed in Wisconsin before 1940 are some of the best-built buildings that will ever exist.

Many of the state’s historic commercial buildings have stood for over 100 years, and will last another 100 years with proper care and maintenance. The frame and masonry buildings constructed from the 19<sup>th</sup> to the mid-20<sup>th</sup> centuries were built using old-growth wood and quality

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# Grants Available for Historic Preservation

If you own an historic building you may be eligible for one or more of the following grants. If you would like assistance to apply for these grants, WADA is more than happy to help you.

Information listed below is just the basics. Complete information on the grants and what is needed to apply can be found online at: <https://tinyurl.com/yehe886t>

**Diamonds in the Rough** grants are to restore or reconstruct the facades of buildings that have been heavily altered over the years. The purpose is to return them to their historic appearance and potentially qualify them for historic designation (local or national). These grants are part of the SHPO's Preserving Oregon Grant Program. Grants may be awarded up to \$20,000. These grants are funded in part by the Oregon Cultural Trust. **Deadline:** May 8, 2023 (11:59 p.m.)

**Preserving Oregon Grants** The State Historic Preservation Office (SHPO) offers matching grants for rehabilitation work that supports the preservation of historic resources listed in the National Register of Historic Places or for significant work contributing toward identifying, preserving and/or interpreting archaeological sites.

- Letter of Intent to apply is REQUIRED and must be submitted by the deadline.
- Letter of Intent Deadline: April 11, 2023 (11:59 p.m.)
- Once the letter is approved, you will be able to work on the application in the same online program.
- Application Deadline: May 8, 2023 (11:59 p.m.)

**Historic Cemetery Grants** provide funding in the following categories: Protection and Security, Restoration and Preservation, Education and Training, Research and Interpretation in support of

cemeteries listed with the Oregon Commission on Historic Cemeteries. **Deadline:** April 12, 2023 (11:59 p.m.)

**The Oregon Museum Grant** supports Oregon, public and non-profit, museums in projects for the collection and management of heritage collections, for heritage-related tourism, and heritage education and interpretations. **Deadline:** April 12, 2023 (11:59 p.m.)

Together with American Express, the National Trust is once again launching the **Backing Historic Small Restaurants Grant Program** to help restaurants address critical needs amid ongoing economic challenges. **Deadline March 12, 2023**

**Semiquincentennial Grants** coming this summer. Federal funds.

Contact us at 541-204-0874 by email at [WADA@gmail.com](mailto:WADA@gmail.com)

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craftsmanship. Lumber made of oak, fir, white pine, poplar and other native hardwoods was used for the structural support of these buildings as well as floors, ceilings and architectural details. Expert masons utilized brick and stone for exterior walls and decorative elements. These buildings often display interior plaster walls as well as materials such as pressed metal, terra cotta and structural glass.

### Reason 3: Already Energy Efficient

According to the U.S. Department of Energy, pre-1920 commercial buildings require less energy consumption per square foot than any other commercial buildings except those built since 2000. Historic commercial buildings were de-

signed with many features that help reduce energy use: high ceilings, operable sash windows and thick walls of plaster, brick and wood framing. You can also retrofit these buildings with modern energy-saving features to lower your energy bills even further. Many of these retrofits—such as adding ceiling insulation, storm windows, and roof solar panels—can be done while preserving and maintaining the architectural character of your building.

### Reason 4: Open Floor Space Permits Adaptive Re-use

The open floor space on the first and upper stories of many historic commercial buildings can be adaptively reused for your business or tenants. Commercial buildings constructed between 1860 and

1920 usually have an open floor design with minimal partitions. Often these spaces have a high floor-to-ceiling height and character-defining features such as wood floors, pressed metal ceilings, wood ceilings and plaster walls.

The rehabilitation of a historic building is often less costly than new construction. A historic commercial building also offers a quicker occupancy time than new construction. Because the building does not need to be constructed from the ground up, a historic building can often be placed in service quicker than a new building.

### Reason 5: Eligible for Historic Building Tax

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## Spotlight On Weston's Historic Buildings

### Building No. 2

#### Blue Mountain Tavern

105 East Main Street, Weston, Oregon

Common name: Blue Mountain Tavern

Date of construction: c. 1895

Style: Italianate Significance: Primary

**Description:** Single story brick masonry building of locally manufactured brick, rectangular in plan. Approximate frontage on Main Street is 34 feet. Facade organized as two narrow shop bays on either side of a central entrance bay. Division of the bays and articulation of the upper facade is typical of several buildings along the street, consisting of strip pilasters, stacked plain string courses, and crowning string course with an intermediate course of cut brick laid in sawtooth fashion. The central bay is marked by a rectangular, straight-topped parapet crest. Display windows and entrance are



remodeled, but paired segmental arches remain above the west bay. The west wall, having originally abutted another building, is blind. The east wall is a common wall with the adjoining Reynaud Building.

**History:** In the early years, before 1960, the left side of the building had become the headquarters for Weston Grain Growers. But when the current Post Office was built, in 1960, The Weston Grain Growers moved to the west portion to that building and their former site was incorporated into the Blue Mountain Tavern, which is currently owned by an individual living in the Tri-Cities.

**Memories: Elnora Baker:** Harry always had a card game in the back room. I grew up never knowing how to play cards. When I asked Harry to teach me, he asked me if I had money. When I said "No", he said that "In here we play for money, not for fun."

Harry used to open for breakfast at 3:00 in the morning so he could feed the pea workers from the cannery.

**Bob Gilliland:** I remember going into the tavern as a young man, standing at the end of the

## Historic Weston, Oregon

*A Town Rich in History*



[www.HistoricWestonOregon.com](http://www.HistoricWestonOregon.com)

## Blue Mountain (Kees) Cemetery

[www.BlueMountainCemetery.com](http://www.BlueMountainCemetery.com)

Information on Burials including photos of headstones, some obituaries, and other related historical information can be found on this website. There is also a map on the website. The original website was a labor of love by Bob Gilliland. It was a miracle that it could be recovered from an archive website with only a few items not recoverable as the domain expired.

counter and ordering a burger and fries. Boy, they were good!

**Tom Wamsley:** I don't remember the fries. Are you sure they served them?

**Bob Gilliland:** I remember when they stopped serving them. Mr. Iverson, who was operating the Blue Mountain at the time, said he couldn't get Weston Mountain potatoes anymore and those Hermiston spuds are all water. So, no more fries.

Walking tour link:

<https://www.theclio.com/entry/163812>

*Information from the National Register for Historic Places – Weston Commercial Historic District*



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Our Weston Facebook page  
@WestonOregon2022

Keep up to date on what's happening, important notices, etc. Be sure to invite your friends and family to "Like" our page, too.

## Credits

One way to increase your investment in a historic commercial building is through the use of [federal](#) and [state tax credits](#) for substantial rehabilitation projects. By rehabilitating your building in keeping with its architectural character, you can take a 20% federal tax credit against your income taxes. There is a 20% Investment Tax Credit (ITC) available in Oregon for rehabilitating, National Register listed historic buildings. The ITC is a percentage of the rehabilitation costs and does not include the purchase price. This is a tax credit, not a deduction.

Example: 20% of a \$100,000 rehabilitation = \$20,000 tax credit

### Reason 6: Eligible for Tax Breaks via an Easement Agreement

You might be able to add to your investment in a historic commercial building through an easement agreement. Basically, an easement is an agreement between a property owner and a qualified historical society, conservation group or government entity to maintain a property's historic character in exchange for certain tax breaks. You can receive tax benefits in the form of reduced income, estate or property taxes. The easement binds the owner and future owners to keeping the property in its present condition rather than using the property at its highest and best use. The value of an easement is the difference between a building's existing use and its highest and best use.

### Reason 7: Part of Downtown Revitalization Efforts

Your historic commercial building could benefit from—and contribute to—your community's downtown revitalization efforts. Historic buildings are attractive venues for cultural and commercial amenities, such as museums, theaters, restau-

rants, shops and libraries that enhance community life. Community efforts to preserve and adaptively reuse historic buildings tend to concentrate these attractions within close proximity to older neighborhoods.

Your community may offer low-interest loans, façade grants and other financial incentives to encourage investment in an older commercial building.

### Reason 8: Protects Community Tax Investments

When you make efforts to preserve a historic building, you are making a commitment to protect taxpayers' investments – including your own investments – in your community's existing infrastructure and neighborhoods. It is far less costly for your community to use and maintain the existing infrastructure, such as roads, sidewalks, lights, water/sewer lines, schools and fire stations, than to expand development on the edge of your city. Community expansion requires new infrastructure projects, usually at the expense of existing neighborhoods.

### Reason 9: Creates Economic Benefits for Your Community

Your preserved historic building can help to attract visitors to your community – and the economic benefits of “heritage tourism.” In fact, one of the most rapidly growing segments of the tourism industry is heritage tourism, which focuses on historic areas and sites. Heritage tourists are those who wish to experience the places, artifacts and activities that authentically represent the stories and people of the past and present. A community that accentuates its particular historic character and identity attracts visitors seeking an experience they cannot

find elsewhere.

Studies have shown that heritage tourists tend to visit longer and spend more money than other types of tourists, bringing economic benefits to the merchants in the communities they visit.

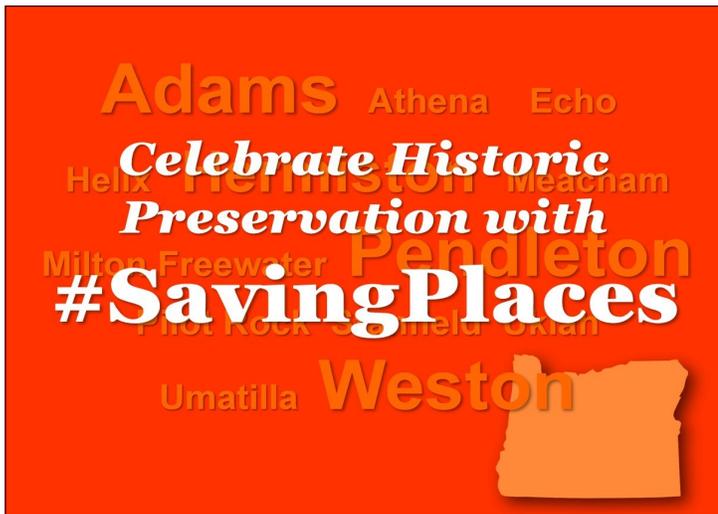
### Reason 10: Creates Jobs in Your Community

Whether your commercial building preservation project is a large rehabilitation contract or a small repair, your project helps to create work and income in your community. Although new construction is often viewed as an indication of economic health, the rehabilitation of existing buildings actually creates thousands of construction jobs annually. The National Parks Service estimates that every \$55,000 spent on rehabilitation equates with one job. In fact, historic preservation creates more jobs for the dollar than new construction. In a typical new construction project, about half of the expenditures are for labor and half for materials. In a rehabilitation project, it is more typical that 60% to 70% of expenses will go toward labor costs. The money you spend on local labor for your rehabilitation project will stay in your community.

By restoring a commercial building in your community, you also reduce the waste that goes into your local landfill. Construction debris accounts for 25% of landfill material annually. The demolition of a 2,000 square-foot building results in an average of 230,000 pounds of waste.



For more information:  
541-204-0874  
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<https://WestonOregon.com>



## Celebrating Historic Preservation Month during May 2023

Every year in May, local preservation groups, state historical societies, and business and civic organizations across the country celebrate Preservation Month through events that promote historic places and heritage tourism, and that demonstrate the social and economic benefits of historic preservation.

Preservation Month began as National Preservation Week in 1973. In 2005, the National Trust extended the celebration to the entire month of May and declared it Preservation Month to provide an even greater opportunity to celebrate the diverse and unique heritage of our country's cities and states

This year's Preservation Month theme is "People Saving Places," a national high-five to everyone doing the great work of saving places—in ways big and small—and inspiring others to do the same. Want to help spread the word in your community? Check back next month for details on celebrating Historic Preservation Month in Weston during May or contact us at 541-204-0874 or WADA97886@gmail.com.

**Check back next month for more information on historic preservation and how it helps with economic development in the community.**

- ◆ Being Impactful with the Main Street Impacts Report
- ◆ Compliance Connections
- ◆ Celebrating Historic Preservation Month will be "People Saving Places"
- ◆ And more...

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## Weston Area Development Association Needs YOU!



If you are interested in joining us, please contact us by email at WADA97886@gmail.com. Please include at least your name and email address. If you prefer to call, you can reach us 541-204-0874 Leave a message and we will get back to you! We are ready to get to work. It is time to stop leaving money on the table!

Walking Tour is Online at:  
[www.WestonOregon.com](http://www.WestonOregon.com)  
Download the phone app at  
[www.TheClio.com](http://www.TheClio.com)  
or on our website.

**Weston Area Development Association (WADA) was organized as a nonprofit to encourage restoration and revitalization in downtown Weston and the general area that results in economic development and a positive sense of community.**

**We have a vision to preserve and enhance the historic charm and uniqueness of the history of Weston. Weston is in need of funding to restore the downtown buildings as well as develop economic opportunities for the community. We hope that you will join us in this endeavor.**

**Donations Accepted!**

