

WESTERN OFFICE



NATIONAL TRUST
for HISTORIC PRESERVATION

March 15, 2005

By facsimile and mail

City of Oakland, Planning Commission
Attn: Margaret Stanzione, Project Planner
250 Frank Ogawa Plaza, Suite 2114
Oakland, California 94612
Fax: (510) 238-6538

Re: Wood Street Development Project

Dear Chairperson McClure and Planning Commissioners:

On behalf of the National Trust for Historic Preservation, thank you for the opportunity to comment on the proposed Wood Street Development Project in West Oakland, including partial demolition of the historic Southern Pacific 16th Street Train Station.

The National Trust is a private, nonprofit membership organization dedicated to protecting the irreplaceable. Recipient of the National Humanities Medal, the Trust provides leadership, education and advocacy to save America's diverse historic places and revitalize communities. Its Washington, DC headquarters staff, six regional offices and 21 historic sites work with the Trust's 200,000 members and thousands of local community groups in all 50 states, including over 20,000 members in California alone.

Designed by Chicago architect Jarvis Hunt (1859-1941), the Beaux-Arts 16th Street Station is eligible for the National Register of Historic Places and remains a proud symbol of East Bay history despite decades of neglect and abandonment. The station was a terminus for African-American migration to the west, particularly during World War II, and served as a central point of transfer between the extensive local transit lines and the passenger railroad. In 1925, C. L. Dellums and A. Philip Randolph founded the Brotherhood of Sleeping Car Porters, "a labor union of national significance and seminal influence on the struggle for civil rights and creation of improved working conditions for all labor."¹ As recognized by the Landmarks Preservation Advisory Board, "all aspects of the 16th Street Train Station are considered part of an historical resource and the baggage wing and elevated tracks are considered integral to the station building."²

Although the project sponsor has "promised to present to the City clear and incontrovertible evidence that supports the required findings for the infeasibility of preserving the entire set of historic resources associated with the 16th Street Train Station,"³ the economic feasibility study submitted by

¹ LPAB Staff Report, February 28, 2005.

² *Id.*

³ *Id.*

Protecting the Irreplaceable

(415) 956-0610; Fax (415) 956-0837

<http://www.nationaltrust.org>; E-mail: wro@nthp.org

8 California Street, Suite 400, San Francisco, CA 94111-4828

the developer⁴ relies on questionable assumptions to establish the need for demolition of the station's baggage claim area.

The feasibility study appears to unnecessarily limit the pool of likely users to nonprofit tenants with limited capacity to pay rent.⁵ As a result, the study concludes that tax increment financing will likely be needed to fund capital improvements, making use of federal rehabilitation tax credits "problematic for this development."⁶ Although public uses are certainly appropriate for 16th Street Station, a mixed-use scenario combining for-profit and nonprofit occupants may prove more economically viable. This approach will be followed in the adaptive use of San Francisco's Old Mint as a City Museum and Convention and Visitors Bureau by incorporating a restaurant, retail space and office space into the project.

The proposed demolition of the baggage claim area and elevated tracks jeopardizes the station's eligibility for the National Register and, in turn, its ability to take advantage of federal rehabilitation tax credits. Any feasibility analysis should consider the use of taxable bonds to finance renovation, as opposed to tax-exempt financing, thereby enabling the project to qualify for the 20% rehabilitation tax credit. Even with the slight increase in interest rates, the benefit of rehabilitation tax credit equity far outweighs any potential savings from the lower interest rate of tax-exempt bonds, even more so when combined with the New Markets Tax Credit.⁷

Finally, the feasibility study submitted by the developer estimates that renovation costs will exceed \$1,000 per square foot, without taking into account cost-saving measures available under the State Historical Building Code (SHBC). The SHBC is a performance-based code requiring an equivalent level of safety as new construction, but permitting identification of different options to achieve safety levels required under the prevailing code.

As discussed in the LPAB Staff Report, there are several unexplored options for reuse of the baggage claim area, such as adding a mezzanine level that could be leased as commercial space or conversion into live-work units. Because subdivision of the property will handicap efforts to develop a plan for preserving the entire station (with its track, platforms and baggage area), we urge the City to require a comprehensive, independent feasibility analysis before acting on the applications and ordinances—evaluating a broad range of potential users, code alternatives, and financing sources, including tax credits. Thank you for your consideration.

Sincerely,

Michael Buhler
Regional Attorney

cc: Oakland Heritage Alliance

⁴ "16th Street Train Station Reuse Feasibility," Conley Consulting Group, August 24, 2004.

⁵ "The likely users include a museum, performing arts center, or community center." *Id.* at 2.

⁶ *Id.*

⁷ The New Markets Tax Credit (NMTC) is a 39% tax credit for investors in commercial projects located in qualifying low-income census tracts. The credit was created in 2000 by the federal government to help stimulate \$15 billion in new capital for low-income communities over seven years. NMTC equity can be "twinned" with the rehabilitation tax credit, bringing approximately 25% more financing to qualifying projects.

Protecting the Irreplaceable

(415) 956-0610; Fax (415) 956-0837

<http://www.nationaltrust.org>; E-mail: wro@nthp.org

8 California Street, Suite 400, San Francisco, CA 94111-4828