



United States Department of the Interior

NATIONAL PARK SERVICE  
1849 C Street, N.W.  
Washington, D.C. 20240



March 25, 2019

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]

**PROPERTY: Hamilton Building, 255-267 Hamilton Avenue and  
551-581 Ramona Street, Palo Alto, CA**  
**PROJECT NUMBER: 29024**

Dear [REDACTED]:

I have concluded my review of your appeal of the November 22, 2017, decision of Technical Preservation Services (TPS), National Park Service, denying certification of the rehabilitation of the property cited above. The appeal was initiated and conducted in accordance with Department of the Interior regulations (36 C.F.R. part 67) governing certifications for federal income tax incentives for historic preservation as specified in the Internal Revenue Code. I thank your representatives, [REDACTED] for meeting with me in Washington on November 9, 2018, and for providing a detailed account of the project.

The Hamilton Building, originally named the Medico-Dental Building, is a four-story, reinforced concrete structure designed in the Spanish Colonial Revival Style. Constructed in 1927, the building features commercial tenant spaces on the ground floor with individual sidewalk entrances. A lobby on Hamilton Avenue provides access via stairs and an original elevator to the professional offices on the upper floors, which featured double-loaded corridors serving what were originally medical and dental offices, typically with small examination and treatment rooms. Although the building reads as a four-story mass from the street, above the second floor, it is an "L" shape above what was originally a two-story high post office on the Hamilton Avenue side of the building. The utility core of stairs, elevator, bathrooms, and fire escape were located at the inside corner of the "L."

In its denial letter, TPS stated that, although the exterior rehabilitation work complied with the Standards, *"The cumulative effect of the interior changes to the upper floors have resulted in loss*

*of historic spaces, materials, and features that alters the historic-character of the property and causes the overall project to fail to meet the Standards.”*

After careful review of the complete record for this project, including the materials you submitted as part of your appeal, and subsequent to the appeal meeting, I have determined that the overall impact of the rehabilitation on the historic character of the property does not meet the Secretary of the Interior’s Standards for Rehabilitation (the Standards), and hereby affirm the TPS denial of certification.

In this case, following a preliminary consultation in May 2013, the California SHPO expressed concern “. . . regarding identification and retention of 2<sup>nd</sup>, 3<sup>rd</sup>, and 4<sup>th</sup> floor corridors, doors and transoms on the interior, since schematic floor plans showed no remaining interior walls on any floor.” The California SHPO repeated this same concern in the state review of the Part 2 application in a June 2016 request for information (RFI). Your response to the RFI continued to show no retention of upper floor corridors, partitions, and finishes. The California SHPO subsequently recommended denial of the project as not meeting Standard 2.

TPS concurred with the California SHPO’s recommendation and issued its denial of certification on November 22, 2017, citing non-compliance with Standards 2, 5, and 6. Standard 2 states, *“The historic character of a property shall be retained and preserved. The removal of historic materials or alteration of features and spaces that characterize a property shall be avoided.”* Standard 5 states, *“Distinctive features, finishes, and construction techniques or examples of craftsmanship that characterize a historic property shall be preserved.”* Standard 6 states, *“Deteriorated historic features shall be repaired rather than replaced. Where the severity of deterioration requires replacement of a distinctive feature, the new feature shall match the old in design, color, texture, and other visual qualities and, where possible, materials. Replacement of missing features shall be substantiated by documentary, physical, or pictorial evidence.”*

Prior to the rehabilitation, the third and fourth floors retained much of their historic configuration and finishes, with historic double-loaded corridors serving tenant spaces, many with private internal circulation. Some of those tenant spaces had had their internal partitions removed prior to this rehabilitation. The second floor was less intact, with the Ramona Street side devoid of partitions, and the Hamilton Avenue side retained some of the corridor walls but was otherwise reconfigured with new partitions. However, the central corridor on the second floor remained wrapped around two sides of the utility core. The interior changes made in this rehabilitation removed all of the remaining interior partitions on the second, third, and fourth floors, removed all of the ceiling finishes back to the concrete structure, and removed the floor finishes down to the concrete floor slab.

Regarding the argument that the interior of the building was not significant because the Part 1 – Certification of Significance application, and the City of Palo Alto’s Focused Historic Structure Report, describe primarily the exterior features of the building [REDACTED] letter of September 12, 2017, p.1), I note that the Part 1 review is an assessment of whether or not the building contributes to the significance of the Ramona Street Architectural District, and further note that

the city report was not included in the project file or appeal materials. I also note that the Part 1 application states that, “*Minor alterations have only occurred to street level facades and interiors to accommodate various tenants. The integrity of the overall architectural design has not been compromised.*” In my experience, the lack of specific interior descriptions for buildings in designated historic districts is not uncommon, and it cannot be assumed that the lack of detailed interior descriptions means that the interior lacks significance. Finally, I note that regulations state that, “*A rehabilitation project for certification purposes encompasses all work on the interior and exterior of the certified historic structure(s) and its site and environment, as determined by the Secretary, as well as related demolition, new construction or rehabilitation work which may affect the historic qualities, integrity or site, landscape features, and environment of the certified historic structure(s).*” [36 C.F.R. 67.6(b)].

With regard to the statement that “. . . maintaining the corridors would have prevented the use of the building by a single tenant, which would have made the building unusable and would not have allowed the owners to extend the life of the building” (██████ letter of September 12, 2017, p.3), no evidence was provided to support that claim. If the proposed new use requires such extensive demolition, it contravenes Standard 1, which states, “*A property shall be used for its historic purpose or be placed in a new use that requires minimal change to the defining characteristics of the building and its site and environment.*”

With regard to the claim that the California seismic building code required the removal of structural clay tile partitions because their brittle nature made them hazardous in seismic events (██████ letter of September 12, 2017, p.2), that requirement did not preclude their reconstruction with seismic code compliant construction. In fact, some corridor walls were reconstructed with seismic-resistant materials to strengthen the building’s overall structure. With regard to the argument that hazardous materials abatement mandated by the City of Palo Alto required the removal of finish materials (i.e. floor materials, ceilings, and other interior finishes) (██████, p.2), that requirement did not preclude their replacement with non-hazardous materials. And, I note that the regulations state, “*The Secretary’s Standards for Rehabilitation take precedence over other regulations and codes in determining whether the rehabilitation project is consistent with the historic character of the property and, where applicable, the district in which it is located.*” [36 C.F.R. 67.7(e)].

With regard to the argument that the upper floor interiors had lost integrity and justified their complete removal (██████ appeal letter of December 21, 2017, p.1, item 1, Exhibit 1, and Memorandum), I find that the evidence provided does not support the argument. The Memorandum shows that building permits were issued for alterations, but the brief descriptions offer no detail on the impact of those alterations on the historic character of the upper floor interiors. Exhibit 1 shows that, although the second floor had been altered and its corridors truncated, the third and fourth floor interiors retained sufficient integrity to warrant retention in the rehabilitation. Their entire central corridors were intact and many offices retained their original configuration.

With regard to the argument that it is reasonable to remove the upper floor interior corridors and finishes without replacing them (█████ appeal letter of December 21, 2017, p. 2, items 2 and 3), I find that removing all evidence of historic configurations and finishes in a professional building that has had finished interiors throughout its history is not compliant with Standard 2, cited above. And, although the regulations state that the “*Standards are to be applied to specific rehabilitation projects in a reasonable manner, taking into consideration economic and technical feasibility*” [36 C.F.R. 67.7 (b)], I find the claim that such an extensive amount of demolition is “reasonable” is not justified. I also disagree with the implied premise that interiors of exposed raw concrete and an industrial loft appearance are compatible with the historic character of a 1920s Spanish Colonial Revival building.

With regard to the 2003 rehabilitation of 530 Ramona Street (█████ appeal letter of December 21, 2017, p.3, item 4, and Exhibit 2), every building has unique character-defining features that must be identified and preserved in a rehabilitation project. Previously approved work in other rehabilitation projects cannot be applied in subsequent projects. The regulations state that, “*Because the circumstances of each rehabilitation project are unique to the particular certified historic structure involved, certifications that may have been granted to other rehabilitations are not specifically applicable and may not be relied on by owners as applicable to other projects.*” [36 CFR § 67.6(a)(1)]. Consequently, the previously approved rehabilitation of 530 Ramona Street is not relevant to the review of the rehabilitation of this property.

In my letter of May 29, 2018, issued erroneously before the appeal meeting, and quoted extensively above, I noted that, “. . . although I have affirmed the TPS denial, it may be possible to complete remedial work on the interior, for instance by restoring the upper floor corridors and finishes, in order to bring the overall project into conformance with the Standards.” Thus, you had advance knowledge of my assessment and conclusions regarding the rehabilitation based on the information available to me at that time.

At the November 9, 2018, appeal meeting, ██████ discussed the issues of the November 22, 2017, TPS denial letter, and my May 29, 2018, letter. On November 16, 2018, ██████ wrote to ask for time to provide further clarifications and details for my review and consideration. ██████ submitted that information in letter dated December 21, 2018, transmitting ██████ proposals regarding interior changes to the second, third and fourth floors to attempt to restore the historic character lost in the rehabilitation. After further review of the entire project file, I have determined that the changes proposed by ██████ are inadequate to bring the overall project into compliance with the Standards.

With regard to the new, partial, east-west corridor along the length of the expanded utility core, although that reconstructed corridor would cover some of the footprint of the original east-west corridor, and would have a gypsum board ceiling, it has all new finishes and is truncated at its north end. With regard to the former north-south corridor and the truncated end of the east-west corridor, those would be represented by carpet and a gypsum board ceiling, but not by corridor walls. And, there is no actual or visual connection between the two original corridors because of

the new bathroom constructed where they used to intersect. Thus, I have determined that the proposed changes would not convey the spatial and visual characteristics of the historic corridors they would replace, and would not comply with the Standards.

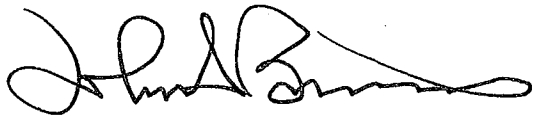
With regard to the exterior walls, you have proposed to re-plaster the north and east exterior walls (the short walls at the end of each ell). The long exterior walls along the two street facades would retain "their board-formed concrete finish, to demonstrate the technological advances used when the building was constructed." TPS will allow some original structure to be exposed in a rehabilitation project for interpretive purposes, but not over 75% of the exterior wall surfaces, as would be the case here. I have determined that leaving the raw concrete structure exposed over such a significant percentage of the interior walls does not comply with the Standards.

With regard to the interior ceilings, you have proposed to insert rectangular "clouds" at the approximate height of the original ceiling, with linear light fixtures interspersed among them, and oval spiral ductwork suspended below the clouds. In this instance, I have determined that isolated clouds with light fixtures suspended between them are not an adequate representation of the original planar ceilings, and are thus not compliant with the Standards.

Accordingly, I affirm the November 22, 2017, TPS denial of the Part 2 application.

As Department of the Interior regulations state, my decision is the final administrative decision with respect to the November 22, 2017, denial that TPS issued regarding rehabilitation certification. A copy of this decision will be provided to the Internal Revenue Service. Questions concerning specific tax consequences of this decision or interpretations of the Internal Revenue Code should be addressed to the appropriate office of the Internal Revenue Service.

Sincerely,



John A. Burns, FAIA, FAPT  
Chief Appeals Officer  
Cultural Resources

cc: SHPO-CA  
IRS