



Kalich building gets high marks as a renovation prospect.

Downtown second stories get some expert scrutiny

By KEN McLAUGHLIN

The Stoesser Building group and the Kalich Building are the best candidates for rehabilitation in the downtown, a San Jose architect says.

John Jorgl, hired by the city to evaluate the feasibility of renovating the second stories of downtown buildings for commercial use, says (in the second stage of his study) that the second stories of the Stoesser Building group across from the city Plaza seem suitable for restaurant or office uses. The Kalich Building, Jorgl says, could also be used for similar purposes.

The architect, however, is less optimistic about sprucing up the city-owned Porter Building at Main Street and Maple Avenue. Because of the high projected costs (\$303,680 for the second story) of structural, electrical and mechanical work, Jorgl says, rehabilitation "does not appear economically feasible at this time."

The 91-year-old building was the center of a dispute in January 1980 after the City Council voted to tear it down. The council subsequently rescinded its decision following protests from historical preservationists and downtown devotees. The building has been sitting vacant ever since.

In addition to noting the high costs of renovating the Porter Building, Jorgl points to the lack of adjacent parking and to the fact that the "building is off-center from the main downtown area."

The Stoesser Building group (four buildings at 323-335 Main Street), on the other hand, has a lot of parking in the rear and is ideally located across from the Plaza, Jorgl says.

One strong advantage to the Kalich Building, Jorgl says, is that there appears to be no struc-

tural work required. Also, he notes, the building sits next to the recently rehabilitated Mansion House and has parking nearby.

Jorgl had examined the possible commercial uses of the second stories of 11 downtown buildings. After inspecting them, the architect concluded that the Porter, Kalich and Stoesser buildings appeared to be the most feasible to rehabilitate for commercial purposes. The second stage of his report was the result of an analysis of financing renovation of the structures.

Redevelopment Director Russ Hoss explained this morning that the financing analysis focused on conventional financing — that is, it assumes the buildings do not qualify for tax breaks given to historical buildings.

As a result, if the Porter Building were to qualify as a historic structure, rehabilitation might prove feasible.

When the city announced last year that it may be interested in selling or leasing the building, several developers submitted written proposals. Most of those developers assumed that the building could qualify as historical under the Tax Reform Act of 1976, which allows people who invest in historical buildings to write off the costs of rehabilitation in five years.

Roger Hoffman of Hoffman and Associates, the firm that renovated the Mansion House, said this morning that it was "ludicrous" for the study not to examine "alternative financing" — that is, using the provisions of the Tax Reform Act. He also noted that if a building is designated historical, the law allows for use of less rigorous building codes, which often makes the difference between economic feasibility and infeasibility.

The Mansion House project, he

said, would "not have penciled out" if conventional financing and building codes had been used.

Hoffman maintained that all three of the buildings — Kalich, Stoesser and Porter — would probably qualify for the National Register of Historic Places. He added that an architect from the state Office of Historical Preservation would like to see the city create a "historical district" in the central business district. That would allow all downtown building owners to take advantage of the tax breaks, he said.

Jorgl, however, this morning defended the study, saying that the most important thing in rehabilitation work is to ensure that there will be tenants in the renovated buildings. That, he said, requires adequate parking, which he said the Porter Building lacked.

He said, however, that if a developer could arrange to buy neighboring property for parking, the Porter Building may prove to be economically feasible to rehabilitate.

The \$8,000 study was funded in part by a \$2,000 grant from the National Trust for Historic Preservation. The remainder of the funds came from the city's federal community redevelopment funds.

Preliminary planning of renovation work on the Kalich and Stoesser structures is already under way. The owner of the Kalich Building, Watson Valle Enterprises Ltd., has asked the City Council to designate the building historical, as was done for the Mansion House.

The next phase of the study will examine one possible rehabilitation project in detail, with Jorgl providing architectural suggestions for renovation. City officials will pick the project to be evaluated, Jorgl said.