

Porter Building worth saving, say consultants

By STEVE SHENDER

An architectural consulting firm has concluded that the aging Porter Building at Main and Maple streets could be successfully restored by a private developer, "without direct public subsidy." But, the firm's final report on the "feasibility" of rehabilitating the building indicates, restoration is likely to depend on collateral actions by the city to grease the wheels for private investment.

Constructed around 1890, the Porter Building was purchased by the city about 12 years ago for \$90,000. The City Council voted in January, 1980, to tear down the building (after receiving a demolition bid of \$1,225), but later rescinded its action following a howl of protest from historic preservationists.

The feasibility study, by John T. Jorgl, a San Jose architect, was ordered by the council last August. The architect's final report on the building, to be discussed at the council's Jan. 12 meeting, was sent to council members late last week. A copy of the study was obtained this morning by the Register-Pajaronian after City Manager John Radin refused to release it. Radin indicated that although council members had received copies, the report would not be made public until after publication of the council's Jan. 12 meeting agenda.

Jorgl estimated it would cost between \$483,000 and \$562,000 to renovate the Porter Building's first and second floors.

The lower figure is the architect's estimate of the cost of converting the first floor to a restaurant and the second story to office space. The higher figure represents the cost of a lower floor restaurant and second floor apartment unit conversion. Depending on the configuration chosen by a developer, income from the restored building would range between \$6,000 and \$7,200 a month, according to the architect's estimates.

The Jorgl report indicates that the most likely candidate to undertake restoration of the Porter Building would be an "investor ... in need of significant tax shelter."

According to the report, whether the building is developed for a restaurant and offices or a restaurant and apartments, tax benefits

associated with its restoration would net such an investor a "positive cash flow after taxes" within a year.

The building would begin to show a pre-tax profit after seven years, in the case of a restaurant-office conversion, and after eight years if converted to a downstairs restaurant and upstairs apartments, according to the study. The architectural consultant indicated that the restaurant-apartment configuration would be the more profitable of the two in the long-run.

The ultimate success of a Porter Building restoration project, the architect indicated, will hinge on the success or failure of the proposed ground floor restaurant. The Jorgl report recommends a number of steps which the city could take to help the restaurant succeed and reduce risk for an investor.

If the city is interested in attracting a private developer, the consultant said, it should:

—Acquire the building next to the Porter Building for parking. The property would be sold to a developer along with the Porter Building as part of a "development package."

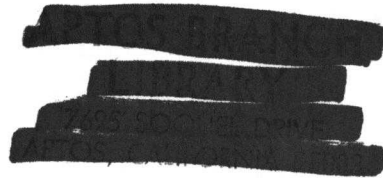
—Reduce on-site parking

requirements for the developer and consider donating a portion of adjacent city land for additional parking, as needed.

—Ensure that the downtown redevelopment plan "enhances" the Porter Building's "position in the downtown."

—Declare the Porter Building to be of historical significance and register it as an historic building. Such a step would permit rehabilitation of the structure to be carried out under the Historic Building Code (part of the Uniform Building Code of 1979, which has been adopted by the city), saving a would-be developer 20 percent in restoration costs, according to the architect.

—Take steps to help a developer obtain low-interest financing for the restoration project. Such steps might include issuance of tax-exempt industrial development bonds (permitted under an ordinance passed by the City Council two weeks ago), utilization of a state law permitting local governments to finance rehabilitation of commercial structures of "historical, architectural or cultural significance," and application for loans and grants under several federal programs.



REFERENCE