



Planning & Development Division
Planning & Economic Development Department

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MEMORANDUM

DATE: June 8, 2022
TO: Heritage Preservation Commission
FROM: Steven Robertson, Senior Planner
RE: PL 22-090, Application for the Demolition of a Contributing Structure to the Duluth Commercial Historic District

On April 18, 2022, the city received a zoning application from the owner of 102-108 East Superior Street requesting HPC approval to demolish the structure.

According to the "Historic Resources of Downtown Duluth, Minnesota, 1872-1933", submitted to the National Register of Historic Places, 2005, the structure was constructed in 1905, and was known as Duluth Marine Supply. It is also known to citizens as the old Astoria Hotel, as well as the Old Town Antiques, Chinese Dragon, and the Bullseye Building. It is considered to be contributing to the historic district.

The revised administrative process required before the City of Duluth approves a demolition permit for a structure contributing to a historic district is clarified in Mn Rules 4410.4300 subpart 31:

Historical places.

For the destruction, in whole or part, or the moving of a property that is listed on the National Register of Historic Places or State Register of Historic Places, the permitting state agency or local governmental unit is the RGU, except this does not apply to projects reviewed under section 106 of the National Historic Preservation Act of 1966, United States Code, title 54, section 306108, or the federal policy on lands, wildlife and waterfowl refuges, and historic sites pursuant to United States Code, title 49, section 303, or projects reviewed by a local heritage preservation commission certified by the State Historic Preservation Office pursuant to Code of Federal Regulations, title 36, sections 61.5 and 61.7. This subpart does not apply to a property located within a designated historic district if the property is listed as "noncontributing" in the official district designation or if the State Historic Preservation Office issues a determination that the property is noncontributing.

The Duluth Heritage Preservation Commission is a Certified Local Government commission. It has the authority to review this project. While there has not been an example of the HPC reviewing this type of zoning application in the recent past, there were a handful of examples state wide last year. The most relevant being either the 324 Broad Avenue Building Demolition in Albert Lea (process: EAW) and the 212 Division Street Building Demolition in Northfield (process: HPC action).

On Tuesday, June 7, 2022, at 12:00 pm, HPC Commissioners Wisdorf and DeRoche and City Staff Robertson toured the structure.

Included with this memo is the application, cover letter from property owner, and structural engineering report from Northland Consulting Engineers. Two public comments were also included. Written comment or recommendation from SHPO staff was requested, and may be received before the June 13th meeting. In addition the minutes and staff report and related documents from the Northfield demolition project (Archer House) are included as an example/reference document.

The June 13, 2022, meeting is a public hearing to be held at noon in the City Council chambers on the third floor. The process for a typical public hearing is:

- Short staff overview or summary on the project or zoning application,
- Comments or short presentation from the project proposer,
- Commissioner questions or clarifications on items presented by staff or project proposer,
- Public hearing, accepting testimony from members of the public,
- Public hearing is closed, and commissioner discussion and motion.

According to the bylaws:

10.1 Public Testimony. Any person desiring to speak to the HPC during an official public hearing shall be heard prior to any determination of the matter in question. Such testimony shall be accompanied by the person's name and address for the public record. Letters received in lieu of oral testimony shall become a part of the public record and be considered prior to any final determination of the matter by the HPC.

10.2 Time Limits. The president of the HPC may establish such time limits on testimonies as are reasonable to provide for an efficient meeting so long as all interested parties are given a chance to testify.

10.3 Termination of Hearing. Upon close of public hearing no further presentation shall be allowed except upon suspension of the rules.

After closing the public hearing and reviewing all the appropriate information, the HPC may:

- Make a motion to approve the zoning application (Certificate of Appropriateness) allowing the demolition. The motion will have to include findings to support the motion.
- Make a motion to deny the zoning application, denying the demolition. The motion will have to include findings to support the motion.
- Table the item until the July 11th meeting, but tabling the item should be accompanied by specific information requests to allow the HPC to take action on the zoning application at their next meeting.

Note that if the Certificate of Appropriateness is approved and the demolition of this structure is allowed, the project proposer would still need to receive a wrecking permit from the City of Duluth, and follow any additional regulatory requirements (lead and asbestos removal, site security and safety, soil stabilization, public utility cut-offs, etc).

Decisions of the HPC are able to be appealed to the City Council within 10 calendars days of the decision.

May 18, 2022



Heritage Preservation Commission
Duluth, Minnesota

Dear HPC Members;

Veit & Company, Inc. has submitted a request for demolition of the building located at 102-108 East Superior Street as the request of its owners and ZMC Hotels, the manager of the building. This building is listed as a contributing structure as part of a proposed historic district in Duluth. While this building may have some small details that represent the overall architecture of the city, it has been altered and deteriorated to a point where it is no longer recognizable as a good representation of the city's architecture.

Members of this Commission may be familiar with the exterior of the building and some parts of the interior if you patronized any of the businesses. ZMC Hotels would like to invite the Commission to a tour of all areas of the interior and exterior showing our causes for concern. Hard hats and flashlights would be required as well as acknowledgement that the owners and ZMC Hotels are not liable for any injury. There are many hazards inside and the building does not meet standard building codes in general or for ADA accessibility.

This building was originally constructed as the Hotel Astoria in 1906. It is noted in articles that by 1908 the hotel was popular between unmarried couples. Gambling, selling liquor without a license, fights and even a murder-suicide also plagued the hotel. The troubles continued until the hotel closed in 1929 due to a fire that destroyed the building's roof and the parapet stonework above the roofline. Much of the third floor has been unusable since then. The heavily scorched brick and timbers below the roof and on the 3rd floor were left and are still visible today.

Many businesses have taken up residence in the building at various times in its history and it has experienced plenty of vacancies as well. It has been home to grocers, mechanics, restaurants, cleaners, plumbers, screen printing, and more over the years. Most recently the building was occupied by the Chinese Dragon Restaurant (108), Hucklebeary Stationary Store (106), and Old Towne Antiques (102).

Over the years, as businesses have taken up residence, changes were made to the interior. Very little if anything from its days as the Hotel Astoria still exists. Many windows have been removed and/or boarded up due to damage, decay or just not being where the current tenant of the building needed them at that time. The store fronts on Superior Street have been altered

over the years. The store front on Michigan Street has also changed significantly with the installation of four garage doors. Currently, all three Superior Street store front doors have been broken as well as a second story window on the Michigan Street side.



In 2017, the building was purchased by North Creek Investors II, LLC and ZAC NC Asset Investors, LLC and leased to Zenith Asset Company, LLC, an affiliate of ZMC Hotels, LLC. It became known internally as the Bullseye Building as that was the name of the business operated by the sellers at the time of acquisition.

The building has been plagued by issues that come with an aged structure. Decades of little or no maintenance or improvements have left the building in a state of decay that is beyond recoverable and not economically viable, particularly in today's climate of costs and labor.

The exterior of the building is cracked and falling to the ground. The brick on the east side of the building used to be protected by the building next to it. That building was removed in 2005 which then exposed the non-glazed brick to the elements of northern Minnesota. Years of rain, snow, and ice have caused bits of the brick to break off. In some places the damage appears significant. The arched masonry above the windows is poised to come down as soon as any one of the bricks breaks loose. You can see cases where it is the force of the bricks against each other holding it up and nothing else. Many of the windowsills are breaking apart as well.

The roof leaks and has been repeatedly patched. It is now beyond patchwork repair. With the spring 2022 thaw, multiple leaks provided a good stream of water that was enough to reach the second story. The roof needs to be replaced. A quote was obtained in early 2020. Then the pandemic hit, and no further action was taken. This quote has been updated in 2022 but does not include replacing the roof decking. It is likely that it would need to be replaced once the roof is off due to being exposed to moisture repeatedly over the years. Since the decking lies on top of the burnt timbers left from the 1929 fire, it is also likely that these would be required to be replaced to support a new roof and decking.

The interior of the building is exposed brick and drywall. In the basement the brick and stone walls are crumbling, and, in some cases, they have simply fallen away. On the third floor there is an interior brick wall and then the exterior brick wall. In one part, the interior wall has bowed in by several inches. As mentioned previously, much of the brick on the third floor is charred from the 1929 fire.

North Shore Architectural was invited to tour and determine if there was any architectural salvage to be obtained from the building prior to demolition. They found none that was beneficial to them.

There is no real heat or air conditioning in the building. At one point there was a rooftop unit but it long ago stopped working. The Chinese Dragon owners had a window unit for air conditioning and a small furnace to heat the space. The basement and second story of the other tenants were heated with mounted Hot Dawg units. Air conditioning was provided by window units. There is no heat or air conditioning on the third floor. The building has no insulation.

As with any older structure, plumbing leaks occur. In this building, particularly beneath the restaurant, multiple leaks from the bathrooms and kitchen have been repaired. Parts of the

floor beneath the restaurant have fallen into the basement level in areas due to water and grease leaking through it over decades.

In 2021, multiple sewer pipes beneath the concrete basement were found to be collapsed. Repairs included above ground rerouting and cutting up parts of the concrete floor to replace below ground pipes. The decay was so bad that the pipe was falling apart as plumbers were trying to find good pipe to connect replacement PVC. Cameras show collapsed pipes beyond accessibility. The entire concrete floor would need to be removed to replace the sewer pipes completely. Repair of all remaining sewer pipes was not completed due to determining that the building should be demolished.

The building has two water mains coming in from Superior Street. One main was permanently shut down by the city at owner's request in 2021 due to leaking which was flowing into the basement. To repair this would have required tearing up the newly laid Superior Street and sidewalk at significant cost. Tenant water was rerouted from the other water main which also shows significant signs of decay and leaking, but less than the main that was shut down.

The building has long been a harborage for rodents as there are many holes and crevices leading into the structure. Pest control routinely removed from the site. The deterioration of the building has created many access points which have been filled in as they are found. As rodents will do, they find new ones.

Due to the condition of the building, it has never been able to garner proper downtown Duluth rents. It has a net operating loss year over year.

Contrary to what you have heard or seen in the media, there is no current plan to put in a parking lot or ramp. At no time were the owners or ZMC Hotels contacted for comment on any news report. The space will be leveled, covered in class 5 gravel, and will have barriers to prevent parking on the site post-demolition. At this time, there is no plan on paper as to what may be built on the site in the future.

Currently, we are trying to manage illegal entry into the building. Multiple attempts have been made in the short time it has been vacated and there has been one successful entry. All three store front doors on Superior Street have been smashed. Once all work inside the building has been completed, if a permit to demolish is not available, we will have to board up the doors and possibly windows to prevent any trespassing and potential liability of people entering the building. The last thing we want is someone to illegally enter and get hurt or start a fire which could lead to injury to responding personnel as there are staircases to nowhere, many nooks to get lost in, and too many other hazards.

Having this dilapidated eyesore in downtown Duluth is not beneficial to the people who live and visit here, particularly given its proximity to the Lakewalk access on the corner of Superior Street and 1st Avenue East. Based on the extensive decay and damage to this building, we respectfully request that HPC allow this building to be removed.

Please reach out to me to get a tour scheduled for HPC members. My contact information is below.

Your time reading this is appreciated.

Sincerely,

A handwritten signature in cursive script, reading "Anne Stratioti".

Anne Stratioti
Operations Administrator
11 E Superior Street, Ste 170
Duluth, MN 55802
218-529-7711 direct
astratioti@zmchotels.com

Structural Engineering Report

Date: April 11, 2022

Project: 102 E Superior Street – Bullseye Bldg- Condition Review

Recipient: Anne Stratioti- ZMC Hotels – 11 E Superior Street, Suite 170, Duluth, MN

Email: Astratioti@ZMChotels.com

NCE Job : 22-202

Regarding: Structural and Envelope Condition Review

This report is based on our observations, our calculations and our discussion on site with you.

We visited the site on 4-08-2022 and toured the entire facility with you. We have since performed a few preliminary calculations to determine the existing floor and roof capacities as those values are potentially relevant to the re-use of the existing building.

Observations: (refer to photo pages)

1. The structure is a wood framed (2) level plus basement building with masonry exterior walls. The superior street / Michigan street sides are approximately 100' in length and the Avenue / adjacent parking lot sides are approximately 114' in length.
2. The exterior walls are solid brick, uninsulated, supported on a stone foundation wall system. All exterior walls are in poor to very poor condition. All the exterior walls need to be cleaned and tuckpointed to prevent further deterioration. In several locations the brick is loose, brick lintels have failed, stone windowsills are failed and need to be replaced.
3. The Superior Street level and second level framing generally consists of 2x13 wood joists spaced at 16" on center. The framing is supported either by masonry walls or by steel beams and columns. The typical span of the joists is approximately 20'. Interior floors are slightly permanently deflected, especially at the superior street level in some locations.
4. The roof framing generally consists of 2x12 wood ceiling framing and 2x6 roof framing built-up from the ceiling to form a roof slope. The south-east corner of the building has experienced a significant fire which damaged a large portion of the roof framing and a small portion of the floor framing in that corner.
5. The roofing is old, leaking in many locations, it is not insulated and requires replacement.
6. The existing interior stairway system is not compliant with current codes for rise / run measurements.
7. The existing elevator is freight use only and likely not in accordance with current code for people.
8. The second level, superior street side brick wall is bowed inward at one location and should be repaired.
9. The existing sidewalk vault support system at the east end of the building is deteriorated and requires structural repairs.

Professional Opinions:

1. The exterior brick is in such poor condition, especially at the window openings, that significant brick repair, new lintels and window replacement will be required if the building is to be renovated. The exterior is also not insulated.



2. The roofing system requires replacement and would need insulation to be added if the building were to be renovated. However, to add insulation, the roof would likely need to be reinforced to meet the MN Conservation Code for existing buildings.
3. The floor capacity is acceptable for residential, or office uses on both levels, however the Superior Street level would require reinforcing if retail or restaurant uses were desired per current MN Conservation code.
4. A new elevator and internal stairs would be needed if the building were to be renovated.

Summary:

In our professional opinion, given the needed structural repairs, the needed envelope repairs, the needed vertical transportation renovations described above etc., it is likely more economical to replace the existing building than to renovate and re-purpose this structure.

Respectfully,

Jon E. Aamodt PE
Principal Partner

Professional Certification:

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly Licensed Professional Engineer under the laws of the State of Minnesota.

A handwritten signature in black ink, appearing to read "Jon E. Aamodt", is written over the printed name.

Jon E. Aamodt, P.E.
MN Reg. No. 24838

Date **04/11/2022**



Photo 1: Existing West elevation looking east



Photo 2: Existing West Elevation looking east



Photo 3: North exterior wall looking south



Photo 4: North exterior wall looking south



Photo 5: East exterior wall looking west



Photo 6: East Exterior wall looking west



Photo 7: Existing East exterior wall looking west – close-up view of brick conditions



Photo 8: Close-up view of brick condition on west exterior wall looking east



Photo 9: Close-up view of masonry condition at south elevation looking north



Photo 10: Close-up view of masonry condition at southeast corner of the exterior.



Photo 11: Close-up view of existing east exterior wall masonry condition.



Photo 12: Close-up view of existing east exterior wall masonry condition



Photo 13: Rear (south side) is not ADA accessible.



Photo 14: Existing sidewalk vault support and existing wood floor framing near entrances is generally in poor condition



Photo 15: Existing sidewalk vault support is generally in poor condition

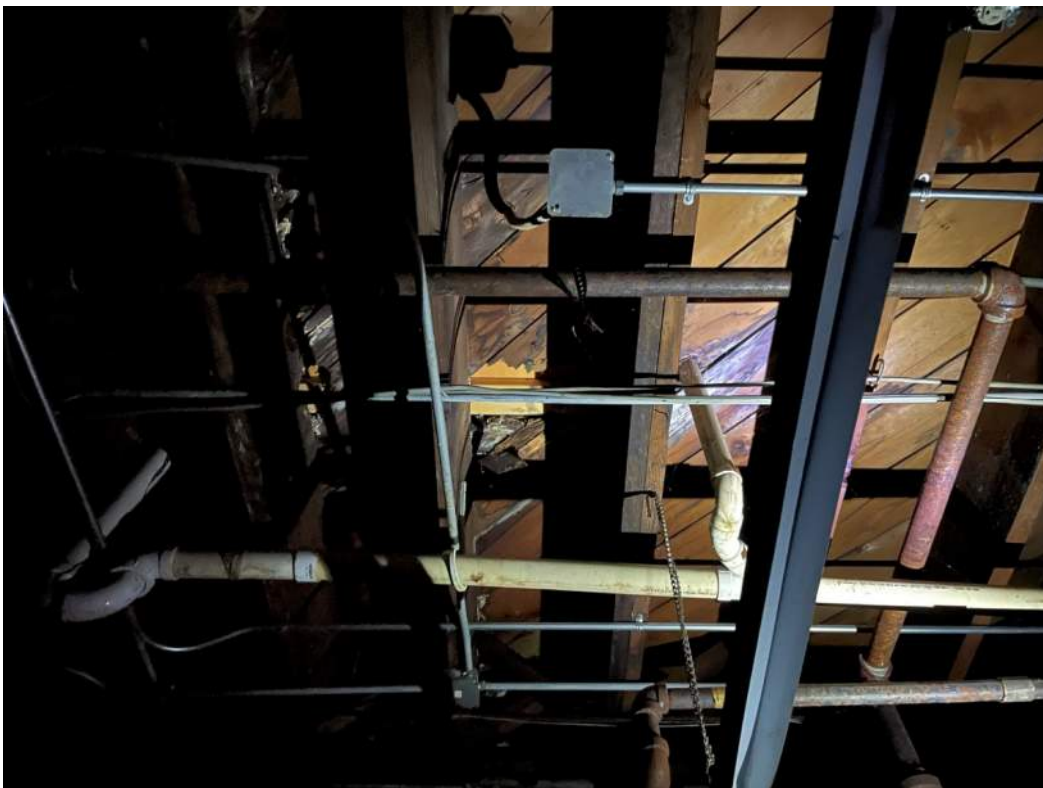


Photo 16: Existing floor framing is damaged by long term plumbing and envelope leaks at several locations inside the building.



Photo 17: Based on our discussions, the sewer connection to the street is in need of excavation and replacement



Photo 18: Rainwater on the upper floor level due to deteriorated roofing.



Photo 19: Interior stairs are not to current code rise / run or fire separation issues and would need to be replaced if major renovation were undertaken



Photo 20: Existing ceiling joist and roof joist system does not meet current code for snow load, is currently not insulated.



Photo 21: Existing roof joists that have been severely damaged due to fire.

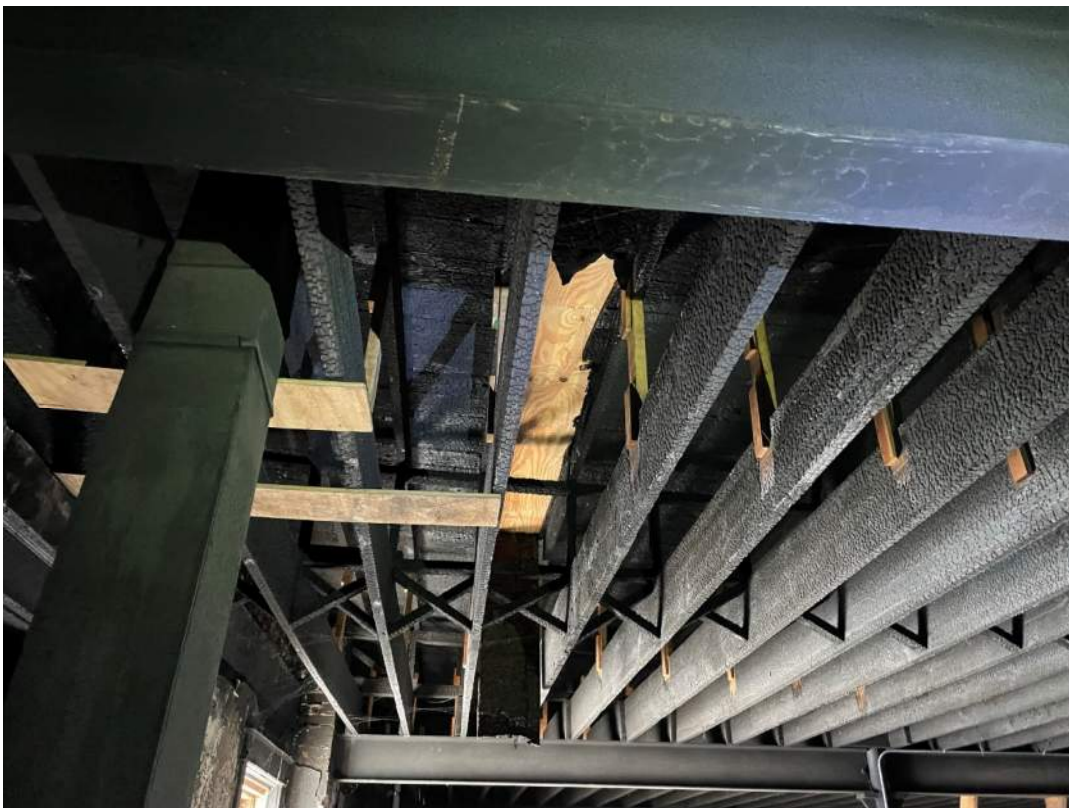


Photo 22: Existing roof joist framing severely damaged due to fire.



Photo 23: Existing wet flooring on the upper level due to roof leaks.

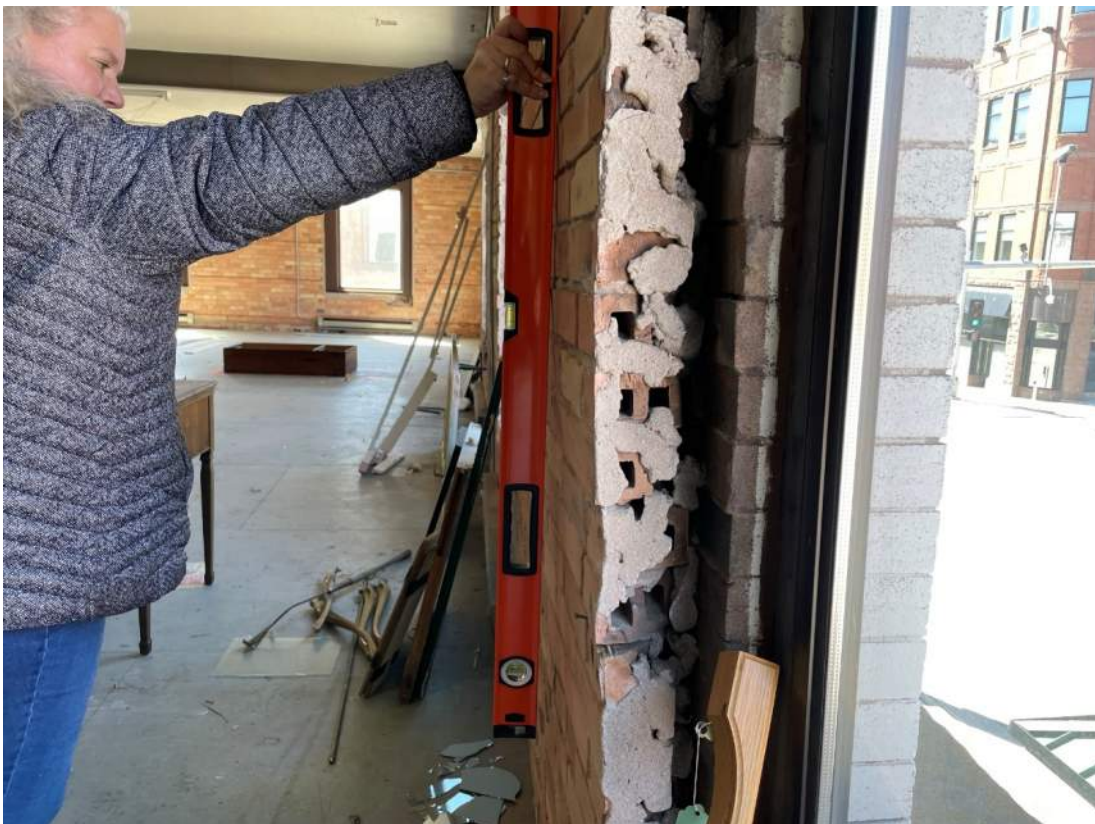


Photo 24: Existing north wall is bowed inward due to poor construction methods and water infiltration.



Photo 25: Existing freight elevator, would require significant upgrades or replacement if a significant renovation were to occur.



Photo 26: Existing interior finishes are old and need updating.



Photo 27: Existing interior finishes are old and require updating.

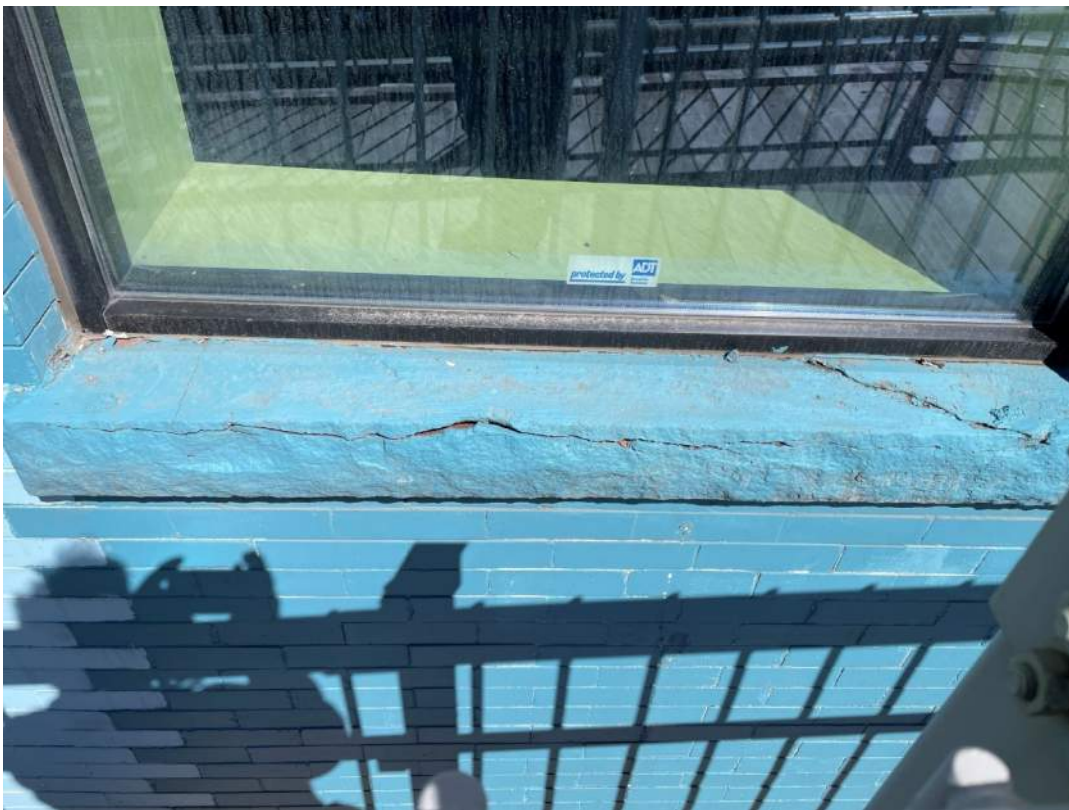


Photo 28: Existing exterior window sill – typical at the perimeter, many are broken and require replacement.



Photo 29: Typical exterior lintels are loose and failing and require replacement

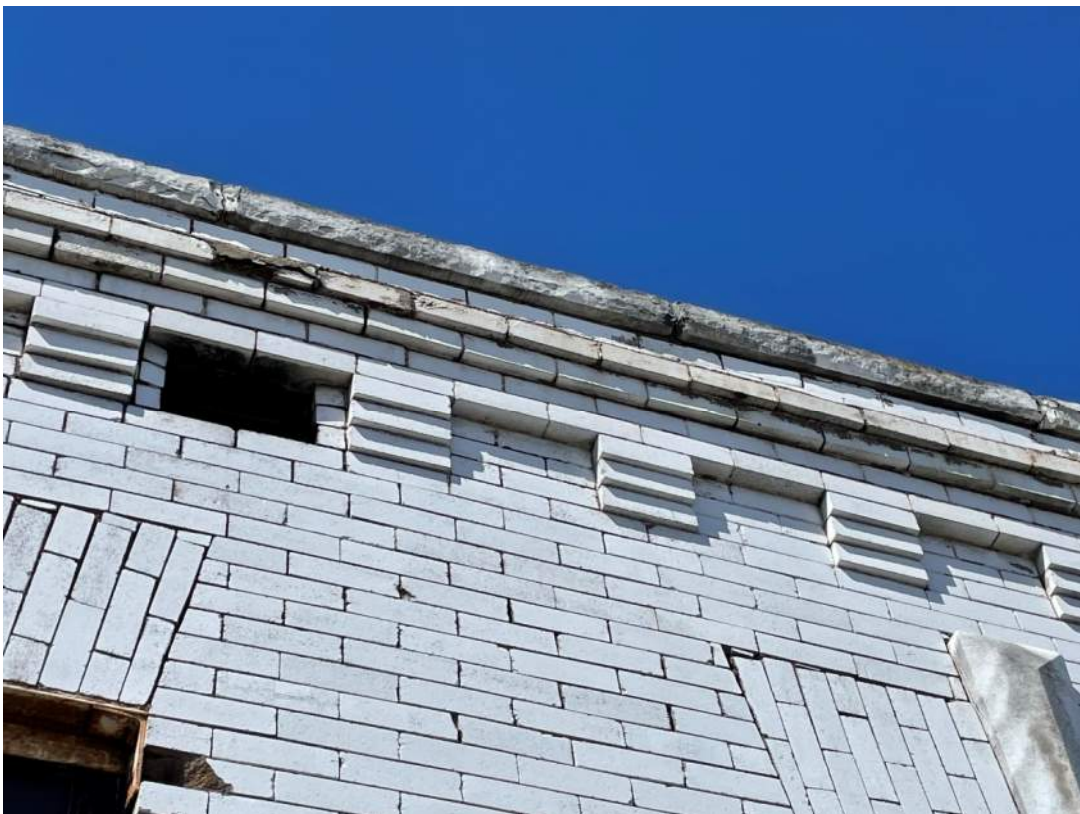


Photo 30: The existing parapets are deteriorated, missing or loose brick and exterior needs tuckpointing to prevent further deterioration.



Photo 31: Exterior southeast corner – note the spalling brick due to moisture intrusion, freeze thaw cycles causes a spall, which falls to the ground.

United States Department of the Interior
National Park Service

National Register of Historic Places Continuation Sheet

Name of property	Duluth Commercial Historic District
County and State	St. Louis County, Minnesota

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place of the large red sandstone head. A series of twenty-eight vertical brick corbels sit above a wide band of brick and support the red sandstone string course.

On the western façade, the first floor is composed primarily of a flat expanse of brick wall and red sandstone foundation stones that step up in response to the steep south/north slope of the site. The façade is enlivened by four columns of brick quoins that divide the façade into three bays. The northernmost bay contains a door opening with an oversized red sandstone head and two large window openings with heads formed from three brick voussoirs. The openings were filled with plywood panels at an unknown date. A matching window is located in the middle of the center bay, but it too is covered with plywood. The second floor mirrors the arrangement of the south façade with the exception of the outer two bays, which contain a pair of double-hung windows instead of the single opening.

30. Historic Name: Duluth Marine Supply

Current Name: Old Town Antiques and Books/Hip Stuff/Chinese Dragon

Address: 102-108 East Superior Street

Date: 1905

Architect: unknown

Contributing

This is a two-story painted brick commercial building sited on the southeast corner of the intersection of Superior Street and First Avenue East. The building has a rectangular footprint with its primary façade on Superior and a secondary façade facing First Avenue. Four cast iron columns from the original storefront system are visible at the first floor level, but much of the north storefront has been altered from its original appearance through the insertion of new aluminum frame storefront windows and doors, new bulkheads, and new canopies and plywood panels with signage that cover the transoms. A continuous series of pressed metal panels was attached to the brick above the transom level, providing a visual separation between the first and second floors.

The second floor of the main façade is divided into three bays, two smaller outer bays articulated by brick quoins and a much larger center bay that is characterized by six slightly recessed individual bays. The two outer bays have two window openings each of which holds a new fixed aluminum frame window with a cut stone sill and a large flat brick arch with a thin stone keystone. A small rectangular brick recess is positioned immediately above each window, with a cut stone sill and a series of four horizontal corbels at the head. Two small elliptical recesses flank the rectangular panels, with frames formed from brick headers and a narrow stone keystone mirrored at the top and bottom of the frame. Each recess in the central bay contains a new fixed aluminum frame window sitting on a cut stone sill that extends the full width of the recess. The head is made up of a flat brick arch with a narrow stone keystone that extends through the center of a projecting segmental arch resting on the flat arch. A row of six vertical brick corbels finish the top of the recess, which steps out to a flat brick panel that is capped by a serrated profile below a projecting metal cornice. There is no clearly defined parapet (the result of a fire in 1929 that destroyed the parapet), and the wall is simply terminated with a thin metal coping.

The west façade slopes down to incorporate a third story at the rear or south end of the building, but this is largely hidden by a large pedestrian ramp placed immediately adjacent to the building. The façade is roughly divided into three bays, with the northernmost bay representing a continuation of the north façade onto the west. The northernmost bay is a compilation of features found on the front façade, with aluminum storefront windows and

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National Park Service

**National Register of Historic Places
Continuation Sheet**

Name of property	Duluth Commercial Historic District
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canopies at the first floor, and brick quoins defining the edges of the second floor bay. A single new fixed aluminum frame window has a cut stone sill and a large flat brick arch with a narrow stone keystone. A row of brick corbels sits below the same serrated profile and metal cornice seen on the front façade. The same treatment is repeated at the southernmost bay at the second story level. The first floor is largely unarticulated, with five fixed aluminum frame windows piercing the wall in the five southern bays. The central portion of the second floor contains nine window openings with cut stone sills and brick flat arches with stone keystones. The openings are filled by a mix of materials, including new aluminum frame fixed windows, plywood sheeting and smaller fixed window units surrounded by plywood infill. Three horizontal brick corbels lead up to a long parged strip at the top of the brick wall, most likely resulting from the removal of the pressed metal cornice in 1971.

- 31. Historic Name: NA**
Current Name: Parking Ramp, Fond-du-Luth Casino
Address: 107-109 East Superior Street
Date: 1987
Architect: unknown
Non-contributing

This is a four-story red brick parking structure serving the adjacent Fond-du-Luth Casino. It does not fall within the period of significance for the historic district. The construction of the building resulted in the demolition of the Oppell Block, constructed in 1889 for Oppell Dry Goods and designed by noted Duluth architect, Oliver G. Traphagen.

- 32. Historic Name: Sears Parking Lot**
Current Name: Muffler Clinic
Address: 110-116 East Superior Street
Date: 1923
Architect: unknown
Non-contributing

This is a one-story service building with an L-shaped plan containing office space and seven garage bays. Due to alterations, it is considered a non-contributing building in the historic district.

- 33. Historic Name: Peterson Buffet**
Current Name: Lake Place Building
Address: 118 East Superior Street
Date: 1911
Architect: unknown
Contributing

This two-story limestone Neo-Classical Revival building with a rectangular footprint originally was constructed as a restaurant and converted to a beer garden in 1941. The sidewall exposed on the west façade has been parged with a stucco-like material at an unknown date. The first floor was radically altered from its original appearance in 1949 through the addition of new wood frame fixed windows and a leaded fan light, a new single light wood door, new stucco panels, cast details and facing over the original limestone, and new polished granite bulkheads.