



United States Department of the Interior

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



January 13, 2014

[REDACTED]

Project: **Homestake Slime Press Plant Building, 30 Pine Street, Deadwood, SD**  
Project Number: **21604**

Dear [REDACTED]:

I have concluded my review of your appeal of the 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 CFR Part 67) governing certifications for Federal income tax incentives for historic preservation as specified in the Internal Revenue Code. I would like to thank you and your son, [REDACTED], as well as [REDACTED] and [REDACTED], [REDACTED], and your consultant, [REDACTED], for meeting with me on July 18, 2013, and for providing a detailed account of the project. I am grateful for the detailed information you provided following the appeal meeting, which greatly facilitated my understanding and review of the project.

After careful review of the complete record for this project, including the additional information you submitted at my request, I have determined that the rehabilitation of the Homestake Slime Press Plant Building is not consistent with its historic character and the historic district in which it is located, and does not meet Standards 1, 2, 9 and 10 of the Secretary of the Interior's Standards for Rehabilitation (the Standards). Therefore, the denial issued by Technical Preservation Services on October 25, 2012, is hereby affirmed. Accordingly, this project does not qualify as a certified rehabilitation, and is not eligible for the 20% investment tax credit for historic preservation. Because this

property is a certified historic structure, it is also not eligible for the 10% tax credit for the rehabilitation of older non-historic buildings.

The Homestake Slime Plant Press Building, constructed in 1905-1907, is important as an example of an industrial milling reduction complex, notable for its "stair-step" construction on a steep hillside. The property was determined to be a "certified historic structure" contributing to the significance of the Deadwood Historic District on March 28, 2008. The Technical Preservation Services Branch (TPS) of the National Park Service, denied certification of the completed rehabilitation on October 25, 2012, stating that the project did not meet Standards 1, 2, 9, and 10, of the Standards due to the incompatible new construction, the associated demolition of historic building components, and the inappropriate treatment of interior spaces.

TPS determined that the rehabilitation involved demolition and loss of a considerable amount of historic building material, including the entire west façade of the Slime Plant Press Building, and the distinctive covered and enclosed staircases that extended up the hill from the west wall. Other historic building features were lost or altered during the rehabilitation, such as the single windows, which were replaced with paired windows, and the large vehicular opening which was filled in. On the interior, many of the new interior finishes installed as part of the casino conversion, such as the dropped ceiling tiles and carpet, were incompatible with the property's historic industrial character. Together, those treatments undertaken as part of the rehabilitation negatively impacted not only the historic character of the interior and exterior of the building, but the overall character of the site itself.

Standard 1 states that "*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.*" Standard 2 states that "*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 9 states that "*New additions, exterior alterations, or related new construction shall not destroy historic materials that characterize the property. The new work shall be differentiated from the old and shall be compatible with the massing, size, scale, and architectural features to protect the historic integrity of the property and its environment.*" Standard 10 states that "*New additions and adjacent or related new construction shall be undertaken in such a manner that if removed in the future, the essential form and integrity of the historic property and its environment would be unimpaired.*"

I will explain my decision to uphold the denial of certification by addressing the denial issues identified by TPS and those I have identified in my review.

The new hotel/casino/performance use required major changes to both the Slime Plant Press Building and to its environment. Although the hotel is a separate addition, it is on the uphill side of the property and its proximity, massing, and residential character, detracts from the historic industrial character of the building. With regard to the casino, its location in newly excavated space below the original floor level has little visible

impact on the historic building and thus is not an impediment to certification. The performance space, however, caused major changes to both the physical fabric and spatial character of the building, principally by removing a large segment of the west facade and constructing the theater addition on that side, and by changing the floor levels in both sections of the building.

With regard to the hotel addition, I agree with TPS that it has a significant detrimental impact to the historic industrial character of the property—both the Slime Plant Press Building itself and its historic environment. I acknowledge that, historically, there had been buildings uphill from the Press Building that had been part of the overall Slime Plant, but the photographic evidence shows that they were a series of modest industrial buildings that were, visually, miniature versions of the Press Plant. The new hotel is a large mass, significantly larger than the historic buildings that had been on the uphill side, directly behind the Press Building and rising high above it. The hotel's fenestration pattern with inset balconies and irregular roof shapes is residential in character and, although it is differentiated in design, it is fundamentally incompatible with the historic industrial character of the property. I find that the hotel addition violates Standards 1 and 9, cited above.

With regard to the new parking garage, it was constructed across Whitewood Creek, on a functionally unrelated site. I have determined that it does not have a significant impact on the historic Slime Plant Press Building itself. However, I have further determined that the garage does have a detrimental impact on the historic environment of the Slime Plant and on the Deadwood Historic District. Consequently, I agree with TPS that the parking garage is incompatible with the historic character of both the property and the historic district. I find that the parking garage violates Standards 1 and 9, cited above.

With regard to the exterior materials of the Press Building, the metal roof and siding were significantly deteriorated prior to the rehabilitation. And, although replacing those materials with new materials has resulted in a shiny, new, non-historic appearance, the treatment nevertheless complies with the Standards because the new materials match the materials removed. The new materials simply lack the patina of age and deferred maintenance. With regard to the changed configuration of some of the windows, to which TPS objected, the photographs you submitted as part of the appeal provide documentary evidence of the historic configuration of the fenestration. Consequently, I have determined that the new paired windows are acceptable. With regard to the large vehicular entrance at the north end of the building, installed when the building was used as a county garage, it is recent enough that I have determined that its removal is not a significant impact. However, with regard to the enclosed exterior stairs on the west facade, as well as a portion of the west facade itself, removed for the theater addition, I have determined that their loss does have a detrimental impact. Overall, I find that the exterior treatment of the Press Building marginally complies with the Standards.

With regard to the interior of the Press Building, prior to rehabilitation, it contained two massive open spaces. The larger space originally housed the presses from which the building derives its name. Its long, wide gable roof is the primary exterior feature of the

building; the trusses that support it span the open space below without columns, and their lower chords define the upper plane of that space. The smaller space, which originally housed the precipitation tanks, sits below the upper section, close to the level of Whitewood Creek. Its roof continues the slope of the upper gable so that it reads as a shed-roofed addition. The press section and tank sections both were one tall story in height, but the tank section had an upper floor, at the same level as the floor of the press section, suspended from the lower chords of its roof trusses. These physical and spatial characteristics were the primary character-defining features of the interior.

In the course of the rehabilitation, these character-defining features were modified and/or removed to varying degrees, the cumulative result of which is a substantial loss of historic character. A portion of the press space was closed off for the stage and back-of-the-house functions, a reasonable accommodation for the new performance use. The floor of the press section was excavated to allow the new casino floor to be inserted below it, again a reasonable treatment. However, when the floor was reconstructed, it was at a level approximately four feet below its original location. In addition, the suspended floor over the precipitation tanks was removed and the new floor level of the performance space was extended across the tank section to its outside (east) wall. The new floor level is at the midpoint of the windows in that wall. The result of these changes is that the proportions of the two primary spaces in the building and the geometric relationship between the interior floors and the exterior fenestration have been severely altered. In addition, a large segment of the west wall of the press section was removed to allow the construction of the theater addition. The western ends of the roof trusses in that area now bear on a "mega truss," constructed just outside the historic west wall. In addition to the loss of the historic wall, the proportions of the original press section were further altered by the theater addition, becoming significantly wider. Although the roof trusses were retained substantially intact, as were the columns on the east side of the press section, they are among the few remaining historic features. Consequently, I have determined that the cumulative impact of the changes described above has substantially and detrimentally altered the overall historic character of the interior of the building. I find that the interior changes to the Press Building violate Standards 1, 2, 9, and 10, cited above.

With regard to the Assay Office, the careful restoration of the deteriorated concrete facades is overshadowed, quite literally, by converting the modest historic deck above its roof to a public assembly space. That conversion has made the deck a prominent feature on the most prominent corner of the Press Building, the uphill approach from the town of Deadwood. Consequently, it detracts from the historic industrial character of the Press Building and its environment. I find that the new use for the deck violates Standard 1, cited above.

Finally, it is unfortunate that the work was already completed when the Part 2 and Part 3 applications were received by the National Park Service. Regulations governing this program state: "*Owners are strongly encouraged to submit part 2 of the application prior to undertaking any rehabilitation work. Owners who undertake rehabilitation projects without prior approval from the Secretary do so strictly at their own risk.*" [36 CFR

67.6]. Had the Part 2 application been submitted prior to the start of the project, and had the SHPO and NPS been given the opportunity to comment on the proposed work described in the Part 2 application, these incompatible treatments potentially may have been avoided.

As Department of the Interior regulations state, my decision is the final administrative decision 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  
Chief Appeals Officer  
Cultural Resources

cc: SHPO-SD  
IRS

[REDACTED]