

Preserving chips off the old block

By: Lee Fehrenbacher in Real Estate and Development March 7, 2014 1:57 pm



Lauren Noecker, left, co-owner of NFN investments, and Jeff Arthur, a principal at Arthur Mutal, are nearly ready to open the doors of the renovated R.J. Templeton Building on the east end of the Burnside Bridge. (Dan Carter for the DJC)

When Lauren Noecker, a managing member and co-owner of **NFN Investments**, first toured the 85-year-old **R.J. Templeton Building**, she was skeptical of its potential for adaptive reuse.

“It was really rough in here – I mean really rough,” she said of space that will serve as NFN’s offices. “... it really looked like a big undertaking.”

Concrete walls were chipped, glass window panes were loose, and the mechanical, electrical and plumbing systems were

completely obsolete. And after holding heavy equipment for decades, the wooden flooring was scarred – in some places, with holes the floor below.

But the Templeton’s location, at 230 E. Burnside St., is literally second to none. It’s the only building in Portland with an entrance on a bridge. Thousands of commuters pass by every day.

So despite initial qualms, NFN joined development partner **Arthur Mutal** in December 2012 to purchase the iconic building for \$1.2 million, and immediately set about converting it into creative office space. Now, those selfsame flaws that created cause for concern are critical components of success.

“There were some moments where we said, ‘Is this floor going to do?’ ” Noecker said. “But we didn’t really have the option ... and actually, it’s beautiful the way it turned out. The problem is that they’ve pieced it in over the years, so you can see some parts are a little choppy, and then some parts are more worn out than others ... but overall it’s very Portland.”

That local appeal is visible in the tenants. **Tilt**, a blue-collar burger joint based in the **Pearl District**, has leased a 3,500-square-foot restaurant space that opens directly onto the **Burnside Bridge**; Portland-based tech company **DevelopmentNow** is occupying the 2,700-square-foot space next door.

NFN is moving its offices into a 7,500-square-foot space on the ground floor, which leaves just one 1,000-square-foot unit available. Stairwells, common areas and other spaces make of the rest of the building’s 16,400 square feet.

“Everyone just loved how raw it is,” said Alex Hughes, a commercial broker for **Debbie Thomas Real Estate**, which represented NFN and Arthur Mutal in its leasing effort. “They wanted the floor joists exposed. They wanted the steel columns exposed. It’s almost like the more concrete chipping off the wall, the better. They love that rough and tough character because it just tells a story, and gives a little sense of the history of the building.”

For example, in NFN’s future accounting office, a worn-and-weathered barn door opens onto a solid wall. Previous owners didn’t bother to remove it when they sealed the opening with concrete; now it adds character. Upstairs,

painted letters proudly advertise the sale of “Fine Paper” and “Building & Roofing” supplies on the building’s previous exterior.

The R.J. Templeton Building formerly was the most modern facility of its kind on the West Coast, according to an application filed with the **National Register of Historic Places**. While most buildings of the period were made of ceramic brick and wood, the Templeton was forged from steel and concrete.

It was originally known as the Frigidaire Building because of its first tenant, but an auto parts dealer later renamed it after itself. In the mid-2000s, the Templeton served briefly as a home for nonprofit arts organization **Disjecta**.

Three years ago, the building caught the eye of Jeff Arthur, a principal at Arthur Mutal.

“We had been looking at a lot of older buildings,” Arthur said. “I like the old character, and I knew this area and what was going on with the Burnside Bridgehead project. And even though it was put on ice when the downturn happened, I knew it would come back.”

Across the street, developments are in the works that total several hundred residential units and several thousand square feet of office and retail space. When those buildings are up and running, Arthur believes the Burnside Bridge will outpace the **Hawthorne Bridge** in bicycle counts, which has had more than 2.5 million in about a year and a half, according to the city of Portland.

That would benefit tenants such as Tilt, which is thinking about allowing customers to rack their bikes inside its restaurant.

“This will be so great for them,” Arthur said. “Just the visibility – I mean just the signage that they get is worth more than the lease they’re paying.”

But it wasn’t until Arthur showed Noecker the former **Dynagraphics building** in the Pearl District – a 1940s-era warehouse that Arthur Mutal converted into Class A creative office space – that she became convinced of the Templeton Building’s potential. While Arthur Mutal specializes in historic properties, NFN has focused traditionally on the rehabilitation of Class C apartments. Arthur Mutal principal Don Mutal led construction of the Dynagraphics project via his firm **PATH Construction**, which is also the general contractor for the Templeton project.

The team also brought on **LRS Architects** as the project’s architect, but **R&A Design** led the overall design and tenant improvements. Together, the group found other ways to merge its past into a more contemporary setting.

In NFN’s offices, instead of painting over swaths of pistachio-colored paint, crews simply matched it on new partitions. They also added paned-glass windows on the interior to mirror the ones on the exterior, and even fabricated two massive metal doors to the conference room with a similar pattern. That room is next to a massive freight elevator.

Arthur said a “daunting” systems upgrade was also required. He and Noecker declined to share the overall cost of the renovation.

The project is already generating a significant amount of interest.

“I’ll just say we bought a new building, and we’re renovating the office,” Noecker said. “And then I’ll kind of mention where it is roughly, and they’ll call out, ‘The Templeton!’ Then they want a tour. ... There’s definitely a connection between Portlanders and this building.”

