



## Article

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### COMPANY PROFILE: SAN DIEGO HISTORIC PROPERTIES

The father-daughter team of Leon Herrick and Cathy Herrick-Anderson, co-founders of San Diego Historic Properties, established in 1983, have been instrumental in restoring more historic properties in San Diego's famous Gaslamp Quarter than any other single group. Since first buying an old run-down, mixed-use building in the Gaslamp Quarter in 1984, Herrick and Herrick-Anderson have subsequently purchased and fully restored nine other buildings. They include the Louis Bank of Commerce Building, Gaslamp Quarter Hotel, Llewelyn Building, Cole-Block Building, Dustin-Arms Hotel, Buckner Hotel, La Pension Building, Reed-Pauley Building, Wilsonian Hotel, and Old City Hall Building.

Herrick and Herrick-Anderson get an enormous sense of accomplishment and pride that comes from completing the accurate historic restoration of a building that is more than 100 years old. In a sense, they are also providing an important archeological service to San Diego as they have unearthed a treasure trove of historical relics over the years.

Both father and daughter have brought a unique set of skills to their business. For 25 years, Herrick had individually owned and acted as managing partner of numerous projects involving investment in real estate property, raw land held for development, apartment buildings, residential hotels, commercial and historic properties. He was also president of Health Practice Management, a medical management-consulting firm based in San Diego.

Herrick-Anderson served for a number of years as a consultant and venture capitalist to other groups wanting to purchase Gaslamp Quarter properties. She also founded SBW Network, an organization of women entrepreneurs with businesses located in the Gaslamp District. She continues to be involved with various civic organizations in San Diego, including the Gaslamp Quarter Foundation, and the San Diego Historic Society. Cathy was even toasted - at age 30 - as the "Grande Dame" of the Historic District as part of San Diego Magazine's "89 People to Watch in '89."

Father and daughter's keen love of history and historic preservation is reflected in each property they buy and restore. The detail work done for each individual project is impressive - it has included replicating finely carved Victorian cornices, restoring long inactive birdcage elevators, recasting original metal stanchions, stripping and refinishing century-old bannisters, balustrades, picture rails, window and door frame escutcheons, and replicating etched and leaded glass.

San Diego Historic Properties has also garnered numerous public rewards for their restored properties such as San Diego's Alonzo Horton Award, the Founding Pioneer's Award, and the California State First Place Award for Historic Preservation (for the Louis Bank of Commerce Building).

Herrick refers to the Gaslamp Quarter as the real 'Field of Dreams.' The area is now home to one of the best-preserved collections of Victorian buildings in the United States. But it wasn't always a tourist attraction.

Herrick likes to remind people that the Gaslamp Quarter has actually undergone two major redevelopments during its long history. The first immigrant settlers from the East Coast arrived in San Diego in 1850. Their attempts to set up businesses on land that became the Gaslamp didn't take root and they moved a few miles up the road to the area now known as Old Town. The area sat dormant for more than 40 years until Alonzo Horton bought up 800 downtown acres in 1867.

The second attempt at settlement caught hold. Following his stints as Marshall in Abilene and Dodge City, Wyatt Earp opened a gambling hall and several taverns between Third and Sixth Avenues and from H Street to the Wharf. In addition to housing a substantial

Chinese population, the area also became well known as a thriving red-light district. Famed Madam Ida Bailey ran a profitable brothel from her Canary Cottage on the south side of H Street (now Market Street). Madam Ida used to parade her women through the district on slow nights and was a constant target of the establishment. Under heavy pressure from the town ladies, known as the Puritan Leaguers, a police captain was suborned into raiding the Canary Cottage one night in June 1897. Unfortunately, two of the leading lights of San Diego, the mayor and chief of police were regulars and were paying a visit to the brothel that evening. They managed to scramble out the rear windows out of sight of the crowd that had followed the paddy wagon!

Madam Cora, another well-known local fixture, ran a brothel in the upper floors of the Louis Bank of Commerce Building, which at that time was known as the Golden Poppy whorehouse. Herrick said she started out as a turbaned fortune-teller but found greater returns from her high class "house." Her unique system provided some 20 odd individual rooms, wall papered in pastel colors to match the attire of their occupants. A customer, upon entry at the street level door, paid for his visit and received a colored marble token to deliver upstairs to his chosen lady.

During the first two decades of the 20th century, the Gaslamp Quarter served as the thriving commercial heart of San Diego until it began a 40-year slide during the Great Depression. After World War II, housing demands by returning soldiers led to the creation of suburbs and urban downtown areas in most big cities, including San Diego, giving way to suburban shopping centers and convenience stores. By the late 1950s and early 1960s, the Gaslamp Quarter sank into a sad state of disrepair. Many of the buildings were boarded up and deserted by their owners. The Rescue Mission on Fifth Avenue became the busiest 'business' in the area, and street people staked out building entrances, alcoves and trash enclosures to bed down for the night.

The second resurrection of the Gaslamp Quarter began in 1976, when the city adopted the Gaslamp Quarter Revitalization Plan. A year later, the area formerly known as the Stingaree District became the state's only nationally certified first historic district. One of the early tasks under the plan was to install electrified lamps throughout the 38-acre, 16-block district, reminiscent of turn of the century street lighting. The widening and brick paving of the district's sidewalks shortly followed this. The combined effect permanently stamped the name 'Gaslamp' to the area.

In 1979, after spending more than \$33 million to buy up 6 1/2 blocks just below Broadway, the San Diego City Council sold the property to mall developer Ernest Hahn for \$1 million, who in turn, agreed to build a mall, which in 1985 opened as Horton Plaza. But Herrick said despite the success of Horton Plaza, which was grossing more than \$95 million annually (this included the stores, restaurants and movie theaters), the nearby Gaslamp remained a risky district. Designated a National Historic District in 1981, the Gaslamp was still heavily populated by pornography patrons and there was a lot of squalor.

But in 1989, things began to turn around. The San Diego Convention Center opened just a few hundred yards from the southern portion of the Gaslamp. Coupled with substantial tax incentives and loan programs made available to developers and property owners as enticements to historically rehabilitate these buildings, the Gaslamp was reborn again.

Herrick said the tax incentives that have benefited his company and others have included a 25 percent tax credit on all monies spent for the rehabilitation of the buildings, up to 30 percent tax deduction for the donation of facade easements on the buildings, and a 19-year straight-line depreciation schedule instead of the customary 30 to 40 years. The federal government also provided low-interest rehab loans from the Department of Housing and Urban Development and encouraged banks to loan to the developers at lower rates and at higher loan-to-value levels to satisfy Community Reinvestment Act credit requirements. There are guaranteed loans from the Small Business Administration to qualify tenants. Lastly, the Historic Building Code, adopted after 1977, provides flexible interpretations of codes for structural, seismic, fire safety and occupancy ratings of rehabbed historic buildings.

As a result of these tax incentives the Gaslamp Quarter now contains the largest collection of turn of the century commercial and mixed-use buildings in San Diego. Many investors in these historic preservation properties have realized tax savings of two to four times their cash investment in the first year.

While tomes could be written about each of the properties that San Diego Historic Properties has purchased and restored, the Louis Bank of Commerce Building certainly has one of the most colorful histories. Herrick said it was originally constructed in 1888 by Isidor Louis, who was born in the Polish city of Lessen in 1836. Louis came to San Diego in 1879 and opened a boot shop on Fifth, between G and H streets. Five years later he had also opened an oyster bar and ice cream store. When the railroad finally came in 1885 it sparked a real estate boom. The town swelled from 5,000 to 35,000 in only two years and the population influx created a need for more banks, office space and living quarters.

Louis and his partners began erecting a four-story building on the lot he had originally purchased from Alonzo Horton. When finished in 1888, it was the tallest building in San Diego. The Victorian style structure had twin mansard roof towers, each topped by an eagle with spread wings. The front was cut from granite with large bay windows. Other intricate design details included an ornate cornice, elaborate wood detailing, and bas-relief in cast terra cotta. Louis maintained a real estate office in the building and he and his family resided on the fourth floor. There were also 33 office spaces rented to tenants of all occupations - a bookseller, jeweler, watchmaker, optician, and other real estate agent-speculator and investment firms. In fact, one of Louis' tenants, Isaac Davidson, a Lithuanian immigrant, later became a banker and built the St. James Hotel in 1912, located directly behind Louis' building on Sixth Avenue.

Today, the handsome interior has been restored to its fine finished banisters and wood paneling. The original brick walls extend all the way up to the stairs from the second floor where the bank teller windows are still located, to the fourth floor, which still has a large skylight spanning the length of the ceiling.

Isidor Louis died in 1895. He had transformed himself from a poor Eastern European immigrant into a respected and popular entrepreneur that became a pillar of the community and an important part of San Diego's early history. If he were around today, he would be proud to see how his building, and the entire Gaslamp Quarter, has fared. The Louis Bank of Commerce Building's tenants are similar to those of yesteryear with a few exceptions - they include lawyers, investment advisors, talent managers, real estate agents and designer jewelers.

San Diego Historic Properties has played a significant role in restoring the Gaslamp Quarter. Property values in the area doubled between 1995 and 1998 and property taxes from the parcels have added millions of dollars to the city's coffers. What used to be one of the more unsavory areas of the city after dark has become one of the most popular tourist draws. There are now scores of top quality Italian and other ethnic restaurants, nightclubs, coffeehouses and numerous retail stores.

And what does the future portend for the Gaslamp Quarter? Look for San Diego Historic Properties to purchase and restore more buildings in the district, and take a lead role in recommending innovative ways to further increase business and attract tourists. These include removing all parking along Fifth Avenue except for emergency vehicles, creating a gazebo at Fifth and E Avenues, cobblestoned streets, outside carousels and more outdoor jazz cafes.

Companies such as San Diego Historic Properties have helped architecture, entertainment and history to intersect in ways the city's founding fathers could never have imagined. But if they could take a stroll around the Gaslamp Quarter, they would be pleased.

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