



September 15, 2009

Wrenna Watson
Chair
City of Pittsburgh Planning Commission
200 Ross Street
Pittsburgh, PA 15219

Dear Chairman Watson:

The Young Preservationists Association of Pittsburgh (YPA) appreciates this opportunity to comment on the nomination of the Paramount Pictures Film Exchange to be a City of Pittsburgh Historic Landmark.

In my testimony, I make four points about the reasoning behind YPA's nomination of the Paramount Pictures Film Exchange to be a City of Pittsburgh Historic Landmark.

First, the Paramount Pictures Film Exchange represents an important phase in the development of film distribution and exhibition in Pittsburgh, as well as the development of the Uptown neighborhood. Second, preservation and reuse of the Paramount building fits within Uptown Community Partners' new Community Plan, which was developed this year. Third, the Paramount building's potential as a driver of economic activity by being designated a historic landmark is essential to the future of the neighborhood. Finally, the historic designation of the Paramount building has the support of the residents of Uptown, the most important constituents.

These reasons are why the Historic Review Commission recommended the designation of the Paramount Pictures Film Exchange to be a City of Pittsburgh Historic Landmark at its meeting last month, and why we urge the City Planning Commission to do the same.



Historic Significance

YPA nominated the Paramount Pictures Film Exchange for the important role it played in the development of Pittsburgh's film industry, as well as the development of the Uptown Neighborhood. Built in 1926 by R.E. Hall Architects, the Paramount building is the last original remainder of a once extensive "Film Row" that existed in Pittsburgh, as it did in many cities. Film Row provided an important distribution network for the major film studios to reach neighborhood theaters throughout the Pittsburgh region. Paramount Pictures also became a national leader in the evolution of the film exchange industry.

The Paramount Pictures Film Exchange constitutes a significant and often overlooked aspect of the entertainment industry. At a time when major studios tightly controlled the distribution of their products, these exchanges served as the sole outlet for the popular movies of the day. As the studios invested in their own exchange buildings, they used architectural details that evoked the theaters that they served.

Pittsburgh's Film Row existed on the Boulevard of the Allies from the 1920s through the 1960s, represented by the major film studios: Columbia Pictures, MGM, Warner Brothers, Universal Pictures, United Artists, RKO, Paramount Pictures, and Republic. The last film exchange still standing in its original condition is the Paramount Pictures building.

Today, all the other film exchange buildings besides Paramount's have either been demolished or converted into small businesses, offices, or Duquesne University buildings. The Paramount Pictures Film Exchange is relevant and culturally significant to the City of Pittsburgh, as well as significant to the history and development of the Paramount Pictures company and the current system of film distribution nationally.

The rise in economic activity in Pittsburgh, along with the population during the latter part of the 19th century and first decades of the twentieth century led to the creation of a working class with disposable income and leisure time. This in turn led to an ever-increasing form of affordable entertainment. Vaudeville emerged in the 1880s and, starting in 1896, moving pictures.



When movies first came out, they were shown in small Nickelodeon theaters, the first of which was developed in Pittsburgh in 1905.¹

Pittsburgh can also claim the first film exchange, founded by the Warner brothers of New Castle, Pa., in 1904, who developed the Pittsburgh-based Duquesne Amusement and Supply Company (the precursor to Warner Bros. Pictures) to distribute films.²

The Pittsburgh film exchanges were the local vehicle that was part of a national network used by film production companies and related concession and service companies to distribute and deliver popular entertainment that a growing number of people desired. The construction of new, larger theaters in downtown Pittsburgh during the 1920s necessitated the expansion and importance of film exchanges. The Loew's Penn Theater (built 1927) and Stanley (built 1928) were constructed to meet the growing demand for feature films.³

Paramount was a leading studio for the distribution of major blockbuster hits in Pittsburgh during the 1920s through the 1960s. Popular movies such as Mae West's *She Done Him Wrong* (which was nominated for an Oscar in 1933); *Betty Boop* (1930) and *Popeye the Sailor Man* (1932) cartoons; *Cleopatra* (an Oscar winner in 1934); *For Whom the Bell Tolls*, which was the top box-office grossing movie in 1943 and won an Oscar; DeMille's *Samson and Delilah* (1949); *Sunset Boulevard* (1950); *Roman Holiday* (1953); Hitchcock's *The Man Who Knew Too Much* (1956); and *The Ten Commandments* (which won an Oscar in 1956) all came through the Paramount Pictures Film Exchange before entering Pittsburgh theaters.⁴

¹ "History of Edison Motion Pictures: Fictional Films Dominate as Nickelodeons Emerge (1900-1907)," <http://memory.loc.gov/ammem/edhtml/edfict.html>

² Tim Dirks, "Film History Before 1920," <http://www.filmsite.org/pre20sintro.html>.

³ Pittsburgh Cultural Trust website, <http://www.pgharts.org/venues/benedum.aspx#facts>, and Pittsburgh Symphony website, <http://www.pittsburghsymphony.org/pghsymph.nsf/web/history.html>

⁴ Various web sources including Paramount and Wikipedia websites, (<http://www.answers.com/topic/paramount-pictures>, http://en.wikipedia.org/wiki/She_Done_Him_Wrong, and [http://en.wikipedia.org/wiki/Roman_Holiday_\(1953_film\)](http://en.wikipedia.org/wiki/Roman_Holiday_(1953_film))).



Significance of Film Row's Location

It is no accident that Film Row exists in the Uptown neighborhood, approximately one mile from Pittsburgh's central business district. Fire regulations required film exchanges to be segregated from other commercial buildings due to the risk of fire.

The films being stored in film exchanges were very flammable, with nitrite being one of the key ingredients used in storage. Several deadly fires—namely in Albany in 1912, Memphis in 1914, Atlanta in 1915, and Chicago in 1916—prompted cities to take action to move film exchanges outside of the city's commercial core.⁵

Cities such as Dallas, St. Louis, and Seattle passed strict film exchange laws that required films be stored in fireproof vaults or to have sprinkler systems installed. In St. Louis, film exchanges were required to move into buildings no taller than two stories. Not coincidentally, Pittsburgh's Paramount Pictures Film Exchange in Uptown is two stories.

As a result of the isolation of film exchanges, many U.S. cities supported a "Film Row" where all the film exchanges were located. This row became the place to find Hollywood studio exchanges and cinema supply stores. Cities such as Boston, Cincinnati, Detroit, and San Francisco all supported film rows. Boston's Film Row was on Pleasant, Tremont, and Ferdinand streets and Columbus Avenue. San Francisco's film exchanges lined three downtown streets.

Paramount's Role in the Evolution of Film Distribution

Paramount Pictures became a national leader in the evolution of the film exchange system. It is "regarded as the first film company to pattern its distribution system after the legitimate theater," according to film historian Max Alvarez. For instance, Alvarez writes, "To prevent neighborhood cinemas from advertising Paramount movies that were still in first run engagements, the studio instituted a three-month waiting period for second-run houses where

⁵ Max Alvarez, "The origins of the film exchange," *Film History*; 2005; 17, 4; pp. 446-451.



reduced ticket prices were charged. Paramount also insisted upon a three-day minimum booking for all new releases in order to put an end to daily schedule changes.”⁶

There are several film exchanges that have been restored and reused in other cities across the country. These include Chicago, Detroit, and Kansas City, and Seattle. In Oklahoma City, for instance, the city supports a historic film exchange district, which is listed on the National Register of Historic Places.⁷ The Paramount Pictures Film Exchange in Seattle is now home to the Del Rey restaurant and lounge.⁸

The Paramount Historic Nomination and the Community Plan

The historic designation of the Paramount Pictures Film Exchange fits within Uptown Partners’ new Community Plan, prepared this year by Rothschild Doyno Architects. Specifically, it falls within Uptown’s “Focused on Locust” strategy, which states:

Uptown Partners works together with UPMC Mercy to pursue collaborative development in concert with future Hospital expansion. Includes new and restored homes, professional offices, neighborhood retail and services, pocket parks, adequate parking, new street trees and lighting, and transformed and improved industrial properties.⁹

The plan also addresses “Industrial Neighbors” and recommends:

- Consider opening up to street to create interest.
- Consider reusing properties over time.
- Accommodate traffic needs.

⁶ “The origins of the film exchange,” p. 457.

⁷ “Historic ‘Film Row’ Area Timeline,” accessed online at <http://www.scriptfolio.net/FILMROWTIMELINE.pdf> on August 3, 2009.

⁸ Clark Humphrey, *Images of America: Seattle’s Belltown*, Arcadia Books, p. 39.

⁹ “Four Zones of Uptown,” Uptown Partners Community Plan, 2009, p. 15.



The Uptown Partners' Community Plan calls for a "Market Driven" approach to development using historic properties: "Foster and improve historic buildings through creative, adaptive reuse. Make a more pedestrian-friendly, business driven district through active ground floor uses and streetscape improvements that strengthen the identity of Uptown."¹⁰

With respect to hospital expansion along the Boulevard of the Allies, between Van Braam and Marion streets, the Uptown Partners' Community Plan states, "Hospital expansion at Boulevard of the Allies with integrated parking, acts as sound buffer to neighborhood and a transition in building scale." The Paramount Building sits in the next block along the Boulevard of the Allies.

In the market analysis portion of the plan, it notes the "power of Eds and Meds" and recommends professional medial office space, small neighborhood stores, small restaurants, entertainment venues, and a service industry, such as dry cleaning and banking.¹¹ All of these uses, including housing, would be appropriate for a restored Paramount Pictures Film Exchange.

The Economic Benefits of Historic Preservation

In my written testimony to the City's Historic Review Commission of August 5, 2009, I cited a number of examples here in Pittsburgh of how historic preservation helps property values—from Bakery Square to the Armstrong Cork Factory to the Murray Hill Avenue Historic District. In each case, and in many cases across the city, historic designation not only improved property values, but it helped the sale and marketing of the property, as well. Simply put, there is a strong demand for historic properties in Pittsburgh.

All across the country, there are a number of examples of the positive impact of historic designation on property values and marketability of historic sites—in Denver, South Carolina, Memphis, Texas, and Pennsylvania. In Denver, for instance, the Lower Downtown Historic District was transformed in less than ten years from abandoned warehouses to Denver's premiere entertainment district.

¹⁰ "Four Zones of Uptown," Uptown Partners Community Plan, 2009, p. 17.

¹¹ "Three Pillars for Market Restoration," Uptown Partners Community Plan, 2009, p. 3.



An online article notes the following transformation:

Does historic district zoning negatively impact property values? This was the question that the Denver Colorado City Council sought to answer in 1988 when it designed the Lower Downtown Historic District.

More than 75 percent of the area's property owners initially opposed the historic district. They feared a loss of property rights and a further erosion of property values. Today, the opponents are believers in the value of historic district zoning.

Before designation, the once thriving commercial area on the edge of downtown had a vacancy rate of 40 percent - and 30 percent of the properties had been foreclosed. Blighted conditions triggered precipitous decreases in property values.

By the summer of 1995, however, vacancy rates in Lower Downtown had dropped to less than 10 percent. The last foreclosed property was sold to a private developer in 1993. The area is now home to 55 restaurants and clubs, 30 art galleries, and 650 new residential units. Property values have doubled and private investment, not including Coors Field - the new home of the Colorado Rockies baseball team - has exceeded \$75 million.

So how did historic district zoning contribute to Lower Downtown's success? The answer is simple: scarcity and certainty create value. Small businesses and investors were lured into the area by its charm and historic character - and by a knowledge that it would remain that way. In other words, historic district zoning gave investors assurance that their investments in rehabilitated, turn of the century buildings would not be undermined by billboards, parking lots, or other insensitive developments on nearby properties. The city's \$2 million investment in streetscape improvements also reinforced private investment in Lower Downtown.¹²

¹² "Historic Districts and Property Values," reprinted from the Planning Commission Journal, Number 23, Summer 1996, online at <http://www.anaheimcolony.com/proval.htm>.



On Bob Vila’s website, he notes the positive economic impact of historic properties: A 2000 study of South Carolina home sales shows that homes in Columbia's historic districts sold 26 percent faster than the overall market; while historic Beauport owners saw a whopping 21 percent greater sale price. In Rome, Georgia, properties in designated historic neighborhoods increased in value 10 percent more than similar properties without historic designation between 1980 and 1996. Studies in Texas, New York, and Pennsylvania corroborate the positive effect an historic district designation has on property values, with overall increases between 5 percent and 20 percent. The stability of property value appears to extend to owner tenure as well: There is a reportedly lower owner turnover within historic districts than in neighborhoods lacking that distinction.”¹³

In fact, there is evidence that, in difficult economic times, “a growing number of homeowners are seeking to boost their property values by getting their neighborhoods designated as historic districts,” according to the *Wall Street Journal*. The article continues:

The push for historic designation is partly a reaction to a flurry of development that has brought enormous changes to many neighborhoods, as developers have demolished older homes to make way for new construction. . . . A boost to property values is another big motivation. Values of homes in historic areas in Memphis, Tenn., rose 14% to 23% higher than those in non-historic areas, according to a 2005 study by researchers at Penn State and Rutgers Universities. A similar study of homes in Texas found historic designation was associated with value increases of between 5% and 20% over similar, non-historic neighborhoods.

Experts say designation can affect home value because it leads to neighborhood pride and better upkeep of homes and yards. Most designations encourage repairs to be made with high-quality material, such as wood, rather than vinyl, and prevent a hodge-podge of styles by blocking any new construction that doesn't fit

¹³ “Buying a Home in an Historic District,” Bob Vila.com, http://www.bobvila.com/HowTo_Library/Buying_a_Home_in_an_Historic_District-Home_Buying-A1541.html



in. Historic designation can also bring financial incentives such as tax credits and matching grant programs for home maintenance.¹⁴

Neighborhood Support for the Historic Designation

Finally, the Uptown community residents support the preservation and reuse of this building. During our walk-through of the neighborhood in July, we presented information about the Paramount Building to residents, informing them that it has been nominated to be a historic landmark. We passed out more than 200 flyers to people in homes and on the street. Not one person objected to the designation. In fact, every single person with whom we spoke was supportive of the nomination, including the Uptown Community Partners community group. This offers perhaps the strongest evidence yet that people who live in the neighborhood who know very little about economics know that saving the Paramount Building is good for Uptown.

In conclusion, the Paramount Pictures Film Exchange possesses unique history and is the last remaining structure of its kind that tells a compelling story about Pittsburgh's film past. It is an important symbol of neighborhood rebirth and enjoys wide support among residents of Uptown. Preservation of this structure is good business and good policy. YPA urges the City of Pittsburgh Planning Commission to vote in favor of historic designation for the Paramount Pictures Film Exchange.

Sincerely,

Dan Holland
Chief Executive Officer

¹⁴ Sara Schaefer Munoz, "Preserving the Tract Home: Historic Districts on the Rise," Wall Street Journal, March 17, 2006, <http://www.realestatejournal.com/buysell/markettrends/20060317-munoz.html>