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JOHN TESS COLUMN



Challenges and Opportunities When Redeveloping Industrial Buildings

JOHN TESS

HERITAGE CONSULTING GROUP

In the 40-year history of the historic tax credit (HTC) program, certain building types have become perennial targets for rehabilitation. Mills, factories, office buildings, department stores and schools are often well-suited for adaptive reuse, with floor plans and finishes that lend themselves to new uses and the use of HTCs. This article, the first in a recurring series identifying the opportunities and challenges of redeveloping different types of buildings, explores mills and factories, two of the most common building types rehabilitated using the HTC program.

Mills and Factories

Along with the Industrial Revolution's sweeping social and historic impact in America, the industrialization of the late-19th and early-20th centuries left an architectural legacy. Mills, factories and other industrial buildings were constructed throughout the United States, with typical features that included an open floor plan (to allow for maximum flexibility for operations and equipment), fire-resistant or fireproof construction (including brick exterior walls) and large multi-light windows (to maximize daylight and, consequently, working hours). With the decline of the American manufacturing sector in the late 20th century, hundreds of these former industrial sites have been closed and left vacant—and ripe for redevelopment.

The same features that made these industrial buildings ideal for manufacturing and production present opportunities for their reuse and rehabilitation. An open floor plan allows for fairly flexible design interventions within the existing structure. Brick walls often remain structurally sound or repairable, and they often can be incorporated as a design feature. Large windows can be an appealing, marketable feature in the repurposed building. These features are not present in every industrial structure, and each building has its own distinguishing elements. For this reason, a crucial part of any rehabilitation project is the identification of the features that will be important to retain in the repurposed building. This should be undertaken as early as possible and should be completed by a qualified historic consultant who can identify and prioritize these features to ensure a positive outcome in pursuing HTCs.

The Secretary of the Interior's Standards for Rehabilitation (the Standards), which serve as the guidelines for the HTC program, call for the retention of distinctive architectural features and finishes on the interior and exterior of rehabilitated buildings. For some projects, these character-defining features present challenges to the rehabilitation, because changes in use often necessitate changes in floor plan and finishes for programmatic or accessibility

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Photo: Courtesy of © Sean Hemmerle 2012 Reprinted with permission
 Developer GDC Properties rehabilitated 220 Water Street in the DUMBO Industrial District in Brooklyn, N.Y.

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reasons. Moreover, the industrial origins of the building may mean that the building should be rezoned for the change in use, or that environmental hazards at the site must be redressed.

Within the framework of the Standards, the HTC program allows interventions to address these common issues. Where character-defining features are in poor condition and must be repaired or replaced, they should be replaced in-kind to maintain the character of the overall building and project. Design interventions should be appropriate for the industrial aesthetic of the building, so that any modifications remain compatible with the existing historic fabric without creating a false sense of historicism.

220 Water Street, Brooklyn, N.Y.

Undertaken by developer GDC Properties, the rehabilitation of 220 Water Street in the DUMBO Industrial District in Brooklyn represents many of the opportunities and challenges of redeveloping a historic industrial building. Constructed circa 1893, the building originally housed the Hanan & Son Shoe Company,

which was founded in 1853 by Irish immigrant James Hanan. The company produced men's and women's dress shoes and was one of the first in the country to stamp its name on every shoe, allowing the brand to gain national and international prominence. In 1890, to capitalize on its name recognition, Hanan & Son opened retail stores to sell shoes directly to consumers. The company opened its factory at 220 Water Street around 1893, and in 1905, the factory was enlarged with a substantial addition to the west of the original building. The company enjoyed great success in the early 20th century and, at its peak, employed 1,131 workers at the Brooklyn facility. The building continued to serve as the Hanan & Son Shoe Company building through 1937. From that time until the early 2000s, the building was occupied by a number of smaller manufacturers and was utilized for storage. By 2007, the building stood underutilized with sections used for storage and a limited number of apartments.

The factory consists of a circa 1893 brick and timber-frame east section and a 1905 brick and reinforced-concrete west section. Each of the two sections is U-shaped in plan, forming an open interior courtyard at the center

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of the building where a boiler house originally stood. An environmental assessment revealed the presence of contaminants in the boiler room, which needed to be addressed in the rehabilitation, and the remainder of the building suffered from decades without maintenance.

The developers used HTCs to rehabilitate 220 Water Street into 134 market-rate rental apartments with rents subject to New York City’s stabilization regulations, along with a retail area and amenity space for tenants. On the exterior, the building’s brick walls needed to be cleaned in a materially sensitive way, and the windows were in poor condition. A full window-by-window assessment of the building documented the conditions of deterioration and demonstrated the need for 100 percent replacement. While the 1893 section of the building had original windows in place, the windows in the 1905 section were replaced in the mid-20th century and no original metal sash remained. Archival research was conducted to document the historic configuration of the windows and identify an appropriate replacement window.

On the interior of the building, the challenge of the boiler house’s environmental issues became an opportunity to

adaptively use this space. Mitigation was infeasible, which meant that the boiler house needed to be removed. This presented an opportunity for the creation of an atrium at the center of the building, recapturing the former lightwell as an amenity at the ground floor.

On-site parking, which the city required, presented a significant challenge, as the building is built to the lot line. The developer recognized the opportunity to use the basement for parking. Ventilating interior parking is frequently a challenge, requiring costly mechanicals and masonry penetrations that can conflict with the HTC program’s Standards. Ultimately, the National Park Service approved the insertion of louvers in certain basement window openings to ventilate the basement parking area.

On the upper floors, the generally open floor plans allowed for the insertion of new demising walls to create 134 loft apartments. Within these units, the finishes maintain the industrial character of the building with brick walls and exposed mechanical systems. This design aesthetic is possible in former mills and factories, where the walls would historically have been unfinished; in other building

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Photo: Courtesy of © Sean Hemmerle 2012 Reprinted with permission
The property at 220 Water Street had housed the the Hanan & Son Shoe Company’s shoe factory.



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types that would historically have had finished interiors, these design features are often considered inappropriate under the Standards.

The roof, which was flat and previously used only for mechanical equipment, presented another opportunity for adaptive use and was converted to tenant amenity space. Along with the building's mechanical equipment are dining, lounge and seating areas with a fireplace feature. The roof affords spectacular views of the Manhattan skyline.

Conclusion

Although each rehabilitation project is different, certain building types present common opportunities and challenges under the HTC program. Mills, factories and other industrial buildings are often excellent candidates for redevelopment and GDC Properties' 220 Water

Street stands as a prime example of all the design and development potential that such a building can offer. At the heart of the DUMBO Industrial District, 220 Water Street represents and maintains the historic industrial character of the neighborhood. ❖

John M. Tess is president and founder of Heritage Consulting Group, a national firm that assists property owners seeking local, state and federal historic tax incentives for the rehabilitation of historic properties. Since 1982 Heritage Consulting Group has represented historic projects totaling more than \$3 billion in rehabilitation construction. He can be reached at 503-228-0272 or jmtess@heritage-consulting.com.

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