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Adaptive Reuse: What's Old Is New Again

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The Beacon

condominium conversion.

TRENTON—With a business plan that includes revitalizing the city here, locally based HHG Development Associates LLC's most recent project is the conversion of the former Exton Cracker Factory--the birthplace of the oyster cracker--into luxury condominiums, now known as the Cracker Factory. HHG partners David Henderson, John Hatch and Michael Goldstein purchased the property and headed up the 18-unit

In addition to saving a set of six buildings, the developers also preserved various architectural features including two original 1920's barrel-vaulted brick. The two ovens were originally the center of the baking complex, and had electrically rotating carousels. The slits in the ovens now provide a window into the unit's kitchen and master bedroom from the spacious, loft-like living/dining space.

According to HHG principal Michael Goldstein, restoring the structure was particularly cost effective when compared to building a similar structure from the ground up. "You can't possibly reproduce this quality of construction and the price points we achieved from doing a restoration," he tells GlobeSt.com, adding, that the cost of doing restoration is probably one-half to one-third of what it would be to build the same quality building.

HHG applied for HMFA Choice financing to offset the Cracker Factory costs. "That's turned out to be critical because it means we have market rate units that are subsidized and it means people are able to buy these units at below our costs," Goldstein says. "That's why we've been able to sell them even though the real estate market is a shadow of what it was a few years ago."

The Beacon in Jersey City also represents a massive recycling and adaptive reuse effort. According to the project's restoration specialist Ulana Zakalak, the 10 existing buildings are listed on the New Jersey State and National Register of Historic Places, and are the largest concentration of art deco buildings in the state. "Unlike other proposals, which called for the demolition of the buildings, NYC-based developer Metrovest Equities is instead doing everything possible to restore them to their original glory while simultaneously creating a viable new use," she says.

To that end, Metrovest has assembled a team of craftsmen and historic preservationists to execute the restoration, which is being performed under the Secretary of Interior's Guidelines for Historic Rehabilitation. This includes rebuilding and restoring the buildings' entire façades using the strictest of methods and materials, and restoring the protected interior spaces. The total project is running in the range of \$350 million.



Painstaking efforts to re-establish the historic grandeur and character of the interior spaces included refurbishing original chandeliers, plaster, decorative painting, marble, elevator door surrounds and windows that are being gilded with gold leafs. Former Art Deco theaters, lobbies, public corridors, executive offices and meeting rooms were restored, with many of the spaces converted to an elaborate amenity offering for Beacon residents, including Mayor Hague's former office which now serves as a poker room. "Ishmael Leyva Architects in New York City was in charge of the first phase, while Highland Associates is handling the retail building," says Metrovest president George Filopoulos. "But the team is huge...aside from Ullana, we have a structural engineer who specializes in facades, a mechanical engineer and the list goes on."

Even the large industrial buildings that populate the New Jersey landscape are being sliced up into smaller components. "We've noticed that companies don't want as much warehouse space and even fewer are looking for space over half-a-million square feet," says Joel Ives, a partner at Fair Lawn-based Ives, Schier & Lesser Architecture Studio. In addition to the 500,000-square-foot Wrigley's Gum factory in Edison, which the firm recently converted into industrial and hi-tech flex condos, and the rezoning of the 118,321-square-foot Lea & Perrins manufacturing plant in Fair Lawn for office and commercial use, IS&L is working on several projects that involve chopping up industrial spaces into self-contained units that can then be leased or sold as condominiums.

Proving that adaptive reuse projects can take on many different forms, IS&L was even asked to convert an industrial building into a daycare center. "It shows that companies are thinking outside the box when it comes to adaptive reuse," Ives says. Taking this concept a step further is J.G. Petrucci Co. Inc., which acquired National Tool and Manufacturing Co.'s 33,000-square-foot manufacturing and brownfield site at 1137 Globe Ave. in Mountainside, and promptly converted the building into an art school for the ARC of Union County.

Still, adaptive reuse does present some challenges. Speaking to office space, Cushman & Wakefield's executive director David Stifelman, notes that a lot of the older buildings are very difficult to retrofit into truly class A office buildings since they have lower ceilings and smaller floorplates. "There are a few," he says, "but those are such big buildings that you would need to get a large tenant to kick off the redevelopment." He adds that sometimes contractors and owners will tell you it's more expensive to retrofit than to build.