Table of Contents

Executive Summary ............................................................................................................... 1
   Location, Overview & History ......................................................................................... 1
     Location ......................................................................................................................... 1
     Overview and History ................................................................................................. 1
     Environmental Issues ............................................................................................... 2
   Feasibility Findings and Recommendations .................................................................. 2
   Sale of Building vs. City Ownership or Public-Private Partnership ............................ 4
   Historic Tax Credits .................................................................................................... 4
     North Section ............................................................................................................... 5
     South Section .............................................................................................................. 6
     East Section ................................................................................................................ 6
   Site Concept .................................................................................................................. 8

Existing Conditions ........................................................................................................... 10
   Current Land Ownership ............................................................................................. 10
   Infrastructure ............................................................................................................... 10
   Transportation/Circulation Systems ............................................................................ 10
   Current Land and Water Uses ..................................................................................... 10
   Historic and Archeological Resources ...................................................................... 10
   USGS Soil Resource Report ....................................................................................... 11
   Topography and Hydrology ....................................................................................... 11
   Natural Resources ...................................................................................................... 11
   View Corridors ............................................................................................................ 11
   Zoning and Other Applicable Designations .................................................................. 11
   Analysis of Site Constraints, Needs, and Opportunities ............................................ 12
     Structural Issues ........................................................................................................ 12
   Planning Context for Site ............................................................................................ 26
   Consistency with Existing Plans ................................................................................. 27
   Other Site Considerations ............................................................................................ 27

Economic and Market Analysis ......................................................................................... 28
   Economy ....................................................................................................................... 28
   Demographics .............................................................................................................. 28

This report was prepared with funding provided by the New York State Department of State under Title 11 of the Environmental Protection Fund.
Executive Summary

Location, Overview & History
Location
The Dunn Warehouse, sited at Broad and Water Street, is an important historical and architectural landmark on Hudson's Waterfront. The building is located within close proximity to transportation hubs – adjacent to the Hudson Amtrak Station; entertainment venues – including Basilica Hudson; and housing, making it a desirable site for redevelopment. Currently used as storage, the former warehouse, constructed mainly of brick, is sited on 0.62 acres and occupies approximately 5,300 square feet.

The Dunn Warehouse is located directly across from Henry Hudson Riverfront Park. The park's amenities include a pavilion for special events, public restrooms, boat docks and walking paths—all set against the historic landscape of the Hudson River. The park also shares the waterfront with a private boat club and a NYS State Boat Launch.

Overview and History
The City of Hudson, New York is located along the eastern banks of the Hudson River in Columbia County. In its early years, Hudson was a whaling, fishing, shipbuilding and mercantile town. It remained a shipping and manufacturing center into the 20th century, but began to decline, as did many postindustrial towns, in the 1960s and 1970s. Many remnant buildings that display the architectural history from Hudson's prosperous days, similar to the Dunn Warehouse, have begun to be reclaimed as part of a lively arts, music, market, and antiques scene and a second-home destination for many New York City dwellers.

The Dunn Warehouse site was previously home to a manufactured gas plant built in 1953, which occupied 1.6 acres. The 1884 Sanborn maps show the property occupied by Hudson Gas Works, with adjacent coal and flour storage to the west, and a Foundry and Moulding operated by Hudson Stove Works to the northeast. The park area to the north was an oil storage facility. In 1889, the Sanborn maps indicate use of the site by Hudson Light and Power, with the flour storage and Stove Works remaining as adjacent users. In 1895, the
maps indicate that the flour storage transition to a machine shop, but other uses remain. As of 1903, the power company gas plant remained, but the Stove Works had closed, becoming Weaver Lumber and Building Materials yard by 1911. The Gas Works and Lumber Yard continued through the 1923 and 1949 maps, but the gas works had transitioned into storage by 1961.

Environmental Issues
As a result of its manufacturing history, the Dunn Warehouse site was considered a brownfield – home to coal tar, volatile organic compounds, and metals – and was remediated by then-owner Niagara Mohawk after the NYS Department of Environmental Conservation identified it as a source of recurring petroleum sheens on the water. Remediation included excavation of sediments, stockpiling of removals, trenching, and eventual removal of the stockpiles, followed by site restoration in the area of the waterfront park and the installation of monitoring wells along the railroad tracks. It is assumed that residual contamination still exists on the site.

Feasibility Findings and Recommendations
Because the Dunn Warehouse is isolated at present, limiting it to any one use is not advisable. A diversity of activities is recommended that would at once complement one another, serve as attractions that relate to a waterfront experience, and would not necessarily compete with nor duplicate the Warren Street experience. Furthermore, the two sections of the building lend themselves to a combination of scenarios 1 and 2. In the analysis of market, site, and building, cost, and management issues, the team found that the northern section would be most conducive to a mix of retail and food activities and the southern section would be optimal as a flexible office or public use space.

Of the three scenarios, the research and analysis found that scenario 1 or 2 are feasible for the site. Success of any scenario will depend upon:

- How well the space is designed to accommodate a flexible range of uses;
- How well the space is managed, including marketing, operations, maintenance and financial management;
- Accompanying the adaptive reuse of the building with streetscape, parking and park upgrades;
- Prioritizing improved accessibility to the site via foot and vehicle across the Ferry Street bridge and Broad Street railroad crossing.
- Supporting improved access to and from the water (e.g., docking and marina facilities; kayaking and other recreational small craft access); and
- Assuring well-managed programming (i.e., the uses) of the building and the adjacent park, including a well-publicized calendar of events coordinated with other entities in Hudson.

Retail and shopping would fit well with the northern section for a few reasons:

- The structure of the one-story space is easily dividable into three, with the partitions located directly under the trusses that divide the bays.
• The full-length openings could serve as a row of storefronts. Their size and repetition are conducive to the shopping experience.

• In urban design terms, this façade of the Warehouse could be oriented on a side street that could eventually face another retail row to the north side of the street. Retailers find that this type of public space creates an “outdoor room” that helps retain activity more than a single-sided street.

The retail and restaurant markets are successful in Hudson for a number of reasons:

• Dense, mixed-use fabric: The fabric of Warren Street is relatively dense, serves the mixed use residential and office market directly around it.

• The Main Street “experience”: People want to shop in unique places and have a memorable experience; otherwise, they can shop on line. The architecture of Warren Street has “very good bones”: the ensemble represents some of the best examples of urban architecture in the Hudson Valley, and because it has escaped demolition (for the most part), it keeps the pedestrian experience intact. Sensitivity to the historic fabric, maintaining a sense of scale and good design on the facades and in the storefronts and merchandising all contribute to this. Main streets where excessive demolition has occurred do not have sufficient adjacencies to offer a “Main Street” experience.

• A regional shopping and dining destination: Warren Street serves as a regional shopping and dining destination. To understand the extent of market supply and demand, a Drive Time map can be compared with Marketplace Profiles. The weekend activity from New York City, which extends from Thursday through Tuesday, is a result of more flexible work arrangements for the “weekend-extenders” and telecommuters. Hudson’s draw as a popular tourism destination further expands the potential for the success of retail and dining in Hudson.

Broadly defined public spaces could also work for the Dunn Warehouse in combination with dining and shopping. The southern portion of the building is more suited as open office configurations or a public assembly space. Option 1 (page 7) shows the space divided into a 2-story space totaling 5,000 square feet with the potential for flexible, sub dividable office spaces. Option 2 (page 7) shows open 2-story height space, with 3,200 square feet. In this second scenario, the construction costs would be lower without an elevator, stairs, or second floor structure. The income potential would also be lower. In both cases, the space – or portions of it – could serve as a multipurpose space. This is recommended if it can be well-managed for rental uses, as it would maintain a degree of public access that could serve the goal of creating a destination space.

Some examples suggested for this space included an arts incubator facility, sloop club, museum, café/retail, farmers’ market, or a community space available for public meetings, rentals (e.g., for weddings and parties), and exhibitions. In the “benchmarking” section below, some examples are

---

1 These are generated by ESRI, a Geographic Information Services mapping service that combines data from sources such as the U.S. Census and Bureau of Labor Statistics.
discussed with their associated general costs. The limitations of these uses will depend upon the project financing options available to the City of Hudson and the Hudson Development Corporation.

**Sale of Building vs. City Ownership or Public-Private Partnership**

It is strongly recommended that certain conditions be attached to the sale of the building, if this option is chosen. To avoid the risk of inappropriate uses or delays in implementation, the sale should be conditioned upon specific qualifications that include financial and management capabilities, in addition to a successful track record and viable business plan for the building. The developer would be attracted by the availability of tax credits, but could not benefit from state historic preservation grants, increasing the overall cost of the project.

**Historic Tax Credits**

The Dunn Warehouse is a good example of the type of project that can benefit from the Historic Tax Credit (HTC) programs at the New York State and Federal levels at 20 percent each, amounting to 40 percent of the “Qualified Rehabilitation Expenditures” (QREs). To claim these credits, the building must be listed on state and federal registers and the work must be certified as conforming to the Secretary of the Interior’s Standards for Rehabilitation by the NY State Historic Preservation Officer (SHPO). The Hudson Development Corporation can utilize HTCs by creating a for-profit subsidiary to be the developer. This can help in raising funds from prospective donors and can be utilized as a match for New York State grant funds.

An important preliminary step that will determine the future range of options is to have the Dunn Warehouse designated on the State and National Registers of Historic Places so it can be properly preserved with the help of Historic Rehabilitation Tax Credits. This was initiated with assistance from William Krattinger of NY SHPO during the course of this project.

In order for the City to undertake the rehabilitation of the building using tax credits, it would need to bring an investor into the ownership structure of the building so that the investor can claim the credits (and other economic and tax benefits) in exchange for providing equity to the project. This can help in raising funds from prospective donors and can be utilized as a match for New York State grant funds. Although it is unlikely that the City’s approximate $2 to $2.5 million investment (after tax credits and grants) would be recouped by a sale or by the costs of rehabilitation, options 1 and possibly 2 would generate a steadier cash flow. Additional incentives or conditions could be offered to attract investors and limit the risk of the building sitting vacant for an extended period of time.

Returning the Dunn Warehouse to an active and vibrant role in the community is a natural next-step in reconnecting the Hudson River to community life albeit as a recreational and commercial district. The City has developed a wonderful Park directly across Water Street from the Dunn Warehouse which serves as both passive and active recreational activities. Directly to the north is an active marina. To the north east, immediately across the railroad tracks is the Amtrak Station, both an historic and 24/7 facility.

The purpose of the project as described in the Request for Professional Services from the City of Hudson is to: [1] Evaluate existing conditions within the Dunn Building, inclusive of all structural and building envelope elements; and, [2] Identify adaptive reuse possibilities for the structure. Extensive
on-site visual investigations and field measurements were conducted by the Study team. Numerous meetings were held with the City and adaptive re-use options reviewed. The team also conducted an economic feasibility study of various uses that can be supported by the community and also enhance the viability of the Hudson waterfront. Finally estimates of probable project costs were developed for each of the proposed options and include stabilization and preservation of the structure and envelope. Proposed site modifications were included in the estimate.

The Dunn Warehouse was constructed in three distinct components as illustrated below. The North section is a relatively low structure of brick and heavy timber construction. Wood trusses span north to south and support a gabled roof and monitor. There are no intermediate supports in the structure allowing for an open and flexible floor plan. The open truss work gives it a very interesting and human-scaled appearance. A small mezzanine located in the easternmost bays is dangerously deteriorated and should be removed.

The North section has a footprint of approximately 3,200 square feet of flexible space and can readily be developed as one leasable area or subdivided into several. The demising walls in a subdivision could follow the regularly spaced wood trusses.

The South section is one story with approximately 1,750 square feet. The floor to ceiling height is much greater than the north section and could accommodate the insertion of a second floor.

The East section is a single one-story space of approximately 325 square feet.

Two Design Options are presented in order to give the City flexibility in seeking a lessee or developer. It is the intent that the building be secured by the City or the building is renovated to a level where only a fit-up is required by a lessee. Fit-up ready means the entire envelope (walls, windows and roof) be put into a pristine condition; new interior concrete floors installed and new power distributed to circuit panels, exterior wall insulation and finishes, and HVAC unit(s). Basic interior accommodations such as the common corridor, kitchen and restrooms would also be built at this time.

North Section
This section has the best configuration for retail and commercial use and is designed as such in Options 1 and 2. Access to the space(s) will be form the proposed east-west paved plaza described above. The interior is a perfect scale for commercial use with the bottom of the heavy timber trusses just off of the floor. Entrances to the space(s) will be through the three large openings now filled with garage doors. The openings can be infilled with glazed metal store front and door allowing natural light into the interior and affording good window display space. The interior
of each retail or commercial space will be lit artificially and through light coming in the large monitor running east to west. Each space can be constructed with an individual restroom or the occupants can take advantage of the common restrooms reached by a common corridor in the rear. Any of the proposed spaces can be fitted out as a café serving patrons on the interior and as weather permits outside on the plaza. An open food-prep area can be incorporated within the space. The quality of the proposed space(s) in the North Section can be intuited from the buildings existing conditions:

- Exposed heavy timber wood trusses dating from the mid-nineteenth century.
- A high monitor running along the peak of the building that will let generous amounts of daylight to flood the retail floor. Multiple studies have shown the natural light from skylights in retail settings increase purchasing.
- Ample visual access through the large available openings for storefronts.
- Large, well-proportioned window openings for additional natural or window treatments.

**South Section**

Soaring twenty four feet from the floor to the bottom of the iron trusses the South Section is capable of receiving a second floor. Proposed in **Option 1** an additional floor will add approximately 5,000 square feet of usable space. The new second floor will have a spectacular ceiling made up of the existing iron trusses and the north to south light monitor. The space can be used for open office configurations or as an assembly space. The first floor can be subdivided into small leasable offices for multiple tenants or a one tenant space. The floor can also serve as public/community use for meetings and such.

The addition of a second floor will present the opportunity to structurally support and visually enliven the south façade. A separate entrance to the south section is proposed through a glazed tower that will house an open stair and elevator. An additional stair is required as a second means of egress and will be located on the interior next to the north section. The south section will also have access to the common restrooms and kitchen.

In **Option 2**, the South Section interior is left in its full volume. This dramatic space can be used for midsize gatherings, an art gallery and an intimate live performance venue. A new entry is proposed on the south wall and, as in Option 1 will add interest and structural stability.

**East Section**

**Option 1** proposes the removal of the 325 square foot east section to accommodate the men’s and women’s restrooms, a 450 square foot common kitchen and a mechanical room. The addition will allow for greater usable space within the existing building. **Option 2** leaves the original section and proposes converting it to a common kitchen. The common restrooms and mechanical space would be located in the southeast portion of the North Section. All would be accessible by a common corridor.
Site Concept

The Dunn Warehouse is located at the south east corner of Broad and Water Streets. Water Street runs roughly parallel to the Hudson River. Between Water Street and the Hudson is the City Waterfront Park. A long graveled lot runs to the north of the building. Having once been the location of a coal gasification plant the site has been remediated. However there are restrictions on construction. The goal of the design concept is to enhance the pedestrian environment and create an enjoyable place to visit, shop, and enjoy the waterfront park. The plan accomplishes this by:

- Introducing parking east of the Dunn adjacent to the railroad tracks.
- Create a paved plaza to the north of the Dunn serving the proposed commercial and retail store front.
- The plaza will accommodate tables for a café, outdoor stalls for a retail market and connect the proposed parking to Water Street.
- Employ traffic-calming strategies at the pedestrian crossing from the Dunn to the Park. Water Street will be narrowed at the crossing by removing the parking lanes and by pulling the curbs in and making it a shorter distance to cross. The paving used for the crossing will be an extension of the plaza referenced above.
• Relocate the historic cast iron jib crane from east of the tracks to the center of the 180 degree turn of the pedestrian paving just west of Water Street. See Illustration at right.
• The close proximity of Dunn to the railroad station presents an opportunity to attract the large influx of weekenders travelling to Hudson from New York City. Train users are now able to walk to the Dunn from the station; however, there is no clearly identified path and the pedestrian must walk through the station parking lot to the at grade track crossing and proceed on Broad Street. A wide paved path is proposed heading south on South Front Street to Broad Street and west on Broad Street.
• The renovation and repairs to the Ferry Street Bridge, north of the Dunn should also accommodate pedestrians who wish to visit the newly revitalized waterfront.

Future development is proposed north of the Dunn and generally adheres to the 1996 Vision Plan. All additional parking is proposed for the location immediately west of the rail right-of-way.
Project Financing and Marketing

The opportunity of urban revitalization is great; the opportunity costs of delay are even more significant. Despite the higher cost for adaptive reuse of historic structures like the Dunn Warehouse, it is lower than an opportunity that remains fallow.

Financing

The general options for utilizing and financing the property include a direct sale, a long-term lease, or public management with shorter-term leases and/or day rental uses. These options should all carry specific conditions for the building and site development and use, given its importance as a catalyst for further development.

The stated goals of the study to identify the greatest public benefit and uses most catalytic for development on the waterfront. The performance of the building will depend greatly on its ability to garner a premium rent. Well-preserved buildings, especially in premiere locations with amenities such as parks and water fronts, can achieve this.

Conceptual Pro Formas

These preliminary and conceptual Pro Formas have been provided for an approximation of the Costs of Historic Rehabilitation using Historic Tax Credits and a $500,000 grant for Historic Preservation from the New York State Office of Parks, Recreation and Historic Preservation (OPRHP). Net Operating Income for these options is based on $10 per square foot, which can be adjusted and is intended for purposes of comparing to debt coverage of bonds or other project financing mechanisms.

Option 1

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sitework</td>
<td>$815,455</td>
</tr>
<tr>
<td>Building</td>
<td>$1,926,916</td>
</tr>
<tr>
<td>OH&amp;P</td>
<td>$411,356</td>
</tr>
<tr>
<td>Contingency</td>
<td>$548,474</td>
</tr>
<tr>
<td><strong>Hard Costs Subtotal</strong></td>
<td><strong>$3,702,201</strong></td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$548,474</td>
</tr>
<tr>
<td><strong>Total Project Costs</strong></td>
<td><strong>$4,250,675</strong></td>
</tr>
<tr>
<td>- 40% QREs*</td>
<td>$1,700,270</td>
</tr>
<tr>
<td>+ HTC transaction costs**</td>
<td>$255,040</td>
</tr>
<tr>
<td>- OPRHP Grant***</td>
<td>$500,000</td>
</tr>
<tr>
<td>= Cost of Historic Rehab</td>
<td><strong>$2,305,445</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Gross Scheduled Rents</strong></td>
<td><strong>$50,000</strong></td>
</tr>
<tr>
<td>- Vacancy @5%</td>
<td>$47,500</td>
</tr>
<tr>
<td>+ Misc Income</td>
<td>TBD</td>
</tr>
<tr>
<td>= Effective Gross Income</td>
<td><strong>$47,500</strong></td>
</tr>
<tr>
<td>- Fixed Expenses(1)</td>
<td>$5,000</td>
</tr>
<tr>
<td>- Variable Expenses(1)</td>
<td>$7,000</td>
</tr>
<tr>
<td>- Replacement reserve(1)</td>
<td>$1,500</td>
</tr>
<tr>
<td>= Net Operating Income(2)</td>
<td><strong>$36,500</strong></td>
</tr>
</tbody>
</table>

This report was prepared with funding provided by the New York State Department of State under Title 11 of the Environmental Protection Fund.

Page 54
Option 2

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sitework</td>
<td>$815,455</td>
</tr>
<tr>
<td>Building</td>
<td>$1,485,739</td>
</tr>
<tr>
<td>OH&amp;P</td>
<td>$345,179</td>
</tr>
<tr>
<td>Contingency</td>
<td>$460,239</td>
</tr>
<tr>
<td><strong>Hard Costs Subtotal</strong></td>
<td>$3,106,612</td>
</tr>
<tr>
<td>Soft Costs</td>
<td>$3,566,851</td>
</tr>
<tr>
<td><strong>Total Project Costs</strong></td>
<td>$4,027,090</td>
</tr>
<tr>
<td>-40% QREs*</td>
<td>$1,610,836</td>
</tr>
<tr>
<td>+ HTC transaction costs**</td>
<td>$241,625</td>
</tr>
<tr>
<td>- OPRHP Grant***</td>
<td>$500,000</td>
</tr>
<tr>
<td><strong>Cost of Historic Rehab</strong></td>
<td>$2,157,879</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Scheduled Rents*</td>
<td>$32,000</td>
</tr>
<tr>
<td>- Vacancy @5%</td>
<td>$30,400</td>
</tr>
<tr>
<td>+ Misc Income</td>
<td>TBD</td>
</tr>
<tr>
<td>= Effective Gross Income</td>
<td>$30,400</td>
</tr>
<tr>
<td>- Fixed Expenses(1)</td>
<td>$5,000</td>
</tr>
<tr>
<td>- Variable Expenses(1)</td>
<td>$7,000</td>
</tr>
<tr>
<td>- Replacement reserve(1)</td>
<td>$1,500</td>
</tr>
<tr>
<td><strong>Net Operating Income (2)</strong></td>
<td>$18,400</td>
</tr>
</tbody>
</table>

*QREs: See Appendix 9: Qualified Rehabilitation Expenses.

**HTC Transaction Costs: Assuming 99.99% CoH/HDC/developer ownership in syndication vehicle and HTCs sell for $.85 per credit.

***OPRHP $500,000 Historic Preservation grant allows HTCs as an eligible match.

(1) Assuming the same fixed and variable expenses and replacement reserve for both options.

(2) Debt financing should be compared with NOI for each option.

Sale of Building vs. City Ownership or Public-Private Partnership

It is strongly recommended that a certain conditions be attached to the sale of the building, if this option is chosen. To avoid the risk of inappropriate uses or delays in implementation, the sale should be conditioned upon specific qualifications that include financial and management capabilities, in addition to a successful track record and viable business plan for the building. The developer would be attracted by the availability of tax credits, but could not benefit from state historic preservation grants, increasing the overall cost of the project.

Historic Tax Credits

The Dunn Warehouse is a good example of the type of project that can benefit from the Historic Tax Credit (HTC) programs at the New York State and Federal levels at 20 percent each, amounting to 40 percent of the “Qualified Rehabilitation Expenditures” (QREs). To claim these credits, the building must be listed on state and federal registers and the work must be certified as conforming to the Secretary of the Interior’s Standards for Rehabilitation by the NY State Historic Preservation Officer (SHPO). The Hudson Development Corporation can utilize HTCs by creating a forprofit subsidiary to be the developer. This can help in raising funds from prospective donors and can be utilized as a match for New York State grant funds.

This report was prepared with funding provided by the New York State Department of State under Title 11 of the Environmental Protection Fund.

Page 55
An important preliminary step that will determine the future range of options is to have the Dunn Warehouse designated on the State and National Registers of Historic Places so it can be properly preserved with the help of Historic Rehabilitation Tax Credits. This was initiated with assistance from William Krattinger of NY SHPO during the course of this project.

In order for the City to undertake the rehabilitation of the building using tax credits, it would need to bring an investor into the ownership structure of the building so that the investor can claim the credits (and other economic and tax benefits) in exchange for providing equity to the project. This can help in raising funds from prospective donors and can be utilized as a match for New York State grant funds. Although it is unlikely that the City’s approximate $2 to $2.5 million investment (after tax credits and grants) would be recouped by a sale or by the costs of rehabilitation, options 1 and possibly 2 would generate a steadier cash flow. Additional incentives or conditions could be offered to attract investors and limit the risk of the building sitting vacant for an extended period of time.