The Cotton Mill

New Orleans, Louisiana

Project Type:
Residential

Case No:
C029012

Year:
1999

SUMMARY
Rehabilitation and conversion of a historic 323,000-square-foot cotton mill into 287 apartment and condominium units. The mill includes six large three- and four-story structures that ring an entire city block, creating a 25,000 square-foot courtyard at the project's interior. Special care was taken to maintain the historical and industrial feel of the property, both for aesthetic reasons and to secure historic preservation tax credits. The original wood floor was retained and restored, and units feature exposed interior walls and timbers. The project's massive five-by-12-foot double-hung cyprus windows were stripped and repaired. The developer also sponsored an initiative to salvage objects from the mill to create on-site sculptures.

FEATURES
- Historic preservation
- Adaptive use
- On-site artwork
- Redevelopment
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SPECIAL FEATURES

- Historic preservation
- Adaptive use
- On-site artwork
- Redevelopment

DEVELOPER

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GENERAL DESCRIPTION

In 1882, Ambrose A. Maginnis and Sons began construction of a large textile manufacturing plant in the warehouse district of New Orleans. Before construction, the site had been occupied by a series of plantations dating back to 1765. By 1884, the mill was fully established, and it remained the largest cotton mill in the South until it ceased operations in 1944. When the HRI Group purchased the property in 1996, the mill was vacant except for one small textile manufacturing tenant.

Since then, the Cotton Mill has been rehabilitated and converted into 269 rental apartments, with 18 condominium units constructed on the roof of the existing structure. The massive renovation project was the largest of its kind in New Orleans’s warehouse district and one of the largest in the country. Its presence has injected a welcome dose of vitality into the emerging warehouse/arts district adjacent to downtown New Orleans.

DEVELOPMENT AND DESIGN

The 323,000-square-foot Cotton Mill is actually a composite of six three- and four-story structures that ring the block, enclosing a one-half-acre courtyard. The buildings were constructed in the traditional manner, with load-bearing brick exterior walls and interior columns and beams made of heavy timber. Huge five-by-12-foot, double-hung cypress windows punctuate the facade at regular intervals.

In addition to the primary mill structures, the complex included several smaller structures abutting the main buildings, primarily within the courtyard. A few of these structures, including a transformer vault and an overhead bridge, were removed to open up the interior and increase the natural light in the courtyard. The selective demolition provided space for a swimming pool, a pergola constructed of salvaged metal gratings, and a raised concrete "stage" area that sits on the foundation of the removed transformer vault. Within the 25,000-square-foot open space, several smaller, more intimate courtyards and spaces have been created by retaining some of the original brick walls.

While some peripheral structures were removed, several others that contribute to the mill’s historic identity were retained. The largest of these, the mill’s water tower, was stripped of its lead paint and emblazoned with the Cotton Mill name. It is visible for miles around. In addition to its marketing value, the water tower serves as a telecommunications station and is leased to a local cellular service. Also retained were the mill’s belltower and a 120-foot, cylindrical brick boiler stack.

Taking its preservation philosophy a step further, the HRI Group also sponsored an archeological survey of the site and funded a "salvage/object art initiative," in which local artist Paul Fowler has taken remnants of the mill’s infrastructureCold boiler pipes, flues, and the likeCand turned them into site sculpture.

Renovation of the Cotton Mill included cleaning and repair of the mill’s extensive brickwork, which was pressure washed on both the exterior and interior. A water containment system was used on the interior to avoid damaging the wood floors. Much of the brickwork had 100-year-old paint on the interior side, some of which was failing; since much of it was lead-based, it now must be treated as a hazardous material. The pressure wash was designed to remove only the unsound paint; well-adhered paint was left in place as a reminder of the mill’s industrial past. In accordance with federal Department of Housing and Urban Development (HUD) requirements, however, all lead-based paint surfaces were repainted up to a height of 48 inches from the floor with a special lead-encapsulating paint. The result, as HRI intended, is that the gritty history of the Cotton Mill remains intact, a feature that seems to appeal to the young, urban crowd that has leased the Cotton Mill apartments.

To comply with National Park Service standards for historic preservation, the 1,200-plus cypress windows were refurbished and reused. The monumental windows were removed from their frames and shipped out of state for chemical paint stripping. A workshop with nine workstations was established on site to repair and reinstall the windows as they returned from stripping. On most windows, the upper sash was fixed in place and sealed to conserve energy—and to minimize tenants’ utility bills—while the lower sash was made operable. The stripped windows were left unpainted on the interior side.

Similarly, in most cases, the wood strip flooring of the mill was retained. After the existing interiors were gutted, the acres of remaining wood floors were sanded down and coated with polyurethane for protection. In areas where the wood flooring could not be saved, the floors were either filled in with plywood panels or fitted with color-stained concrete slabs. Although the plywood was intended as a subflooring for carpet, the decision was later made to clear-coat the plywood and use it as a finished floor, in keeping with the industrial ambience of the Cotton Mill.

The rooftop condominiums created extra challenges. Although the building’s original structure permitted construction on the roof without upgrading the foundations, it did require localized reinforcement of columns and beams as well as construction of additional support beams. The bigger issue, though, was how to integrate the new construction with the old from a design and historic preservation point of view and how to screen off the required air conditioning units that were to be mounted on the roof.

These were more than aesthetic issues. Approval of the project’s historic tax credits—the financial linchpin of the project—was contingent on approval by the state historic preservation office and the National Park Service. Months of
EXPERIENCE GAINED

The renovation and buildout of the Cotton Mill apartments was done in phases because of the large size of the project. Initially, two phases were planned, corresponding to the building's major firewall demarcations. Construction was staged "like a GM production line," notes Gary Meadows, president of HCI Construction and Design (HRI's in-house construction and architectural division), "with crews of each trade cycling through the buildings." Eventually, based on the evident market demand for the apartments, the project was divided into three phases so that portions of the building could be occupied sooner than originally planned. The first tenants moved in 12 months after construction began. Construction was completed, except for some of the rooftop condominium work, in 18 months.

Because each of the six buildings had its own floor-plate configuration, more than 30 different unit plans were required. Most of the apartments have a luxurious 12-foot ceiling height, and some top-floor units have partial 20 foot ceilings. To further accentuate the historic character of the Cotton Mill, the mill's heavy timber structural columns have been exposed in the apartments and hallways, rather than buried in drywall partitions. Similarly, the timber beams and metal tie rods have been left exposed, for both economy and visual interest.

To maintain an open feeling, some interior partitions were built only eight feet high. Most kitchens are open to the adjacent space, and all units have side-by-side or stacked washer/dryer units. Each dwelling unit also has two telephone lines, with CAT5 cable for high-speed Internet access, as well as standard cable for TV. Project amenities include the pool, courtyard, game room, and 1,500-square-foot fitness center. A full-time concierge is stationed in the main lobby.

One corner of the ground floor is occupied by Spice, Inc., a gourmet food and take-out shop owned and operated by Susan Spicer, one of New Orleans's premier chefs. Spice Inc., which also offers on-site cooking lessons, is "an amenity for the tenants," notes Tom Crumley, vice president and project manager for HRI, "as valuable to the marketing and livability of the project as the swimming pool and fitness center."

The rooftop condominium units, which average about 1,600 square feet, have panoramic views in two directions. The units are reached from a mezzanine, newly constructed by HRI within the existing 20-foot-high top floor. The units have hardwood floors and granite countertops, features that originally were offered as upgrades but that were requested so often that the developer has gone back and retrofitted all the units to this standard.

FINANCING

The Cotton Mill was developed through a partnership, with HRI as the general partner and AmerUs Mutual Life Insurance Company as the limited, tax-credit partner. AmerUs provided $6.5 million in equity through the purchase of the project's historic tax credits as well as the purchase of tax credits generated from the donation of a preservation easement for the Cotton Mill's facade. HRI provided an additional $3 million in equity financing. The remainder of the project's $32.2 million cost was financed through a first mortgage insured through HUD's 221(d)4 loan program and sold to a pension fund as Ginnie Mae securities.

CONCLUSION

The Cotton Mill restoration clearly struck a chord in New Orleans. The progress of the restoration, the archeological dig, and the art initiative were widely reported in the local press, and the project was featured on the cover of New Orleans magazine. Echoing the media response, and perhaps generated by it, leasing of the Cotton Mill apartments proceeded at twice the expected rate; 95 percent occupancy was reached in 12 months, a rate of more than 20 units per month. In addition to the rapid absorption rate, rents exceeded the project's pro forma by more than 7 percent. Condominium sales have proceeded less rapidly, but generally have met pro forma expectations. At base prices ranging from $235,000 to $384,000, 14 of the 18 condominium units had been sold as of April 1999, averaging two units per month. Base sales prices have exceeded the originally budgeted prices by approximately 10 percent.

EXPERIENCE GAINED

- The Cotton Mill has taken a building of little economic use—whose deterioration could be expected to contribute to the disintegration of its inner-city neighborhood—and instead used it as a vehicle to regenerate the neighborhood. Not only has a chapter of New Orleans history been preserved, but a neighborhood has been strengthened in the process.
- The industrial character of the Cotton Mill has been particularly appealing to young New Orleans residents, and the developer has made a conscious effort to retain this aesthetic in the renovation process. The salvage/object art initiative sponsored by HRI reinforced that effort while serving as a bridge to the New Orleans arts community, which has pioneered the revitalization of the warehouse district.
- The retail component at the Cotton Mill, although limited in size, is a highly visible aspect of the project and a valued tenant amenity.
PROJECT DATA

LAND USE INFORMATION

Site area: 2.836 acres
Total dwelling units: 287
Gross building area: 323,333 square feet
Gross leasable area: 253,408 square feet
Gross density: 101 units per acre

Parking total: 190 off-site spaces
Parking ratio: 190 spaces per 287 units (.66)

LAND USE PLAN

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<thead>
<tr>
<th>Use</th>
<th>Acres</th>
<th>Percent of site</th>
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<tbody>
<tr>
<td>Residential</td>
<td>1.916</td>
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<tr>
<td>Recreation/amenities</td>
<td>69</td>
<td>24 (interior courtyard)</td>
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<tr>
<td>Open space</td>
<td>23</td>
<td>8 (exterior green space)</td>
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DEVELOPMENT COST INFORMATION

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<tr>
<th></th>
<th>Cost Total</th>
<th>Cost per dwelling unit</th>
<th>Cost/residential square foot</th>
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UNIT INFORMATION

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<th>Current rent</th>
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<tr>
<td>Efficiency</td>
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<tr>
<td>1 bedroom/1 bath &lt;600 square feet</td>
<td>580</td>
<td>82</td>
<td>$655</td>
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<tr>
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<td>670</td>
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<td>$757</td>
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<tr>
<td>1 bedroom/1 bath 700-800 square feet</td>
<td>735</td>
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<td>$831</td>
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<td>939</td>
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<td>984</td>
<td>66</td>
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<td>1,551</td>
<td>14</td>
<td>$1,753</td>
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<td>Total</td>
<td>287</td>
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DEVELOPMENT SCHEDULE

Site purchased: October 1996
Construction started: October 1996
Sales started: June 1997
First closing: February 1998
Sales completed: July 1999

DIRECTIONS

Directions from the airport: Take I-10 east toward New Orleans. Follow signs to the Mississippi River Bridge/Westbank. Exit at Tchoupitoulas Street. Make the first left on Annunciation Street. Proceed two blocks and make another left on Poeyfarre Street.

Driving time: 25 minutes.
Once the largest cotton mill in the south, the original 1882 structure was rehabilitated to house 269 rental apartments and 18 condominium units.
The interior courtyard was rehabilitated to become a series of landscaped areas that now include a pool.
The original water tower and smokestack remain.
Original brickwork and timber beams give a gritty industrial character to the project that is enhanced by elements such as concrete flooring, steel staircases, and new exposed ductwork.
As much as possible was retained of the original structure. Cypress-framed windows were removed, refurbished, and replaced. Where possible, the wood strip flooring was maintained.
The water tower is a recognizable landmark that identifies the Cotton Mill and also brings additional revenue. It has been leased to a cellular telephone service for use as a communications tower.
Site plan.