

NEW YORK STATE REHABILITATION TAX CREDITS COMMERCIAL CASE STUDY

ALLING & CORY BUFFALO WAREHOUSE

136 N. Division St., Buffalo
Erie County

Rehabilitation Project:
1911 reinforced-concrete warehouse
converted into student housing.

Qualified Rehabilitation
Expenditure: \$13.6 million

Gross Historic Tax Credit:
20% Federal: \$2.7 million
20% New York State: \$2.7 million

Economic Impact Data:*

- 134 direct and indirect/induced jobs created or supported
- \$6.8 million generated in household income
- \$209,800 generated in state tax revenue
- \$10 million generated in total gross state product

* during the construction period

Buffalo Project Team:

Architect:

Schneider Design Architects, P.C.
www.schneiderdesign.com

Developer:

Schneider Development, LLC
www.schneiderdevelopmentservices.com

Construction Manager:

R&P Oak Hill Development, LLC
www.rpoakhill.com



Photographs by Katie Schneider Photography, Buffalo, NY



ABANDONED WAREHOUSE RESTORED TO LIFE AS STUDENT HOUSING

Completed in 1911 for the Rochester-based Alling & Cory paper distribution company, the building stands as an early example of exposed concrete construction. It was abandoned in 2001, but has thankfully seen new life as private student housing for nearby Erie Community College.

The six-story historic warehouse is architecturally significant as an example of early twentieth century "Daylight Factory" design which incorporated a framed grid of columns and beams supporting concrete slab floors, and extensive areas of glazing. It represented a great advance in workplace fireproofing, lighting, and spaciousness. Architectural detailing includes a classical vernacular entrance and cornice.

Many features of the original building were retained during the rehabilitation including the principal staircase, and exposed concrete support columns and ceiling beams. The NYS Energy Star-rated building includes a high performance, state-of-the-art heating and cooling system, and a reflective roof that reduces air-conditioning costs in the summer.

JOBS GENERATED

134 jobs were created or supported by the project, broken down into direct, indirect, and induced jobs.

- 88 Direct Jobs were created or supported specifically for the project including engineers, managers, general building contractors, heavy construction contractors and specialty trade contractors.
- 46 Indirect/Induced Jobs were created or supported in industries which produce items purchased for the project, and by household expenditures of workers involved with the project.

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THE TAX CREDIT STORY

The owner of the building, AC Lofts, LLC, entered into a master lease arrangement with AC Lofts Tenant, LLC and will pass through the Rehabilitation Tax Credits to AC Lofts Tenant, LLC (the lessee) in accordance with IRS regulations.

In addition to rehabilitation tax credits, the project received funding from New York State Energy Research and Development Authority (NYSERDA) for upgrades to electrical equipment, fixtures, and equipment, generating up to 37% savings in utility costs.

The project received a declining 12-year partial exemption from real property taxation, as allowed by Section 485a of the Real Property Tax Law.

According to Jake Schneider of Schneider Development, LLC, increasing the NYS Rehabilitation Tax Credit cap would facilitate use of the program for larger, urban development projects.

COMMUNITY REVITALIZATION WORK

In a pioneering effort to integrate historic resources into planning efforts, the City of Buffalo became a Certified Local Government in 1987 – meaning it adopted a state and federally-approved preservation ordinance with the goal of protecting and preserving historic properties in Buffalo. The historic preservation ordinance is administered through the City of Buffalo’s Office of Strategic Planning with the assistance of the Buffalo Preservation Board.

In 2006 the City of Buffalo adopted a city-wide comprehensive plan which called for “fixing the basics,” including, among other basic elements, “working to repair . . . the fabric of the city’s historic neighborhoods.” A specific goal of the comprehensive plan included “implementing a Community Preservation Plan to identify, protect and restore Buffalo’s historic architecture.”

To meet the historic preservation goal of the Comprehensive Plan, a city-wide Preservation Plan is being developed in cooperation with the Office of Strategic Planning. It is based on the principles that a broadly conceived and well-executed preservation strategy is also an economic development strategy; that preservation enhances the quality of life in the city and increases the attraction of the city as an interesting, unique place to live; and that preservation augments property values and stimulates the real estate market.

The recent rehabilitation of the Alling and Cory Warehouse promoted revitalization goals of the Community Preservation Plan by increasing the attraction of the city through preservation of local architectural and cultural resources.

INFORMATION ON THE REHABILITATION TAX CREDIT PROGRAM

The rehabilitation tax credit program utilized for the Alling and Cory Buffalo Warehouse has been administered since 1976 by the National Park Service in partnership with New York State’s Office of Parks, Recreation, and Historic Preservation, and with the Internal Revenue Service.

Owners of income-producing, certified historic structures may be eligible for a 20% federal income tax credit. New York State offers an additional 20% state income tax credit for the substantial rehabilitation of historic properties located in distressed areas. The final dollar amount of the tax credit is based on the cost of the rehabilitation. The work performed (both interior and exterior) must meet the Secretary of the Interior’s Standards for Rehabilitation and be approved by the National Park Service and the NYS Historic Preservation Office.

For more information, please contact:

New York State Historic Preservation Office . <http://nysparks.com/shpo/tax-credit-programs> . (518) 237-8643
The Preservation League of New York State . www.preservenys.org . (518) 462-5658