

NEW YORK STATE REHABILITATION TAX CREDITS COMMERCIAL CASE STUDY

GRACE M. KNOX HOUSE

800 Delaware Avenue, Buffalo
Erie County

Rehabilitation Project:

A significant architectural feature of the Delaware Avenue Historic District receives rehabilitation consistent with its original character.

Qualified Rehabilitation

Expenditure: \$293,634.00

Gross Historic Tax Credit:

20% Federal: \$58,727.00

New York State: \$17,618.00

Economic Impact Data:

- 3 direct and indirect jobs created
- \$122,900 generated in household income
- \$4,000 generated in state tax revenue
- \$4,100 generated in local tax revenue
- \$181,700 generated in gross state product

Owner/Developer:

Computer Task Group, Inc., (CTG) an international information technology services company that provides comprehensive IT solutions to Fortune 2000 and other companies.



HISTORIC CHARACTER RETAINED AND PRESERVED

Completed in 1918 as a palatial home for the Seymour H. Knox family, co-founders of the Woolworth and Knox Department Stores, the house was one of many grand Delaware Avenue homes built during Buffalo's prosperous years leading up to WWI.

The original, 25-room house included a Ballroom, Library, Drawing Room, Billiards Room, Music Room, kitchen, bedroom suites and bathrooms. In 1969 a private men's athletic association purchased the residence, and in 1978 the current owner, CTG, purchased the Knox mansion to use as its corporate headquarters.

The 'French Renaissance-style' architectural character of the property has been preserved by locating 1970s athletic club additions at the rear of the building. The original exterior limestone cladding and sumptuous interior wood, marble, and plaster details were retained and preserved during the discreet conversion from residential to commercial use.

The 2007-2008 rehabilitation included a new roof, restoration of interior wood and plaster finishes which suffered from severe water damage, and repairs to the Front Terrace. Historic materials were repaired instead of replaced, and where historic material was missing or damaged, new material was installed to match the original.

JOBS GENERATED

The rehabilitation project created or supported 3 direct and indirect jobs.

- 2 Direct Jobs were created specifically for the project in general building construction and specialty trades construction.
- 1 Indirect Job was created in industries which produce items purchased for the project including manufacturing and wholesale/retail building material trades.

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THE TAX CREDIT STORY

CTG was the sole investor in the 2007/2008 rehabilitation of the Grace Millard Knox House. Work was undertaken in compliance with the Secretary of the Interior's Standards for Rehabilitation of Historic Properties and federal and state investment tax credits were utilized to off-set the cost of the work.

COMMUNITY REVITALIZATION WORK

The Delaware Avenue Historic District, one of seven historic districts in Buffalo, was added to the National Register of Historic Places in 1974, recognizing the significance of Delaware Avenue both for its stately homes and for its tangible connection to the 1901 Pan American Exposition held in Delaware Park.

In a pioneering effort to integrate historic resources into planning efforts, the City of Buffalo became a Certified Local Government in 1979 – 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- 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 Grace Millard Knox House espoused 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 by CTG has been administered since 1976 by the National Park Service in partnership with the Internal Revenue Service and with New York State's Historic Preservation Office.

Owners of income-producing, certified historic structures may be eligible for a 20% federal income tax credit and 20% state income tax credit for the substantial rehabilitation of historic properties. 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.

For more information, please visit the State Historic Preservation Office online at <http://nysparks.com/shpo/tax-credit-programs> or call (518) 237-8643.