The Preservation League of New York State uses the Preservation Economic Impact Model (PEIM) created for the National Park Service by the Center for Urban Policy and Research at Rutgers University to forecast the total economic effects of rehabilitation of commercial historic buildings. PEIM employs a multiplier methodology that calculates job creation, employee wages, and state and local tax benefits generated from a rehabilitation investment based on key project characteristics such as location, total development cost, and type of project.

**MONTOUR HOUSE**

401 Main Street, Montour Falls
Schuyler County

**Rehabilitation Project:**
Montour Falls revitalized by conversion of historic Chemung Canal hotel into commercial and residential mixed-use.

**Qualified Rehabilitation Expenditure:** $1,040,214

**Gross Historic Tax Credit:**
- 20% Federal: $208,043
- 20% New York State: $208,043

**Economic Impact Data:**
- 10 direct and indirect/induced jobs created
- $577,000 generated in household income
- $35,400 generated in state tax revenue
- $36,300 generated in local tax revenue
- $728,400 generated in total gross state product

* during the construction period

**Project Team:**
- **Owner/Developer:**
  - Nelson Development Group, Vestal
  - www.nelsondevelopmentgroupllc.com
- **Architect:**
  - Beutz Architects, Binghamton
- **Tax-Credit Legal Support:**
  - Kurt D. Schrader, Binghamton
  - www.psslawfirm.com

**NEW LIFE FOR A CHEMUNG CANAL HOSTELERY**

The Montour House, completed in 1854, originally served as a hotel for travelers and workers on the nearby Chemung Canal in the Finger Lakes Region.

The three-story, 22,500 square foot Montour House, built with locally made brick, is considered one of the finest mid-19th century Greek-Revival style buildings in western New York. It has served as a bank, post office, residence, hotel, social club and offices in its past.

Vacant and deteriorating since the 1980s, Montour House is now a fully restored mixed-use facility, combining commercial and retail space on the first floor and 10 loft apartments on the second and third floors.

Local contractors were hired for the recent work and regionally-sourced materials were used whenever possible. Each of the building’s 110 wood windows was restored on-site and high-efficiency heating and cooling units were installed.

**JOBS GENERATED**

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

- 6 Direct Jobs were created or supported specifically for the project including engineers, managers, general building contractors, heavy construction contractors and specialty trade contractors.
- 4 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.
THE TAX CREDIT STORY

The Montour House was eligible for state and federal rehabilitation tax credits due to its architectural contribution to the ‘Glorious-T’ area of the 1978 Montour Falls Historic District, and to its inclusion in a low-income census tract.

To capitalize the project, funds were obtained from the Empire State Development’s RestoreNY program, Schuyler County Partnership for Economic Development, and the New York Main Street program administered by NYS Office of Community Renewal. The Schuyler County Industrial Development Agency granted a low-interest loan which closed the funding gap for the full rehabilitation.

Initially the developer had received commitment from a local bank as recipient of the rehabilitation tax credits in return for the bank’s investment in the project. As a result of changes in the financial market, the bank backed out of the partnership and the developer was left to receive the tax credits directly. Due to the developer’s limited annual tax obligations, only a portion of the credit can be utilized each year for up to 20 years, thereby diminishing the upfront, positive financial effect of the full tax credit. A larger investor with greater annual tax obligation could take advantage of the tax credit in a single year.

Work on the building was undertaken in compliance with the Secretary of the Interior’s Standards for Rehabilitation of Historic Properties.

COMMUNITY REVITALIZATION WORK

In 2005 the Schuyler County Partnership for Economic Development collaborated with local government, residents, and business owners to develop a Downtown Improvement Strategy for Montour Falls and neighboring Watkins Glen. That plan included the following goals:

- Maintain and expand the mixed use pattern of the central business district, allowing restaurants, retail, office, and residential uses to coexist.
- Pursue the long term preservation of the historic properties within the downtown area.

Both of these goals were implemented by the rehabilitation of the Montour House. The project has revitalized the village’s once-desolate Main Street with the addition of ground-floor physicians’ offices, a bank branch, a popular coffee house and wine bar, and administrative offices for the regional hospital.

INFORMATION ON THE REHABILITATION TAX CREDIT PROGRAM

The rehabilitation tax credit program utilized for the Montour House 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: