

NEW YORK STATE REHABILITATION TAX CREDITS COMMERCIAL CASE STUDY



AM&A'S WAREHOUSE LOFTS

369 Washington Street, Buffalo
Erie County

Rehabilitation Project:

Three inter-connected, department store
warehouses converted to commercial
and residential mixed-use.

Qualified Rehabilitation
Expenditure: \$10,721,273

Gross Historic Tax Credit:
20% Federal: \$2,144,255
20% New York State: \$2,144,255

Economic Impact Data:*

- 106 direct and indirect/induced jobs created
- \$6.3 million generated in household income
- \$390,500 generated in state tax revenue
- \$7.9 million generated in total gross state product

* during the construction period

Project Team:

Owner/Developer:

Signature Development, Buffalo
<http://signaturebuff.com>

Architect:

Carmina Wood Mooris PC, Buffalo
<http://cwm-ae.com>



RETAIL WAREHOUSES BECOME LOFT APARTMENTS

Three inter-connected warehouses, constructed between 1886 and 1911, served the Adam, Meldrum & Anderson Company (AM&A's) flagship department store until 1994. Vacant since then, the recent conversion to mixed-use includes 15,000 sq. feet of first-floor commercial space and 48 upper-floor, loft apartments.

The comprehensive rehabilitation project included re-establishment of the original store-front window and door arrangement; repair of original deteriorated elements including exterior masonry, terra-cotta, and cast-iron facades, wood windows, and a copper-framed skylight; repair of interior elements such as stairways and tin ceilings; and provided for a new roof, elevator, and high-efficiency heating and cooling system. In addition, the classic "AM&A's" signature logo on Washington Street was repainted.

Local trade contractors were hired for the work and regionally-sourced materials were used whenever possible.

JOBS GENERATED

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

- 69 Direct Jobs were created or supported specifically for the project including engineers, managers, general building contractors, heavy construction contractors and specialty trade contractors.
- 37 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.

NEW YORK STATE REHABILITATION TAX CREDITS COMMERCIAL CASE STUDY



THE TAX CREDIT STORY

It took nearly two years for the Developer to secure approvals and financing for the project. The financing was aided by a mix of state and federal Rehabilitation Tax Credits passed through to US Bank as project lender, and by adaptive re-use program incentives from the Erie County Industrial Development Agency.

The AM&A's Warehouse was eligible for federal rehabilitation tax credits due to its listing in the 2009 J.N. Adam-AM&A National Register Historic District, and was eligible for NYS rehabilitation tax credits due to its presence in a low-income census tract.

The project also received a seven-year, graduated tax abatement from the City of Buffalo, allowing the property owner to meet the post-rehabilitation property tax assessment on a gradual basis.

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 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 AM&A's Warehouse Lofts 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 AM&A's Warehouse Lofts 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