

# NEW YORK STATE REHABILITATION TAX CREDITS COMMERCIAL CASE STUDY

## PLANTATION BUILDING

130-132 East State Street, Ithaca  
Tompkins County

### Rehabilitation Project:

A restaurant and affordable housing  
added to downtown Ithaca's business  
improvement district.

### Qualified Rehabilitation

Expenditure: \$2.8 million

### Gross Historic Tax Credit:

20% Federal: \$560,438

20% New York State: \$560,438

### Economic Impact Data:\*

- 26 direct and indirect/induced jobs created
- \$1.5 million generated in household income
- \$95,000 generated in state tax revenue
- \$1.9 million generated in total gross state product

\* during the construction period

### Project Consultants:

#### Owner/Developer:

ItaiThai, LLC, Ithaca

#### Architect:

HOLT Architects, Ithaca  
www.holt.com

#### General Contractor:

LeChase Construction Services  
www.lechase.com



*Sunit Lex Chutintaranond*



## VACANT DOWNTOWN BUILDING REINVENTED AS RESTAURANT AND UPPER-FLOOR HOUSING

Little is known about the history of the four-story Plantation Building, which possibly dates to 1853 when a merchant was first documented at the site. The five-bay configuration suggests that the brick building may be the site's original structure - accommodating two merchants on the ground floor and apartments on the upper floors.

The 2009 – 2011 rehabilitation project resulted in a 4,000 square foot, owner-operated restaurant on the ground floor, and 1,200 square feet of office space and private function space on the second floor. Upper floor housing included six market rate apartments and two affordable units.

The work included removal of an inappropriate, 20<sup>th</sup> century storefront which covered the first two stories, and re-establishment of the original storefront window and door arrangements. New work included roofing, elevator and fire stair, mechanical and electrical utilities, and an accessible ground floor entrance. Original features such as wood flooring, tin ceilings, lobby stair, and ground-floor cast iron columns were retained and restored.

### JOBS GENERATED

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

- 17 Direct Jobs were created or supported specifically for the project including engineers, managers, general building contractors, heavy construction contractors and specialty trade contractors.
- 9 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 Plantation Building was eligible for federal and state rehabilitation tax credits due to its architectural contribution to the 2004 Ithaca Downtown Historic District, and to its inclusion in a low-income census tract.

The developer/owner, ItalThai, LLC, was the project's equity member and recipient of the federal and state rehabilitation tax credits. The project received additional grant funding from the Empire State Development's Restore NY program, and project loans were provided by M&T Bank, and the Ithaca Urban Renewal Agency (IURA). Additional financial and development support came from Tompkins County Area Development (TCAD), dedicated to supporting regional entrepreneurship and business development.

## COMMUNITY REVITALIZATION WORK

The City of Ithaca passed the Landmarks Preservation Ordinance in 1971 which led to the establishment of the Ithaca Landmarks Preservation Commission (ILPC). The Landmarks Preservation Ordinance preserves and protects physical reminders of Ithaca's history.

The 1997 Downtown Ithaca Alliance (DIA), a local business improvement district, was charged with the revitalization, development, promotion and management of downtown Ithaca. The DIA has prepared and approved a Downtown Ithaca 2020 Strategic Plan which lists historic preservation strategies and action items including: "Renovate aging downtown buildings," and "Facilitate the renovation of historic downtown properties, utilizing Federal and State tax credits."

With more than \$3 million invested in the project, the newly renovated building meets the goals of the DIA and encompasses the City of Ithaca's focus on upper story building and sustainability of the downtown commons. The City of Ithaca also provided the project a declining partial exemption from real property taxation, as allowed by Section 485a of the Real Property Tax Law.

## INFORMATION ON THE REHABILITATION TAX CREDIT PROGRAM

The rehabilitation tax credit program utilized for the Plantation Building 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](http://www.preservenys.org) . (518) 462-5658