THE NEW YORK STATE HISTORIC TAX CREDIT PROGRAM &
PRESERVING BUFFALO, NEW YORK

An Examination of the Program’s Use and Impact in Buffalo

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Abstract
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Buffalo, New York developed as an economic and industrial powerhouse in the late-nineteenth and early-twentieth centuries. Since the latter half of the twentieth century, Buffalo has been hit hard by economic transformation and demographic shifts. This resulted in a city full of significant architectural heritage with little ability to maintain it. Until recently, Buffalo has faced disinvestment in its downtown with high vacancy rates, neglect and demolition. The New York State Historic Tax Credit Program has become a powerful tool for reinvestment in Buffalo’s historic structures and neighborhoods. Buffalo has been the state’s epicenter for historic reuse projects and one of the key cities statewide for utilization of both the federal and state historic tax credits. This thesis explores the evolution of the New York State Historic Tax Credit Program and its subsequent impact on preservation and neighborhood revitalization in Buffalo through specific projects that have utilized the credits. This thesis uncovers the trends among the commercial and homeowner historic tax credit projects in Buffalo, and evaluates the program’s ability to incite economic development and urban revitalization at the local level.
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Chapter 1: Introduction

Historic rehabilitation tax credits on both the state and federal levels play a central role in incentivizing private investment in historic rehabilitation activity and are the most widely used public funding source for historic preservation in the United States. Today, thirty-four states offer state level tax credits for the rehabilitation of income-producing historic properties and twenty-two states additionally provide incentives to homeowners to rehabilitate their historic homes. Statewide and federal annual reports and economic impact studies have demonstrated the substantial effect these programs have had on the economy. Impacts commonly cited include: the promotion of rehabilitation through private investment, neighborhood revitalization, tax base increases, and job creation. The federal historic rehabilitation tax credit was established in 1976 and statewide historic rehabilitation tax credits appeared beginning in the 1980s. New programs continue to be introduced today while some states have cut back on or eliminated programs altogether due to the recent economic recession and tax reform.

New York launched its first historic rehabilitation tax credit program in 2007, providing incentives for both income producing and homeowner occupied historic properties in distressed communities. Due to geographical restrictions and credit limitations, the program was underutilized and ultimately ineffective at providing a sufficient incentive to attract investment. New York’s program was revamped in 2010 and updated again in 2013 with the goal of igniting economic stimulus and community revitalization in New York. Since the legislative changes in 2010, New York continues to gain momentum in historic rehabilitation activity with more and more projects qualifying for the state and federal historic rehabilitation tax credits each year. In fact, as of 2014, New York is one of four states with the highest use of the federal historic rehabilitation tax credit. The city of Buffalo has stood out among other cities statewide with the greatest number of projects utilizing both the federal and New York State historic rehabilitation tax credits.
Buffalo Historical Context

The Village of Buffalo began as a small trading community and was transformed into an economic and industrial hub after the opening of the Erie Canal in 1825. The canal opened a direct route, with Buffalo at its western port, to the eastern seaboard. Raw materials from the west arrived in Buffalo to be processed and manufactured into products before being sent through the canal, connecting with the Hudson River to New York City and the east. Between 1860 and 1910, Buffalo’s population and industry grew more rapidly than any city in the United States; by 1900 it was the eighth largest city in the country.¹ By 1910, the city had a diverse industrial base. It was the largest grain port in the world, second largest mill port, and the second largest railroad terminus. Other industries included lumber, tanning, soap, and steel.² The city was heavily impacted by the Great Depression and lost much of its industry by the 1930s. Despite the loss, the two World Wars and the Korean War produced a spurt in heavy industrial activity providing an economic boost that obscured the impact of the lost industries.³ Buffalo continued to be an economic powerhouse into the mid-century. In 1951, Fortune Magazine published an article “Made in Buffalo,” portraying the industrial diversity of the “great city.” At that time, the city was the eleventh-largest industrial center in the country and was the third largest producer of steel.⁴

The Saint Lawrence Seaway opened in 1959 creating a more direct shipping line from the Great Lakes to the Atlantic, making the Erie Canal obsolete and devastating Buffalo’s economy. The industries which supported Buffalo’s economy disappeared, almost overnight. During the 1950s and 1960s, City administrators tried desperately to re-envision its future and attract new investment. Based on urban renewal planning concepts at the time, City officials believed a clean start was the best option for the struggling city. Urban renewal destroyed

2 Ibid, 25-27.
3 Ibid, 29.
significant portions of the downtown and its surrounding neighborhoods, clearing large tracts of existing buildings and notable structures for empty parking lots, many of which remain today. The downtown, waterfront, Ellicott district, and lower west side neighborhoods were the hardest hit communities. Reporter Dick Baldwin described the massive demolition that occurred, “bulldozers and cranes are cutting wide swaths through Buffalo while wreckers’ balls and torches are toppling hundreds of old homes, business places and industrial buildings in an ambitious face lifting program for the Queen City.” These efforts largely failed to attract new investment and instead removed the residential base from the downtown area also diminishing the local businesses and the downtown’s retail base that supported these neighborhoods. By the 1960s, the downtown was showing serious and considerable “patterns of blight.” During the 1970s and 80s, the remaining industries including the steel industry were eroded by foreign competition. In 1982, the last major industrial mainstay, the Bethlehem Steel Company in nearby Lackawanna, closed its doors. At the same time, due to race riots, “white flight,” and continued economic decline, a large portion of the population moved to the suburbs. By the mid-1970s the inner city was being wholly abandoned. The resulting loss in population was staggering. Between 1950, the city’s population peak, and 2010 the city’s population fell by over 45%, while the suburbs around Buffalo increased in population by 50%. The city has faced continued population loss, high unemployment rates, and high vacancy rates ever since 1950.

*The Kensington Expressway and the East / West Side Dichotomy*

Like the city’s urban renewal efforts, the development and construction of Buffalo’s highway system during the 1950s-1960s resulted in physical and social conditions that persist today. In 1946 state and city planning officials released their *Report on the New York State Thruway and Arterial Routes in the Buffalo Urban Area*. The report influenced Buffalo’s

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6 Ibid, 200.
7 Ibid, 206.
transportation planning for the next 30 years.\textsuperscript{10} With personal vehicle ownership on the rise and growing suburbanization outside the city, the primary aim of the plan was to handle, distribute, and disperse downtown-bound traffic from the suburbs. As a result, in 1953 state and city planners outlined their proposals for the construction of five east to west highways to provide direct and easy access between eastern suburbs, the airport and the downtown.\textsuperscript{11} The highways were superimposed on the existing street system of the city, however streets had to be widened considerably to handle the projected traffic. One of these highways, the Kensington Expressway cut through and eliminated the Humboldt Parkway, designed by Frederick Law Olmsted, and demolished the neighborhood of Humboldt Park, a growing African American community on Buffalo’s East Side. The East Side is generally considered to be the areas east of State Highway 5 (Figure 1), or Main Street, however the Kensington Expressway has had the most negative impact on the area. The expressway construction cut directly through Buffalo’s east side at a time when the neighborhood was going through significant change.\textsuperscript{12} The area was increasingly becoming the home to most of the city’s African American residents and the below grade design of the expressway significantly cut off the neighborhood, spatially.


\textsuperscript{11} Ibid., 279.

isolating the residents from the rest of the city. The expressway further reinforced “white flight” by providing easier access between the city’s downtown central business district and the growing suburbs while also bypassing the east side’s commercial corridors and businesses, impacting the area’s economy. Since the expressway’s construction, it has become a barrier between the west side white communities and the east side black communities. The expressway has supported the segregation of neighborhoods and has created an extreme dichotomy between the east and west sides. Today, Buffalo continues to face population loss, 26.4% of the city’s population lives below the poverty level, the city’s educational system is failing, and Buffalo ranks among the top 10 major U.S. cities with the highest vacancy rates for housing. Many of these social, physical, and economic problems are concentrated in the city’s east side neighborhoods, furthering the contrast between the two sides of the city.

Recent Development in Buffalo

Despite the city’s decline from a powerful economic and industrial capital, it still retains to a large extent its rich architectural heritage. Buffalo is the home to some of the greatest architecture of the late-nineteenth and early-twentieth centuries with important works by famed architects including the parkway system of Frederick Law Olmsted and Calvert Vaux, homes by Frank Lloyd Wright, the Guaranty Building by Louis Sullivan, the former Buffalo State Hospital by H.H. Richardson, as well as the city’s renowned grain elevators.13

In 1963, responding to demolition caused by urban renewal projects, notable Buffalo architect Robert T. Cole wrote, “in wandering through the downtown neighborhoods, one

sees so much that could be saved; one wonders whether it might be better for Buffalo to rehabilitate what it already has to attract its former residents back into the city rather than to build at tremendous cost new towers in the horizon in the midst of blight and deterioration.”

Today, Buffalo is taking this stance, relying upon historic tax credits to rehabilitate its notable architectural heritage. The city is attracting more investment than it has seen in over fifty years.

Currently, there is a significant resurgence in the downtown area of Buffalo. The New York State historic tax credit program has become a powerful tool for reinvestment in Buffalo’s historic structures and neighborhoods. Developers have labeled the program a “game changer” and “critical” to economic development in the city. It has largely been credited for the recovery in the downtown because the combination of the New York State program with the federal historic rehabilitation credit have made development projects economically feasible. The New York State homeowner historic tax credit, which does not have a federal companion, has similarly promoted the reinvestment in homeowner occupied historic structures, especially in the city’s ten historic districts. Statewide, Buffalo has the largest concentration for historic rehabilitation projects utilizing both the federal and state historic tax credits.

Research Objectives

Given the acknowledged success of the New York State historic rehabilitation tax credit program in promoting historic rehabilitation activity in Buffalo, this thesis explores the evolution of the program and its subsequent impact on preservation in the city. It identifies the specific factors that have triggered the high use of historic rehabilitation tax credits. Additionally, this thesis evaluates the resulting application of the New York State historic homeowner rehabilitation tax credit and the combination of federal and state historic rehabilitation tax credits for commercial properties in Buffalo. It will address the scope of the homeowner and commercial historic rehabilitation tax credits, scale of projects, the geographical distribution throughout the city, and the classification of resulting developments. Finally, through an in-

14 Article in Buffalo Magazine; Goldman, City on the Edge, 189.
depth analysis of four tax credit project case studies, this thesis will evaluate the ability of the New York State historic rehabilitation tax credit program in reaching revitalization goals in Buffalo.
CHAPTER 2: Historic Rehabilitation Tax Credits

Historic rehabilitation tax credits (HTCs) on both the state and federal level have developed over the past forty-years to encourage private financing in the rehabilitation of historic properties throughout the United States. Tax credits differ from other tax incentives, such as deductions, because they offer individuals and corporations a reduction of their tax liability on a dollar-for-dollar basis. The federal HTC developed as a result of past tax laws that incentivized new construction and demolition over the reuse of historic structures. The program sought to make undertaking rehabilitation projects more affordable through the tax credits.\(^{15}\)

Historic tax credit programs on the state level began to appear in the 1980s-1990s in response to the Federal HTC program. States used the model to attract federal dollars and advance local economic development goals.\(^{16}\) Today, thirty-four states offer tax credits for the rehabilitation of income-producing historic properties and twenty-two states additionally provide incentives for homeowners to rehabilitate their historic homes (Figure 3).

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Historic rehabilitation tax credits play a central role in incentivizing private investment and are the most widespread and widely used public funding source for historic preservation in the United States. Credits are used to raise equity in a project by either offsetting the income tax liability of an owner or developer, or through syndication to investors through partnerships. The combination of state and federal tax credits generate significant amounts of equity to fund preservation projects and consequently promote job creation, economic development, neighborhood revitalization, and cultural benefits. The economic development and revitalization impacts of these tax credit programs have been demonstrated by numerous federal and state backed studies on the programs. However, in the face of economic recessions and government budget deficits, tax credits have come under fire on both federal and state levels. The federal HTC was scrutinized in early 2014 when Senator Dave Camp released a discussion draft for Congressional tax reform that would eliminate the tax credit. States such as North Carolina and Michigan have eliminated their programs in recent years to reduce spending.

While the topic of this thesis is the New York State Historic Rehabilitation Tax Credit Program and specifically its impact in Buffalo, New York, it is essential to understand the background and history of tax credits aimed at historic rehabilitation: how they have evolved, and the common components that have made them indispensable to state and local economies.

2.1 The Federal Historic Rehabilitation Tax Credit

Following the passage of the National Historic Preservation Act in 1966, congress began to look for ways to boost historic projects and spur economic development. The first tax incentive for rehabilitating historic structures was established with the Tax Reform Act of 1976. The act introduced more accelerated depreciation deduction schedules for rehabilitation expenditures of certified historic structures to reduce tax code biases favoring new construction.17 This change made the preservation and reuse of historic structures more financially advantageous. The first rehabilitation tax credit program was established shortly

afterward with the Revenue Act of 1978. The act introduced a 10% tax credit to offset federal tax liability for rehabilitation expenditures on commercial buildings in use for at least twenty years.\textsuperscript{18} The Economic Recovery Act of 1981 expanded the program, issuing 15% and 20% credits on rehabilitation expenditures on non-residential buildings at least 30 and 40 years old respectively, and a 25% credit for expenditures on certified historic structures, including residential buildings.\textsuperscript{19} The program quickly became a powerful incentive for rehabilitation activity and a strong economic stimulus. In fact, in 1985 the National Park Service reached a peak in project approvals with 6,200 applicants and about $2.4 billion in rehabilitation expenditures (Figure 4).\textsuperscript{20}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure4.png}
\end{figure}

In an effort to substantially simplify the tax code, the Tax Reform Act of 1986 replaced the 1981 program with the two-tier credit program that still exists today. A 10% tax credit was established for non-certified historic structures placed in service before 1936 and a 20% tax credit for rehabilitation expenditures on certified historic structures. The Act also introduced

\begin{thebibliography}{99}
\bibitem{BroninByrne} Bronin & Byrne, Historic Preservation Law, 594.
\end{thebibliography}
Passive Activity Loss rules prohibiting credits from offsetting personal income of individuals with an adjusted gross income over $250,000.21 Use of the program declined in the years following as a result.22 During the 1990s the number of HTC tax credit applications began to improve with market recovery and increased pairing of the federal HTC with new state HTCs and the Low Income Housing Tax Credit (LIHTC).23

**Elements of the Federal Historic Rehabilitation Tax Credit**

The Federal HTC program includes two tax credits – a 20% credit for the rehabilitation of certified historic structures and a 10% credit for buildings constructed before 1936 and not certified as historic. The following requirements must be met to be eligible for the credits:

- The building must be depreciable, meaning income producing, and not used exclusively as the owner’s residence.
- The building must be a **certified historic structure**, listed on the National Register of Historic Places (NRHP) individually or contributing to a historic district. Additionally, buildings or districts included on a Certified Local Government’s register or a statewide register can be eligible for the tax credit if they are certified as historic by the Secretary of the Interior. Local or state historic districts are reviewed by the State Historic Preservation Office and the National Park Service and then are certified as historic if they substantially meet all the requirements for listing on the National Register of Historic Places (only the 20% credit must be a certified historic structure).
- The project must meet a **substantial rehabilitation test**. A rehabilitation project is considered substantial when the expenditures exceed $5,000 or the adjusted basis of the building, whichever is greater (see example). The adjusted basis is calculated as the purchase price, minus cost of land, plus improvements made, and minus depreciation already taken.

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23 Ibid.
Only Qualified Rehabilitation Expenditures are eligible for tax credits. These are the costs directly associated with the rehabilitation of the structure including construction costs of work on the historic building, architectural and engineering fees, site survey fees, legal expenses, and development fees. They do not include acquisition costs, new addition construction costs, parking lots, sidewalks, landscaping, etc.

**Substantial Rehabilitation Test Example:**

Mr. Jones has owned a small Victorian rental cottage for a number of years. He originally purchased the property for $150,000 and, of that purchase price, $70,000 was attributed to the cost of the land. Over the past years, he has depreciated the building for tax purposes by a total of $41,000. He recently replaced the air conditioning system at a cost of $1,500. Therefore, Mr. Jones’s adjusted basis is $40,500 (or 150,000 - 70,000 - 41,000 + 1,500).

Mr. Jones intends to spend $50,000 to install a new roof, repair rotten siding, upgrade the wiring, and rebuild the severely deteriorated front porch, which will qualify as a substantial rehabilitation project. If he completes the application process and receives certification from the National Park Service that the rehabilitation meets the Secretary of the Interior’s Standards for Rehabilitation, Mr. Jones will be eligible for a 20% credit on the cost of his rehabilitation, or a $10,000 credit.


The program is administered through a partnership between the National Park Service (NPS), State Historic Preservation Officers (SHPO), and the Internal Revenue Service (IRS) using a three-part process outlined below.

Part 1: “Evaluation of Significance” - The SHPO and NPS must first designate the building as a certified historic structure. If the building is already individually listed on the NRHP, the owner does not need Part 1 certification.

Part 2: “Description of Rehabilitation Work” – During this step, the SHPO and NPS review project plans and specifications. The applicant must demonstrate that the work will be done in accordance with the “Secretary of the Interior’s Standards for Rehabilitation.”
Part 3: “Request for Certification of Completed Work” - During the Part 3 certification, the SHPO and NPS ensure all work has been done in accordance with the “Standards.” Following certification the applicant can file with the IRS to receive the credits. The credits are allowed the year the property is placed in service. The credit includes a recapture period of five years. If the owner sells the structure or makes any inappropriate alterations within the five years they must pay back the credit.24

Since 1976, the federal program has generated over $73 billion in rehabilitation project expenses with over 40,380 projects completed.25 The federal HTC program has served as the jumping off point for the state HTC programs. Many state programs closely resemble the federal program; many also require use of the federal credit to receive the state credit, often referred to as “piggyback” credits. While the federal program has remained essentially the same since 1986, states’ programs have adapted to include new and original features to promote their use. The eligibility of residential projects by homeowners constitutes the largest difference between state and federal HTC programs.

2.2 State Historic Rehabilitation Tax Credits

While states’ rehabilitation tax credit policies vary widely in their details, all were generated from and resemble the federal historic tax credit program. Thirty-four states have adopted rehabilitation tax credit programs for income producing properties; twenty-two include provisions for residential rehabilitations by homeowners.

State HTC program designs and features are the result of a legislative process, specifically responding to the needs of the state. Not only have these states established HTCs to promote appropriate rehabilitation of historic buildings, many have acknowledged their ability to promote economic development and revitalization. The details and specific features of their

individual programs are highly tailored to accomplish the state’s goals, as discussed with New York’s program in Chapter 3.

The first state historic tax credit program was established by New Mexico in 1984, followed by Rhode Island in 1989, Colorado in 1991, and Wisconsin, Utah and Indiana in 1994. The momentum built through the late 1990s and continues today with states such as New York in 2006, Texas in 2013, and California who is currently working to pass its own credit program.

The additional incentive of a statewide tax credit program is invaluable to making preservation projects viable. The combination of state and federal tax credits cover financial gaps and shortfalls the private sector continuously faces when putting together rehabilitation projects. The 2010 *First Annual Report on the Economic Impact of the Federal Historic Tax Credit* by the Rutgers Center for Urban Policy Research found that state HTCs in conjunction with the federal HTC have, “helped foster stabilization through revitalization of older yet important neighborhoods in various communities across the country.” In cities such as Buffalo, New York, Baltimore, Maryland and Cincinnati and Cleveland, Ohio the state credits have made projects economically feasible where they were not financeable with the federal HTC alone. Studies have also suggested that rehabilitation projects are some of the most impactful economic stimulus investments and that government programs such as rehabilitation tax credits pay for themselves due to the resulting jobs created, increased tax base, quality of life improvements, increased housing (particularly affordable housing), increased business activity, and additional private investment. It is important to note, however, that state credits are ultimately worth less than

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the federal credit. The issuance of a state tax credit triggers a short-term capital gain to the developer which is then taxed by the federal government. In addition, a party that uses a state tax credit to reduce or eliminate state tax liability can lose the ability to take a federal deduction for the state tax paid, ultimately reducing the state credit’s value. Because of this, state tax credits are discounted, usually worth around .50-.60 cents on the dollar while federal tax credits are typically valued at .85-.95 on the dollar.\textsuperscript{31} Rehabilitation projects are expensive and are often financed through a layering of sources of both private and government subsidies. Federal and state HTCs are also commonly “twinned,” or used in conjunction with, the Federal Low Income Housing Tax Credit (LIHTC), the Brownfield Cleanup Tax Credit, and the New Markets Tax Credit (NMTC). The \textit{First Annual Report} found that about 20\% of projects that utilized the federal HTC also employed the NMTC.\textsuperscript{32}

States with the strongest HTC statutes are regularly the highest users of the federal HTC.\textsuperscript{33} In 2014, over 50\% of the completed federal tax credit projects were reported to have also received state historic tax credits.\textsuperscript{34} State HTC programs help leverage additional private investment in rehabilitation activity. A 2013 report produced by the Washington, D.C. Office of Planning found that the presence of a state HTC boosts the amount of certified rehabilitation expenditures on average between $15 -$35 million. This results in around $3 to $7 million in federal dollars returning to the state and local economies.\textsuperscript{35} Many state programs require use of the federal program to be eligible for the state credits, known as a “piggyback” credit. The D.C. Office of Planning report also found that a state HTC program that piggybacks the federal program increases the state’s ability to leverage more federal dollars.\textsuperscript{36} States with the highest federal HTC activity including Virginia, Louisiana, Missouri, and New York all have “piggyback”

\begin{itemize}
\item \textsuperscript{32} Listokin & Lahr, \textit{First Annual Report}, (2010), 29.
\item \textsuperscript{33} Listokin & Lahr, \textit{First Annual Report}, (2010), 7.
\item \textsuperscript{34} National Park Service, \textit{Annual Report for Fiscal Year 2014}, 14.
\item \textsuperscript{36} Ibid., 14.
\end{itemize}
Common Features and Elements

The following elements are common in state HTC programs. The particulars of these elements are highly varied from state to state.

*Building eligibility* - Most state programs follow the federal precedent, requiring buildings to be individually listed or contributing to a historic district on the National Register, a state register, or local register to qualify for the credits.

*Standards for Rehabilitation* – All states follow the federal precedent, using the Secretary of the Interior’s Standards for Rehabilitation

*Project Eligibility / Minimum Expenses* – Many states use the federal standard for a substantial rehabilitation (the greater of $5,000 or the adjusted basis). Some states however, require a fixed amount or a percentage of the property value to increase the number of small and medium size projects that can utilize the program.

*Credit Amount* - States provide a credit on the qualified rehabilitation expenditures towards an entity’s state income tax liability. State credit amounts range from 5-50%, the most common being in the 20-25% range.\(^{37}\) The credit amount should be high enough to establish a meaningful incentive. Research conducted by the D.C. Office of Planning found that credit amounts are the most important element of a state program. In fact, an increase of 10% in the state credit boosted the use of the federal credit by as much as $34-78 million in additional certified expenditures.\(^{38}\)

*Per-Project Caps* – While the federal HTC does not include any per-project caps or annual aggregate caps, nineteen states do impose per-project caps ranging from $50,000 to $5 million. Low per-project credit caps can seriously reduce the effectiveness of a program. Low caps such

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37 Twenty-eight states have credit values of 20-25%
as Colorado’s $50,000 per-project cap, are likely inadequate to provide a meaningful incentive for larger development projects.

*Aggregate Annual Caps* – Annual aggregate caps are caps on the amount of credits that can be issued per year. Eighteen states have aggregate annual caps ranging from $400,000 to $145 million. Imposing a cap requires additional processes for determining what projects will receive tax credits. While some states use a first-come-first-serve basis, others use a lottery system, or an application process to allocate credits. Ohio requires that each project application conduct a cost-benefit analysis to determine whether the rehabilitation will result in a net revenue gain to state and local taxes.39

*Transferability* – Historic tax credits are only valuable to the extent that the credit holder has sufficient tax liability to offset in the state. Credits are typically syndicated to corporations or other investors to finance the projects so a mechanism must be included to transfer the credits to investors. States have implemented very different mechanisms including: permitting the sale of the credits outright to a third party; the creation of partnerships to distribute credits; some allow the credits to be carried forward against future tax liability or back to past tax liability; and refundability of the credits.40 According to the D.C. Office of Planning study, the ease of credit transferability results in increased qualified rehabilitation expenditures.41

*Geographical Distributing and Targeting* – A small number of states have experimented with geographical targeting of state credits, depending on the goals of the state program. Usually, they target areas of physical deterioration and economic distress.42 Six states currently include geographical restrictions on their HTC. They include: Vermont, North Dakota, New York, Louisiana, Illinois and Connecticut’s credit for homeowners. Some states also provide extra benefits for certain kinds of projects, such as affordable housing. While these targeting

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mechanisms are highly specified to a state’s priorities, they ultimately diminish the use of the program and have a negative influence on leveraging the federal credit.  

Many, but not all, states require annual reporting to verify the economic and fiscal impacts of their respective state HTC programs. The federal HTC also produces annual reports on credit statistics and impacts. These studies have demonstrated that every dollar spent on a state historic tax credit generates many times the amount in private economic development spending. Others, such as reports by Maryland, Virginia and Missouri, have found that their state programs have proven to increase the number of rehabilitation projects that have become economically feasible and ultimately increased the number of projects completed.

Despite the numerous reports demonstrating the positive economic impacts of HTCs, the most recent economic recession has threatened the survival of statewide HTCs. In the interest of tax reform and in order to reduce state expenditures, states such as North Carolina and Michigan have eliminated their historic rehabilitation tax credits. Other states such as Rhode Island and Wisconsin also face uncertainty in terms of the future of their tax credit programs. Michigan eliminated its state HTC program in 2012. In North Carolina, legislatures allowed the tax credits to expire at the end of 2014 with the hope of lowering the overall tax rate by eliminating historic rehabilitation and film tax incentives. Today advocates struggle to reinstate a compromised program. In Rhode Island, legislatures discontinued the state HTC program in 2008, however, the program was temporarily revived in 2013. Today the program lacks funding and legislators and advocates are working to shape a new program. Wisconsin dramatically enhanced their HTC program in 2013 when it increased the 5% state credit to 20% of eligible expenditures. The change brought a rush of requests from developers that exceeded initial

44 Ibid., 2.
projections and in June 2014 the state placed a three-week moratorium on new applications before reinstating the program. More recently, Wisconsin Governor Scott Walker has proposed an annual aggregate limit of $10 million to reduce spending of taxpayer resources.\textsuperscript{48} Legislators and advocates in the states mentioned above continue to advocate for the inclusion of state level HTC programs in state budgets, however, these examples demonstrate how the economic recession has reduced the number of programs throughout the United States in recent years.

CHAPTER 3: The New York State Historic Rehabilitation Tax Credit Program - Development, Structure and Analysis

Established in 2006, the New York State Historic Rehabilitation Tax Credit program is one of the more recently enacted programs in the country and it has benefitted from learning from the best practices set out by states before it. After years of advocating for a state historic tax credit program by state and local preservation organizations, in 2006 Governor Pataki signed the first New York State Historic Rehabilitation Tax Credit into Law. The program launched as an economic and community revitalization tool to promote job creation, the rehabilitation of historic properties in neighborhoods and downtowns, and to grow the tax base throughout the state. The program has been built up incrementally to improve its functioning and effectiveness. This chapter will describe the development and evolution of the program from its inception through today as well as the program’s present parameters, structure, and critiques.

3.1 Formation of the New York State Historic Rehabilitation Tax Credit

As early as 2001, former New York Governor George E. Pataki proposed the inclusion of a historic rehabilitation income tax credit in the state’s Executive Budget to incentivize and promote the rehabilitation and reuse of historic structures throughout the state.\(^{49}\) The credit, however, lacked support from the New York Assembly and was ultimately excluded from the final budget agreement. Efforts to establish a tax credit continued, pioneered by the Senator David Valensky, Assemblyman Sam Hoyt, and the Preservation League of New York State. Finally in 2006 with support from the Assembly, the legislation establishing New York’s first historic rehabilitation income tax credit was passed effective January 1, 2007.\(^{50}\) With the goal of promoting community and economic revitalization in historic communities, the program established incentives to encourage the rehabilitation of both income-producing and owner-occupied historic structures.\(^{51}\) The 2006 enacting legislation added two subsections to the New


\(^{50}\) New York, Laws of 2006, Chapter 547

\(^{51}\) Historic Districts Council. “Governor Signs 1st Ever Historic Preservation Tax Credit.” August 18, 2006.
York Tax Law: The homeowner rehabilitation tax credit and the commercial rehabilitation tax credit.

The homeowner tax credit provided a 20% credit of qualified rehabilitation expenditures against a homeowner’s personal income tax liability to rehabilitate a certified historic structure in which they reside. With a minimum expenditure of $5,000, at least five-percent of the total rehabilitation expenditure had to be made to the exterior of the structure. The per-project credit was capped at $25,000, which could be carried over to years following if the credit amount exceeded the owner’s tax liability. Prior to the passing of the tax credit, the New York Assembly made last-minute changes to the bill, limiting the legislation of the homeowner credit to ultra-distressed census tracts. This provision required that the home must be included in specifically targeted, distressed census tracts where the average income level was at or below ninety-percent of the State Median income level (Figure 5).

Figure 5: New York Historic Rehabilitation Tax Credit Eligible Census Tracts, 2007 (Median household income at or below 90% of $55,476)

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52 Daniel Mackay, “New York State Historic Tax Credit Inquiry.” E-mail message to author. February 11, 2015.
The commercial historic rehabilitation tax credit was equal to 30% of the federal historic rehabilitation tax credit, or, 6% of the total qualified rehabilitation expenditure of a certified historic structure. The program was set up to be used in combination with the federal credit, meaning that if the income-producing property owner went through the federal process and received the federal tax credit, they would also receive the state tax credit. The program did not include any geographic restrictions, as the homeowner credit did, however the legislation limited per-project credit caps to $100,000 which could be carried over to following years. No annual aggregate cap has been imposed on New York State’s HTC program, an important feature that further enhances the effectiveness of the program and ensures eligible projects can receive the credit as-of-right.

Despite the accomplishment in passing the long sought program, usage of the program throughout the state was low. Daniel Mackay, Director of Public Policy with the Preservation League of New York State noted, “It was a program on paper only. The credit on the commercial side was too low to serve as an effective incentive.”53 The low credit of 6% in conjunction with the $100,000 credit cap was limiting. Any project costs over $1.6 million, for example, would not receive credits, a figure far to low to incentivize larger developments. Even use of the homeowner credit was limited. Geographical restrictions to “ultra-distressed” census tracts were estimated to benefit only 4,100 homes statewide. In fact, between 2007 and 2009, only seventeen homeowner tax credit projects were approved.54

3.2 Development and Evolution of the Program

The initial program constraints were necessary to assure support for its passing.55 Since 2007 the program has been incrementally built up and amended to increase its usage and effectiveness.

55 Daniel Mackay, “NYS Rehabilitation Tax Credit Programs - Implementation Status and Desired Improvements.” E-mail to Andrew Kennedy. June 4, 2012.
The first program adjustment came in 2009 and was essentially a total overhaul. The update, available January 1, 2010, sought to bring the New York program in line with best practices observed in other states programs. The homeowner credit remained at 20% of the qualified rehabilitation expenditures however the per-project credit cap was increased to $50,000 per taxpayer per year, or $100,000 for married taxpayers filing a joint return. Again if the credit amount exceeded the taxpayer’s income tax liability, the credit would be carried over, however for owners with an adjusted gross income below $60,000, the 2009 update stipulated that the excess credit would be treated as a refund. Additionally, the geographic restrictions of the homeowner credit were updated to target census tracts at or below 100% of the state median family income level, substantially increasing the number of homes that could benefit from the credit to over 44,000 statewide (Figure 6). The commercial credit amount was increased to 20% of the qualified rehabilitation expenditure and the per-project credit cap was increased to $5 million. The geographical restrictions of the homeowner program were also

Figure 6: New York Historic Rehabilitation Tax Credit Eligible Census Tracts, 2014 (Median household income at or below $58,003)

56 New York, Laws of 2009, Chapter 239
applied to the commercial credit in 2009 with the goal of targeting investments and job creation to the economically depressed areas of the state. The geographic restrictions are mostly limiting to the downstate areas around New York City however a study by the Municipal Art Society found that approximately 16,200 properties in New York City alone qualify for the program. A five-year sunset was imposed on both credits. At the end of 2014, without further legislation, the program would revert to the 2006 format.

The 2009 changes were a sweeping success and made the program an effective tool to incentivize the rehabilitation of historic properties to promote economic and community revitalization. The program proved to be particularly successful in promoting increased investment and the rehabilitation of historic properties in areas of western New York. Applications for the Federal rehabilitation tax credit increased across the state, especially in western New York. To illustrate, between 1997 and 2005, only five-percent of the federal rehabilitation tax credits awarded in New York were allocated to areas north and west of Albany. Between 2010 and 2011, seventy-five percent of the federal rehabilitation credit applications were submitted by projects north and west of Albany. Additionally, as previously noted, between 2007 and 2009 only seventeen projects utilized the homeowner tax credit. Between 2010 and 2011, 698 projects from thirty-two counties across the state applied for the credits, with Buffalo leading the way followed by Albany and Rochester.

One consistent critique of the program has been the inability to separately allocate the commercial state tax credit from the federal credit. Because the credits cannot be bifurcated, a developer must find an investor with New York State tax liability, greatly limiting the investor pool. In 2010, the program was again improved when legislatures passed a bill allowing bank and insurance companies to partner with developers to invest in the credits. Previously,

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60 Mackay, “NYS Rehabilitation Tax Credit Programs,” June 4, 2012.
61 Ibid.
developers were limited to companies with New York corporate tax liability. The change made it possible for large insurance companies and banks to apply the credit against their state franchise tax liability, thus increasing the number of investors.62

The most recent change to the program came in 2013 when Governor Andrew Cuomo signed the 2013-2014 Budget Bill extending the state historic rehabilitation tax credit program through 2019. This extension was necessary to remove uncertainty among developers and investors about the program’s future. Without this extension, the credit would revert to its original and ineffective 2006 format. The legislation also made further steps to alleviate the issue of bifurcation by introducing refundability beginning January 1, 2015. This change permits a developer to partner with investors that do not have New York State tax liability and take the credit as a refund. The refundability component follows the precedent set by the New York State Film Industry Tax Credit and is seen as a partial solution to the issue of bifurcation.63 Because this component was launched at the beginning of this year, its effectiveness has yet to be determined. The 2013 update also addressed the criteria for determining eligible census tracts, replacing the data source from the US Census with the American Community Survey.64

3.3 Current Policy and Features

3.3.1 Administration of the Program

The New York State Department for Historic Preservation, within the Office of Parks, Recreation and Historic Preservation (OPRHP), administers the state tax credit program along with the New York Department of Tax and Finance.

There is not a separate application for the state commercial credit as it relies on the federal rehabilitation tax credit. If a project applies for the federal credit and meets the state credit requirements (i.e. census tract restrictions), it automatically qualifies for the state credit.

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63 Mackay, “NYS Rehabilitation Tax Credit Programs,” June 4, 2012.
64 New York, Budget and Management Plan, 2013-2014
After a project receives Part 3 certification from the National Park Service, an owner pays the state credit fees and a Certificate of Completion is issued to submit to the Department of Tax and Finance.

To receive the homeowner credit, a homeowner applies directly to New York State Historic Preservation Office. Because there is no federal equivalent to the homeowner tax credit, a three step certification process was set up largely replicating the federal system. Following Part 3 certification by the SHPO, a homeowner receives a Certificate of Completion to submit to the New York Department of Tax and Finance to receive the credit.65

### 3.3.2 Current Program Elements

<table>
<thead>
<tr>
<th>Table 1: NYS Commercial Historic Rehabilitation Tax Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Type</td>
</tr>
<tr>
<td>Certified Historic Structure</td>
</tr>
<tr>
<td>Census Tract Limitations</td>
</tr>
<tr>
<td>Minimum Expenditure</td>
</tr>
<tr>
<td>Exterior Spending Requirements</td>
</tr>
<tr>
<td>Credit Cap</td>
</tr>
<tr>
<td>Credit Carry Over</td>
</tr>
<tr>
<td>Refundability</td>
</tr>
<tr>
<td>Approvals</td>
</tr>
<tr>
<td>Fee</td>
</tr>
<tr>
<td>Length of time owner must hold the building</td>
</tr>
<tr>
<td>Program Sunset</td>
</tr>
</tbody>
</table>

(Adapted from the New York Division for Historic Preservation Comparison Chart)

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### Table 2: NYS Homeowner Historic Rehabilitation Tax Credit

<table>
<thead>
<tr>
<th>Building Type</th>
<th>Homeowner occupied (Homeowner must be a New York State tax payer)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Qualified Historic Home</td>
<td>An owner-occupied residential structure (includes condominiums and cooperatives); Listed on the State or National Register of Historic Places (NR) either individually or as a contributing building in a historic district</td>
</tr>
<tr>
<td>Census Tract Limitations</td>
<td>Located in census tracts at or below 100% of the State Median Income Level as determined by the ACS</td>
</tr>
<tr>
<td>Minimum Expenditure</td>
<td>$5,000</td>
</tr>
<tr>
<td>Exterior Spending Requirements</td>
<td>At least 5% of the total expenditures must be spent on the exterior</td>
</tr>
<tr>
<td>Credit Cap</td>
<td>$50,000</td>
</tr>
<tr>
<td>Credit Carry Over</td>
<td>Unlimited</td>
</tr>
<tr>
<td>Refundability</td>
<td>If adjusted gross income is below $60,000 the unused credit can be refunded</td>
</tr>
<tr>
<td>Approvals</td>
<td>Work must be approved by State Historic Preservation Office</td>
</tr>
<tr>
<td>Fee</td>
<td>Between $50 and $500 depending on total expenditures</td>
</tr>
<tr>
<td>Length of time owner must hold the building</td>
<td>2 years</td>
</tr>
<tr>
<td>Program Sunset</td>
<td>12/31/2019. If it is not extended, the law will revert to the 2006 format.</td>
</tr>
</tbody>
</table>

(Adapted from the New York Division for Historic Preservation Comparison Chart and The New York State Historic Homeowner Tax Credit Program. New York State Office of Parks, Recreation and Historic Preservation.)

### 3.3.3 Known Program Disadvantages

Three disadvantages to the program, specifically the commercial credit, are frequently discussed among program advocates, consumers of the credits and elected officials. They include project credit caps, bifurcation, and reporting.

**Commercial per-project credit caps**

The $5 million credit cap for the commercial rehabilitation credit has proven successful at incentivizing most rehabilitation projects throughout the state. The credit cap however has been criticized for being too low and discouraging larger scale rehabilitation credits (over $25 million). Lead by Senator Mark Grisanti, representing areas of western New York including Buffalo, the

66 Senator Mark Grisanti, *An act to amend the tax law, in relation to increasing the maximum award available under the historic preservation tax credit*, Bill number S4642 (2013)
bill passed the Senate and the Assembly however it was vetoed by Governor Cuomo. Grisanti claimed that developers in western New York who wanted to undertake larger rehabilitation projects would require additional credits to finance these projects. Grisanti again introduced legislation to incrementally increase the cap in 2013 however the bill failed to pass the Assembly.

Bifurcation

As mentioned, the ability to separately allocate the state commercial credit from the federal credit is an important factor to the future success of the program. Because the value of the credit lies in a developer’s ability to find investors, the requirement that the credit must be allocated to a single entity with New York State income tax liability is extremely limiting. This has been slightly alleviated by the refundability of the credit introduced January 1, 2015 allowing investors to receive the credit as a refund but its effectiveness has not yet been determined. The New York State Department of Taxation and Finance is reluctant to support bifurcation because there is no precedent for it in state tax law, refundable state tax credits though do have state precedent with the Film Industry Tax Credit.

Reporting / Transparency

While the homeowner credit is managed and issued by the New York State SHPO, there is no reporting on the commercial credit. The department has no way to determine which projects that have received the federal credit have actually utilized the state credit or the credit worth. The records are kept by the Department of Taxation and Finance however the department is reluctant to share this information due to privacy concerns. Advocates of the program, such as the Preservation League of New York State, who hope to track and quantify

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67 Mackay, “NYS Rehabilitation Tax Credit Programs - Implementation Status and Desired Improvements,” 2012.
70 Ruth Pierpont, “Proposed Improvements to NYS Rehabilitation Tax Credit Programs,” E-mail to Rose Harvey, Carol Clark, and Patrick Bradford. September 28, 2012.
the program’s success throughout the state, have been frustrated by this limitation.\(^7^1\)

### 3.4 Evaluation

The program update in 2009 and the improvements since have, “turned an ineffective program into an effective one,” in the words of the New York Deputy Commissioner for Historic Preservation Ruth Pierpont.\(^7^2\) The program has successfully promoted the reuse of historic properties and infrastructure while garnering an enormous amount of private capital in economically challenged areas of the state, consequentially meeting the program’s goals for economic and community revitalization. Over 1,400 applicants have made use of the homeowner program with over $40 million dollars in private investment into the rehabilitation of historic homes and neighborhoods since 2007.\(^7^3\) In federal fiscal year 2012, the New York total project expenditures for the federal Historic Rehabilitation Tax credit were the highest amount for any state in the history of the federal program with thirty-six projects totaling more than $915 million in rehabilitation costs. Out of the thirty-six projects, twenty-four were located in census tracts eligible for the state commercial tax credits totaling more than $200 million dollars in investments.\(^7^4\) New York continues to gain momentum in historic rehabilitation activity with more and more projects applying for the federal HTC each year. In fiscal year 2014, New York was among four states with the most historic rehabilitation activity (the first year New York has reached this) and it was also ranked third in total federal historic tax credit qualified rehabilitation expenditure amounts with over $850 million.\(^7^5\) The program continues to gain momentum and future amendments are probable to continue to improve its effectiveness. The current program is set to sunset at the end of 2019 and further legislation is required to extend the program.

\[^7^1\] Conversation with Daniel Mackay, telephone interview by author, September 15, 2014.
\[^7^2\] Pierpont, “Proposed Improvements to NYS Rehabilitation Tax Credit Programs,” 2012.
\[^7^4\] Garcia, “New York Bill Extends State Historic Tax Credit,” (June 2013).
CHAPTER 4: Use of the New York State Historic Rehabilitation Tax Credit in Buffalo, NY

The New York State historic rehabilitation tax credit program has become a powerful tool for reinvestment in Buffalo’s historic structures and neighborhoods. Buffalo has the largest concentration in the state for historic rehabilitation projects utilizing both the federal and state historic tax credits.76 Over 300 homeowner and commercial projects have utilized the New York State historic tax credits in Buffalo. The tax credits have established a way to encourage the preservation of Buffalo’s rich architectural heritage, which otherwise is not likely to have been economically feasible. Developers have labeled the program a “game changer” and “critical” to economic development in the city. Many attribute the resurgence of the city’s downtown area to the tax credit program and the projects that have resulted.

Buffalo is encountering a boom in development in the downtown area, an amount unseen in over fifty years.77 Local news articles have noted that Buffalo’s historic buildings have been at the center of the city’s recent boom, fueled by the availability of the historic tax credits.78 Not only have the tax credits promoted historic reuse and development projects in the city, they have generated thousands of jobs, garnered enormous amounts of private capital in the city, and they have proven successful at leveraging the federal rehabilitation tax credit, returning federal dollars to the economically stressed city. The use of the HTCs and their impact on development projects in the city have been highly supported by the city government and well publicized, further promoting use of the program. In fact, the reuse of historic architecture and the use of tax credits are a priority. In 2014, Buffalo Mayor Byron W. Brown stated, “being able to reuse the legacy buildings that we have in this community is critical... We believe that if we can restore even more of these structures, not only can we make the economy of Buffalo

more vibrant but we can also preserve our great architectural heritage, which people come from all over the world to see.”

This chapter will explore the reasons Buffalo has had the highest usage of the New York State historic rehabilitation tax credit for homeowners and commercial properties and it will evaluate the use of the homeowner and commercial credits in the city.

4.1 Reasons for High Implementation of the NYS HTC in Buffalo, NY

A culmination of factors has resulted in Buffalo’s surge in historic rehabilitation projects and usage of historic tax credits. These factors include: high eligibility for the state program, favorable economic conditions, a large number of historic structures and housing, advocacy campaigns and education, and strong demand for new rental apartments in the city.

Nearly all the census tracts in the city of Buffalo are Qualified Census Tracts to receive the state tax credits (Figure 7). Further discussed in Chapter 3, Qualified Census Tracts are those that have a median household income level at or below the New York State median income level according to the American Community Survey. In Buffalo, the median household income is $30,942 while in New York State the median is $58,003. While in other areas of New York the census tract eligibility limits the potential project pool, in Buffalo most areas of the city are eligible.

Figure 7: Eligible Census Tracts for the NYS HTC
(Data source: New York State Historic Preservation Office. “Current New York State Tax Credit Eligible Census Tracts” July 15, 2013.)

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79 Epstein, “Renovation Projects Bring Back Character of Buffalo’s Historic Buildings.”
Buffalo has the oldest historical core in the nation compared to other cities with 50,000 units or more with 63% of the city’s housing constructed before 1940 (Figure 8).\textsuperscript{82} The large availability of historic structures is a key driver for tax credit projects in Buffalo. While this might seem obvious, the study by the Washington, DC Office of Planning found that the amount of old housing in a city clearly increases the probability of a historic preservation project and thus increases the potential for rehabilitation activity.\textsuperscript{83}

One of the most critical reasons for the high utilization of HTCs in Buffalo is the economic necessity due to the low rent ceiling. Average rental rates in Buffalo are 44% below the national average as of 2014.\textsuperscript{84} The 40% combined state and federal credit is essential for meeting financing gaps between rental rates and the actual hard development costs. Without the full 40%, these projects would not be economically feasible. The availability of HTC’s has made rehabilitating historic structures far more appealing than constructing new buildings because of

\begin{itemize}
\end{itemize}
the incentives they offer.

There is a high demand for rental units in the downtown area. Developers have used the HTC to fill this demand, most of the projects, as discussed in section 4.3.3, include a residential component. Buffalo overall had an apartment vacancy rate at the end of 2013 of 2.7%, well below the national average 4.1% vacancy rate. There has also been a resurgence of young people moving into Buffalo, particularly the downtown area. Between 2000 and 2012 the population of young adults aged 25-34 has grown by 34%, higher than the average 25% growth in major US cities overall. The current trend of young professionals and “empty nesters” moving in has attracted developers to utilize the tax credits to rehabilitate historic structures with new residential units and establish a more vital downtown area.

Advocacy campaigns by local groups and workshops held by the New York State Historic Preservation Office (SHPO) have also played a key role in the program’s utilization in Buffalo. The New York SHPO held sixty-three tax credit workshops throughout the state between 2008 and 2014. Of these sixty-three, fourteen were held in Buffalo, the most of any single city in New York (Albany was the next highest with seven workshops). Additionally, Buffalo has had the highest attendance of these workshops with 1,025 attendees out of a total 3,367 attendees statewide. Local advocacy groups such as Preservation Buffalo Niagara have promoted these workshops and have assisted neighborhoods such as Elmwood-West in completing National Register nominations in order to gain access to the historic tax credits. In 2011, the City of Buffalo initiated the “Preservation Ready” Survey as part of the Buffalo Building Reuse Project through grants provided from SHPO and National Grid. The goal of the survey was, “to identify properties that may be eligible for various incentive programs and historic preservation tax

85 Ibid.
credits to assist with revitalization of those areas of the city.”

This is not a comprehensive account of the advocacy campaigns that have aided in the education of the HTCs to Buffalo’s developers and homeowners however the education and awareness of the tax credits have certainly contributed to its usage.

Following the 2010 updates to the New York State HTC, there was an enormous push to list new historic districts and expand existing historic districts in order to increase credit eligibility. The SHPO, advocacy groups and preservation professionals in Buffalo aided in the survey, research and listing of five historic districts on the NRHP following the 2010 update. In addition, two local historic preservation districts were certified as historic by the Secretary of the Interior for tax credit purposes. The push for listing on the NRHP following the credit update resulted in over 5,000 new structures added to the NRHP for the purpose of tax credit eligibility.

Finally, Buffalo has been the recipient of numerous targeted investments in the last ten years. In fact, the NYS HTC was highly targeted to encourage more development in the historic city centers of western and upstate New York, such as Buffalo and Rochester. In addition to the HTC program, investments such as Governor Andrew Cuomo’s 2012 Buffalo Billion campaign and StartupNY have improved economic and development conditions in the city.

4.2 Use of the Homeowner HTC in Buffalo

Today Buffalo is the highest user of the New York State homeowner HTC. 248, or 38%, of the 645 projects completed statewide were located in Buffalo. Private investment resulting from these projects is greater than $7.2 million in Buffalo and over $41.6 million statewide. Prior to the 2010 program updates (discussed in Chapter 3), the program was largely ineffective in Buffalo. Prior to the legislative changes, the eligible census tracts covered only tiny pockets on the fringe of historic districts in severely distressed neighborhoods. Only approximately 196

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90 Total number of applicants: 1,451. Accounts for multi-unit structures with multiple applicants
91 Some project investment totals not complete/reported. Actual amount is greater than stated figure.
homes in Buffalo were eligible for the initial program. Today all but two historic districts in the city listed on the National Register of Historic Places or certified as historic are eligible for the credits, covering thousands of eligible structures.  

In Buffalo, there are ten historic districts listed on the NRHP and nine local historic preservation districts, four of which overlap. All districts are primarily located on the west side, in the northern two-thirds of the city (Figure 9). The historic districts of Parkside East and Parkside West are the only two NRHP listed districts not eligible due to census tract restrictions. Of the 248 projects, eight were completed on individually listed properties while 240 were completed on properties located within historic districts. For privacy reasons, the New York SHPO does not share address or project information. Figure 10 displays the project numbers, density of projects within each historic district, and the distribution of homeowner tax credit projects within the city.

Table 3: Buffalo Historic Districts and Homeowner HTC Use

<table>
<thead>
<tr>
<th>Historic Districts</th>
<th>Number of Projects</th>
<th>Total Investment*</th>
<th>Average Investment</th>
</tr>
</thead>
<tbody>
<tr>
<td>West Village Historic District</td>
<td>3</td>
<td>$54,900</td>
<td>$18,300</td>
</tr>
<tr>
<td>Hamlin Park Historic District</td>
<td>12</td>
<td>$232,889</td>
<td>$19,407</td>
</tr>
<tr>
<td>University Park Historic District</td>
<td>43</td>
<td>$592,071</td>
<td>$13,769</td>
</tr>
<tr>
<td>Linwood Historic District</td>
<td>21</td>
<td>$1,035,019</td>
<td>$17,845**</td>
</tr>
<tr>
<td>Allentown Historic District</td>
<td>61</td>
<td>$2,117,381</td>
<td>$34,711</td>
</tr>
<tr>
<td>Elmwood West Historic District</td>
<td>100</td>
<td>$3,084,187</td>
<td>$30,842</td>
</tr>
<tr>
<td>Individually Listed Properties</td>
<td>8</td>
<td>$119,389</td>
<td>$14,924</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>248</td>
<td><strong>$7,235,836</strong></td>
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</tr>
</tbody>
</table>

Figure 10: Project Density Map of Homeowner HTC Projects per Historic District
The New York State Historic Rehabilitation Tax Credit Program & Preserving Buffalo

| *17 project amounts not reported |
| **3 projects in Linwood HD are multi-family condo/coops with a total of 58 owners receiving tax credits. |

The above table (Table 3) is compiled from the project data supplied by SHPO including project number, historic district (if applicable) and investment amount.

**Use of the Homeowner HTC in Historic Districts**

The Elmwood-West Historic District has been the highest user of the homeowner tax credit in Buffalo. The district was added to the National Register in December of 2012. The effort to list the district on the NRHP was sponsored by St. John’s-Grace Episcopal Church and was spearheaded largely to gain access to HTCs. Since the district was added to the NRHP, 100 projects have utilized the homeowner HTC with a total investment of over $3 million in the district, averaging about $30,842 per project. Interviews with three homeowners in the Elmwood-West district who have utilized the homeowner credit revealed that while the tax credits have been a major incentive to complete maintenance and restoration work in an appropriate manner, conforming to the Secretary of the Interior’s Standards for Rehabilitation, the credit was a bonus, not necessarily an economic necessity. All three owners stated they would have completed the necessary work, ranging from painting to roof replacements to a porch reconstruction, with or without the homeowner tax credit. It was also suggested during

Figure 11: The owner’s of 319 Norwood Avenue in Elmwood-West used the homeowner HTC to repaint their historic house.
the interviews that a major reason that Elmwood has had such high use of the program is due to a high rate of owner occupancy in the neighborhood as well as strong neighborhood cohesion, demonstrated by the many planned neighborhood events including the annual “Garden Walk.” The tax credits were also highly publicized in the neighborhood through numerous mailings, pamphlets and neighborhood meetings on the topic.  

Hamlin Park Historic District, a local historic preservation district originally designated in 1998, was added to the National Register in 2013 similarly to gain access to the NYS Homeowner HTC. Twelve projects have been completed in Hamlin Park since the district was added to the NRHP with a total investment of $232,889 and an average per project investment of $19,407. Interview with district homeowner, preservation professional and homeowner tax credit user Mike Puma of Preservation Studios presents a very different account compared to Elmwood-West. According to Puma, Hamlin Park has utilized the homeowner HTC to address deferred maintenance and the tax credit is economically necessary to complete many of the projects. The lower rate of program use in the neighborhood can be contributed to lower resident income levels and the relatively high project minimum requirements ($5,000) to take advantage of the program.

Data limitations on specific homeowner tax credit project information, including project location and project scope, constrained the level of analysis possible on the use and impact

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93 Lynn Stievater, Ruth Flemming, Colleen Dom (Elmwood Historic District Homeowners) interview by author, January 13, 2015.
94 Mike Puma and Derek King (Preservation Studios) interview by author, January 13, 2015.
of the program to the historic districts and city as a whole. The interviews conducted with homeowners and preservation practitioners in the city did convey the differences that arise from a project-by-project basis to the differences on how the program is used on a district level, as illustrated by HTC use in Elmwood-West versus Hamlin Park. One trend that is very clear, neighborhoods have increasingly been seeking listing on the National Register or expanding existing historic districts to gain access to the NYS HTC. The historic districts of Allentown, Cobblestone, Elmwood-West, University Park, Market Square, and Hamlin Park have all been added and expanded to the NRHP since 2011 in order to gain access to the credits. Other neighborhoods such as Elmwood-East and the expanded Linwood district are currently seeking listing to access the credit. The homeowner HTC is only as effective as the number of eligible and potential projects available. Having a building individually listed on the NRHP is costly and not realistic for the average homeowner. Buffalo benefits greatly from the program because the majority of its historic districts and historic properties are eligible for the program, however, there are a number of neighborhoods that could further benefit from the tax credits.
4.3 Use of the Commercial HTC in Buffalo, NY

The NYS HTC for commercial properties has been tremendously successful at stimulating the redevelopment of historic properties in the city. The program, combined with the federal HTC, has created an incentive that has made historic rehabilitation projects economically feasible. In fact, only a few projects made use of the federal HTC prior to 2007, when the NYS HTC was launched. Since 2007, 43 projects have been completed with an estimated $325 million dollars in qualified rehabilitation expenditures. Another 41 projects have received Part 2 certification and are nearing completion in Buffalo.

Geographical Area Analysis

Through geographical analysis of the project locations within Buffalo it is clear that only a small portion of the city has benefitted from these tax credit projects. In order to better understand the geographic distribution of HTC projects in Buffalo, projects with Part 2 approval were mapped within their corresponding census tracts. Further explained in Chapter 2, during Part 2 of the federal HTC application, the SHPO and NPS review project plans and specifications of a proposed project. Once Part 2 approval is reached, a project seeking the federal and New York HTC can begin. Because census tracts are small statistical subdivisions of a city or county, they were used to specify smaller units of geography to determine the distribution of projects. As seen in Figure 13 and Table 4, 52% of the projects are concentrated in two central census tracts around the central business district of downtown Buffalo. The remaining projects are generally dispersed within the northern and western two-thirds of the city. A study by Stephanie Ryberg-Webster on the use of HTCs in other cities in the country found a similar pattern, wherein a few areas contain high densities of HTC projects with a tightly concentrated pattern and a lower density of investment impacting the remainder of the city.

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### Table 4: Distribution of HTC Projects in City Census Tracts

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<th>Description</th>
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<td>Census Tracts without HTC Projects</td>
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<td>71%</td>
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<tr>
<td>Census Tracts with HTC Projects</td>
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<td>29%</td>
</tr>
<tr>
<td>... with 1 HTC</td>
<td>13</td>
<td>16%</td>
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<tr>
<td>... with 2-10 HTCs</td>
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<td>11%</td>
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<tr>
<td>... with 11+</td>
<td>2</td>
<td>2%</td>
</tr>
</tbody>
</table>

Figure 13: Geographical Density of HTC Projects in Buffalo by Census Tract 2007-2015 (Projects with Part 2 & 3 approval)
HTC Use Over Time

Figure 13 clearly displays the concentration of tax credit project in Buffalo around the central business district. According to developers and preservation professionals in the city, development is pushing outside the downtown area, bringing funds and expanding investment to additional areas. Vacancy rates are already decreasing in the central business district and according to developers property values are also increasing. Local developer Rocco Termini noted that the number of eligible buildings, certified to receive tax credits, has decreased in the area.98 For these reasons, Buffalo investors and developers are looking to other areas of the city where costs are lower and projects continue to be economically feasible. Figures 15 through 17 display the temporal dimension of the tax credit projects in Buffalo and more specifically the shift of tax credit projects out of the central business district. Figure 15 shows that between 2007-2009, projects are concentrated in the central downtown area and along Main Street. Figure 16, between 2010-2012, displays most projects are in the same area however there are a few projects in areas farther north of the downtown. Finally, Figure 17, displays Part 2 approvals, between 2013- February 2015. The location of the bulk of HTC projects is clearly moving north of the central downtown area and into Buffalo’s east side.

These maps also indicate the considerable increase in Part 2 approvals between 2013-2015. Between 2007-2009, 21 project Part 2s were approved, between 2010-2012 only 16 projects attained Part 2 approval. Between 2013 and February 2015 however, 45 projects received Part 2 approvals. This jump in approved projects indicates the

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98 Rocco Termini (Signature Development), interview by author, January 14, 2015.
success of previous projects, improving economic conditions, and increased effectiveness of the program. According to Jason Wilson, local developer and preservation professional, local developers have perfected a strict model for investment using historic tax credits. The previous successes of these developments have ultimately promoted and increased the number of new development projects.99

Projects by Investment Amount

Out of the 84 Part 2 project approvals, 69 projects disclosed estimated Qualified Rehabilitation Expenditure amounts as tracked by the Preservation League of New York State. Investment amounts ranged from $11,000 to $63,000,000. The largest proportion of projects (27%) fall within the middle $1,000,000-$5,000,000 range as indicated by figure 18. Another large proportion of projects (25%) are relatively small in nature with investments under $500,000. A slightly lower number of projects (22%) have very large project investments of over $10,000,000. The rehabilitation investment amount indicates that the HTCs have been utilized to promote both small and very large projects throughout the city. The data on project investment amounts indicate that the New York State HTC per project cap of $5,000,000 is appropriate considering 64% of the project rehabilitation expenditures are under $5,000,000 in Buffalo. However, a significant amount (36%) of projects are over $5,000,000. A rise in the New York HTC per-project cap could be a significant incentive for the rehabilitation of larger and more extensive projects.

Projects by Use

Generating more residential units, especially in the downtown area, has been a priority for developers utilizing the tax credits. Out of all the HTC projects in Buffalo, 82% include a residential component. More than 800 new apartments have opened in the downtown area as the result of HTC projects, with 190 more in the works for a total of more than 1,000 new apartment units in the city since 2006.\textsuperscript{100} While 45% of the projects are strictly residential in use, mixed-use developments are the second highest category with 37% (Figure 19). All the mixed-use projects contain a residential component in addition to retail, office, or other commercial spaces. Accommodations, including hotels and bed and breakfasts, account for 5% of projects, while another 5% have been for other uses, mainly music venues. Office space development accounts for the final 8% of the total projects. The low number of office space projects is clearly indicative of the high office space vacancy rate in Buffalo. Office space vacancy rate is 18.8% in the downtown area, well above the national average of 13.9%.\textsuperscript{101} Office space projects that have occurred have mostly involved the reuse of historic houses and mansions as office space.

\textsuperscript{100} Epstein, “Buffalo Niagara Commercial Real Estate Market Improving, Report Shows.”
4.4. Evaluation

New York’s historic tax credit program has effectively stimulated development and reuse of the city’s historic architecture. Moreover, the availability has contributed to the current boom in construction and resurgence in the downtown area. In fact, taxable value of property in Buffalo has reached a twenty-year high of $6.7 billion with an 11% in growth since 2008. Estimates for the upcoming year place the value at $7.5 billion.\textsuperscript{102} Occupancy rates in retail, and apartments in the downtown area are low, another positive economic indicator for the city.\textsuperscript{103} While the tax credits have prompted millions of dollars in investment, these projects for the most part have been confined to the downtown area and immediate surroundings. Some neighborhood groups have led grassroots efforts to have their districts listed on the NRHP, however, for the homeowner credits to expand their impact in Buffalo, new historic districts must be added to the NRHP. More involvement and support from City planners is necessary to aid neighborhoods that have the potential to benefit from economic incentives of the HTC, especially the east side, but whose residents believe they cannot afford the costs associated with research and survey necessary for listing on the NRHP or as a local historic preservation district. The City’s engagement in historic preservation and the functionality of the Preservation Board has weakened in recent years. There is essentially no city support or involvement in aiding local neighborhoods preserve their districts. The City’s single Historic Preservation Planner position has been vacant for two years, minimizing the effectiveness of the administration of the citywide historic preservation program.\textsuperscript{104} These shortcomings have also limited potential funding sources for historic preservation survey and research through Certified Local Government grants. While the creation of new historic districts could spur further and more geographically distributed use of the homeowner HTC in Buffalo, the use over time of the \textbf{commercial} tax credit in Buffalo indicates that greater project numbers will continue and

\textsuperscript{102} Jay Rey and Susan Schulman, “Buffalo’s Comeback Plants Roots of a Regional Renaissance.” \textit{The Buffalo News}, February 21, 2015.
\textsuperscript{103} Fink, “Buffalo Office Market: Good News and One Tall Uncertainty.”
projects will expand to new areas of the city.

Religious institutions in Buffalo have encountered diminishing congregations due to population losses and as a result many churches and other religious buildings have been left vacant. The Catholic Church alone unloaded seventy-seven churches in the city between 2005 and 2010. The city contains historic and architecturally significant religious buildings, which could be the focus of future historic rehabilitation tax credit projects. Adaptively reusing religious structures using tax credits, conforming to the Secretary of the Interior’s Standards, can be difficult due to the notable spaces and material integrity of their interiors. Developers and architects must make creative decisions in order to successfully balance the preservation of interior spaces while also adapting them to new uses. The Lafayette Lofts at Lafayette Avenue Presbyterian Church in Buffalo’s Elmwood Village is one successful example of the reuse of a historic church. The existing congregation wished to stay in the space, however their real estate was too large and ultimately unmanageable. The church downsized its sanctuary space and adapted the remaining space into residential apartments, venue space, and a “culinary center.”

One potentially negative impact of the adaptive reuse of industrial warehouses is the reduction in available industrial space. Industrial space is now at a premium in the city with a low vacancy rate of 4.5%, the lowest in 40 years. In 2011, the industrial vacancy rate was 14.2%. While the reuse of vacant space in the city, especially for needed residential apartments, positively benefits area residents, some are concerned over the limited amount of space available for industrial businesses.

All of the HTC projects in the downtown area have included market rate apartments. The addition of market rate apartments in will likely result in the reclassification of the downtown census tracts as ineligible for the NYS HTC. Because residents of these apartments must have the income to afford market rate rents, the median household income will presumably increase and thus make the census tracts ineligible. One could argue that this is positive result of the

105 Fink, “Buffalo Office Market: Good News and One Tall Uncertainty.”
numerous investments that have occurred in the area, however this reclassification could also prevent further investment needed in the downtown.

There has also been commentary on the potential of converting these newly created rental spaces into condominiums. In 2008, developer Jake Schneider utilized the federal historic tax credit to complete a $7.5 million project converting the Seneca Paper Warehouse into the Historic Warehouse Lofts. In 2014, following five years of ownership (required by the federal HTC), Schneider decided to convert the building into condominiums to sell. In interview, Schneider stated that without the New York State HTC, the profitability of the project was not as healthy and the conversion of the project is an exit strategy to create more working capital.\textsuperscript{106} The conversion of rental apartments into condominiums is problematic because conversion has the potential of displacing current residents, who could not necessarily afford to buy units in the converted building and it reduces the available rental housing, adding to the challenge for displaced tenants to find suitable rental alternatives in the area.\textsuperscript{107} Carl Paladino, another local Buffalo developer who has utilized HTCs also observed the likely potential for apartment conversions into condominiums in the future.\textsuperscript{108} It remains uncertain whether the conversion of the Historic Warehouse Lofts, and other HTC projects like it, will be successful given the high costs associated with conversion, potential sale prices and the demand for rental units in the downtown.

\begin{thebibliography}{99}
\bibitem{106} Jake Schneider (architect and developer) interview by author, January 13, 2015.
\end{thebibliography}
CHAPTER 5: Historic Rehabilitation Tax Credit Case Studies

The New York State historic rehabilitation tax credit program was implemented with the goal of supporting economic development and promoting neighborhood and urban revitalization, especially in the historic urban areas of western New York. These goals are especially relevant in Buffalo as the city strives to stabilize the tax base and combat population losses. Studies boast of the revitalization and economic development influences the federal and state HTC programs have on the economy. They have found that the preservation of historic properties is an important tool for promoting economic development in blighted urban areas.109 Existing studies have primarily focused on the total economic impacts of tax credit programs using economic input-output models to measure direct, indirect, and induced effects of tax credit projects using data on tax credit expenditures and economic statistics.110 For every state dollar spent on a tax credit program, most studies have found that around $8.00 in economic activity is generated.111 These studies have also observed that rehabilitation projects serve as a catalyst for neighboring redevelopment, with a “snowball” effect on communities.112 The existing economic impact studies focus on the results on the state and federal levels without much attention to the localized impacts of projects to their immediate surroundings. Besides the economic impacts, studies have used case studies to demonstrate the qualitative impacts of a project on the local community. These qualitative impacts include psychological and aesthetic benefits that help improve the value and attractiveness of a place or neighborhood to

110 Direct effects take into consideration the value of construction activity spurred by the credit while indirect effects take into account the change in economic activity due to spending for goods and services. Induced effects consist of the spending by people employed in the project that provide a boost to the local economy.
112 Cleveland State University, Estimates of the Economic Impact of the Ohio Historic Preservation Tax Credit Program on the State of Ohio.
residents, businesses and visitors alike. Historic rehabilitation tax credit projects have direct and transformative results on their local environment due to the new amenities they provide, improved aesthetics of the building and area, and the potential investment they stimulate. Given the acknowledged success of the New York State HTC program in promoting historic rehabilitation activity in Buffalo, this research explores the local impacts of HTC projects. In order to evaluate the revitalization impacts historic rehabilitation tax credits have had in Buffalo, four case studies were selected to assess the specific effects of projects on their immediate surroundings. Case studies for this analysis were selected based on their location, project scope, and available data and information. All four projects involve mixed-use developments with a residential component, representative of most tax credit projects in Buffalo. The scope of the rehabilitation work ranges from $3 million to $42 million, also representative of the projects in Buffalo. These projects are located in the east side neighborhood, west side, and the downtown. Due to data limitations on the homeowner HTC use in Buffalo, no homeowner project case studies were examined. Future data on homeowner project locations and scope would aid in further examination of the homeowner HTC in Buffalo. The goal of evaluating these case studies is to determine how specifically the historic rehabilitation tax credits have contributed to downtown and neighborhood revitalization in Buffalo, New York.

5.1 Methodology

The case studies selected include: Hotel @ The Lafayette and Genesee Gateway, both located in the downtown area, Horsefeathers Market & Residences located in the West Side neighborhood, and the Packard Apartments in the Midtown neighborhood on the east side of Buffalo (Figure 20). In order to identify impacts of the tax credit projects on their surrounding neighborhood, this study uses a 500-foot radius around each project case study to measure indicators of neighborhood revitalization and stabilization. “Indicators” are indirect measures used to gauge a program’s progress toward meeting stated goals and benefits at the community.

113 Fasulo and Accordino, Economic Impact of Historic Rehabilitation Tax Credit Programs in Virginia.
level. These indicators, explained below, include: vacancy rates, assessed property values, owner-occupancy, and code violations. A 500-foot radius was selected because 500-feet is roughly the size of a city block and is a manageable size to demonstrate the direct local impacts of these projects. In addition to neighborhood revitalization indicators, interviews and site visits were conducted to better determine the more qualitative impacts of these projects on their surrounding neighborhoods. Through an in-depth evaluation of these case studies, both the qualitative and quantitative impacts of the historic tax credit projects on their surrounding neighborhoods can be assessed.

**Explanation of indicators**

*Vacancy Rates* - One of the most important goals of the New York State historic rehabilitation tax credit program is to promote the reuse of vacant and underutilized buildings and to stimulate neighborhood revitalization. Vacancy rates have long been a problem in Buffalo since the population has consistently decreased since the 1950s. For this reason, vacancy rates were analyzed to find out if the tax credit projects have had any impact on reducing vacancy rates in the surrounding community. A decrease in vacancy rates would signify neighborhood stabilization and revitalization and would indicate the “snowball” effect of the tax credit projects on further development in the neighborhood. While this study hoped to evaluate vacancy data...
at parcel or census block group levels, vacancy data was only available at the census tract level through the United States Postal Service Data on Address Vacancies. Section 5.6 of this chapter further explains results and limitations of the vacancy rate study in Buffalo.

**Code Violations** - The presence of repeated code violations in a neighborhood is an indicator of blight. A reduction in code violations signifies neighborhood improvements and revitalization. Using code violation from the City of Buffalo, this study will determine if there have been changes in the number of code violations surrounding a tax credit project between 2010 and 2014.

**Owner versus Renter Occupancy** - Renter versus owner occupancy is an indicator of neighborhood stability. Areas with more renters are associated with potential instability as renters are less likely to make long-term investments due to their transitory state. Using data provided by the City of Buffalo, this study will determine if there have been any deviations in the rate of owner occupancy versus renter occupancy in the surrounding area.

**Property Values** - Property values are another indicator of neighborhood revitalization. Numerous studies have identified the catalytic impact of historic rehabilitation tax credit projects, and the increased investment that can occur in the surroundings. This study utilizes property assessment data provided by the City of Buffalo to determine whether there have been any meaningful changes in property values between 2010 and 2015 surrounding a project case study.

**New Amenities** - Tax credit projects have the ability to strengthen the neighborhood economy by increasing employment and amenities, both commercial and residential, to the residents in the surrounding neighborhood. Using interviews, site visits, and relevant press, this study will describe and evaluate the resulting amenities tax credit project developments have provided to their communities.

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5.2 Packard Apartments

The Packard Building is part of the Midtown neighborhood on the east side of Buffalo. The building is situated on major commercial thoroughfare surrounded by one and two-story buildings with retail functions along Main Street and a primarily residential neighborhood to the east. The building was constructed in 1926 designed by architect Albert Kahn, the designer of many Packard Motor Car Company buildings throughout the United States. The building was once part of Buffalo’s “Auto Row” and is now one of the few remaining buildings representing the automotive industry history of the area. The building was used as the Packard Auto Company showroom and distribution center until Packard ceased production in 1958. In subsequent years, the building was used for various office and commercial uses. During the 1980s and 1990s, the building fell into disrepair and was eventually taken by the City for back taxes. During this time, the ground floor facades were filled in with glass block and concrete block as a result of vandalism to the windows (Figure 22).

In 2006, the building was purchased by Reagan Development to redevelop the space into affordable apartments with a commercial function on the first story. Reagan Development is a commercial, residential, and affordable housing development company that works throughout New York, New Jersey and Connecticut. Hamilton, Houston, and Lownie, a local architecture firm, served as the project’s architect. The New York State Housing Trust Fund, the New York

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116 Ibid.
The New York State Historic Rehabilitation Tax Credit Program & Preserving Buffalo

State Urban Initiative Program, and the Bethel Community Development Corporation provided additional funding for the project. The project also received federal and state low-income housing tax credits in addition to the historic rehabilitation tax credits.117

The project was one of the earliest projects to utilize the NYS HTC and served as an example for subsequent projects. The adaptive reuse was completed in 2009 with a total cost of $10.3 million and $8.2 million in qualified rehabilitation expenditures. The resulting Packard Apartments established 40 new apartments within the former showroom and storage warehouse for workforce family housing and housing for individuals with developmental disabilities. The rehabilitation created 35 construction jobs and 3 permanent jobs.118 Buffalo’s Child and Family Services

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118 New York State Office Of Parks, Recreation And Historic Preservation, Preservation Works In Western New York: Western New York Project Portfolio.
occupies the ground floor commercial space. The development also produced a small “pocket park” accessible to area residents.

The project transformed an underutilized commercial building into a residential complex serving low-income residents of Buffalo. Owner and developer Larry Reagan stated that the goal of the Packard’s redevelopment was to “further the City’s efforts to synergize the revitalization of the Mid-Main Street Neighborhood of Buffalo, uniting the residential areas of the east and west sides of Main Street with new housing and commercial stores.”119 The Packard Apartments is one of the few HTC projects located on Buffalo’s east side. Considering the area’s history and current conditions, the investment, resulting improved physical conditions, and creation of new amenities have the potential to significantly impact the surrounding community. Reagan also noted that the low-income housing and historic rehabilitation tax credits used, which equaled almost $7 million after syndication, allowed rents to stay low. This is the only project case study project completed prior to 2010 program updates with the state tax credit equal to only 6%. In order to serve low-income residents, the project required a grouping of numerous funding sources and tax credits to make the project economically feasible. Since the 2010 updates to the New York HTC program, there have not been any projects pairing the LIHTC with the HTCs in Buffalo.120

120 According to HUDs LIHTC database http://lihtc.huduser.org
5.3 Horsefeathers Market & Residences

The Zink Block, now Horsefeathers Market & Residences, is located at 346 Connecticut Street in the West Side neighborhood. The building is located on a street comprised mostly of mixed-use buildings with ground floor retail shops and residential functions above. The surrounding streets are residential, with small single-family residences and duplexes. The Zink Block was constructed in 1896 by local architect Charles Day Swan for furniture manufacturer William T. Zink. Zink used the building as a furniture store, warehouse and repair shop until the Great Depression, after which it was utilized for various commercial functions including a grocery store and paper manufacturing plant. The Connecticut Street location was once a busy commercial corridor in a thriving middle class neighborhood however, the neighborhood faced major decline during the second half of the twentieth-century due to job and population losses. Many surrounding structures were left vacant and demolished. Most recently, the Zink Block structure was used as a warehouse for an architectural salvage company. The storefronts were covered up and the building was largely unutilized.121

<table>
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<td><strong>Jobs Created</strong></td>
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<td><strong>End Use</strong></td>
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In 2013 architect and developer Karl Frizlen used state and federal HTCs to help finance a $3.6 million rehabilitation of the former warehouse into 24 loft-style residences and ground floor retail. A market and an “eco-friendly gourmet” restaurant are now open on the first story. On weekends the market holds an indoor farmers market hosting regional farms and serving the surrounding neighborhood and greater Buffalo.

The project has revitalized the underutilized building into a vibrant attraction for the neighborhood and Buffalo as a whole. Not only does the project serve the surrounding community, people from all over Buffalo visit the market each weekend. The West Side is a diverse neighborhood, home to refugees and immigrants from Somalia, Sudan, and Myanmar. It also suffers from high vacancy rates and unemployment.\textsuperscript{122} Horsefeathers is located at a prominent corner in the neighborhood and its redevelopment has been described as a cornerstone for the neighborhood’s revitalization.\textsuperscript{123} Local Common Council member David Rivera has referred to the potential “snowball” effects of the development and has commented on renewed development interest in the area.\textsuperscript{124} Other amenities, including a new restaurant in

\begin{footnotesize}
\textsuperscript{122} “The Neighborhood,” The Green Development Zone.
\textsuperscript{123} Katie Krawczyk, “Starting Point: Historic West Side,” 43North, September 3, 2014.
\textsuperscript{124} Kaitlyn Lionti, “Plans to Revitalize Building on Buffalo’s West Side,” Time Warner Cable News, April 21, 2010.
\end{footnotesize}
a previously vacant structure, have since opened in the vicinity.\textsuperscript{125} The West Side neighborhood surrounding Horsefeathers has also greatly benefitted from the investment and development by People United for Sustainable Housing (PUSH) Buffalo. PUSH is a local community organization that works on the West Side to develop affordable housing with sustainable features in order to create a “healthy, just and strong city that includes community control of resources, living wage jobs and access to quality education, healthcare and transportation.”\textsuperscript{126} Site visits to the area echo the improved quality of the area and active investment; active ground floor retail spaces and well-maintained, brightly painted buildings surround Horsefeathers along Connecticut Street.

\textsuperscript{125} Karl Frizlen (Frizlen Group), interview by author, January 14, 2015.
5.4 Genesee Gateway

The Genesee Gateway is comprised of eight nineteenth-century buildings along Genesee Street and Oak Streets (85-125 Genesee Street), and serves as the eastern gateway to the downtown. The commercial block contains a mix of architectural styles by notable Buffalo architects dating from between 1845 and 1915. The block is made up of the Seeberg Building constructed in 1845, the Werner Photography Building constructed in 1895, the Schwinn-Mandel Building constructed in 1878, the Baldwin Building constructed in 1903, and the Giesser Building constructed in 1915. Historically a thriving commercial area, the construction of the Kensington Expressway and the Oak-Elm Arterial in the 1960s eroded the area. The businesses along the Genesee Gateway suffered disinvestment and ultimately neglect and vacancy.\(^{127}\) A developer purchased the row of buildings in the 1980s with the objective of rehabilitating the structures. In 1986, all the interiors of the buildings were gutted.

and braced, leaving only the façades in place. In 2002, another developer acquired two of the buildings hoping to rehabilitate them however the same year a windstorm caused one to collapse, requiring the buildings demolition. The project was never realized due to financial and structural hurdles. After remaining vacant for over 25 years, Genesee Gateway LLC, a group led by City View Development acquired the buildings in 2007. In 2011, the City Historic Preservation Board designated the Genesee Gateway as a local historic preservation district, later certified for tax credit purposes. Because the block’s lack of architectural and material integrity due to the 1980s interventions, significant questions were raised about its eligibility for tax credits. In the end, only three buildings of the Genesee Gateway development were eligible: the Baldwin Building, the Geisser Building, and the H. Seeberg Building (Figure 31).

The structures were viewed by residents as embarrassing icons of blight, disinvestment and economic trouble in the city. After acquiring all the properties along the block, Genesee Gateway, LLC with Flynn Battaglia Architects began an extensive $10 million rehabilitation. The Margaret Wendt Foundation viewed the project as so critical to Buffalo’s future they committed $7 million to the projects budget. The structures were rehabilitated and a new building was inserted into a vacant midblock lot. The buildings were stabilized, historic storefronts and facades were restored and the buildings were connected to provide office, retail and housing.

128 Barry A. Muskat, “Development: Genesee Gateway,” Buffalo Spree, January/February 2009.; Mike Puma, Genesee Gateway(Buffalo Rising, Nov 8, 2013)
The project is not the largest in the downtown area however it has been very impactful. An article in the Buffalo Spree magazine states, “it is important [project] to the city symbolically and psychologically and is tangible physical evidence of a vital regeneration of our historic urban core.” Since the project’s completion, the State has embarked on a streetscape project adding landscaping, lighting, bump-outs, street resurfacing and green infrastructure enhancements. Two new restaurants have opened in the complex in addition to the office space and other commercial storefronts the development has created. Additionally, the area surrounding Genesee Gateway has seen an influx of new investment including new rehabilitation projects, restaurants, and the construction of the Catholic Health offices nearby. Brandye Merriweather of the Buffalo Urban Development Corporation noted that $42 million in recent or planned development has occurred along the corridor.

Figure 30: Genesee Gateway (source: www.buffaloh.com)

Figure 31: Genesee Gateway Rendering, HTC Projects (source: www.geneseegateway.com)

5.5 Hotel @ The Lafayette

The Hotel Lafayette is a nationally significant landmark located on a prominent corner along Lafayette Square in downtown Buffalo surrounded by primarily office space and commercial structures. Construction of the hotel began in 1901 to provide upscale lodging for the Pan-American Exposition however its completion was delayed until 1904 due to financial setbacks. The French renaissance style hotel was designed by Louise Blanchard Bethune, the nation’s first female professional architect admitted to the American Institute of Architects, and was considered one of the fifteen finest hotels in the country during the early twentieth-century. During the 1940s, the interior lobby, bars, and ballroom of the hotel were renovated in the Art Moderne style. The hotel continued to serve as an upscale hotel with notable guests such as President Woodrow Wilson and President Franklin Roosevelt until the mid-twentieth century when the city began its economic decline. During the 1980s the...
hotel fell into extreme disrepair, operating as a short-term boarding house for tenants referred by social services. Until 2011, the hotel was described as an “urban eyesore,” the deteriorated condition of the hotel and its surroundings made the area an undesirable location, void of activity.

In 2011 developer Rocco Termini purchased the hotel and began a $42 million project rehabilitating the historic hotel with architecture firm Carmina Wood Morris. The resulting Hotel @ The Lafayette is easily one of the largest tax credit projects, in both cost and scale, completed so far in Buffalo. Interior spaces were extensively restored to their former French Renaissance and Art Moderne periods. The development includes market rate apartments, hotel rooms, banquet facilities, retail spaces, restaurants, and offices for Termini’s company, Signature Development.

The project has been largely hailed for reinvigorating the area into a “bustling hub of activity.” The project has also been referred to as a catalyst for the redevelopment of neighboring buildings in the downtown including the Tishman Building, a HTC project completed in 2015, across Lafayette Square.

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5.6 Data Analysis

Vacancy Rates

Vacancy rates were only available on the census tract level through United States Postal Service, Vacant Address Data. Analyzing the impact of one HTC project within an entire census tract was not feasible. Instead, all HTC projects were mapped within their corresponding census tracts along with the vacancy rates for years 2006, 2010, and 2014. As displayed by Table 5 and Figures 35-37, the census tracts with the greatest number of projects, particularly around the downtown area, have experienced consistent reduction in vacancy rates. Census tracts with lower numbers of tax credit projects have had more varied results. If vacancy rates on a parcel or block group level become available, future studies should evaluate the impact of tax credit projects on vacancy rates in their immediate surroundings.

<table>
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<tr>
<th>Census Tract</th>
<th>2006 Total Vacant</th>
<th>2010 Total Vacant</th>
<th>2014 Total Vacant</th>
<th>Difference 2014-2006</th>
<th>Total Number of Commercial Tax Credit Projects</th>
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<tbody>
<tr>
<td>165</td>
<td>15.2%</td>
<td>14.2%</td>
<td>9.4%</td>
<td>-5.8%</td>
<td>18</td>
</tr>
<tr>
<td>68</td>
<td>9.3%</td>
<td>9.5%</td>
<td>7.5%</td>
<td>-1.9%</td>
<td>13</td>
</tr>
<tr>
<td>71.02</td>
<td>13.3%</td>
<td>10.7%</td>
<td>6.5%</td>
<td>-6.8%</td>
<td>5</td>
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<tr>
<td>67.02</td>
<td>2.9%</td>
<td>4.0%</td>
<td>6.1%</td>
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</tr>
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<td>7.9%</td>
<td>7.5%</td>
<td>3.0%</td>
<td>3</td>
</tr>
<tr>
<td>169</td>
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<td>7.1%</td>
<td>9.8%</td>
<td>5.1%</td>
<td>2</td>
</tr>
<tr>
<td>66.02</td>
<td>1.7%</td>
<td>2.5%</td>
<td>3.5%</td>
<td>1.8%</td>
<td>2</td>
</tr>
<tr>
<td>63.01</td>
<td>5.6%</td>
<td>5.3%</td>
<td>7.4%</td>
<td>1.8%</td>
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</tr>
<tr>
<td>168</td>
<td>18.6%</td>
<td>18.6%</td>
<td>11.5%</td>
<td>-7.1%</td>
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<tr>
<td>50</td>
<td>1.7%</td>
<td>5.8%</td>
<td>6.9%</td>
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<tr>
<td>55</td>
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<td>16.7%</td>
<td>3.8%</td>
<td>1</td>
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<tr>
<td>33.01</td>
<td>9.8%</td>
<td>15.4%</td>
<td>12.8%</td>
<td>3.0%</td>
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<td>17.4%</td>
<td>17.4%</td>
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<tr>
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<td>45</td>
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<td>3.6%</td>
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<td>52.02</td>
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<tr>
<td>65.01</td>
<td>9.4%</td>
<td>9.1%</td>
<td>7.6%</td>
<td>-1.8%</td>
<td>1</td>
</tr>
<tr>
<td>71.01</td>
<td>14.9%</td>
<td>12.8%</td>
<td>7.3%</td>
<td>-7.6%</td>
<td>1</td>
</tr>
<tr>
<td>16</td>
<td>35.9%</td>
<td>20.6%</td>
<td>10.1%</td>
<td>-25.9%</td>
<td>1</td>
</tr>
</tbody>
</table>
Figure 35: 2006 Vacancy Rates by Census Tract
Figure 36: 2010 Vacancy Rates by Census Tract
Figure 37: 2014 Vacancy Rates by Census Tract
(Vacancy rate sources: USPS Vacant Address Data)
**Code Violations**

Code violation data was acquired from the City of Buffalo Department of Permit and Inspection Services in order to determine if the number of code violations had changed in the surrounding area of a HTC project. Following a year-by-year review of code violations within each 500-foot radius, there does not appear to be any relationship between a HTC project and the number of code violations in the surrounding area (Table 6). Horsefeathers Market and Residences, completed in 2013, had the largest number of code violations within the 500-foot radius with an average of three code violations per year between 2010-2012. Between 2013 and 2014, however, that number has reduced to one per year.

### Table 6: Code Violation’s in 500-foot Radius Per Year

<table>
<thead>
<tr>
<th></th>
<th>Total Parcels</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packard Apartments</td>
<td>73</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>2</td>
<td>0</td>
</tr>
<tr>
<td>Genesee Gateway</td>
<td>39</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Horsefeathers Market &amp; Residences</td>
<td>153</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Hotel @ The Lafayette</td>
<td>22</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>1</td>
</tr>
</tbody>
</table>

Data Source: Department of Permit and Inspection Services, City of Buffalo, Code Violation Data 2010-2015

**Renter Versus Owner Occupied**

In order to see if homeowner occupancy had increased or decreased in the area surrounding a HTC project, rental registration data was acquired from the City of Buffalo. The City of Buffalo registers all single and two-family homes that are not owner-occupied. According to the City of Buffalo website, the Rental Registration Program is intended to, “assist code enforcement efforts to improve the quality of life for tenants and neighbors of rental dwellings in order to better protect the public health, safety and general welfare of the citizens of the City of Buffalo.”

134 Department of Permit and Inspection Services, “Rental Registration,” City of Buffalo, http://www.city-buffalo.com/Home/City_Departments/EDPIS/RentalRegistration.
rental developments and mixed use properties are not included in the data. Because of this limitation, the analysis of homeowner versus rental-occupied status was beneficial only for projects in primarily residential areas. Table 7 includes year-by-year data on registered rental properties. The results are inconclusive for this indicator. It is clear that the Packard Apartments and Horsefeathers Market & Residences are surrounded by residential areas but there have not been any significant changes overall in owner versus renter occupancy status. Because Genesee Gateway and Hotel @ The Lafayette are located in the central downtown, rental registration was not a relevant indicator.

| Table 7: Number of Registered Rental Properties in 500-foot Radius Per Year |
|-----------------|-------|-------|-------|-------|-------|-------|
|                  | Total Parcels | 2010 | 2011 | 2012 | 2013 | 2014 |
| Packard Apartments | 73     | 15 (20.5%) | 13 | 13 | 13 | 13 (17.8%) |
| Genesee Gateway    | 39     | 3 (7.6%)   | 2 | 2 | 2 | 2 (5.1%) |
| Horsefeathers Market & Residences | 153      | 49 (32%) | 47 (30.7%) | 49 | 49 | 48 (31%) |
| Hotel @ The Lafayette | 23 | 0 | 0 | 0 | - | 0 |

Data Source: Department of Permit and Inspection Services, City of Buffalo, Rental Registration Data 2010-2015

Property Values

Property assessment valuation data was gathered from the City of Buffalo Assessment and Taxation Department in order to measure changes in property values between 2010 and 2015. Data prior to 2010 was not available, a limitation for the analysis of property values surrounding Packard Apartments because no base values from before the HTC project were available. Table 8 shows the average change in assessment values between 2010 and 2015. The assessment values for case study projects were not included to prevent a skew in the data from the increased property assessment values resulting from a HTC project. As seen in Table 8, areas surrounding case study HTC projects have had minimal, if any, increases in property values.
assessment values. The greatest increases are seen surrounding Genesee Gateway and Hotel @ The Lafayette, both in the downtown area.

<table>
<thead>
<tr>
<th>HTC Case Study</th>
<th>Average Difference in Assessed Value 2010-2015</th>
<th># of Properties with No Change in Value</th>
<th># of Properties with Negative Change</th>
<th># of Properties with Positive Change</th>
<th>Total # of Properties in Surrounding (not including HTC case study)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Packard Apartments</td>
<td>+0.91%</td>
<td>68</td>
<td>2</td>
<td>3</td>
<td>73</td>
</tr>
<tr>
<td>Horsefeathers Market &amp; Residences</td>
<td>0.00%</td>
<td>135</td>
<td>7</td>
<td>10</td>
<td>153</td>
</tr>
<tr>
<td>Genesee Gateway</td>
<td>+2.04%</td>
<td>31</td>
<td>2</td>
<td>5</td>
<td>38</td>
</tr>
<tr>
<td>Hotel @ The Lafayette</td>
<td>+1.03%</td>
<td>10</td>
<td>8</td>
<td>3</td>
<td>21</td>
</tr>
</tbody>
</table>

Data Source: Assessment and Taxation Department, City of Buffalo, Property Assessment Data 2010-2015

A 2014 study by research firm Clear Capital however, found that real estate prices in Buffalo had increased by 16% between May 2006 and 2014. Assessed values are not always adjusted by tax assessors to reflect market value. For this reason, further study should use sale prices and market values as indicators of real estate values to better assess fluctuations in property values surrounding HTC projects.

It is impossible to prove direct causality between a tax credit project and the results of these indicators. However, it is important to evaluate indicators in order to gauge the HTC program’s progress towards meeting its stated goals. This research sought to measure the impacts of tax credit projects on their surrounding community using a limited number of indicators. The indicators evaluated were limited by the data readily available from the City of Buffalo. It is clear that some of these indicators are not effective at fully assessing the potential impacts on their surrounding communities. For instance, rental registration is only effective for evaluating owner-occupancy within communities made up of single-family and duplex residences. This data set is not useful for evaluating impacts of tax credit projects in the central urban areas. 

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business district of the downtown, however the rental registration would be a useful indicator for future research on impacts of the NYS Homeowner HTC. Similarly, assessed property values from the City of Buffalo did not provide meaningful insight on the changes in property values in Buffalo; 85% of the properties evaluated in this study had no change in value between 2010 and 2015. Studies on sale prices, however, have found considerable increases in market rate values in the Buffalo region. Time is also a potential reason for this study’s inconclusive results. Alan Greenspan, former chairman of the Federal Reserve, noted that data-based results of community development programs may not become apparent for relatively long periods of time.\footnote{Greenspan, Alan, Chairman, Federal Reserve Board, “Remarks by Chairman Alan Greenspan: The Federal Reserve System’s Community Affairs Research Conference, Sustainable Community Development: What Works, What Doesn’t, and Why,” Washington, DC. March 28, 2003.} Because these case studies were completed between 2009-2013, it is probable that enough time has not passed to fully assess impacts of HTC projects in Buffalo using indicators.

Despite the lack of conclusive evidence supporting the HTC program using indicators, it is clear from the interviews conducted and press in the Buffalo region that the HTC projects have had significant impacts on their surrounding communities and Buffalo’s residents. Projects have established new amenities including new retail, restaurants and housing. They have transformed areas from blighted to bustling, as in the case of Hotel @ The Lafayette and Genesee Gateway. Future research should continue to refine potential indicators in order to evaluate the impacts of tax credit projects on their surroundings. While it is clear now to residents and visitors alike that these projects are transforming areas of the city, the data may need some time to catch up.
Conclusion & Recommendations

From the research detailed in this thesis, it is evident that the New York State historic rehabilitation tax credit program has had a dramatic effect on development in the city of Buffalo. Not only has the program created an effective tool to promote development in the city, it has encouraged the rehabilitation of the city’s notable architectural heritage. The commercial credit, used in conjunction with the federal rehabilitation tax credit, has spurred eighty-two commercial rehabilitation projects since the programs passing in 2007, and project numbers are quickly rising. Additionally, over 248 projects have utilized the New York State historic rehabilitation tax credit for homeowner-occupied structures. This rehabilitation activity has generated over $850 million in private funds in a city in dire need of investment and revitalization. The credits are recognized for stimulating the revitalization in the downtown area, which now is experiencing growth in residential apartments, new amenities, and lower vacancy rates. The downtown has been the primary area impacted by tax credit projects however rehabilitation projects are now spreading to new areas of the city and as a result are contributing to regeneration of other areas.

Buffalo has been the largest user of the New York historic rehabilitation tax credits for the following reasons:

- High eligibility - Most of Buffalo’s census tracts fall at or below the State median household income level and so the majority of the city’s historic buildings are eligible for the tax credits.

- Historic districts - following the 2010 program updates, advocacy groups, neighborhood organizations and preservation practitioners in Buffalo pushed to list new historic districts and expand existing historic districts on the National Register. Local historic preservation districts were certified in order to gain access to the credits. The push made over 5,000 buildings eligible for tax credits.
• Historic buildings and infrastructure - Buffalo retains a great deal of its historic buildings, housing and infrastructure. In addition, its vacant industrial structures are prime for residential adaptive reuse projects.

• Weak real estate market - low real estate prices, in conjunction with the tax credits make adaptive reuse and rehabilitation projects more attractive to investors and developers.

Tax credit projects appear to already be making a significant difference, especially in bringing previously vacant and underutilized structures back onto the city’s tax roll. In fact, property values in the city have reached a twenty-year high. Case study research was conducted in order to determine if the historic rehabilitation tax credit projects have had significant impacts on their surrounding neighborhood within a 500-foot radius. While interviewees reported noticeable results, data analysis of neighborhood revitalization indicators including owner occupancy, code violations, and property assessment values are inconclusive. Acquiring data for this study has been difficult due to the lack of reporting and tracking by the state and due to a lack of available data from the city. Future studies should expand and refine the list of indicators that reflect the program’s goals to further evaluate the impact of projects on their surrounding communities.

The legislation and features of the New York State historic rehabilitation tax credit program are working effectively, especially in Buffalo. The 40% combination of the federal and state credits has clearly produced a valuable incentive for rehabilitating structures in the city. Further study should evaluate the usefulness of the NYS program’s credit refundability. If refundability is not the best mechanism, the NYS Department of Taxation and Finance should consider bifurcation of the federal and state credit to increase investor pools and credit worth.

The lack of reporting and tracking of projects receiving the state historic rehabilitation tax credit is problematic and has made research for this thesis especially difficult. The New York State Historic Preservation Office should improve project reporting, data collection and dialogue
with the New York State Department of Taxation and Finance in order to better track what projects have received the tax credits. Numerous states have recently cut back and eliminated their own historic rehabilitation tax credit programs. In order to adequately demonstrate project benefits and costs to the state, careful tracking and data collection should be conducted.

The revitalization of the downtown and the subsequent boom in development has produced a boost to Buffalo’s economy but is not a cure-all for all the city’s problems. The population continues to decrease according to census estimates; the city population dropped .8% between 2011-2013. Poverty continues to be a big problem with 26.4% of the city’s population living below the poverty level. In order to promote sustainable development in the city, developers and users of the tax credit could consider developing job-training programs for local residents to promote specialization in relevant fields needed for rehabilitation activity. Local craftsman John Gulick, owner of J. A. Gulick Window Company, provides training and employment to community youth interested in material restoration. Gulick’s job training program could serve as an example for such programs. Buffalo also ranks among the top 10 major U.S. cities with the highest vacancy rates for housing. Buffalo’s City Planning department should expand the local historic preservation program and target additional historic neighborhoods in need of revitalization for potential district designation. The addition of new NRHP historic districts or certified local historic preservation districts would expand the use of the homeowner program to neighborhoods that could really benefit from the financial incentives.

Overall the program has had a noteworthy impression on development and investment in the city due to Buffalo’s great amount of historic built fabric, economic factors, and promotion of the program. Other cities in New York should look to Buffalo’s utilization of the tax credit program to increase their own utilization of the program to promote economic development hinged on historic preservation.
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Conversation with Daniel McEneny, telephone interview by author, September 15, 2014.

Steven Weiss (attorney Cannon, Heyman & Weiss) interview by author, January 12, 2015.

Jake Schneider (architect and developer) interview by author, January 13, 2015.

Mike Puma and Derek King (Preservation Studios) interview by author, January 13, 2015.


Rocco Termini (Signature Development), interview by author, January 14, 2015.

Karl Frizlen (Frizlen Group), interview by author, January 14, 2015.

Clinton Brown (Clinton Brown Company Architecture), interview by author, January 14, 2015.

Jason Wilson (Buffalove Development), interview by author, January 15, 2015.

Conversation with Lou Petrucci (City of Buffalo), telephone interview by author, March 4, 2015.

Mackay, Daniel. “New York State Historic Tax Credit Inquiry.” E-mail message to author. February 11, 2015.
Appendices

Appendix A: Buffalo Historic Districts & Maps

### National Register Listed

<table>
<thead>
<tr>
<th>Name</th>
<th>Year Added/Expanded</th>
</tr>
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<tr>
<td>Allentown &amp; Boundary Expansion</td>
<td>2012</td>
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<tr>
<td>Delaware Avenue</td>
<td>1974</td>
</tr>
<tr>
<td>Elmwood (West)</td>
<td>2012</td>
</tr>
<tr>
<td>Hamlin Park</td>
<td>2013</td>
</tr>
<tr>
<td>J.N. Adams / A.M. &amp; A.</td>
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<tr>
<td>Market Square</td>
<td>2011</td>
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</tr>
<tr>
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<td>University Park</td>
<td>2011</td>
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<td>West Village</td>
<td>1980</td>
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### Local Historic Preservation Districts

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<th>Name</th>
<th>Year Added</th>
<th>Year Certified for Tax Credit Purposes</th>
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<tr>
<td>West Village</td>
<td>1978</td>
<td></td>
</tr>
<tr>
<td>Theater</td>
<td>1983</td>
<td></td>
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<tr>
<td>Joseph Ellicott</td>
<td>1982</td>
<td></td>
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<td>1977</td>
<td></td>
</tr>
<tr>
<td>Cobblestone</td>
<td>1994</td>
<td>2014</td>
</tr>
<tr>
<td>Linwood</td>
<td>1978</td>
<td>1979</td>
</tr>
<tr>
<td>Hamlin Park</td>
<td>1998</td>
<td></td>
</tr>
<tr>
<td>500 Block of Main Street</td>
<td>2007</td>
<td>2009</td>
</tr>
<tr>
<td>Allentown</td>
<td>1978</td>
<td></td>
</tr>
</tbody>
</table>
Allentown Historic District & Boundary Expansion
(National Register Listing: February 13, 2013 (expansion);
Local Historic Preservation District: 1978)
Cobblestone Local Historic Preservation District
(Local Historic Preservation District: 1994;
NPS Tax Credit Certified: 2014)
Delaware Avenue Historic District
(National Register Listing: January 16, 1974; Local Historic Preservation District: 1977)
Elmwood Historic District (West)
(National Register Listing: December 3, 2012)
Hamlin Park Historic District
(National Register Listing: July 2, 2013
Local Historic Preservation District: 1998)
Linwood Local Historic Preservation District
(Local Historic Preservation District: 1978; NPS Tax Credit Certified: 1979)
Market Square Historic District
(National Register Listing: October 17, 2011)
University Park Historic District
(National Register Listing: May, 10, 2011)
West Village Historic District
(National Register District Listing: May 5, 1980;
Local Historic Preservation District: 1978)
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<thead>
<tr>
<th>WASO Number</th>
<th>Building Name</th>
<th>Project Name</th>
<th>Address</th>
<th>Part 1 Year</th>
<th>Part 2 Year</th>
<th>Part III Year</th>
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<td>Pierce Building</td>
<td>Pierce Building Apartments</td>
<td>651-661 Main Street</td>
<td>2006</td>
<td>2007</td>
<td>2007</td>
<td>$1,604,464</td>
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<td>2008</td>
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<td>15568</td>
<td>Buffalo Electric Vehicle Company Building / Breitweiser</td>
<td>Artspace Lofts</td>
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<td>2006</td>
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<td>Warehouse Lofts</td>
<td>210 Ellicott Street</td>
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<td>11845</td>
<td>Asbury Delaware Church</td>
<td>Babeville/ Righteous Babe Records</td>
<td>341 Delaware Avenue</td>
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<td>2008</td>
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<td>22185</td>
<td>The Grace Millard Knox House</td>
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<td>800 (Formerly 806) Delaware Avenue</td>
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<td>16917</td>
<td>YWCA Residence</td>
<td>The Residence on North</td>
<td>245 North Street</td>
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<td>2006</td>
<td>2009</td>
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<tr>
<td>17749</td>
<td>Packard Automobile showroom &amp; service building</td>
<td>Packard Apartments</td>
<td>1325 Main Street</td>
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<td>2006</td>
<td>2009</td>
<td>$8,270,000</td>
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<td>18713</td>
<td>Guaranty Building (aka Prudential Building)</td>
<td>140 Pearl</td>
<td>28 Church Street</td>
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<td>2009</td>
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<td>22161</td>
<td>Alling &amp; Cory Buffalo Warehouse</td>
<td>AC Lofts</td>
<td>136 North Division Street</td>
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<td>2009</td>
<td>2010</td>
<td>$13,813,440</td>
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<td>22629</td>
<td>Adam, Meldrum &amp; Anderson Company (AM&amp;A’s) Department store warehouse</td>
<td>AM&amp;A’s Warehouse Lofts</td>
<td>369 Washington Street</td>
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<td>2010</td>
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<td>23044</td>
<td>437 Linwood Avenue</td>
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The New York State Historic Rehabilitation Tax Credit Program & Preserving Buffalo | 92
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Appendix C: Western New York Project Portfolio

PRESERVATION WORKS IN NEW YORK STATE

Western New York Project Portfolio

NEW YORK STATE OFFICE OF PARKS, RECREATION AND HISTORIC PRESERVATION

nysparks.com/shpo
HISTORIC PRESERVATION

- Creates jobs
- Revitalizes communities
- Stimulates economic development
- Recycles existing properties
- Increases property values

The HISTORIC PRESERVATION FIELD SERVICES BUREAU offers programs that help individuals and communities achieve the social, economic, and environmental benefits associated with historic preservation.

- HISTORIC RESOURCES SURVEYS help communities identify and incorporate historic and cultural properties into local planning and revitalization efforts.

- The NEW YORK STATE AND NATIONAL REGISTERS OF HISTORIC PLACES, the official lists of properties significant in state and national history, provide access to incentives, such as tax credits and grants.

- The FEDERAL PRESERVATION TAX CREDIT PROGRAM offers owners of historic income-producing properties a tax credit equal to 20% of the rehabilitation costs.

- The STATE PRESERVATION TAX CREDIT PROGRAMS offer owners of properties that qualify for the federal credit a state tax credit equal to 20% of the rehabilitation costs. Owner-occupied residential properties that are registers listed are eligible for a state tax credit equal to 20% of the rehabilitation costs.

- The STATE PRESERVATION GRANT PROGRAM, funded by the state Environmental Protection Fund, helps municipalities and nonprofit organizations protect and repair registers listed properties in need.

- HISTORIC PRESERVATION ENVIRONMENTAL REVIEW ensures that properties that are listed or eligible for listing on the registers are considered and adverse impacts are avoided or mitigated during state and federal project planning.

- The CERTIFIED LOCAL GOVERNMENT PROGRAM supports community preservation efforts through technical assistance and grants.

New York State Office of Parks, Recreation and Historic Preservation
nysparks.com/shpo
The Guaranty Building, 140 Pearl Street, Buffalo

Built: 1895 office building by the Guaranty Construction Company of Chicago and purchased by Prudential Insurance Company in 1898; although designed by Adler and Sullivan, it is widely recognized as one of Louis H. Sullivan’s most innovative projects, which combined a steel skeleton structural system with ornamental terra cotta sheathing; this early skyscraper is considered one of the masterpieces of late 19th century American architecture

Rehabilitation: 2008     Architect: Flynn Battaglia Architects
The building was also rehabilitated in 1980 with the help of the federal preservation tax credit program.

New Use: Updated office building
Owner/Developer: Hodgson Russ Attorneys
Square Footage: 140,000     Project Cost: $15.6 million

Funding Sources:
• Private
• Federal and State Preservation Tax Credits
• NYSERDA Energy Grant

Jobs Generated:
• 75-100 design and construction jobs
• 20-25 new jobs and 400 on-site employees

COMMUNITY BENEFIT:
The Guaranty Building is one of downtown Buffalo’s most prominent landmarks and its rehabilitation infuses new life and vitality into the center of the city. The project rehabilitated and repaired key elements of this National Historic Landmark, including its cornice and lobby, and adapted the interior from multi-tenant office spaces into single tenant offices for a large law firm. The project retains 400 jobs in the central business district and revitalizes one of the community’s prime tourist attractions, both of which contribute to the city’s redevelopment efforts.

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# PRESERVATION WORKS IN WESTERN NEW YORK

Federal and State Historic Rehabilitation Tax Credit Programs

## Lofts at 136, 136 North Division Street, Buffalo

**Built:** 1910 Alling and Cory Company paper warehouse  
**Rehabilitation:** 2010 by the Schneider Design Group  
**New Use:** Student housing  
**Owner/Developer:** AC Lofts/Schneider Development  
**Square Footage:** 118,000  
**Project Cost:** $15 million  

### Funding Sources:
- Private  
- Federal and State Preservation Tax Credits  
- NYSERDA Energy Grant

### Jobs Generated:
- 73 design and construction jobs  
- 12 new on-site employees

### Community Benefit:
The vacant warehouse was rehabilitated using energy saving technology; the complex, located next to Erie Community College, serves the area's large student population and helps to draw young people into the city center.

## Warehouse Lofts, 210 Ellicott Street, Buffalo

**Built:** 1913 Seneca Paper Company warehouse  
**Rehabilitation:** 2008 by the Schneider Design Group  
**New Use:** Market rate loft apartments  
**Owner/Developer:** The Warehouse Lofts, LLC/Schneider Design  
**Square Footage:** 65,000  
**Project Cost:** $7.5 million

### Funding Sources:
- Private  
- Federal and State Preservation Tax Credits

### Jobs Generated:
- 45 design and construction jobs  
- 2 new on-site employees

### Community Benefit:
The conversion of this vacant warehouse to an apartment complex with commercial space on the second floor was the second residential loft project in downtown Buffalo, creating much needed housing in the city center.
**PRESERVATION WORKS IN WESTERN NEW YORK**

Federal and State Historic Rehabilitation Tax Credit Programs

### Hotel at Lafayette, 391 Washington Street, Buffalo

Built: 1902–1926; designed by Louise Bethune, the first female architect recognized by the American Institute of Architects

Rehabilitation: 2011 – Architect: Carmina Wood Morris, PC

New Use: Boutique hotel, restaurants, wedding venue, retail, and apartments

Owner/Developer: Rocco Termini/Signature Development

Square Footage: 300,000  Project Cost: $42 million

Funding Sources:
- City of Buffalo & Erie Co. Industrial Development Agency
- Upstate New York Regional BluePrint Fund
- Federal and State Preservation Tax Credits

Jobs Generated:
- 220 construction jobs
- 150 new on-site employees
- 50 construction project trainees, including minorities

COMMUNITY BENEFIT:
The rebirth of this landmark hotel will reenergize a busy corner in downtown Buffalo; the building’s period interiors are being restored and the project included a job training program.

### AM&A Warehouse Lofts, 369 Washington Street, Buffalo

Built: Early 1900s warehouse; later used by the Adams, Mel-drum & Anderson (AM&A) department store

Rehabilitation: 2010 – Architect: Carmina Wood Morris, PC

New Use: Vacant warehouse to loft apartments and offices

Owner/Developer: Rocco Termini/Signature Development

Square Footage: 90,000  Project Cost: $12 million

Funding Sources:
- Buffalo Urban Renewal Agency
- Upstate New York Regional BluePrint Fund
- Federal and State Preservation Tax Credits

Jobs Generated:
- 90 construction jobs
- 70 on-site employees

COMMUNITY BENEFIT:
The conversion of this vacant warehouse into a multi-use complex provides office space for a company to return to downtown Buffalo and market rate apartments; the project’s success was the catalyst for the rehabilitation of the nearby Hotel Lafayette.
PRESERVATION WORKS IN WESTERN NEW YORK
Federal and State Historic Rehabilitation Tax Credit Programs

Webb Lofts, 90-94 Pearl Street, Buffalo
Built: 1888 belt and hose factory
Rehabilitation: 2007 – Architect: Carmina Wood Morris, PC
New Use: Vacant factory to mixed commercial and apartment complex
Owner/Developer: Rocco Termini/Signature Development
Square Footage: 50,000 Project Cost: $9.2 million
Funding Sources:
• Private
• New Markets Tax Credits
• New York State Housing Tax Credits
• Federal and State Preservation Tax Credits
Jobs Generated:
• 90 construction jobs
• 35 new on-site jobs
COMMUNITY BENEFIT:
Located in the Joseph Ellicott Historic District, the rehabilitation of this derelict factory into a residential complex was one of the first projects in downtown Buffalo’s redevelopment surge. The building’s main floor is home to an innovative daycare facility for children with special needs.

100 South, 100 South Elmwood Avenue, Buffalo
Built: 1916 for the Robertson Cataract Electric Company
Rehabilitation: 2011 – Architect: Carmina Wood Morris, PC
New Use: Ground floor commercial and loft apartments above
Owner/Developer: Kent Frey & Anthony Baynes
Square Footage: 52,000 Project Cost: $6.5 million
Funding Sources:
• Private
• Federal and State Preservation Tax Credits
Jobs Generated:
• 40-60 construction jobs
• 15 on-site employees
COMMUNITY BENEFIT:
The conversion of this vacant building into a modern commercial and residential complex expands housing opportunities in the center of the city and reinvigorates a significant intersection near Buffalo’s Niagara Square.

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Federal and State Historic Rehabilitation Tax Credit Programs

Genesea Gateway, Oak and Genesee Streets, Buffalo

Built: Late 19th and early 20th century commercial buildings
Rehabilitation: 2011 – Architect: Flynn Battaglia Architects
New Use: Mixed commercial and office
Owner/Developer: City View Division of Larkin Development Group
Square Footage: 60,000  Project Cost: $10.7 million

Funding Sources:
• Private, including Margaret L. Wendt Foundation
• Federal and State Preservation Tax Credits

Jobs Generated:
• Approx. 300 construction jobs
• Approx. 25 on-site jobs and as many as 150 more to follow

COMMUNITY BENEFIT:
Located at the eastern entrance to Buffalo’s downtown, the resurrection of these derelict buildings into a vibrant commercial and office complex demonstrates how the reuse of existing historic resources can breathe new life into abandoned neighborhoods and contribute to the city’s redevelopment.

Artspace Buffalo Lofts, 1219 Main Street, Buffalo

Built: 1911 factory for the Buffalo Electric Vehicle Company
Rehabilitation: 2008 – Architect: Hamilton Houston Lownie Architects
New Use: Affordable artist live/work complex
Owner/Developer: Artspace, a nonprofit corporation that creates live and work space for artists and cultural organizations
Square Footage: 118,000 (factory and new housing)
Project Cost: $17.6 million (including new housing behind factory)

Funding Sources:
• Private, including many nonprofit foundations
• Federal and State Preservation Tax Credits

COMMUNITY BENEFIT:
An aging Buffalo neighborhood has been revitalized with the rehabilitation of this vacant factory into a contemporary residential complex for artists and their families. Artspace’s first New York project has brought art, music, and energy into the community.
## 257 Lafayette Center, 257 Lafayette Avenue, Buffalo

**Built:** 1928 parochial school serving Buffalo’s west side  
**Rehabilitation:** 2010  
**Architect:** Frizlen Group

**New Use:** Office/apartment/daycare complex

**Owner/Developer:** Karl Frizlen & Paul Johnson

**Square Footage:** 33,000  
**Project Cost:** $3.2 million

**Funding Sources:**
- Private
- Federal and State Preservation Tax Credits
- NYSERDA Solar and Multifamily Incentives
- NYS Real Property Tax Exemption

**Jobs Generated:**
- 100 construction jobs
- 20 new on-site employees

**COMMUNITY BENEFIT:**
The unique mix of daycare, offices, and apartments has transformed this vacant building into a vibrant neighborhood asset. The project boasts energy efficient features and supports sustainable lifestyles and business practices.

## Horsefeathers, 346 Connecticut Street, Buffalo

**Built:** 1896 furniture store/warehouse  
**Rehabilitation:** 2011-2012  
**Architect:** Frizlen Group

**New Use:** Community Foodmaker's Market/loft apartments

**Owner/Developer:** 346 Connecticut LLC/Karl Frizlen

**Square Footage:** 30,000  
**Project Cost:** $3.6 million

**Funding Sources:**
- Private
- Federal and State Preservation Tax Credits

**Jobs Generated:**
- 100 construction jobs
- 25 new on-site jobs

**COMMUNITY BENEFIT:**
This former architectural parts warehouse will become a community center of sorts, celebrating local artisans and food makers. The project, which also includes upper floor loft apartments, incorporates numerous sustainable approaches for reducing energy consumption and will revitalize the neighborhood.
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Federal and State Historic Rehabilitation Tax Credit Programs

Kamman Building, 755 Seneca Street, Buffalo

Built: 1884 commercial building
Rehabilitation: 2011 – Architect: Chaintreuil, Jensen, Stark
New Use: Mixed commercial and residential
Owner/Developer: Kamman Group/Chaintreuil, Jensen, Stark
Square Footage: 16,000  Project Cost: $2 million

Funding Sources:
• Private
• Federal and State Preservation Tax Credits

Jobs Generated:
• 25 construction jobs
• 1 new on-site job and 10 on-site employees

COMMUNITY BENEFIT:
The transformation of this abandoned, mixed use building into up-to-date, energy efficient offices effectively recycles an existing resource while contributing to the redevelopment of the Larkin district, a former commercial and industrial neighborhood that is experiencing widespread renewal.

Electric Tower, 535 Washington Street, Buffalo

Built: 1912 office building for Buffalo General Electric Co.
Rehabilitation: 2007  Architect: Iskalo Development
New Use: Updated office building
Owner/Developer: Electric Tower LLC/Iskalo Development
Square Footage: 140,000  Project Cost: $28.3 million

Funding Sources:
• Private
• New Markets Tax Credits and the NYS Empire Zone
• NYSERDA incentive program
• Federal and State Preservation Tax Credits

Jobs Generated:
• 185 construction jobs
• 400 on-site employees remain in downtown Buffalo

COMMUNITY BENEFIT:
This iconic, white terra cotta tower has been an integral part of the Buffalo skyline since 1912. The upscale, reinvigorated office complex has drawn a number of companies back into the center of the city.
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Federal and State Historic Rehabilitation Tax Credit Programs

Kaleida Health Facility, 1016-1028 Main Street, Buffalo

Built: 1900 commercial building; later Bryant and Stratton
Rehabilitation: 2009 Architect: Dominic Palmisano

New Use: Medical offices
Owner/Developer: Ellicott Development Company
Square Footage: 36,000 Project Cost: $3.8 million

Funding Sources:
• Private
• Federal and State Preservation Tax Credits

Jobs Generated:
• 80 construction jobs
• 130 on-site employees

COMMUNITY BENEFIT:
The conversion of this vacant commercial complex into a modern outpatient facility recycles an abandoned resource for active community use, contributes to the Allentown Historic District’s redevelopment, and expands the Buffalo Medical Corridor.

Allentown Lofts, 430 Virginia Street, Buffalo

Built: 1924 casket company showroom and warehouse
Rehabilitation: 2010 Architect: Carmina Wood Morris, PC

New Use: Work/live loft apartments
Owner/Developer: Kissling Interests
Square Footage: 27,000 Project Cost: $2.4 million

Funding Sources:
• Private
• Federal and State Preservation Tax Credits

Jobs Generated:
• 50 construction jobs
• 10 new on-site jobs

COMMUNITY BENEFIT:
Located in the Allentown Historic District, the former National Casket Company building has been converted into a market rate work/live loft apartment complex that contributes to the neighborhood’s redevelopment and enhances the quality and character of the surrounding area.
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Federal and State Historic Rehabilitation Tax Credit Programs

Packard Apartments, 1325 Main Street, Buffalo

Built: 1926 Packard Automobile showroom & service building
Rehabilitation: 2009
Architect: Hamilton Houston Lownie Architects

New Use: Affordable housing and ground floor commercial
Owner/Developer: Regan Development
Square Footage: 68,000  Project Cost: $10.3 million

Funding Sources:
• Private funding and City of Buffalo housing funds
• NYS Division of Housing and Community Renewal
• Federal and State Preservation Tax Credits

Jobs Generated:
• 35 construction jobs
• 3 new on-site employees

COMMUNITY BENEFIT:
This award-winning project, which incorporates energy saving technology, transformed an underutilized commercial building into a vibrant residential complex that serves the local community.

Righteous Babe Records, 341 Delaware Avenue, Buffalo

Built: 1871-1876 as Delaware Avenue Methodist Episcopal Church; later Asbury-Delaware Methodist Episcopal Church
Rehabilitation: 2006  Architect: Flynn Battaglia Architects

New Use: Offices, performance venue, and gallery space
Owner/Developer: Righteous Babe Records/Asbury Development
Square Footage: 40,000  Project Cost: $8 million

Funding Sources:
• Private
• Federal and State Preservation Tax Credits

Jobs Generated:
• 100 construction jobs
• 10 new on-site jobs and 20 on-site employees

COMMUNITY BENEFIT:
With broad community support, Righteous Babe Records rescued this threatened landmark and transformed it into a contemporary office, performance, and gallery complex. The completed rehabilitation incorporated a geothermal heating system.

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Federal and State Historic Rehabilitation Tax Credit Programs

Ambassador Apartments, 175 North Street, Buffalo

Built: 1928 multi-family apartment building
Rehabilitation: 2011    Architect: Carmina Wood Morris, PC
New Use: Rehabilitated apartment building
Owner/Developer: Kissling Interests
Project Cost: $3.4 million
Funding Sources:
• Private
• Federal and State Preservation Tax Credits
Jobs Generated:
• 35 construction jobs
• 3 new on-site jobs
COMMUNITY BENEFIT:
Located in the Allentown Historic District, this rehabilitation project upgrades one of the community’s most prominent apartment buildings and infuses new life and vitality into the surrounding neighborhood.

Remington Lofts, 184 Sweeney Street, North Tonawanda

Built: 1885 (Buffalo/Niagara Falls Railway); 1895 (Herschell Spillman Motor Co.); later expansion (Remington Rand Co.)
Rehabilitation: 2011 – Architect: Carmina Wood Morris, PC
New Use: Mixed residential and commercial complex
Owner/Developer: Kissling Interests
Square Footage: 176,000    Project Cost: $15 million
Funding Sources:
• NYS Brownfield Cleanup Program, NYS Dormitory Authority, Restore New York Grant, and State Legislative Support
• Federal and State Preservation Tax Credits
Jobs Generated:
• 100 construction jobs
• 28 new on-site employees; 25 restaurant employees expected
COMMUNITY BENEFIT:
From a deteriorated factory to a lively waterfront residential complex, the Remington Lofts have already generated excitement in the city and is helping to advance the community’s redevelopment efforts.

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### Federal and State Historic Rehabilitation Tax Credit Programs

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<th>Address</th>
<th>Built:</th>
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<td>222 First Street, Niagara Falls</td>
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<td>Dominic Palmisano</td>
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<td>Mills at High Falls II</td>
<td>364-392 State Street, Rochester</td>
<td>Mid-19th century commercial buildings known as the Teoronto-Smith Block</td>
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<td>Mills at High Falls, LLC</td>
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<td>23,000</td>
<td>$6.6 million</td>
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</tbody>
</table>

### Funding Sources:
- Private
- Federal and State Preservation Tax Credits

### Jobs Generated:
- 75 construction jobs
- 35 new on-site jobs

### Community Benefit:
The adaption of this row of neglected buildings for safe, affordable housing creates an important residential opportunity in the downtown area, contributing to the city’s redevelopment.

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PRESERVATION WORKS IN WESTERN NEW YORK

Federal and State Historic Rehabilitation Tax Credit Programs

Jamestown Gateway Station, 211-217 West Second Street, Jamestown

- Built: 1931 as Erie Railroad Station, later Erie-Lackawanna
- Rehabilitation: 2011-2012 – Architect: Wendel Duchscherer
- New Use: Multi-modal transit station and commercial space
- Owner/Developer: Downtown Jamestown Revitalization, LLC
- Square Footage: 27,000
- Project Cost: $10.89 million
- Funding Sources:
  - Federal Highway and Federal Transit Administrations
  - NYS Department of Transportation
  - NYS Department of Environmental Conservation
  - Jamestown Community Development Block Grant
  - Chautauqua County Industrial Development Agency
  - NYS Environmental Protection Fund preservation grant
  - Federal and State Preservation Tax Credits
- Jobs Generated:
  - 15 construction jobs
  - This project is expected to generate several new on-site jobs

COMMUNITY BENEFIT:
The rebirth of this local landmark will turn an eyesore into a community asset, furthering the city’s redevelopment efforts.

The Wellman Building, Cherry and West 3rd Streets, Jamestown

- Built: 1897 office/retail building with early 1900s expansion
- Rehabilitation: 2011-2012 – Architect: Elizabeth Buscaglia
- New Use: Apartment and commercial complex
- Owner/Developer: Jamestown Development Corporation IV
- Square Footage: 55,000
- Project Cost: $7.4 million
- Funding Sources:
  - Gebbie Foundation
  - Restore New York Grant
  - Jamestown Community Development Block Grant
  - Jamestown Renaissance Corp.
  - Chautauqua County Industrial Development Agency
  - Federal and State Preservation Tax Credits
- Jobs Generated:
  - 15 construction jobs as well as generate several new on-site jobs

COMMUNITY BENEFIT:
The Wellman project is one of the community’s largest downtown redevelopment initiatives, promising to infuse new life into the city center by bringing senior citizens and others back to “Main Street.”

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Federal and State Historic Rehabilitation Tax Credit Programs

**Centerway Commerce Building, 5 East Market Street, Corning**

- **Built:** 1894 department store; later a commercial building
- **Rehabilitation:** 2011 – Architect: Clinton Brown Architecture
- **New Use:** Mixed-use; bank, retail, and office
- **Owner/Developer:** George Welch, Esquire, of Corning
- **Square Footage:** 22,000
- **Project Cost:** $2 million
- **Funding Sources:**
  - Private funding and local historic property tax abatement
  - Restore New York Grant
  - Federal and State Preservation Tax Credits
- **Jobs Generated:**
  - 30 construction jobs
  - 50 new on-site employees expected
- **COMMUNITY BENEFIT:**
  The rehabilitation of this prominent landmark in downtown Corning helps to promote the city’s redevelopment efforts, recycling an existing resource and supporting the community’s economic growth.

**R.C. Newell Building, 107-115 West Center Street, Medina**

- **Built:** 1876 Hart House hotel; shirt factory 1918-2004
- **Rehabilitation:** 2010 – Architect: Clinton Brown Architecture
- **New Use:** Multi-use complex; offices, retail, and loft apartments
- **Owner/Developer:** Andrew Meier/ReNewell LLC
- **Square Footage:** 15,000
- **Project Cost:** $800,000
- **Funding Sources:**
  - Private funding and local historic property tax abatement
  - New York State Main Street Grant
  - National Grid Main Street Revitalization Grant
  - National Trust for Historic Preservation Loan Fund
  - Federal and State Preservation Tax Credits
- **Jobs Generated:**
  - 12 construction jobs
  - 12 new on-site employees
- **COMMUNITY BENEFIT:**
  The project contributes to Medina’s rebirth, infusing new life into one of the village’s vacant commercial buildings and furthering the redevelopment of the community’s historic downtown.

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In the summer of 2009 legislation was passed that enhanced the 2007 state preservation tax credit program. Taking effect in January 1, 2010, the measure provides owner-occupied properties that are listed on the New York State Register of Historic Places and located in distressed census tracts a 20% tax credit for qualified rehabilitation costs. The program has the potential to be one of the most effective rehabilitation tools for those who own and live in older homes across New York State.

Since January 1, 2010:

- Over 500 homeowners have applied for the historic homeowners tax credit program.
- Of those 500 applicants, 20% of those are from western New York.
- From 2010 to 2011, the Historic Preservation Field Services Bureau has listed an additional 1,900 buildings in western New York on the registers that qualify for the homeowners tax credit program.

University Park & Allentown Historic Districts, Buffalo

Through a partnership with the City of Buffalo and the State University at Buffalo, the University Park Historic District was listed on the registers in 2011. The district contains 494 homes that qualify for the homeowners tax credit program. University Park was the first historic district in the city to be listed in 25 years. The Allentown Historic District Expansion will also be listed on the registers in 2011 and contains 1,232 buildings that qualify for the homeowners tax credit program.

Chilton Avenue-Orchard Parkway & Park Place Historic Districts, Niagara Falls

In 2010, Niagara Falls Mayor Paul Dyster initiated the process of having two of the city’s historic neighborhoods listed on the registers. The recently listed districts contain 195 homes that qualify for the homeowner tax credit. The Chilton Avenue-Orchard Parkway & Park Place Historic Districts are the first neighborhoods in Niagara Falls to be listed on the registers.

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