



26 W. Spring St. Adaptive Re-use Project

[Instructions and Insurance Requirements Document](#)

Section I: Applicant Background Information

Please answer all questions. Use "None" or "Not Applicable" where necessary. Information in this application may be subject to public review under New York State Law.

Applicant Information- Company Receiving Benefit

Project Name	26 W. Spring Adaptive Re-Use Project
Project Summary	Adaptive Re-Use of a vacant, outdated office building for conversion to multi-family use consisting of 6 townhouse style apartments and 2 single-level apartments. Project to also include site improvements to common parking lot presently serving 26 and 34 W Spring Street buildings, the latter of which is a locally landmarked, long vacant building.
Applicant Name	Iskalo Spring Street LLC
Applicant Address	5166 Main Street
Applicant Address 2	
Applicant City	Williamsville
Applicant State	New York
Applicant Zip	14221
Phone	(716) 633-2096
Fax	(716) 633-5776
E-mail	dchiazza@iskalo.com
Website	www.iskalo.com
NAICS Code	531120

Business Organization

Type of Business

Limited Liability Company

Year Established

2019

State

New York

Indicate if your business is 51% or more (Check all boxes that apply)

[No] Minority Owned

[No] Woman Owned

Indicate Minority and/or Woman Owned Business Certification if applicable (Check all boxes that apply)

[No] NYS Certified

[No] Erie Country Certified

Individual Completing Application

Name David Chiazza
Title Executive Vice President, Iskalo Development Corp.,
 Manager for LLC
Address 5166 Main Street
Address 2
City Williamsville
State New York
Zip 14221
Phone (716) 633-2096
Fax (716) 533-5776
E-Mail dchiazza@iskalo.com

Company Contact- Authorized Signer for Applicant

Contact is same as individual completing application Yes
Name Same as Individual Completing Application
Title
Address
Address 2
City
State
Zip
Phone
Fax
E-Mail

Company Counsel

Name of Attorney Christofer C. Fattey, Esq.
Firm Name Hodgson Russ LLP
Address 140 Pearl St # 100
Address 2
City Buffalo
State New York
Zip 14202
Phone (716) 848-1757
Fax
E-Mail cfattey@hodgsonruss.com

Benefits Requested (select all that apply).

Exemption from Sales Tax Yes
Exemption from Mortgage Tax Yes

Exemption from Real Property Tax Yes

Tax Exempt Financing* No

* (typically for not-for-profits & small qualified manufacturers)

Applicant Business Description

Describe in detail company background, history, products and customers. Description is critical in determining eligibility. Also list all stockholders, members, or partners with % ownership greater than 20%.

See Exhibit A enclosed with this application

Estimated % of sales within Erie County 70 %

Estimated % of sales outside Erie County but within New York State 5 %

Estimated % of sales outside New York State but within the U.S. 25 %

Estimated % of sales outside the U.S. 0 %

(*Percentage to equal 100%)

For your operations, company and proposed project what percentage of your total annual supplies, raw materials and vendor services are purchased from firms in Erie County?

85

Describe vendors within Erie County for major purchases

Iskalo Development Corp. has extensive relationship with businesses located within Erie County that generally fall within the following categories: (a) Contractors & Suppliers, (b) Professional Service Firms, (c) Property Maintenance Vendors, and (d) Financial Services

Section II: Eligibility Questionnaire - Project Description & Details

Project Location

Address of Proposed Project Facility

26 W. Spring Street including parking lot that also serves 34 W. Spring Street

Town/City/Village of Project Site

Village of Williamsville

School District of Project Site

Williamsville

Current Address (if different)

Current Town/City/Village of Project Site (if different)

SBL Number(s) for proposed Project

80.08-1-8.1 and portion of 80.08-1-8.2

What are the current real estate taxes on the proposed Project Site

25,688.32

If amount of current taxes is not available, provide assessed value for each.

Land

\$ 0

Building(s)

\$ 0

If available include a copy of current tax receipt.

Are Real Property Taxes current at project location?

Yes

If no please explain

Does the Applicant or any related entity currently hold fee title or have an option/contract to purchase the Project site?

Yes

If No, indicate name of present owner of the Project Site

Does Applicant or related entity have an option/contract to purchase the Project site?

Yes

Describe the present use of the proposed Project site (vacant land, existing building, etc.)

Please see Exhibit A enclosed with this Application

Provide narrative and purpose of the proposed project (new build, renovations) square footage of existing and new construction contemplated and/or equipment purchases. Identify specific uses occurring within the project. Describe any and all tenants and any/all end users: (This information is critical in determining project eligibility)

Please See Exhibit A enclosed with this Application

Municipality or Municipalities of current operations

Subject Property is located in the Village of Williamsville

Will the Proposed Project be located within a Municipality identified above?

Yes

Will the completion of the Project result in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state OR in the abandonment of one or more plants or facilities of the project occupant located within the state?

No

If the Proposed Project is located in a different Municipality within New York State than that Municipality in which current operations are being undertaken, is it expected that any of the facilities in any other Municipality will be closed or be subject to reduced activity?

No

(If yes, you will need to complete the Intermunicipal Move Determination section of this application)

Is the project reasonably necessary to prevent the project occupant from moving out of New York State?

No

If yes, please explain and identify out-of-state locations investigated, type of assistance offered and provide supporting documentation available

Have you contacted or been contacted by other Local, State and/or Federal Economic Development Agencies?

No

If yes, please indicate the Agency and nature of inquiry below

If the Project could be undertaken without Financial Assistance provided by the Agency, then provide a statement in the space provided below indicating why the Project should be undertaken by the Agency:

Please see Exhibit A enclosed with this Application

Describe the reasons why the Agency's financial assistance is necessary, and the effect the Project will have on the Applicant's business or operations. Focus on competitiveness issues, project shortfalls, etc... Your eligibility determination will be based in part on your answer (attach additional pages if necessary)

Please see Exhibit A enclosed with this Application

Please confirm by checking the box, below, if there is likelihood that the Project would not be undertaken but for the Financial Assistance provided by the Agency

Yes

If the Applicant is unable to obtain Financial Assistance for the Project, what will be the impact on the Applicant and Erie County?

As the proposed project appears to be a qualified Adaptive Re-use project under the County Wide UTEP, Applicant is anticipating approval of the application by the Agency. However, if not approved, Applicant will be unable to proceed with the project as proposed.

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Site Characteristics

Is your project located near public transportation?

Yes

If yes describe if site is accessible by either metro or bus line (provide route number for bus lines)

Metro bus line on Main Street, within walking distance from subject property

Has your local municipality and/or its planning board made a determination regarding the State Environmental Quality Review (SEQR) for your project?

No

Will the Project meet zoning/land use requirements at the proposed location?

Yes

Describe the present zoning/land use

MU District within the Village of Williamsville. Please note that Village has determined that the proposed Project is a Type II action.

Describe required zoning/land use, if different

Project is permitted under the existing zoning

If a change in zoning/land use is required, please provide details/status of any request for change of zoning/land use requirements

Is the proposed Project located on a site where the known or potential presence of contaminants is complicating the development/use of the property?

No

If yes, please explain

Has a Phase I Environmental Assessment been prepared, or will one be prepared with respect to the proposed Project Site?

Yes

If yes, please provide a copy.

Have any other studies, or assessments been undertaken with respect to the proposed Project Site that indicate the known or suspected presence of contamination that would complicate the site's development?

No

If yes, please provide copies of the study.

If you are purchasing new machinery and equipment, does it provide demonstrable energy efficiency benefits?

Yes

If yes, describe the efficiencies achieved

Energy efficient appliances for placement in the rental units will be purchased as part of the Project.

You may also attach additional information about the machinery and equipment at the end of the application.

Does or will the company or project occupant perform research and development activities on new products/services at the project location?

No

If yes, include percentage of operating expenses attributed to R&D activities and provide details.

Select Project Type for all end users at project site (you may check more than one).

For purposes of the following, the term "retail sales" means (i) sales by a registered vendor under Article 28 of the Tax Law of the State of New York (the "Tax Law") primarily engaged in the retail sale of tangible personal property (as defined in Section 1101(b)(4)(i) of the Tax Law), or (ii) sales of a service to customers who personally visit the Project.

Will customers personally visit the Project site for either of the following economic activities? If yes with respect to either economic activity indicated below, you will need to complete the Retail section of this application.

Retail Sales	No	Services	No
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Please check any and all end uses as identified below.

- | | | |
|--|---------------------------|-------------------------------------|
| No Acquisition of Existing Facility | No Assisted Living | No Back Office |
| No Civic Facility (not for profit) | No Commercial | No Equipment Purchase |
| No Facility for the Aging | No Industrial | No Life Care Facility (CCRC) |
| Yes Market Rate Housing | No Mixed Use | No Multi-Tenant |
| No Retail | No Senior Housing | No Manufacturing |
| No Renewable Energy | No Other | |

For proposed facility please include the square footage for each of the uses outlined below

If applicant is paying for FFE for tenants, include in cost breakdown.

			Cost	% of Total Cost
Manufacturing/Processing	square feet	\$	0	0%
Warehouse	square feet	\$	0	0%
Research & Development	square feet	\$	0	0%
Commercial	square feet	\$	0	0%
Retail	square feet	\$	0	0%

Office	square feet	\$	0	0%
Specify Other	11,200 square feet	\$	2,020,500	100%

If you are undertaking new construction or renovations, are you seeking LEED certification from the US Green Building Council?

No

If you answered yes to question above, what level of LEED certification do you anticipate receiving? (Check applicable box)

<BLANK>

Provide estimate of additional construction cost as a result of LEED certification you are seeking < BLANK >

Will project result in significant utility infrastructure cost or uses No

What is the estimated project timetable (provide dates).

Start date : acquisition of equipment or construction of facilities

8/1/2024

End date : Estimated completion date of project

4/1/2025

Project occupancy : estimated starting date of occupancy

4/1/2025

Capital Project Plan / Budget

Estimated costs in connection with Project

1.) Land and/or Building Acquisition

\$ 898,684 11,200 square feet acres

2.) New Building Construction

\$ 0 square feet

3.) New Building addition(s)

\$ 0 square feet

4.) Reconstruction/Renovation

\$ 1,250,000 11,200 square feet

5.) Manufacturing Equipment

\$ 0

6.) Infrastructure Work

\$ 0

7.) Non-Manufacturing Equipment: (furniture, fixtures, etc.)

\$ 0

8.) Soft Costs: (Legal, architect, engineering, etc.)

\$ 233,184

9.) Other Cost

\$ 100,000

Explain Other Costs	Construction Loan Interest and Property Carry Costs
Total Cost	\$ 2,481,868

Construction Cost Breakdown:

Total Cost of Construction	\$ 1,250,000 (sum of 2, 3, 4 and 6 in Project Information, above)
Cost of materials	\$ 388,320
% sourced in Erie County	90%

Sales and Use Tax:

Gross amount of costs for goods and services that are subject to State and local sales and use tax- said amount to benefit from the Agency's sales and use tax exemption benefit	\$ 388,320
Estimated State and local Sales and Use Tax Benefit (product of 8.75% multiplied by the figure, above):	\$ 33,978

** Note that the estimate provided above will be provided to the New York State Department of Taxation and Finance. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to undertake the total amount of investment as proposed within this Application, and that the estimate, above, represents the maximum amount of sales and use tax benefit that the Agency may authorize with respect to this Application. The Agency may utilize the estimate, above, as well as the proposed total Project Costs as contained within this Application, to determine the Financial Assistance that will be offered.

Project refinancing estimated amount, if applicable (for refinancing of existing debt only)	\$ 0
Have any of the above costs been paid or incurred as of the date of this Application?	Yes
If Yes, describe particulars:	Property Acquisition, Acquisition Closing Costs, a portion of the Architecture & Engineering Costs, Agency Application Fee; Property Carry Costs

Sources of Funds for Project Costs:

Equity (excluding equity that is attributed to grants/tax credits):	\$ 481,868
Bank Financing:	\$ 2,000,000
Tax Exempt Bond Issuance (if applicable):	\$ 0
Taxable Bond Issuance (if applicable):	\$ 0
Public Sources (Include sum total of all state and federal grants and tax credits):	\$ 0
Identify each state and federal grant/credit: (ie Historic Tax Credit, New Market Tax Credit, Brownfield, Cleanup Program, ESD, other public sources)	
Total Sources of Funds for Project Costs:	\$2,481,868
Have you secured financing for the project?	No

Mortgage Recording Tax Exemption Benefit:

Amount of mortgage, if any that would be subject to mortgage recording tax:

Mortgage Amount (include sum total of construction/permanent/bridge financing).	2,000,000
Lender Name, if Known	
Estimated Mortgage Recording Tax Exemption Benefit (product of mortgage amount as indicated above multiplied by 3/4 of 1%):	\$15,000

Real Property Tax Benefit:

Identify and describe if the Project will utilize a real property tax exemption benefit other than the Agency's PILOT benefit (485-a, 485-b, other):

Applicant is seeking approval by the Agency of a Tier 3- 10 Year PILOT as set forth in the Countywide UTEP

IDA PILOT Benefit: Agency staff will indicate the estimated amount of PILOT Benefit based on estimated Project Costs as contained herein and anticipated tax rates and assessed valuation, including the annual PILOT Benefit abatement amount for each year of the PILOT benefit and the sum total of PILOT Benefit abatement amount for the term of the PILOT as depicted in the PILOT worksheet in the additional document section.

Percentage of Project Costs financed from Public Sector sources: Agency staff will calculate the percentage of Project Costs financed from Public Sector sources based upon the Sources of Funds for Project Costs as depicted above. The percentage of Project Costs financed from public sector sources will be depicted in the PILOT worksheet in the additional document section.

Is project necessary to expand project employment?

No

Is project necessary to retain existing employment?

No

Will project include leasing any equipment?

No

If yes, please describe equipment and lease terms.

Employment Plan (Specific to the proposed project location).

The Labor Market Area consists of the following six counties: Erie, Niagara, Chautauqua, Cattaraugus, Wyoming and Genessee.

By statute, Agency staff must project the number of FTE jobs that would be retained and created if the request for Financial Assistance is granted. Agency staff will project such jobs over the TWO Year time period following Project completion. Agency staff converts PT jobs into FTE jobs by dividing the number of PT jobs by two (2).

	Current # of jobs at proposed project location or to be relocated at project location	If financial assistance is granted – project the number of FT and PT jobs to be retained	If financial assistance is granted – project the number of FT and PT jobs to be created upon 24 months (2 years) after Project completion	Estimate number of residents of the Labor Market Area in which the project is located that will fill the FT and PT jobs to be created upon 24 months (2 years) after project completion **
Full time	0	0	0	0
Part time	0	0	0	0
Total	0	0	0	

If you estimated new job growth over the next 2 years, please provide a short description of how those estimates were calculated (i.e. jobs per square foot, new contracts/increased revenues, etc.)

Salary and Fringe Benefits for Jobs to be Retained and Created

Job Categories	# of Full Time Employees retained and created	Average Salary for Full Time	Average Fringe Benefits for Full Time	# of Part Time Employees retained and created	Average Salary for Part Time	Average Fringe Benefits for Part Time
Management	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Professional	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Administrative	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Production	0	\$ 0	\$ 0	0	\$ 0	\$ 0

Independent Contractor	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Other	0	\$ 0	\$ 0	0	\$ 0	\$ 0
Total	0			0		

** Note that the Agency may utilize the foregoing employment projections, among other items, to determine the financial assistance that will be offered by the Agency to the Applicant. The Applicant acknowledges that the transaction documents may include a covenant by the Applicant to retain the number of jobs and create the number of jobs with respect to the Project as set forth in this Application.

Yes **By checking this box, I certify that the above information concerning the current number of jobs at the proposed project location or to be relocated to the proposed project location is true and correct.**

Employment at other locations in Erie County: (provide address and number of employees at each location):

Address			
Full time	0	0	0
Part time	0	0	0
Total	0	0	0

Payroll Information

Annual Payroll at Proposed Project Site upon completion

0

Estimated average annual salary of jobs to be retained (Full Time)

0

Estimated average annual salary of jobs to be retained (Part Time)

0

Estimated average annual salary of jobs to be created (Full Time)

0

Estimated average annual salary of jobs to be created (Part Time)

0

Estimated salary range of jobs to be created

From (Full Time) 0 To (Full Time) 0

From (Part Time) 0 To (Part Time) 0

Section III: Facility Type - Single or Multi Tenant

Is this a Single Use Facility or a Multi-Tenant Facility?

Multi-Tenant Facility

Multi-Tenant Facility (to be filled out by developer).

Please explain what market conditions support the construction of this multi-tenant facility

The Village of Williamsville has sought to increase housing density of various types within walking distance to the Village Center (Main Street). Though modest in size, the proposed Project would produce eight (8) market-rate rental housing units in the Village center.

Have any tenant leases been entered into for this project?

No

If yes, please list below and provide square footage (and percent of total square footage) to be leased to tenant and NAICS Code for tenant and nature of business

Tenant Name	Current Address (city, state, # of sq ft and % of total to be occupied at new projet site)	SIC or NAICS-also briefly describe type of business, products services, % of sales in Erie Co.
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*fill out table for each tenant and known future tenants

Section V: Retail Determination

To ensure compliance with Section 862 of the New York General Municipal Law, the Agency requires additional information if the proposed Project is one where customers personally visit the Project site to undertake either a retail sale transaction or to purchase services.

Please answer the following:

Will any portion of the project (including that portion of the costs to be financed from equity or other sources) consist of facilities or property that are or will be primarily used in making sales of goods or services to customers who personally visit the project site?

No

If yes, complete the Retail Questionnaire Supplement below. **If no, proceed to the next section.**

Section VI: Adaptive Reuse Projects

Adaptive Reuse is the process of adapting old structures or sites for new purposes.

Are you applying for tax incentives under the Adaptive Reuse Program?

Yes

What is the age of the structure (in years)? 44

Has the structure been vacant or underutilized for a minimum of 3 years? (Underutilized is defined as a minimum of 50% of the rentable square footage of the structure being utilized for a use for which the structure was not designed or intended)

Yes

If vacant, number of years vacant.

1

If underutilized, number of years underutilized.

10

Describe the use of the building during the time it has been underutilized:

The 26 W Spring Street building was constructed by principals of Scipar Inc, an engineering firm that provided support to hydroelectric (i.e. dams) control systems. Scipar's business was heavily reliant upon government contracts and its business steadily declined as contracts were not renewed. At the time of Applicant's acquisition of the property in 2019..and for a number of years prior...Scipar's staff had dipped to just a handful of employees and only a small area of the building was utilized which prompted the sale. Scipar subsequently vacated the building when their lease expired and the business was sold.

Is the structure currently generating insignificant income? (Insignificant income is defined as income that is 50% or less than the market rate income average for that property class)

No

If yes, please provide dollar amount of income being generated, if any

If apartments are planned in the facility, please indicate the following:

	Number of Units	Sq. Ft. Range Low to High	Rent Range Low to High
1 Bedroom	0	-	\$- \$
2 Bedroom	8	1,194- 1,440	\$2,150- \$2,550
3 Bedroom	-	-	\$- \$
Other	-	-	\$- \$

Does the site have historical significance?

No

If yes, please indicate historical designation

Are you applying for either State/Federal Historical Tax Credit Programs?

No

If yes, provide estimated value of tax credits

Briefly summarize the financial obstacles to development that this project faces without Amherst IDA or other public assistance. Please provide the Amherst IDA with documentation to support the financial obstacles to development (you will be asked to provide cash flow projections documenting costs, expenses and revenues with and without IDA and other tax credits included indicating below average return on investment rates compared to regional industry averages)

Please see Exhibit A enclosed with this Application

Briefly summarize the demonstrated support that you intend to receive from local government entities. Please provide ECIDA with documentation of this support in the form of signed letters from these entities

Indicate other factors that you would like the Agency to consider such as: structure or site presents significant public safety hazard and or environmental remediation costs, structure presents significant costs associated with building code compliance

See Exhibit A to the Application attached hereto

Indicate census tract of project location

Indicate how project will eliminate slum and blight

The neighborhood within which the project site is not a slum nor is it blighted. However, the current appearance of the vacant 26 and 34 W. Spring Street properties is underutilized and not contributing to the betterment of the Village. The proposed Project, if approved by the Agency, will be the catalyst for for improvement.

If project will be constructed to LEED standards indicate renewable resources utilized

Section VII: Inter-Municipal Move Determination

The Agency is required by state law to make a determination that, if completion of a Project benefiting from Agency Financial Assistance results in the removal of an industrial or manufacturing plant of the project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the project occupant located within the state, Agency financial Assistance is required to prevent the project occupant from relocating out of the state, or is reasonably necessary to preserve the project occupant's competitive position in its respective industry.

Current Address

City/Town

State

Zip Code

Will the project result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state?

No

Will the project result in the abandonment of one or more plants or facilities of the Project occupant located within the state?

No

If Yes to either question, explain how, notwithstanding the aforementioned closing or activity reduction, the Agency's Financial Assistance is required to prevent the Project from relocating out of the State, or is reasonably necessary to preserve the Project occupant's competitive position in its respective industry:

Does this project involve relocation or consolidation of a project occupant from another municipality?

Within New York State

No

Within Erie County

No

If Yes to either question, please, explain

Will the project result in a relocation of an existing business operation from the City of Buffalo?

No

If yes, please explain the factors which require the project occupant to relocate out of the City of Buffalo (For example, present site is not large enough, or owner will not renew leases etc.)

What are some of the key requirements the project occupant is looking for in a new site? (For example, minimum sq. ft., 12 foot ceilings, truck loading docs etc.)

If the project occupant is currently located in Erie County and will be moving to a different municipality within Erie County, has the project occupant attempted to find a suitable location within the municipality in which it is currently located?

No

What factors have lead the project occupant to consider remaining or locating in Erie County?

If the current facility is to be abandoned, what is going to happen to the current facility that project occupant is located in?

Please provide a list of properties considered, and the reason they were not adequate. (Some examples include: site not large enough, layout was not appropriate, did not have adequate utility service, etc.) Please include full address for locations.

Section VIII: Senior Housing

IDA tax incentives may be granted to projects under the Agency's Senior Citizen Rental Housing policy when the project consists of a multi-family housing structure where at least 90% of the units are (or are intended to be) rented to and occupied by a person who is 60 years of age or older.

Are you applying for tax incentives under the Senior Rental Housing policy?

No

Section IX: Tax Exempt Bonds

In order to receive the benefits of a tax-exempt interest rate bond, private borrowers and their projects must be eligible under one of the federally recognized private active bond categories (Fed Internal Rev Code IRC sections 142-144, and 1394).

Are you applying for tax exempt bonds / refinancing of bonds related to a residential rental facility project?

No

Exhibit A to Amherst Industrial Development Agency Application
26 West Spring Street Adaptive Re-Use Project
(June 17, 2024)

Applicant Business Description:

Applicant is an affiliate of Iskalo Development Corp., a Williamsville-based commercial real estate development company that celebrated its 35th year in business in 2023. Iskalo Development Corp. is solely owned by Paul B. Iskalo, who is also a principal member of Iskalo Spring Street LLC (the “Applicant”).

Iskalo Development’s mission is to identify commercial real estate and related business opportunities in which long-term intrinsic value can be created and that will contribute to the betterment of Western New York. In doing so, Iskalo has sought to establish enduring and trusting partnerships with its customers and the communities in which it invests, and to engage in all business with fairness and integrity. The categories of real estate in the portfolio owned or controlled by Iskalo and its affiliates include hospitality, light industrial, corporate office, medical office, retail and multi-family. Iskalo has substantial real estate investments in the Town of Amherst (inclusive of the Village of Williamsville).

Iskalo Development is a fully integrated, full-service commercial real estate development company staffed by a team of experienced, dedicated professionals committed to delivering to market buildings of great interest and of timeless, context sensitive design that offer an enriching and memorable yet highly functional experience for occupants. Each project is infused with passion, creativity and an unparalleled attention to detail that is the hallmark of every Iskalo property.

Iskalo Development measures its success by the quality of its projects, not the quantity. This patient and thoughtful approach to development has earned Iskalo recognition as one of Western New York’s most respected developers and is why many of Iskalo Development’s projects have been recognized with industry awards from The American Institute of Architects (AIA), The National Association of Industrial and Office Properties (NAIOP), Building Owners and Managers Association (BOMA), Marriott International and others.

Project Description and Justification for Requested Incentives from the Agency:

The project proposed by Applicant is the first phase of a two-phased mixed-use redevelopment of the three-parcel assemblage located on the northwest corner of W. Spring St. and Grove St. The three parcels included in the assemblage consist of 26, 34 and 42 West Spring Street. Phase 1, which is the subject of this application, involves the adaptive re-use of an existing vacant and obsolete office building located at 26 W Spring Street in the Village of Williamsville as further described below (the “Project”). Phase 2 involves the renovation of the commercial building located on the 34 W. Spring Street parcel and related site improvements that would

include the 42 West Spring Street parcel. The 34 and 42 West Spring Street parcels have been designated locally historic by the Village of Williamsville. The original circa 1850 stone portion of the vacant commercial building located on the 34 West Spring Street parcel once housed the Williamsville Brewery. This location in the Village was known then as "Brewery Hill". Though the 26 and 34 West Spring Street buildings are distinct parcels, they share common ingress/egress and a parking lot, and together form a rather sizeable redevelopment opportunity in the Village. Enclosed herewith is a slide presentation for the Project that also includes background information on the 34 and 42 West Spring Street parcels as well as phase two concept renderings.

The 26 West Spring Street building is approximately 11,200 gross square feet. The portion of the building fronting West Spring Street was constructed in 1976 by the founders of Scipar, Inc., an engineering firm that provided support to hydroelectric (i.e. dams) control systems. A two-story addition to the building extending north toward Glen was constructed in around 1980 increasing the overall area of the building to 11,200 +/- square feet. At the time of Applicant's purchase of the property in 2019, Scipar's staff had reduced to just a handful of employees occupying a small portion of the building. Their business had shrunk in recent years and seeking a buyer. Scipar was subsequently sold in 2023 and vacated the premises last fall.

Applicant has considered various options for the re-use of the existing building. It's current layout, outdated interior condition and overall obsolescence, together with the well-documented softness in the demand for office space make re-use of the building as office space not feasible. Consideration was given to demolishing the building and merging the parcel with the neighboring parcel at 34 West Spring Street. However, further investigation and due diligence revealed the potential for adaptation of the 26 West Spring Street building for conversion to multifamily use, provided incentives can be obtained to partially offset the considerable cost of renovation. In addition to providing in-demand rental housing for the Village of Williamsville, the renovation and re-use of the building will catalyze redevelopment of the historic commercial property located at 34 and 42 West Spring Street (i.e. Phase 2).

Completion of the proposed Adaptive Re-Use Project would produce eight (8) apartments; six (6) of which will be two-story, townhouse-style units with the remaining two (2) to be single-level units. Entry to one of the apartments will be directly from West Spring Street. Entry for the other seven apartments will be from the existing parking lot which will be improved as part of the Project. All of the apartments will be "two-bedroom" ranging in size from 1,194 to 1,440 square feet. This range, on average, is larger than typical for the Amherst and Village of Williamsville market and it is dictated by the existing building configuration that does not facilitate the inclusion of smaller units. Copies of the project plan and rendering are included in the slide presentation enclosed with this Application.

In approaching the renovation of the exterior of the building at 26 West Spring Street, the Applicant is seeking to build upon hints of the prairie-style design of the two-story addition typified by horizontal elements and a shallow-pitched roof. Demolition and reconstruction of the entirety of the building interior will be required as well as the installation of all new mechanical, electrical and plumbing systems. Existing site conditions are similarly poor and in need of

complete reconstruction. The parking lot, driveways and site infrastructure serving the 26 West Spring Street building is shared with adjacent, long-vacant building at 34 West Spring Street which is a designated Local Landmark per the Village's Historic Preservation Law. Though the proposed re-use of the 26 West Spring Street building would only require a modest amount of parking, it is necessary to improve a good portion of the existing shared parking lot, which site improvements would include new paving, installation of sidewalks, site lighting, landscaping, drainage, and a trash enclosure. It is anticipated that these additional site improvements together with an approved overall "master" site plan for the three-parcel assemblage will help to spur the redevelopment of the 34 W. Spring Street building.

The proposed redevelopment of this section of West Spring Street has been a priority of the Village of Williamsville. West Spring Street is considered a "B" street to Main Street in the Village, as is East Spring Street, which had a similar mix of residential and commercial properties connected to Main Street within the Village center. The Village sponsored a successful redevelopment of East Spring Street and has had intentions of doing the same with West Spring Street, having had advanced concept plans for West Spring Street in pursuit of a NYS Downtown Initiative Grant in 2017 (and again in 2021). Applicant's proposed redevelopment of 26, 34 and 42 West Spring Street would, in large part, be the fulfillment of that.

The Site Plan for the Project (inclusive of proposed site improvements to the 34 and 42 Spring Street parcels) was approved on June 3rd, 2024 by the Village of Williamsville Planning Board. The approved Site Plan included site improvements for the 34 and 42 West Spring Street properties. As such, the Site Plan also required a Certificate of Appropriateness from the Village of Williamsville Historic Preservation Committee, which was issued on June 6, 2024. Provided the Agency approves the incentives requested in the Agency Application, Applicant anticipates obtaining financing for the Project and commencing construction in late summer or early fall with completion near the end of the first quarter of 2025.

Project is an Adaptive Re-Use:

As previously noted, the 26 West Spring Street building has been underutilized for many years and entirely vacant since last fall. Therefore, Applicant is seeking the Agency's consideration of the Project as an **Adaptive Re-Use Project** pursuant to Section I C(1) of the Countywide Uniform Tax Exemption Policy, amended and restated as of April 1, 2022.

Incentive Request and Justification:

The proposed Project is a challenging and very expensive adaptive re-use largely due to its small size and the current condition of the 26 W. Spring Street building and site. Upon completion, the Project will only result in eight (8) apartments and 10,800 square feet of rentable space. Without Agency assistance, the anticipated project cost is estimated to be \$2,533,000 or \$316,640 per unit, which is well above the high end of the target development cost range for new multifamily projects. The current market rent based upon a minimum "going-in" capitalization rate of 7% would only support a project cost of \$270,975 per unit (a \$45,000 +/-

gap). In order to reduce the project cost per unit to within striking distance of this figure, the Applicant is requesting a mortgage tax exemption, sales tax exemption on materials used in construction and the Tier 3 – 10 Year PILOT. This analysis is summarized in the last five slides of the enclosed presentation.

With respect to the requested 10-year PILOT, Applicant has been made aware by Agency staff that the proposed Project would typically qualify for a 5-year PILOT. As stated above, the 5-year and 7-year PILOTs (together with the sales and mortgage tax exemptions) do not close the gap sufficiently for the Project to proceed. To further enhance our request for the 10-year PILOT, Applicant is willing to link approval of the 10-Year PILOT to advancement of the Phase 2 project (redevelopment/renovation of 34 and 42 West Spring Street parcels). Specifically, Applicant is willing to accept that Years 6-10-of the 10-year PILOT be conditioned upon commencement of work on the 34 and 42 Spring Street parcels (whether commenced by Applicant or a successor to Applicant) on or before the effective date of the 6th year of the term of the PILOT.

Project Benefits:

The Agency's granting of the requested incentives for the 26 W. Spring Street project will yield the following benefits:

- Return a tired, obsolete and non-contributing vacant office building to a productive use;
- Address the economic deterioration of this part of the Village by improving the appearance of the West Spring Street neighborhood;
- Provide in-demand, multi-family apartments in the heart of the Village of Williamsville proximate to Main Street and the many nearby places of employment, providing tenants with the opportunity to live at a location close to their place of employment.
- The completion of the Project will catalyze the Phase 2 redevelopment of this important "B" Street assemblage in within the center of the Village of Williamsville, that includes the historic brewery building at 34 West Spring Street.

The completion of both phases of the redevelopment project will produce eight multi-family units and 18,000 to 20,000 square feet of commercial space in an historic part of the Village of Williamsville, helping to further maintain a healthy residential environment in the Village as well as further promote job opportunities, health and general prosperity of its residents.