

26 West Spring Street Redevelopment Project

Amherst Industrial Development Agency

July 19, 2024

W. Spring Street Project Overview

Proposed project is Phase One of Two-Phased Project to redevelop northwest corner of West Spring and Grove Streets in Village of Williamsville.

Phase 1 involves adaptive-reuse of building at 26 W. Spring St. together with site improvements supporting 26 and 34 W. Spring Street buildings [no changes to the building footprints or 34 W Spring St Building].

- Applicant: Iskalo Spring Street LLC
 - Project Site: 26, 34 and 42 W. Spring - 1.466 acres
 - Zoning: MU
-
- Applicant also owns Single Family homes at 109 & 115 Glen Ave (not part of proposed redevelopment project)

Project Location

W. Spring Street, Williamsville NY



Project Site



Property Information

- 26 W Spring Street Building:
 - Original building constructed in 1976 +/-; 2-story addition in 1980 +/-.
 - 11,200 +/- gross square feet
 - Occupied as an office building until October 2023 (presently vacant)
 - Underutilized for many years prior
 - Structurally sound but interior sorely outdated
 - Needs all new mechanical, electrical and plumbing
 - Not suitable for re-use as office; demolition was considered
 - Further investigation revealed possibility for conversion to multi-family, *if economically feasible*





Property Information – 34 W. Spring Street:

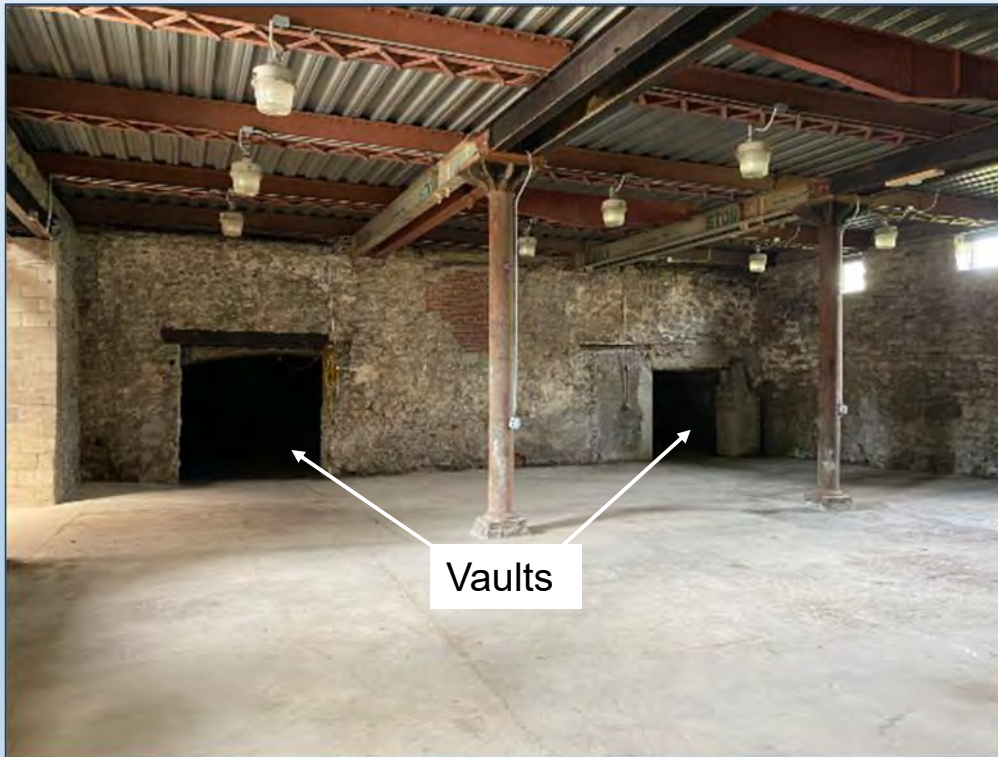
- 34 W. Spring Street Building:
 - Essentially two buildings, one stacked on top of the other
 - Original stone “lower level” building circa 1850
 - Williamsville Brewery (“Brewery Hill”)
 - Two Interior Vaults
 - “Upper level” addition – completion date likely 1932 +/-
 - Manufacturing and Storage
 - Total building area: 18,000 +/- square feet (presently vacant)
 - Properties at 34 & 42 W. Spring Street designated as a Local Landmark by the Village Board on December 10, 2018 based on recommendation from HPC

NOTE: ONLY SITE IMPROVEMENTS PROPOSED AS PART OF PHASE 1.

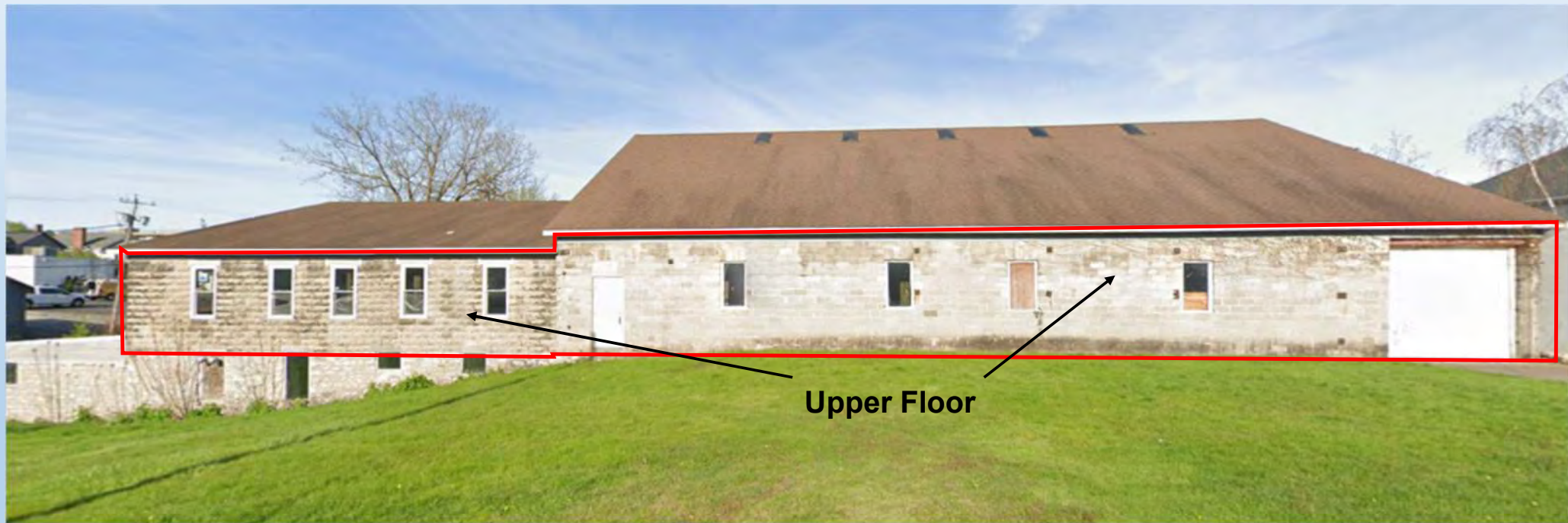
34 W. Spring – Original “Stone” Building



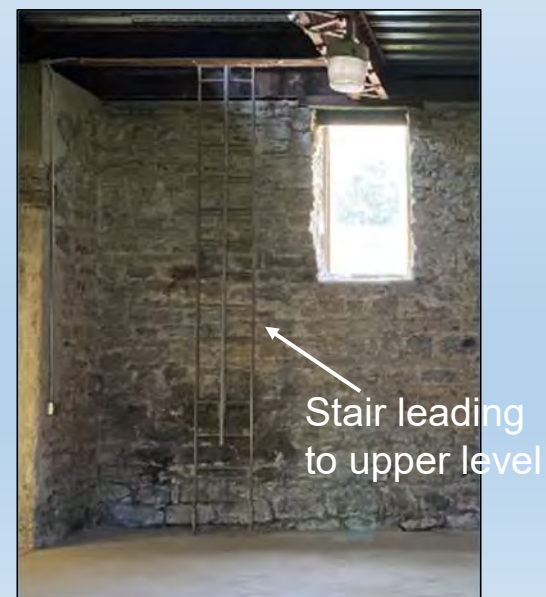
34 W. Spring – Original “Stone” Building



34 W. Spring – Upper Addition



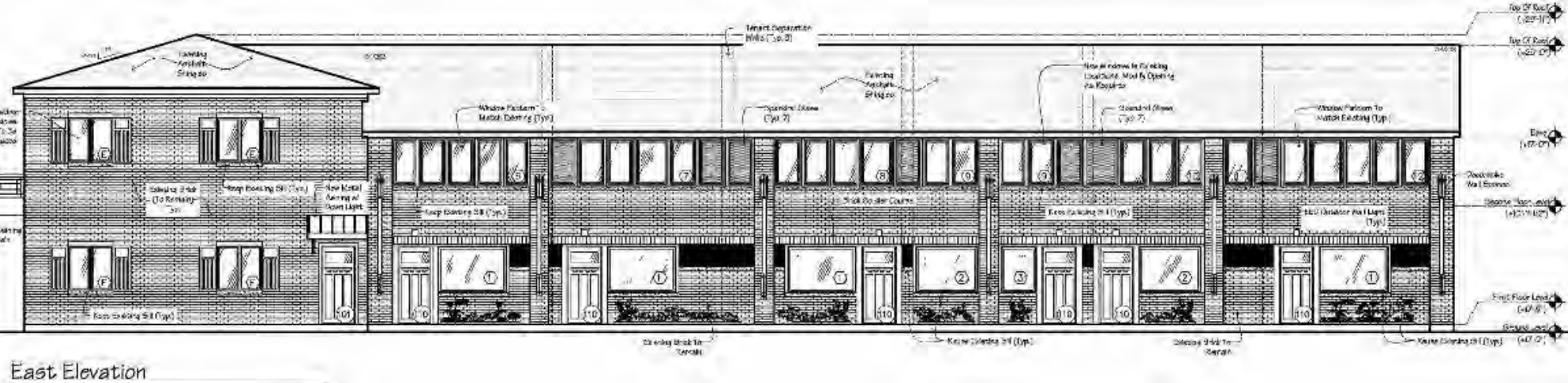
34 W. Spring – Upper Level



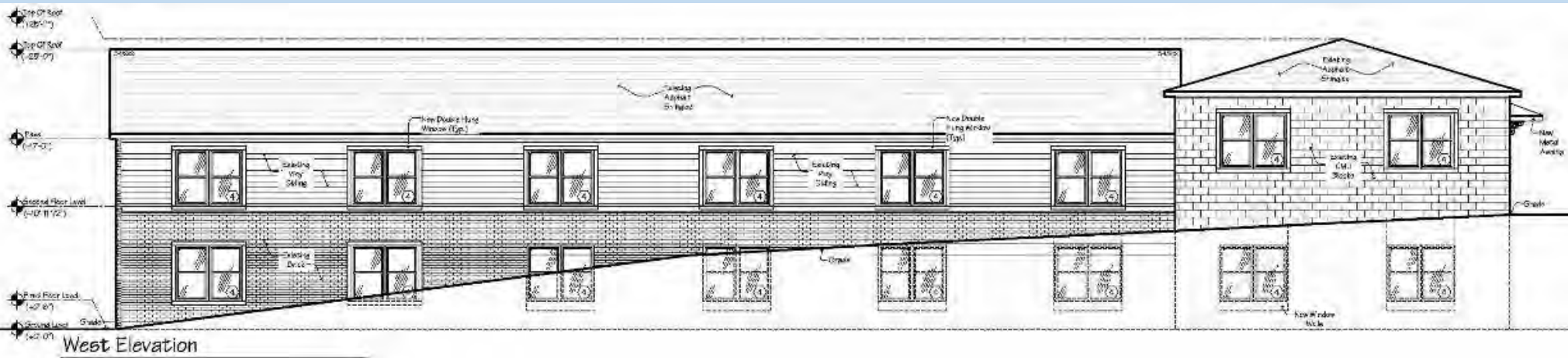
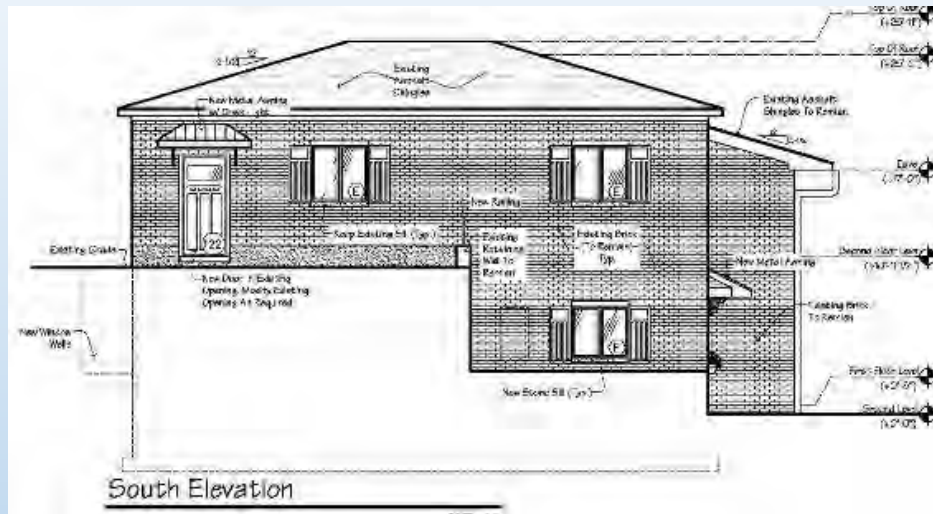
Phase 1 Project Overview

- Adaptive Re-Use of 26 W. Spring - Conversion to Multi-Family
- (8) market rate apartments (1,200 to 1,450 SF)
- Site renovations to shared parking lot with 34 W. Spring St.
- Phase 1 Project Status:
 - SEQRA – Type II action
 - Village Site Plan – Granted 6.3.24
 - Historic Preservation Cert. of Appropriateness – Granted 6.5.24
 - related to proposed site improvements to 34 | 42 W. Spring
 - Amherst I.D.A. Inducement – In process
 - Construction Start - Fall 2024 (pending Amherst I.D.A. inducement)
 - Completion – Spring 2025

East and North Elevations



West and South Elevations





Lower/First Floor Plan



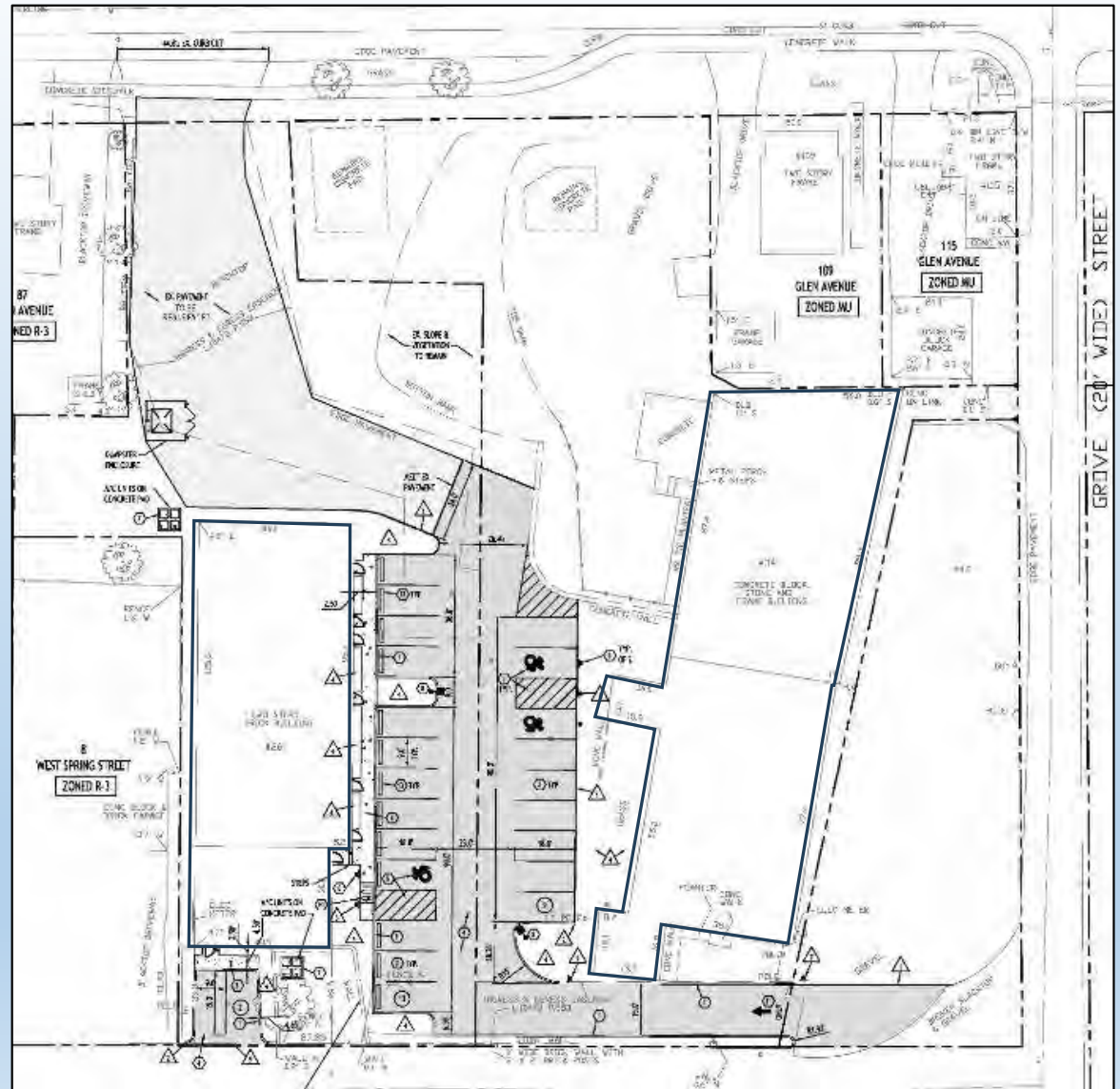
Upper/Second Floor Plan



421 Second Floor Plan



Site Plan – Phase I



Phase 2 Concept Rendering – 34 W. Spring



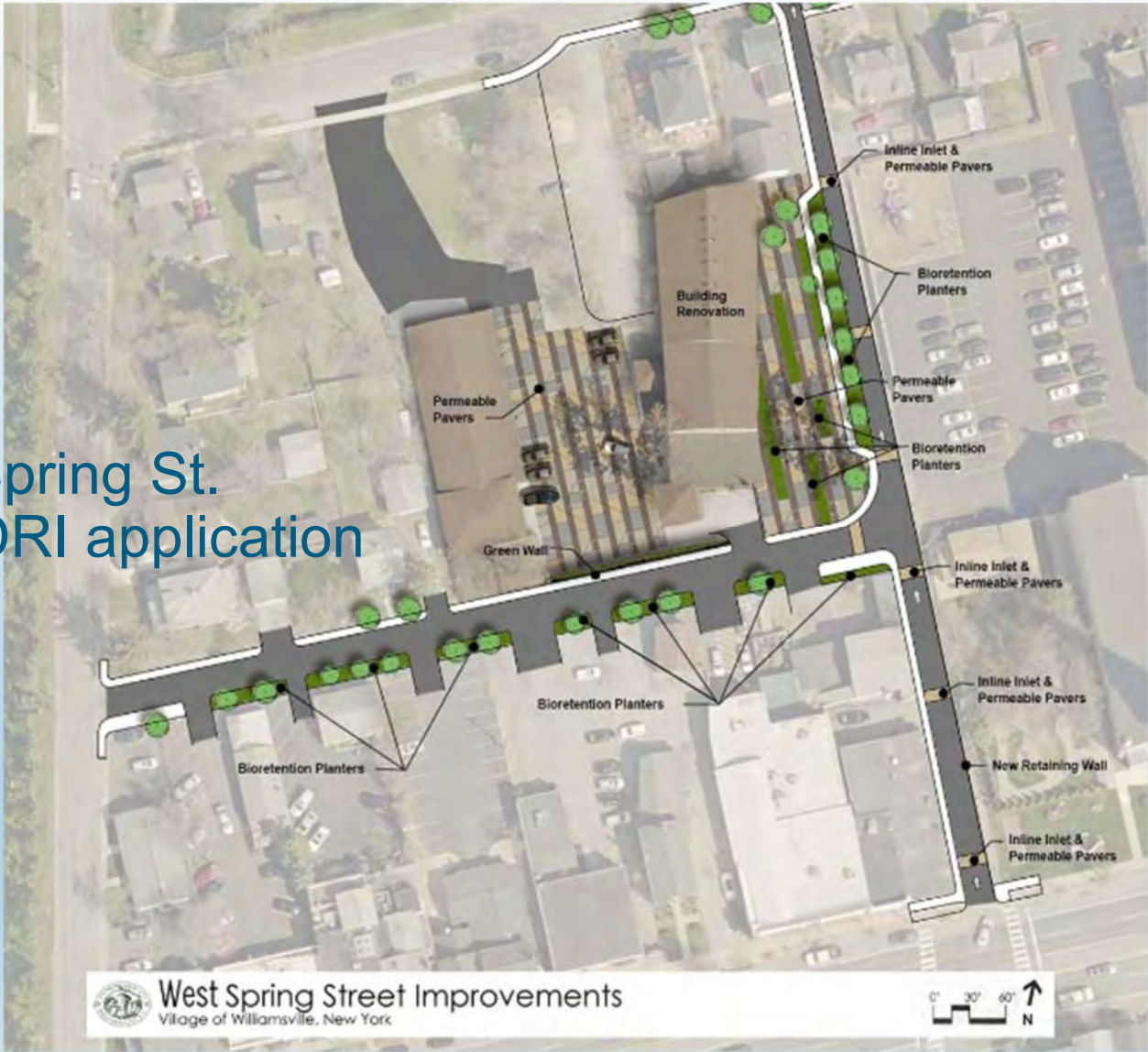
Phase 2 Concept Rendering – 34 W. Spring



Phase 2 Concept Rendering – 34 W. Spring



Village of Williamsville W. Spring St. concept plan – 2017 NYS DRI application



26 W. Spring St. Adaptive Re-Use Project

Financial Analysis

26 W. Spring Street – Amherst I.D.A.

- Application filed: April 30, 2024
- Adaptive Re-Use Project
 - Currently fully-vacant
 - Underutilized for many years

- Project Cost:

Acquisition Cost	\$ 898,684
Construction	1,250,000 (incl. interior demolition, excl. sales tax)
Soft Costs	233,184 (legal, architect, engineering)
<u>Other Costs</u>	<u>100,000 (loan closing costs, interest)</u>
Total	\$2,481,868 (\$310,233/unit)
	(\$2,533,118 incl. sales tax; \$316,640/unit)

- Seeking Sales Tax, Mortgage Tax and 10 Year PILOT

26 W. Spring Street – Project Gap

Average Unit Size	1,351 sf	
Cost per Unit Average	\$316,640	
Minimum Going-In Cap Rate	7.0%	
Req'd NET Annual Rent/Unit (NOI)	\$ 22,165	
Vacancy & Expenses	35%	
Req'd GROSS Annual Rent	\$ 34,100	\$2,842/mo. (\$2.10/sf)
Market Rent	\$ 26,750	\$2,229/mo. (\$1.65/sf)
Target Project Rent	\$ 29,182	\$2,432/mo. (\$1.80/sf)
Project Cost/Unit Supported (@7%)	\$270,975	(\$45,665)
Gap	\$ 45,665	(16.85%)

26 W. Spring Street – Incentive “Tiers”

Project Cost/Unit Target	\$270,975 (7.0%)
Starting Project Cost/Unit	\$316,640 (5.9%)
Sales Tax Abatement	\$310,200
+ PV of 5 Year PILOT	\$303,100 (6.3%)
+ PV of 7 Year PILOT	\$296,200 (6.6%)
+ PV of 10 Year PILOT	\$291,100 (6.82%)

26 W. Spring Street – Project 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 within the center of the Village of Williamsville, that includes the historic brewery building at 34 West Spring Street.

26 |34 |42W. Spring Street Project Benefits

The completion of both phases of the redevelopment project will produce eight multi-family units and 18,000 - 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.