

PROJECT PROFILE:
26 WEST SPRING STREET ADAPTIVE REUSE
\$2,481,868
July 19, 2024



ELIGIBILITY

- Commercial Project under NYS Law
- Eligible Project Under Countywide Eligibility Policy

COMPANY INCENTIVES (EST.)

- Property Tax = \$347,286
- Sales Tax = \$33,978
- Mortgage Tax = \$15,000

PROJECT BENEFITS (EST.)

- Property Taxes = \$103,488
- Income Taxes = \$66,413
- Sales Taxes = \$34,341

EMPLOYMENT

- 8 Construction and Supply Related Jobs Created
- 1 Full-Time Indirect Positions Created from Household Spending

PROJECT SCHEDULE (EST.)

- Work begins August 2024
- Completion April 2025

Project Address:

26 West Spring Street
 Williamsville, New York 14221
 (Williamsville School District)

Investment:

Acquisition: \$898,684
 Construction: \$1,250,000
 Soft/Other Costs: \$333,184



Company Description:

The applicant is an affiliate of Iskalo Development Corporation (Iskalo), a Williamsville based commercial real estate development company that celebrated its 35th year in business in 2023. Iskalo, which is solely owned by Paul B. Iskalo, is a fully integrated real estate venture investing in hospitality, light industrial, corporate and medical office, retail and multi-family. The company has substantial investments in Amherst and Williamsville.

Project Description:

The applicant proposes to adaptively reuse an existing vacant 11,200 square foot office building into eight apartments and begin improving that section of the West Spring Street neighborhood. A portion of the building was constructed in 1976 with an addition added in 1980 by Scipar, a company focused on hydroelectric control systems. The business shrunk over the years and sold the property to Iskalo in 2019 where it only occupied a small portion of the building. The project resides in a Village of Williamsville Enhancement Area designated for redevelopment of obsolete and underutilized parcels.

The layout, outdated condition and overall obsolescence along with current market conditions eliminate the ability of the property to be backfilled by an office tenant. Iskalo is seeking incentives to offset the considerable cost of conversion to multifamily use and expects this project to catalyze redevelopment of the historic property located at 34 West Spring Street. The applicant provided a detailed presentation indicating the gap in what can be generated in revenues on the project over the high cost of development. Renovation costs approximate \$316,000 per unit while the overall economics of the project support roughly \$271,000.

AIDA Project Evaluation Criteria - Neighborhood Redevelopment

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AIDA COMPANY HISTORY:

Numerous

MATERIAL TERMS:

1. Investment of not less than \$2,109,587 at the project location as noted in the application.
2. Compliance with the Agency’s Local Labor Policy in connection with the construction of the Project.
3. The Company obtaining the necessary building permits for the redevelopment of the commercial building located at 34 W. Spring Street and the vacant property at 42 W. Spring Street no later than prior to the beginning of the sixth (6th) year of the PILOT schedule.

Distressed Census Tracts	No
Designated Enhancement Area	Yes
Age of Structure	1973 with an addition in 1980
Building Vacancy	2023 but the building has been mostly vacant for nearly 4-years
Redevelopment Supports Local Community Development Plan	The project location is a Village of Williamsville designated Enhancement Area and received Site Plan approval and a Certificate of Appropriateness from the Village Historic Preservation Committee
Environmental or Safety Issues	The project seeks to improve pedestrian safety by installing sidewalks, site lighting, landscaping and drainage.
LEED/Renewal Resources	None
Building has Historic Designation	The adjacent property is historically designated and this project seeks to catalyze its development.
Site or Structure has Delinquent Property or Other Local Taxes	No
Impediments to Conventionally Finance Project	Lending Requirements are more stringent, such as increased equity, along with interest rates not seen in decades
Transit Oriented Development	The project location is a block from Main Street which has several transit stops.
Increased Property Value	The project preserves the existing taxes on the building and provides additional revenue over the 10-year PILOT
Provides Workforce and/or Affordable Housing	None included due to the size of the project (8 total units) and financial feasibility to adaptively reuse the existing structure.