

## Downtown Revitalization Initiative In Focus

# The Positive Impact of the State's Historic Preservation Tax Credit on DRI Communities



## Downtown Revitalization Initiative In Focus — A SERIES

Governor Kathy Hochul's Downtown Revitalization Initiative (DRI) is transforming downtown neighborhoods into vibrant communities where New Yorkers want to live, work and raise families. Recognizing that companies are increasingly seeking to relocate and invest in vibrant, walkable downtowns in an effort to attract and retain a talented workforce, DRI is an investment to improve the vitality of urban centers across New York State.



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*The Cahill Landing project won an Excellence in Historic Preservation Award from the NYS Preservation League in 2019; it's the oldest commercial building in the City of Oswego.*

Winston Churchill said, “We shape our buildings, and then our buildings shape us.” Nowhere is that more evident than with NY’s historic buildings.

Every Upstate city has them. Those iconic historic buildings that once served as anchors for downtown vitality, but have fallen into disrepair during Upstate NY’s long period of decline. Whether it’s a theater or a department store, we’ve all heard the whimsical recollections: “My parents used to bring me there to shop on the weekends”; “I saw my first movie at that theater when I was a kid”; “That store used to have the nicest Christmas display”; “That’s where we went for ice cream.”

Over time, these old treasures were even viewed as eyesores, to be torn down and replaced—reminders of a past that may never be again. And the preservationists who tried to save them were labeled as obstructionists for insisting that they be saved for a better day when cities rise again.

Well, that better day has come! New York State’s historic preservation tax credit has helped save and rehab so many historic buildings in the State. And several DRI communities have embraced and funded these historic buildings—in conjunction with the tax credit—so they can once again become anchors of downtown revitalization.

NY’s historic preservation tax credit has consistently led the nation in the level of investments generated and the number of completed historic redevelopment projects. Since 2011, the tax credit was approved for over 1,000 historic commercial properties, which catalyzed more than \$12 billion in private investment.

Our history has become a catalyst for the future, and not just a reflection back to a bygone era.

**Let’s look at some of the DRI projects that have benefited from both the tax credit and the DRI...**



## Oswego — Cahill Building

Wanna talk history? The Cahill Building is the oldest commercial structure in the City of Oswego, dating back to 1828. It was originally built as a ship chandlery where sail ships buy their anchors and rope; it served as a fish market for several decades; and then was home to an Irish pub. But it sat vacant for years and began to crumble. So the City took ownership and a visionary developer stabilized the building in the hopes that resources would become available to save and re-purpose it. That hope became a reality when Oswego chose the Cahill building as one of its DRI projects.

“*The Downtown Revitalization*

*Initiative gave Oswego the opportunity to create and realize a vision to connect our core historic downtown area to our waterfront, making Oswego a more desirable place to live and visit. And the historic preservation tax credit is another powerful tool in our tool-box to help achieve our goals. These programs that the Governor initiated have truly revived our downtown and will have a dramatic positive impact on this community for generations to come.”*

**--William “Billy” Barlow,  
Mayor of Oswego**

With additional financial support from the historic rehab tax credit, the building now houses a restaurant and seven luxury apartments. The Cahill building is once again a core feature of Oswego’s waterfront. And it’s just one of several DRI projects that are creating a dynamic, 24/7, live, work and play atmosphere on Oswego’s greatest natural and historic treasure—the river.

## Olean — Manny Hanny Building

The “Manny Hanny” building in Olean is a historic downtown landmark centrally located at the City’s main downtown intersection. Once a Manufacturers Hanover bank, First National Bank of Olean and Siegel’s Shoe store, this 7-story, 30,000 square-foot downtown anchor building sat vacant for more than 20 years and had begun to fall apart. Without support from the DRI, the building would have remained vacant and fallen into further disrepair.

The Manny Hanny project is receiving a combination of \$2 million from the DRI and State and federal historic preservation

### **What are the federal and NYS Historic Preservation Tax Credit programs?**

**Owners of historic buildings in NYS may be eligible to receive tax credits up to 40% for rehabilitation expenditures. Here’s how it works for commercial buildings:**

*The NYS Office of Parks, Recreation and Historic Preservation administers the Historic Tax Credit programs in conjunction with the National Park Service. Since the 1970s, the federal government has offered a 20% tax credit for the rehabilitation of historic buildings. To be eligible, a commercial property must be listed or in the process of being listing on the NYS and National Registers of Historic Places. A building can be listed individually or as part of a historic district. There is no cap on the federal program. Since 2007, NYS has offered a companion 20% credit program. Eligibility for the additional 20% NYS program requires that property owners are approved for the federal credit AND the property must be located in a census tract that is at or below the NYS median family income. There is a \$5m cap in the NYS credit. For more information, see <https://parks.ny.gov/shpo/tax-credit-programs/>*

tax credits. As a result, this iconic building is being re-developed into completely new uses, including market-rate apartments and 8,000 square feet of commercial office space; 5,000 square feet of retail; and an addiction rehabilitation services center on the ground floor.

The Manny Hanny project does not exist in a silo. It physically adjoins and complements the redevelopment of several other historic structures that almost faced the wrecking ball—including the historic Marra Buildings along West State Street. The entire row of buildings is part of a designated historic district; one of which also received the historic preservation tax credit.



*Once a bank, the iconic Manny Hanny building is becoming a mixed-use downtown anchor.*



Source: Chuck Banas Design

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*The Manny Hanny building project is part of a larger historic redevelopment effort along West Main Street.*

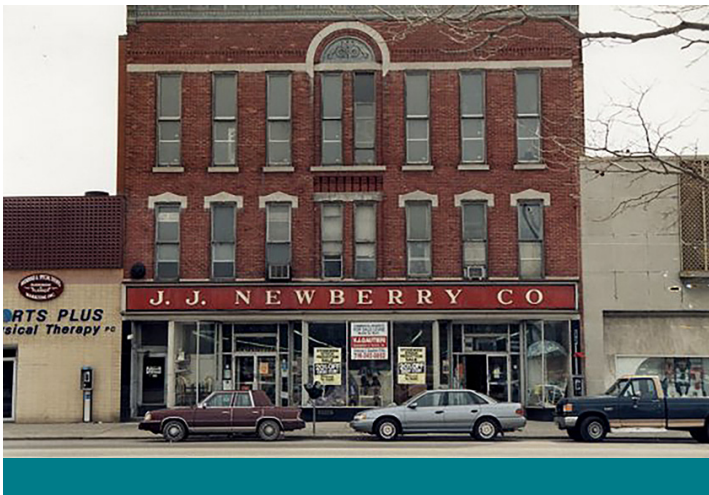
And the Manny Hanny and Marra projects will support one another through shared common areas, circulation routes and amenities. That's project synergy at its best!

## Batavia — Newberry Place Lofts

Newberry Place Lofts in Batavia is another case study in historic preservation. The building was constructed in 1881 for the C.H. Turner & Son Company—furniture-makers and undertakers. It housed various small businesses through the years, including a JJ Newberry five-and-dime store for over 60 years.

The building's nomination to the State and National registry of Historic Places states: "The Newberry building provides a tangible connection to the commercial development on Batavia's Main Street... the building represents the shift from locally owned small businesses to chain stores in the 1920s and 1930s, and it exemplifies the predominate commercial trends from the late 19th Century through the mid-20th Century."

It's the commercial history of Main Street Batavia in one building!



*The Newberry building was once home to the JJ Newberry Five and Dime Store.*

Now, DRI funding and the historic preservation tax credit are breathing new life into the building as it moves into the next chapter of its storied history. The first floor of the building will be renovated for the Eli Fish Brewing Company and the FreshLAB restaurant incubator. (The name of the brewery pays homage to Eli Fish, who owned a downtown brewery called Fish's Malt House in the 1800s.) And four market rate apartments are being developed on the second floor.

**“The DRI provided that needed shot of capital to unlock private investment and reactivate several historic buildings. Downtown Olean is newly attractive to residents, and business owners who want to live and work in a traditional American small city, now that Olean has completed successful projects for placemaking and walkability.”**

**--Jeff Belt, Western NY Regional Economic Development Council Co-Chair and President of SolEpoxy**  
*SolEpoxy is a downtown Olean R&D and manufacturing business.*



*Newberry Place Lofts provides housing, craft beer and a food/restaurant incubator*

And so it is that the old has become the new again... A former department store becomes a micro-brewery and loft apartments. A bank becomes a mixed-use urban anchor. And a pub becomes waterfront housing.

Our historic buildings do indeed shape us; they anchor and define our downtowns, and they remind us of who we are. Thanks to the Governor's DRI and historic preservation tax credit, they will continue to serve a critical role in revitalizing downtowns throughout the State. □



**Office of Planning and Development**

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