New York Main Street Alliance

NYMSA – 4th Friday Talks
April 22, 2022

RENEWING VITALITY IN DOWNTOWN

Elise Johnson-Schmidt, AIA

Johnson-Schmidt, Architect P.C.
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Historically, upper floors were often where shopkeepers lived above their stores.
Upper floor residences were ultimately abandoned for nearby homes.
As time pressed on, upper floors were relatively forgotten, consequently ignored and maintenance became an issue.
Building owners can no longer afford to neglect their upper floor spaces. Lost income and deferred maintenance will lead to significant deterioration and demolition by neglect.
Trends

- Sustainability
- Place Based Development
- Aging In Place
- Urban Centers Gaining Population
- Removal of Parking Requirements
  Which is a principle of Form Based Codes
Form Based Codes

Put simply, a form-based code (FBC) is a way to regulate development that controls building form first and building use second, with the purpose of achieving a particular type of “place” or built environment based on a community vision.

(according to Mary Madden & Joel Russell, well-known planners)
Trends

Green Lab Solutions’ new data studied buildings of $\leq 50,000$ sf

Millennials and Boomers
Character Buildings
Character and Scale of Buildings Matter

Michael Powe, PhD
Senior Research Manager for Nation Trust Green Labs, May 2014
Trends

Kaid Benfield: People Habitat
Kaid Benfield: People Habitat

Trends

Millennials & Transportation

- 26% (+ growing) do not have a driver’s license
- Last decade: miles driven by ages 16-34 dropped 40% per capita
- Bicycling up 24%
- Walking up 16%
1983 – 2014 TEEN DRIVER’S LICENSES DECLINE

It’s especially pronounced for the teens—in 2014, just 24.5 percent of 16-year-olds had a license, a 47-percent decrease from 1983, when 46.2 percent did. And at the tail end of the teen years, 69 percent of 19-year-olds had licenses in 2014, compared to 87.3 percent in 1983, a 21-percent decrease.

study by Michael Sivak and Brandon Schoettle at the University of Michigan Transportation Research Institute
Annual increase in developed land, 1000s acres

Kaid Benfield: People Habitat
Strategies

Take advantage of the Current Trends:

- Develop downtown buildings for Housing
- Invest in “Character Buildings”
- Invest in “Small Buildings” (< 50,000 sf)
- Support Form Based Codes
  - and the changes they bring
  - changes to parking restrictions
- Build Space for Elders which allows them to Age in Place
- Provide a free intown transportation network
- Provide bike racks
- Support bike paths and their path to your door
- Special parking for efficient vehicles
- BECOME the example
Challenges
Challenges

SO: Develop rooftop addition guidelines/ordinance for preventing this kind of alteration to your skyline

Rooftop Additions
Challenge: Safe & Historically Appropriate
Complying with construction codes includes thoughtful solutions for:

- Egress
- Handicap accessibility
- Natural lighting
- Sprinklers/adequate plumbing pressure
- Requirements of building height
- Fire separation
- Ownership separation

Important to create a positive working relationship with your Code Official since rehabilitation projects often require creative thinking to create a safe building.

Challenge:
Balancing Both Sets of Requirements
Challenge: Balancing Both Sets of Requirements

- Complying with the Secretary of the Interior’s Standards
  - Maintaining original stairs
  - Maintaining original arrangement of spaces
  - Maintaining original finishes
  - Maintaining original windows
  - Additions need to relate to original proportions but may not create “historicism”
Challenges
Challenges

Where do we find the funds to fill the “gap”?
Opportunities:
Historic Preservation Tax Credits

for buildings listed on the National Register

Historic Preservation Tax Credits for Investment in Appropriate Rehabilitation of Historic Properties

- **STATE**  20/25/30% State Commercial Tax Credit

  *plus*

- **FEDERAL**  20% Commercial Tax Credit
Opportunities:
for buildings listed on the National Register
State Historic Preservation Tax Credits Available

Connecticut
Homeowner: 30% up to $30K
25% or 30% Opportunity Zone

Maine
25%

Massachusetts
Up to 20% (allocated)

New Hampshire
0

New Jersey
legislation pending

New York
20%/30% (<$2.5 million)

Pennsylvania
25% (allocated)
30% work force housing (alloc)

Rhode Island *
25% trade or business
20% residential apt’s/condos

Vermont
10-50% (allocated)

Downtown and Village Center Tax Credits
Opportunities: Federal & State Historic Preservation Tax Credits

- Listed on the State or National Register of Historic Places

- Approval Process for work to be approved. Receive preliminary approval from SHPO staff for proposed work (allocated)

- Work with experienced design and historic preservation professional(s) who understand requirements and the tax credit process so they are not learning on your project!

- Consult with an attorney or accountant who is experienced with Historic Preservation Tax Credits to set up legal structure for project.
Opportunities: Historic Preservation Tax Credits

✓ Project components such as site work, new additions or other work outside the historic building, however, generally do not qualify

✓ Most interior and exterior work is eligible for the tax credit

✓ The most direct benefit is the owner’s combined tax credits for both State and Federal income taxes

✓ May syndicate the tax credits by bringing partner to project who can utilize tax credits and the owner effectively “sells” the tax credits which brings cash to the project; after five years the partner is paid a fee and the property reverts to the original owner
Case Studies
Case Studies
Case Studies

Eckerd Apartments
Eckerd Apartments

PROJECT DATA

Project: Eckerd Apartments
Location: 47-49 E. Market St., Corning, NY
Type of construction: Brick bearing walls with wood framing
Type of building: Mixed use
Date of construction: 1893
Area of rehabilitation: 9,000 sf
Total cost of rehab: $1,100,000
Cost per square foot: 7,000 sf @ $130/sf + 2000 sf @ $63/sf
Note: -Allowed the retention of historic materials including: floors, ceilings, windows, stairs and third floor space (formerly a dance hall)
-No grant $ at the time except local initiatives
-Met approval of SHPO and NPS for appropriateness
-Difficulty utilizing credits due to structure of ownership

Eckerd Apartments
Case Studies

Eckerd Apartments
Case Studies

After 5 years of effort by MSRA, the first market rate apartment project in downtown Corning was completed in 2001, by MSRA

- 4 apartments created ranging in size from 1000-2800 sf.
- Rents range from $1280-$3600 ($1.28/sf)
- Since 2001 over 150 market rate apartments have been created on Market Street, a 5-block historic district
- Consistently near 100% Occupancy
- Rents are typically $1 - $2/sf/month
- 58 Apartments created in former school (4 blocks away)
- 5 Apartments created in former library (2 blocks away)
Living Downtown

What are people looking for?

CHARACTER
CONVENIENCE & COMMUNITY

What has it generated?

INVESTMENT IN DOWNTOWN

- Sense of community
- A more urban feel
- Unique space that represents individuality
- Nightlife
  - Restaurants
  - Music venues & community activities
  - Movie theater
- Walkable Communities
  - Easy to access grocery shopping
  - Easy access to fitness centers
  - Proximity to healthcare facilities
  - Near work
  - Convenient to Library
  - Easy Socializing opportunities
- Smart space
- Views/natural light

- 150+ Market Rate Apartments
- New restaurants and businesses
- Foot traffic and nighttime activity
- Gallery Walks
- Increased sales
- Additional investment
An independently owned hotel, with a combination of short-stay and long-term stay accommodations.

Market position: A unique, 30-room boutique hotel setting that will cater primarily to:

– Tourists visiting the “wine and water” country and other destinations in the Finger Lakes
– Persons doing business with area firms
– Attendees of meetings/conventions and events in the region
– Parents, sports teams, academic colleagues, and other visitors to Hobart and William Smith Colleges

Case Studies
Case Studies

15 East Market Street
Case Studies

15 East Market Street

Older Photographs
Case Studies

15 East Market Street

Existing Photographs
Case Studies

15 East Market Street
Case Studies

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Case Studies

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Case Studies

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72 East Market Street
Case Studies

72 East Market Street

Existing Photographs
Case Studies

Existing Photographs

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72 East Market Street
Case Studies

North Elevation

72 East Market Street
Case Studies

72 East Market Street
Case Studies

72 East Market Street
Photographs

72 East Market Street

Case Studies
Case Studies

72 East Market Street
Case Studies

18-22 W Market Street
Case Studies

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Case Studies

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Case Studies

Bresee’s Department Store, Oneonta
Case Studies

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Case Studies

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Sorge’s Restaurant
Case Studies

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Feasibility Study
### Case Studies

#### Cattaraugus County - Randolph Apartments

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<td>10,612</td>
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Feasibility Study
### Debt Service Coverage Ratio Analysis

#### Case Studies

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<td>Monthly Base Rent per Square Foot</td>
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<td>Total Base Rent (Annual)</td>
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<td>36,720</td>
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<th><strong>Gross Potential Income</strong></th>
<th></th>
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<tr>
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<td>0.64</td>
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<td>0.68</td>
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<tr>
<td>Vacancy/Bad Debt</td>
<td>25.0%</td>
<td>(15,045)</td>
<td>(15,346)</td>
<td>(15,653)</td>
<td>(15,966)</td>
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<td>46,958</td>
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<th><strong>Outflows</strong></th>
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<tr>
<td>Utilities</td>
<td>0.085</td>
<td>8,191</td>
<td>8,354</td>
<td>8,522</td>
<td>8,692</td>
</tr>
<tr>
<td>Taxes</td>
<td>0.085</td>
<td>8,191</td>
<td>8,354</td>
<td>8,522</td>
<td>8,692</td>
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<tr>
<td>Insurance</td>
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<td>4,914</td>
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<tr>
<td>Other</td>
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<table>
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<table>
<thead>
<tr>
<th><strong>First Mortgage</strong></th>
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<th></th>
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<tr>
<td>Amount</td>
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<td>1.25</td>
<td>1.27</td>
<td>1.30</td>
<td>1.32</td>
<td>1.35</td>
</tr>
</tbody>
</table>

| **Cash Flow**                | -      | 4,722  | 5,200  | 5,689  | 6,187  | 6,695  |

**Debt Service Coverage Ratio**

|                      | 1.25  | 1.27  | 1.30  | 1.32  | 1.35  |

| **Cash Flow** | - | 4,722 | 5,200 | 5,689 | 6,187 | 6,695 |
Calculating the “Gap”

<table>
<thead>
<tr>
<th>Residential</th>
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<tbody>
<tr>
<td>Total Gross Leasable Area</td>
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<tr>
<td>Monthly Base Rent per Square Foot</td>
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<td>Total CAM/NNN Charges (Annual)</td>
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**Net Operating Income (NOI)** 23,936
Calculating the “Gap”

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<td><strong>First Mortgage</strong></td>
<td>19,214</td>
</tr>
<tr>
<td><strong>Debt Service Coverage Ratio</strong></td>
<td>1.25</td>
</tr>
<tr>
<td>Cash Flow</td>
<td>-</td>
</tr>
</tbody>
</table>
Calculating the “Gap”

<table>
<thead>
<tr>
<th>Residential</th>
<th>10,200</th>
<th>10,404</th>
<th>10,612</th>
<th>10,824</th>
<th>11,041</th>
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</thead>
<tbody>
<tr>
<td>Total Gross Leasable Area</td>
<td>3,000</td>
<td>4,000</td>
<td>4,000</td>
<td>4,000</td>
<td>4,000</td>
</tr>
<tr>
<td>Monthly Base Rent per Square Foot</td>
<td>0.75</td>
<td>0.77</td>
<td>0.78</td>
<td>0.80</td>
<td>0.81</td>
</tr>
<tr>
<td>Base Rent Escalator</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>Total Base Rent (Annual)</td>
<td>36,000</td>
<td>36,720</td>
<td>37,454</td>
<td>38,203</td>
<td>38,968</td>
</tr>
<tr>
<td>CAM/NNN Charges Per Sq Ft</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>CAM/NNN Escalator</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Total CAM/NNN Charges (Annual)</td>
<td>36,000</td>
<td>36,720</td>
<td>37,454</td>
<td>38,203</td>
<td>38,968</td>
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<tr>
<td><strong>Gross Potential Income</strong></td>
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<tr>
<td>Average Monthly Income Per SqFt</td>
<td></td>
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</tr>
<tr>
<td>Vacancy/Bad Debt</td>
<td>25.0%</td>
<td>(15,045)</td>
<td>(15,346)</td>
<td>(15,653)</td>
<td>(15,966)</td>
</tr>
<tr>
<td><strong>Expected Gross Income (Annual)</strong></td>
<td>45,135</td>
<td>46,038</td>
<td>46,958</td>
<td>47,898</td>
<td>48,856</td>
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<td><strong>Outflows</strong></td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>Utilities</td>
<td>0.085</td>
<td>8,191</td>
<td>8,354</td>
<td>8,522</td>
<td>8,692</td>
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<tr>
<td>Taxes</td>
<td>0.085</td>
<td>8,191</td>
<td>8,354</td>
<td>8,522</td>
<td>8,692</td>
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<td>Insurance</td>
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<td>4,818</td>
<td>4,914</td>
<td>5,013</td>
<td>5,113</td>
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<td>Management Fee</td>
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<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other</td>
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<td>-</td>
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<tr>
<td>Total Operating Expenses</td>
<td>0.220</td>
<td>21,199</td>
<td>21,623</td>
<td>22,056</td>
<td>22,497</td>
</tr>
<tr>
<td>Expense Inflation Rate</td>
<td>2.0%</td>
<td>2%</td>
<td>2%</td>
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<td>2%</td>
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<tr>
<td><strong>Total Annual Operating Expenses</strong></td>
<td>-</td>
<td>21,199</td>
<td>21,623</td>
<td>22,056</td>
<td>22,497</td>
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<td><strong>Net Operating Income (NOI)</strong></td>
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<tr>
<td>First Mortgage</td>
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<tr>
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<tr>
<td>Amount</td>
<td>175,000</td>
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<td>First Mortgage</td>
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<td>19,214</td>
<td>19,214</td>
<td>19,214</td>
<td>19,214</td>
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<tr>
<td><strong>Debt Service Coverage Ratio</strong></td>
<td>1.25</td>
<td>1.27</td>
<td>1.30</td>
<td>1.32</td>
<td>1.35</td>
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<td>Cash Flow</td>
<td>-</td>
<td>4,722</td>
<td>5,200</td>
<td>5,689</td>
<td>6,187</td>
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</tbody>
</table>
Calculating the “Gap”

TO SUMMARIZE:
We can work backwards to establish what kind of mortgage the project will support, so we can figure out how much we will need in incentives to make project work.

In this example, we have INCOME:

<table>
<thead>
<tr>
<th>Size</th>
<th>Rate</th>
<th>Income per Month</th>
<th>Annual Income</th>
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</thead>
<tbody>
<tr>
<td>1780sf</td>
<td>$0.50</td>
<td>$890</td>
<td>$10,680</td>
</tr>
<tr>
<td>550sf</td>
<td>$0.50</td>
<td>$275</td>
<td>$3300</td>
</tr>
<tr>
<td>1700sf</td>
<td>$0.50</td>
<td>$850</td>
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</tr>
<tr>
<td>4000sf</td>
<td>$0.75</td>
<td>$3000</td>
<td>$36,000</td>
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</table>

GROSS POTENTIAL INCOME = $60,180

- vacancy rate (25%) = -$15,045

EXPECTED GROSS INCOME = $45,135

- expenses = -$21,199

NOI (NET OPERATING INCOME) = $23,936
TO SUMMARIZE:
We can work backwards to establish what kind of mortgage the project will support, so we can figure out how much we will need in incentives to make project work.

In this example, we have:

\[
\text{NOI (NET OPERATING INCOME)} = \$23,936
\]

\[
\text{NOI} - \text{ANNUAL DEBT SERVICE} = \text{CASH FLOW}
\]

\[
\$23,936 \text{ (NOI)} - \$19,214 \text{ (DEBT SERVICE)} = \$4722 \text{ (CASH FLOW)}
\]
Calculating the “Gap”

NOI / DEBT SERVICE = DEBT SERVICE COVERAGE RATIO (DSCR)

$23,936 / $19,214 = 1.2458 OR 1.25 (DSCR)
OR
NOI / DSCR = DEBT SERVICE
OR $23,936 / 1.25 = $19,214 (approx)

The higher the DSCR, the higher the annual income. 1.25 is considered the base for operating in a positive cash flow.

In this case, the project will support a $175,000 mortgage for 15 years @ 7%
THIS EQUATES TO $19,214 PER YEAR IN MORTGAGE PAYMENTS
And the annual income is $4722 in year 1
This will change slightly each year (go up)
Case Studies
Case Studies

Genesee Street, Greene, NY
43-45 Genesee
Greene, NY 13778

Commercial
Price: $435,000
Status: Active
Taxes: $10,159
# Stories: 3
Year Built: 1866
MLS Number: 199743

Community Tools
Community
Schools
Cost of Living

Features
Block exterior
Brick exterior
Lot acreage is: .11
Lot size: 43.7 x 100
Lot zoned: None

Wood floors
Carpet
Tile flooring
Public sewer
Public water

Directions
From intersection of NYS Rts 12 & 206 turn east on 206 this becomes Genesee Street.

Description
1886 three story building in the heart of Greene, NY! First floor

Genesee Street, Greene, NY
# Case Studies

## Residential Rehabilitation

<table>
<thead>
<tr>
<th>Description</th>
<th>Units</th>
<th>Quantity</th>
<th>Material/Unit Cost</th>
<th>Total Cost (each)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apartments</td>
<td>EA</td>
<td>7</td>
<td></td>
<td>175,000</td>
</tr>
<tr>
<td>Main Restoration</td>
<td>EA</td>
<td>0</td>
<td>6,600</td>
<td>6,600</td>
</tr>
<tr>
<td>Apartment Common Area (2 hr rated enclosure)</td>
<td>SF</td>
<td>510</td>
<td>35</td>
<td>17,850</td>
</tr>
<tr>
<td>Mall Reception</td>
<td>LS</td>
<td>1</td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td><strong>SUBTOTAL - Residential Rehabilitation</strong></td>
<td></td>
<td></td>
<td></td>
<td>194,350</td>
</tr>
</tbody>
</table>

## Roof Replacement

<table>
<thead>
<tr>
<th>Description</th>
<th>Units</th>
<th>Quantity</th>
<th>Material/Unit Cost</th>
<th>Total Cost (each)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Skylights</td>
<td>EA</td>
<td>1</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Roof Replacement</td>
<td>SF</td>
<td>4080</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td><strong>SUBTOTAL - Roof Replacement</strong></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

## Elevator

<table>
<thead>
<tr>
<th>Description</th>
<th>Units</th>
<th>Quantity</th>
<th>Material/Unit Cost</th>
<th>Total Cost (each)</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Elevator</td>
<td>LS</td>
<td>1</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td><strong>SUBTOTAL - Elevator</strong></td>
<td></td>
<td></td>
<td></td>
<td>-</td>
</tr>
</tbody>
</table>

## Mechanical, Electrical, Plumbing + Roof Drains

<table>
<thead>
<tr>
<th>Description</th>
<th>Units</th>
<th>Quantity</th>
<th>Material/Unit Cost</th>
<th>Total Cost (each)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electrical</td>
<td>LS</td>
<td>15385</td>
<td>4</td>
<td>41,400</td>
</tr>
<tr>
<td>Plumbing</td>
<td>LS</td>
<td>15385</td>
<td>4</td>
<td>64,600</td>
</tr>
<tr>
<td>Mechanical</td>
<td>LS</td>
<td>10255</td>
<td>1</td>
<td>10,255</td>
</tr>
<tr>
<td><strong>SUBTOTAL - Mechanical, Electrical, Plumbing</strong></td>
<td></td>
<td></td>
<td></td>
<td>93,269</td>
</tr>
</tbody>
</table>

## Fire Protection

<table>
<thead>
<tr>
<th>Description</th>
<th>Units</th>
<th>Quantity</th>
<th>Material/Unit Cost</th>
<th>Total Cost (each)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sprinkler System</td>
<td>LS</td>
<td>12045</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Fire Alarm &amp; Detection System</td>
<td>LS</td>
<td>13945</td>
<td>2</td>
<td>27,890</td>
</tr>
<tr>
<td><strong>SUBTOTAL - Fire Protection</strong></td>
<td></td>
<td></td>
<td></td>
<td>27,890</td>
</tr>
</tbody>
</table>

**Total Cost**

<table>
<thead>
<tr>
<th>Description</th>
<th>Units</th>
<th>Quantity</th>
<th>Material/Unit Cost</th>
<th>Total Cost (each)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dust/Square Foot</td>
<td>SF</td>
<td>10,945</td>
<td>0</td>
<td>42</td>
</tr>
<tr>
<td><strong>TOTAL - Construction Cost</strong></td>
<td></td>
<td></td>
<td></td>
<td>550,055</td>
</tr>
</tbody>
</table>
Genesee Street, Greene, NY

Case Studies

<table>
<thead>
<tr>
<th>Sources</th>
<th>Uses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mortgage (20 year term @ 4.75%)</td>
<td>Building Acquisition (@ $12/sq ft)</td>
</tr>
<tr>
<td>Owner’s Equity/Cash</td>
<td>Renovation/Construction Cost*</td>
</tr>
<tr>
<td>GAP</td>
<td>Architectural/Engineering</td>
</tr>
<tr>
<td>URI GRANT (5 to 1 Match)</td>
<td>Historic Tax Credit Application</td>
</tr>
<tr>
<td></td>
<td>Legal Fees</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td><strong>Total Uses</strong></td>
</tr>
<tr>
<td>$948,555</td>
<td>$948,555</td>
</tr>
</tbody>
</table>

**Historic Tax Credit Benefit**

- Qualified Reimbursable Expenses (assumes 90% of Costs) $587,700
- Historic Rehabilitation Tax Credits @ 20% State* $117,540
- Historic Rehabilitation Tax Credits @ 20% Federal $117,540
- Gross Benefit from Tax Credits $235,080

*Projects put in service after January 1, 2013 are eligible for Cash disbursement (taxed) from New York State.

Solomon-Schmidt Architects PC
# Case Studies

## 43-45 Genesee St - Debt Service Coverage Ratio Analysis

<table>
<thead>
<tr>
<th>Operating Budget</th>
<th>Year 1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
<th>9</th>
<th>10</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Rent ($/Month)</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
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<td>1,500</td>
<td>1,500</td>
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<tr>
<td>First Floor Commercial</td>
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<td></td>
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<td></td>
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<td></td>
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</tr>
<tr>
<td>Square Feet</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
</tr>
<tr>
<td>Monthly Base Rent per Square Foot</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
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</tr>
<tr>
<td>Base Rent Escalation</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Total Base Rent (Annual)</td>
<td>23,400</td>
<td>23,634</td>
<td>23,870</td>
<td>24,109</td>
<td>24,350</td>
<td>24,594</td>
<td>24,840</td>
<td>25,088</td>
<td>25,339</td>
<td>25,592</td>
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<tr>
<td>Total CAM/NNN Changes (Annual)</td>
<td>-</td>
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<td>-</td>
<td>-</td>
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<td>Apt 201</td>
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<tr>
<td>Monthly Base Rent per Square Foot</td>
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<tr>
<td>Base Rent Escalation</td>
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<td>Total Base Rent (Annual)</td>
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<td>6,085</td>
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<td>Total CAM/NNN Changes (Annual)</td>
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<tr>
<td>Monthly Base Rent per Square Foot</td>
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<tr>
<td>Base Rent Escalation</td>
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<td></td>
<td></td>
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<td></td>
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</tr>
<tr>
<td>Total Base Rent (Annual)</td>
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<td>10,361</td>
<td>10,464</td>
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<td>10,675</td>
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<td>10,998</td>
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<td>Total CAM/NNN Changes (Annual)</td>
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<tr>
<td>Square Feet</td>
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<td>1%</td>
<td>1%</td>
<td>1%</td>
<td>1%</td>
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<tr>
<td>Base Rent Escalation</td>
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<td></td>
<td></td>
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</tr>
<tr>
<td>Total Base Rent (Annual)</td>
<td>13,020</td>
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Genesee Street, Greene, NY
## Case Studies

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### Gross Potential Income

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<td>Vacancy/Redevelopment</td>
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<td>(9,155)</td>
<td>(9,247)</td>
<td>(9,339)</td>
<td>(9,432)</td>
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<td>(9,618)</td>
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<td>Expected Gross Income</td>
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### Overhead

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Genesee Street, Greene, NY
### Case Studies

**Total Operating Expenses:**
- 25,940
- 25,940
- 25,940
- 25,940
- 25,940
- 27,100
- 28,260
- 29,420
- 30,580
- 31,740

**Expense Inflation Rate:**
- 0%
- 0%
- 0%
- 0%
- 0%
- 0%
- 0%
- 0%
- 0%
- 0%

**Total Annual Operating Expenses:**
- 25,940
- 25,940
- 25,940
- 25,940
- 25,940
- 27,100
- 28,260
- 29,420
- 30,580
- 31,740

*Assumes IDA payment in lieu of taxes in place*

**Net Operating Income (NOI):**
- 56,453
- 57,277
- 58,109
- 58,950
- 59,799
- 59,496
- 59,202
- 58,917
- 58,640
- 58,372

**First Mortgage**
- **Rate:** 4.75%
- **Term:** 20
- **Amount:** 575,000

**Mortgages:**
- 45,167
- 45,167
- 45,167
- 45,167
- 45,167
- 45,167
- 45,167
- 45,167
- 45,167

**Debt Service Coverage Ratio:**
- 1.25  1.27  1.29  1.31  1.32  1.32  1.31  1.30  1.30  1.29

**Cash Flow:**
- 11,287
- 12,111
- 12,943
- 13,783
- 14,632
- 14,330
- 14,036
- 13,780
- 13,474
- 13,206

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Genesee Street, Greene, NY

Johnson-Schmidt Architect PC
Case Studies

Genesee Street, Greene, NY
Genesee Street, Greene, NY
Case Studies

Genesee Street, Greene, NY
Case Studies

GENESEE STREET, GREENE, NY

Code Review
Johnson - Schmidt & Associates
15 East Market Street #202
Corning, NY 14830
Phone 607-937-1946
Fax 607-937-6137

April 22, 2016

Re: 43-43 Genesee St, Greene, NY

CHANGE OF OCCUPANCY

This code review concerns the renovation of a historic building, which will receive tax credits.

1. This is a Historic Building and will benefit from Historic Building Code Section
   a. Historic fabric cannot be altered or replaced “in-kind”.
   b. If Historic fabric is at a fire wall intumescent paint may be applied to bring the rating closer to the required rating when a sprinkler is installed throughout.
   c. Where 1 hour rated construction is required as need not be provided where both plaster and plasterboard exist.

2. Change of Occupancy
   a. Basement: The occupancy will remain storage and utility space for the 1st floor tenants.
   b. 1st Floor: The occupancy will change use, but remain the same occupancy, which is Mercantile. It will change from a hardware store to a specialty clothing store.
   c. 2nd Floor: The occupancy will remain Residential-2, where R-2 exists and the storage area will change to Residential-2.
   d. 3rd Floor: The occupancy Residential-2 will remain, but will be altered.
   e. 4th Floor: The occupancy Residential-2 will remain, but will be made part of an apartment.
   f. In general, the spaces will be altered as little as possible to meet the needs of the Owner, the alterations level 3 will be used for much of the building.

3. Building Type (Chapter 5 BCNYS)
   a. This building has four stories and is type 3B construction. For life safety purposes it is reasonable to exclude and make the 300 SF 4th story part of a 3rd floor apartment since it is only large enough for a bedroom and is well within travel distance for one exit building.
   b. Since the building is 3B construction, non-combustible construction shall be used at exterior walls. The interior may be constructed with combustible materials allowed by code.
   i. Combustible existing and historic fabric is exempt.

4. Sprinkler System (Fire Protection 912.2.1 EBCNYS)
   a. A sprinkler system is required in the rear 2nd floor apartment since it is a change of occupancy. We propose to provide a 2-hour rating at this apartment. Code Enforcement may require the residential

Page 1 of 4

Page 2 of 4
Case Studies

Genesee Street, Greene, NY
Case Studies

KEEP CALM WE HAVE A CHANGE OF PLANS

Genesee Street, Greene, NY
Case Studies

Filling the Gap:

Grant Funding and Financial Tools:

- RestoreNY
- ESDC Grants
- Environmental Protection Fund
- Historic Preservation Tax Credits
- Main Street Funds

Negotiate a Lower Purchase Price

Reduce Project Scope

Genesee Street, Greene, NY
Case Studies
Johnson City

Main Street
Johnson City

Main Street
Johnson City

Main Street
Case Studies

Elmira, NY Artist Housing in Construction
Case Studies

Elmira, NY Artist Housing in Construction
Case Studies

Elmira, NY Artist Housing in Construction
Case Studies
Case Studies

Steuben Co Bank/Masonic Hall
Case Studies

Steuben Co Bank/Masonic Hall
Case Studies

Steuben Co Bank/Masonic Hall
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Steuben Co Bank/Masonic Hall
Case Studies

Steuben Co Bank/Masonic Hall
Case Studies

BEFORE  War Memorial Library
Case Studies

BEFORE 29 E Market St
Case Studies

BEFORE  27 E Market Galvin & Haines
Case Studies

BEFORE  27 E Market Galvin & Haines
Case Studies

BEFORE 27 E Market Galvin & Haines
Case Studies

BEFORE  Hawke’s Glass Engraving Factory I
Case Studies

BEFORE  Hawke’s Glass Engraving Factory I
Case Studies

BEFORE  Hawke’s Glass Engraving Factory I
Case Studies

BEFORE  Hawke’s Glass Engraving Factory II
Case Studies

BEFORE 

Hawke’s Glass Engraving Factory II
Case Studies

BEFORE Hawke’s Glass Engraving Factory II
Case Studies

BEFORE  Hawke’s Glass Engraving Factory II
New York Main Street Alliance
NYMSA – Fourth Friday Talks
April 22, 2022

Elise Johnson-Schmidt, AIA
Johnson-Schmidt, Architect P.C.
www.PreservationArchitects.com
Elise@PreservationArchitects.com