



MDA chooses VIP to transform four buildings in Syracuse's 300 block: \$25 million project

April 23, 2010 - Upstate New York

According to the Metropolitan Development Association of Syracuse and Central New York (MDA), VIP Structures has been selected to redevelop four buildings in the 300 block of South Salina St. VIP will turn the structures into a mix of residential and retail space. They will develop Salina St.'s Chamberlin, Witherill, Wilson and Bond buildings as "Pike Block," named for Henry Pike, the original developer and builder of the Witherill building. Support for the development is led by funding from NYS assembly speaker Sheldon Silver, assemblyman William Magnarelli, Empire State Development, and senator David Valesky.

"The 300 block of South Salina is the psychological heart of our City," said Robert Simpson, president and CEO of the MDA. "For more than a decade, this block has been an all-too-visible reminder of the work that remains to complete downtown's transformation. Today, that changes. This block will be a symbol that our community can tackle even its most difficult challenges, showing that with patience, hard work and unanimity of purpose, we can achieve our vision for downtown. When finished, this project will be the standard by which downtown Syracuse is judged. A once-vibrant commercial corridor will be a proud downtown anchor once again."

VIP will build out Pike Block's 130,000 s/f of space into 87 one and two-bedroom apartments and 25,000 s/f of street level retail space. Green features will also be incorporated into the buildings, including rooftop rain gardens, permeable paving, and recycling of rain water for use in the buildings' toilets.

The Pike Block project will produce a \$25 million investment in the downtown area. Funding for the project includes support from Silver and Magnarelli; grants from NYS' City by City, Restore NY, and Environmental Protection Fund programs; a grant secured by Valesky; financing from the Syracuse IDA; the Syracuse Neighborhood Initiative, a program made possible by former congressman James Walsh; National Grid; the Downtown Committee of Syracuse's Main St. Program; and a loan from the Syracuse EDC. The Community Preservation Corp. (CPC) is providing \$9.3 million in permanent financing.

"The key to revitalizing upstate New York is investing in projects that will attract businesses and residents to economically struggling areas," said Silver. "My assembly majority colleagues and I know that it is critical to continue to focus on redeveloping urban areas, and that encouraging economic growth and revitalization is integral to the livelihood of our communities."

"I am pleased to be here for the presentation of the new Pike Block project on the 300 block of South Salina St. The redevelopment of this block marks the commencement of the revitalization of downtown Syracuse," said Magnarelli. "It has been a pleasure working with the Metropolitan Development Association and speaker Sheldon Silver to secure the funding necessary to make this project a reality."

"This is the beginning of a true investment in and transformation of the 300 block of South Salina St. and will be instrumental to revitalizing downtown Syracuse," said mayor Stephanie Miner. "I am pleased that this public-private partnership has produced such a significant investment in the heart of our city and would like to thank the MDA, VIP Structures and our state elected officials - particularly Speaker Silver - for their leadership on this project."

"CPC has been a pioneer in financing multi-family projects in downtown Syracuse neighborhoods, such as this one," said Nick Petragani, regional director of CPC's central region office. "We are pleased to commit to permanent financing of \$9.3 million for this outstanding project, which is an excellent example of how successful public-private collaborations can help to improve the lives of Syracuse residents."

The Pike Block development is one of the first projects to take advantage of the expanded NYS Historic Rehabilitation Tax Credit, which provides commercial developers with a 20% tax credit on qualified rehabilitation costs on historic properties.

Similar tax credits in other states have proven to provide a cost effective economic stimulus for historic urban cores by creating jobs, enhancing tax base growth, increasing property values, and attracting business to existing commercial districts.

"The Pike Block project is a great example of how the sustainable neighborhoods and commercial districts can be reborn in the historic urban areas of NYS," governor David Paterson said. "I signed the enhanced Historic Rehabilitation Tax Credit into law last July so that it could be used just like this; as a tool in helping developers and small businesses revitalize vacant, underutilized buildings in the hearts of our cities and villages. I applaud the Metropolitan Development Association of Syracuse and central New York for taking advantage of the programs the state has made available to them, and for doing their part to help revitalize New York."

"I am pleased to have supported this important project, both directly and through the passage of the Historic Rehabilitation Tax Credit, that will have a transformative effect on downtown Syracuse," said Valesky. "It is a great example of how the HRTC helps to create an environment that is attractive to developers and businesses across upstate New York."

The Pike Block project initially began in December 2005 when Adapt CNY, Inc., a non-profit entity spun out of the 40 Below organization, secured control of the Wilson Building from the city. Adapt CNY has raised more than \$1 million in grants and private donations, and helped lay the groundwork for the project.

"Adapt CNY is proud to be a partner in the redevelopment of the 300 block project," said James Thoman, president of Adapt CNY. "We have been working towards this goal for several years now and are highly encouraged by the selection of VIP Structures as a partner in the redevelopment of the Wilson Building."

Recognizing the role strong urban cores play in producing economically vibrant regions, the MDA, with the direction of the region's business leadership, identified the need to take on this transformative project. The MDA sought to reestablish the city's main street by acquiring three of the Pike Block buildings in August 2007, packaging the properties, negotiating their redevelopment as one project, facilitating financing, and finding the strongest development team to move the project forward.

VIP was chosen through a competitive request for proposals process. A committee of 10 community and business leaders, with backgrounds in finance, construction, and real estate, reviewed the proposals, selecting VIP in summer 2009.

"We see a tremendous opportunity in the Pike Block project to take another positive step forward in the redevelopment of the downtown area. This project creates an exciting link between a mature historic district in Armory Square and the newly designated South Salina Street Historic District," said David Nutting, AIA, chairman & CEO, VIP Structures.

"There have been many organizations and individuals that have contributed to making this day happen - the MDA, City of Syracuse, Adapt CNY; the lending institutions and grantors in the public and private sectors. Thank you to our focus group and volunteers from across the community who have helped with our building clean-out projects," said Nutting.

Construction is scheduled to begin in spring, with anticipated completion in fall 2011. The architect is VIP Architectural Associates, PLLC.

Volunteer efforts to date have helped lay the groundwork to begin construction, including a 2006 cleanout of the Wilson building, and cleanouts of the Chamberlin and Witherill buildings in January. Architectural design and concept drawings for the residential components of project have already begun.

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