

Attachment to Site Plan Review Application

250 Harrison Street LLC Project Description

The project is the reconstruction of the building located at 600 Montgomery Street and Harrison Street in the City of Syracuse, to convert the mostly-vacant building into residential housing with ground floor retail space. We refer to the building as “250 Harrison Street” in this Application.

250 Harrison Street was built in 1928 to be one of the nation’s original Hilton Hotels. It is a grand historic building that has languished in a perpetual state of underutilization for decades following an uninspired post mid-century conversion to a “modern” office building. Today the offices sit mostly vacant and the ground floor commercial storefronts are vacant, except for the approximately 2,500 square foot Ale ‘n Angus Pub.

The lot is 50 feet deep by 144 feet wide, for a total of 7,200 square feet. The building is six stories, totaling 36,684 square feet.

250 Harrison Street is currently a mixed-use building, with retail on the ground floor, retail supportive space and storage in the basement, and office on the upper five floors. The vast majority of the office space is currently vacant, and half of the retail ground floor space is currently vacant. Ale ‘n Angus Pub leases half of the ground floor retail space and will continue to operate throughout the renovation project. No part of the renovation project will touch the Ale n’ Angus space.

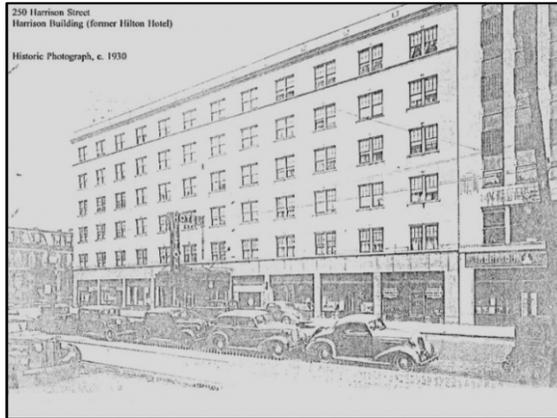
- All of the office space, totaling approximately 26,000 square feet, will be vacant at the time of the renovation and will be converted into residential apartments. Our plans include a total of 35 apartments, including 5 studios, 25 one bedrooms, and 5 two bedroom units. 10% of the apartment units will be affordable dwelling units as required by Syracuse Zoning Ordinance.
- The basement storage space will be repurposed for amenity space for the apartments and apartment storage space.
- Ale ‘n Angus (approximately 2,500 square feet) will continue as-is and will be wholly excluded from our renovation project.

- The remaining retail half of the ground floor (approximately 2,500 square feet) that is currently vacant will be “white boxed” for future retail use.
- There is no associated parking with the project.
- Exterior work will consist of installation of new windows to match historic appearance and general cleaning and minor masonry repair as needed.
- We have invested \$2,500,000 in the project to date, for property acquisition (\$2,000,000) and pre-development costs (\$500,000).

Approximately \$271,000 of the \$13,000,000 project budget, or 2%, relates to the purchase and improvement of the first-floor retail space, as follows:

	<u>Total Project</u>	<u>Retail Portion</u>
Land Acquisition	\$1,900,000	\$271,000 (14% of acq.)
Site Work/Demo	\$500,000	\$25,000
Construction/renovation	\$9,000,000	\$0
Furniture/Fixtures	\$100,000	\$0
Engineering/Architecture	\$250,000	\$0
Financial Charges	\$500,000	\$0
Legal Fees	\$250,000	\$0
Mgmt/Developer Fees	<u>\$500,000</u>	<u>\$0</u>
Total Project	<u>\$13,000,000</u>	<u>\$296,000</u>

When finished, 250 Harrison will be a residential housing building with ground floor retail uses. In many ways, the new use will be compatible with the historic use of the building as hotel beds and residential over ground floor retail, as can be seen well in this great historic photo of the building from 1928.



We at High Tide Capital, owners of 250 Harrison Street LLC, are historic developers. It is all that we do. We believe strongly in the transformative power that good adaptive reuse, historically appropriate, redevelopment can have on neighborhoods and communities. This is what we are striving to do in downtown Syracuse, with 250 Harrison Street being the first of, hopefully, many such projects.

In order to make these projects possible, we need to utilize the incentives of the federal and New York State historic tax credit programs. Unfortunately for ourselves as redevelopers of 250 Harrison Street and for the other building owners in our vicinity in the Harrison / Montgomery Street corridor, there was no federal historic district around our building and thus no access to the tax credit program. So the first thing we did was to go about changing that, and we have successfully extended the nearby Montgomery Street – Columbus Circle Historic District, at both the state and federal level, to include 250 Harrison and 10 other newly eligible historic buildings. It is our hope that through our efforts and investment to expand the historic district that more beneficial historic adaptive reuse projects will take place in our neighborhood.

The historic tax credits, estimated at approximately \$3,000,000 are not reflected in the estimated sources and uses of funds for the project on page 6 of the SIDA Application. They are treated as a return of equity/liquidity event after the project is completed.

Even with the historic tax credit incentives, these kinds of adaptive reuse projects remain financially challenged. Construction costs remain elevated, especially in the key mechanical fields of plumbing, electrical, and HVAC. These elevated costs, coupled with high interest rates and the challenging debt environment, combine to make large scale renovations difficult to pencil. So we are seeking assistance and support from the Syracuse Industrial Development Agency to help us make our dreams of the redevelopment of the historic Hilton Hotel building at 250 Harrison Street a reality.