

## **Livingston County IDA** **Adaptive Reuse Policy**

Adaptive Reuse is the process of adapting old structures or sites for new purposes.

Portions of existing commercial building inventory in Livingston County are considered functionally obsolete. These vacant and often distressed structures impact all property types in all areas of the county.

Adaptive reuse projects present unique challenges to development by private market activity, among these are:

- Higher costs associated with development of sites and structures
  - Environmental Remediation issues
  - Building Code issues
  - Physical Development issues
  - Changing Marketplace-changing requirements
- Local real estate values that do not support increased upfront development costs

**These structures also present many governmental and regional growth issues for the county.**

- Public safety concerns from abandoned and deteriorating structures
- Significant costs to local governments for demolition or remediation of sites and buildings that end up in public ownership through abandonment or tax delinquency
- Increased public infrastructure costs associated with new site and building development
- Obsolete buildings
- Older commercial districts

These structures present unique challenges to development and adversely impact the economic viability of the neighborhoods and districts surrounding them by contributing to:

- Commercial blight
- Public safety concerns
- Environmental concerns
- Depression of local real estate values
- Economic viability issues for infill development

In an effort to advance a strategy for development, The Livingston County Industrial Development Agency (LCIDA) should pursue and **Adaptive Reuse Strategy** that encourages the redevelopment of old structures or sites for new purposes with this plan.

***This represents a shift in development focus of the LCIDA to assuming an active role in building and site development in targeted areas and for specific purposes in the county.***

Local real estate values do not support increased upfront development costs. These structures also present many governmental and regional growth issues for the county; public safety concerns from abandoned and deteriorating structures, significant costs to local governments for demolition or remediation of sites and buildings that end up in public ownership through abandonment or tax delinquency, or increased public infrastructure costs associated with new site and building development.

Current LCIDA policies make the use of IDA benefits problematic and difficult to use in adaptive reuse projects. Present policy and state law focus on end use(s) of projects which may not be fully known in adaptive reuse scenarios. Many adaptive reuse projects are large floor plan structures which typically have a mix of uses making project eligibility determinations difficult.

The adoption of a proactive adaptive Reuse Policy and Strategy will create many benefits to the region, including:

- Redevelopment of blighted sights and or structures
- Promoting infill development that utilizes existing public infrastructure
- Supporting the Framework for Regional Growth Plan
- Creating new economic activity at difficult sites and buildings, helping reduce blight
- Promoting a green redevelopment strategy, recycling existing buildings and sites
- Helping maintain neighborhood fabric and historic nature of area structures

**By implementing an Adaptive Reuse Policy the LCIDA will create a system to evaluate projects for adaptive reuse utilizing the following required criteria:**

1. Age of structure. Structure must be at least 20 years old and present functional challenges to redevelopment.
2. Structure has been vacant or underutilized for a minimum of 3 years.
3. Underutilized being defined as a minimum of 50% of the rentable square footage of the structure being vacant, or structure being utilized for a use which the structure was not designed for.
4. Structure is not generating significant rental income
5. Demonstrated evidence of financial obstacle to development without LCIDA or other public assistance
6. Demonstrated support of local government entities

Other factors to be considered:

7. Site or structure is located in a distressed census tract
8. Structure presents significant costs associated with building code issues associated with new development making the project financially unfeasible
9. Site or structure is presently delinquent in property tax payments

A project summary will be prepared and presented to the LCIDA which will evaluate each project on the above stated criteria, for review and determination of project eligibility and assistance by the LCIDA.

**\*All adaptive reuse projects must comply with existing state law and adopted IDA eligibility requirements.**

Pursuant to this policy, adaptive reuse projects may include eligible uses that are presently not considered for LCIDA assistance under non-adaptive reuse project scenarios, i.e. certain retail uses and market rate housing.

**LCIDA Benefits Available to Project:**

- NYS Sales Tax Abatement
- Mortgage Recording Exemption
- Real Property Tax Abatement

\* Benefits shall be consistent with current LCIDA Uniform Tax Exemption Policy

Adopted 1/8/16