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MDA Announces Development of Four Downtown Buildings

VIP to Transform Historic Syracuse Structures into "Pike Block"

Assembly Speaker Silver, Assemblyman Magnarelli

Empire State Development, Senator Valesky

Lead Public-Private Partnership with VIP in \$25M Project

SYRACUSE, NY – The Metropolitan Development Association of Syracuse and Central New York (MDA) announced that a Syracuse firm has been selected to redevelop four prominent buildings in the 300 block of South Salina Street. VIP Structures will turn the historic structures into a mix of residential and retail space, revitalizing this critically important section of downtown Syracuse. VIP will develop Salina Street's Chamberlin, Witherill, Wilson and Bond buildings as "Pike Block," named for Henry Pike, the original developer and builder of the Witherill building. Broad-based public and private support for the Pike Block development is led by funding from New York State 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 M. 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 square feet of space into 87 one and two bedroom apartments and 25,000 square feet of street level retail space. Numerous "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 downtown Syracuse thanks to financing commitments from a coalition of public and private partners. Funding for the project includes support from the New York State Assembly secured by Speaker Silver and Assemblyman Magnarelli; grants from New York State's City by City, Restore NY, and Environmental Protection Fund programs; a grant secured by Senator Valesky; financing from the Syracuse Industrial Development Agency; the Syracuse Neighborhood Initiative, a program made possible by former Congressman James Walsh; National Grid; the Downtown Committee of Syracuse's Main Street Program; and a loan from the Syracuse Economic Development



Corporation. The Community Preservation Corporation (CPC) is providing the permanent financing.

“The key to revitalizing upstate New York is investing in projects that will attract businesses and residents to economically struggling areas,” said New York Assembly Speaker Sheldon Silver (D-Manhattan). “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 Street. The redevelopment of this block marks the commencement of the revitalization of downtown Syracuse,” said Assemblyman William 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 Street 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 also notable as one of the first prominent projects to take advantage of the recently expanded New York State 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 New York State," New York Governor David A. 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 New York State Senator David 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.”

Many community stakeholders, individuals, and organizations have been instrumental in moving this project forward. 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 of Syracuse. Adapt CNY has raised more than \$1 million in grants and private donations, and helped lay the groundwork for redevelopment on the 300 block.

“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 Syracuse’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 Structures 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. Since that time, VIP Structures has been dedicated to executing a vision for the project that will have a measurable impact on the transformation of their hometown.

"We see a tremendous opportunity in the Pike Block project to take another positive step forward in the redevelopment of downtown Syracuse. 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 C. 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,” added Nutting.

Construction is scheduled to begin in spring of 2010, with anticipated completion in fall 2011. 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 2010. Architectural design and concept drawings for the residential components of project have already begun.



About VIP Structures

VIP Structures is an integrated design-build firm with extensive design and construction experience in a wide range of industries; manufacturing, warehousing, municipal, historic; healthcare and building/office renovation. The firm offers expertise and experience in the fields of value engineering, integrated project design, scheduling, cost control and project/employee safety. Formed in 1975, VIP Structures earned the reputation as the builder of noteworthy projects centering on large steel buildings for industrial use. Today VIP Structures enjoys the challenge of design, construction and development projects across Central and Upstate New York. For more information about the Pike Block project, visit www.pikeblock.com.

About the MDA

The MDA is a not-for-profit planning and economic development organization representing the chief executives of approximately 200 prominent businesses and institutions in the twelve-county Central Upstate Region. The results-driven organization serves as a vehicle for business leaders to become involved in shaping the face of the region for the benefit of all who live here. For more information, visit www.mda-cny.com.

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