Fruit Belt/Buffalo Niagara Medical Campus Tax Increment Financing District

CITY OF BUFFALO, NEW YORK
PROJECT PLAN
CENTER FOR URBAN STUDIES
DEPARTMENT OF PLANNING
SCHOOL OF ARCHITECTURE AND PLANNING
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Sam Cole
Henry L. Taylor, Jr.
Richard Milgrom
Samina Raja

Executive Summary

The Fruit Belt/Medical Campus
Tax Increment Financing District

Background of Project

New York State policy as embodied in its Municipal Redevelopment Law seeks to facilitate the sound development of blighted communities faced with deteriorated structures, unproductive property, and poverty.[1] Whenever redevelopment cannot be accomplished through private enterprise alone, public means in the acquisition, planning, financing, assembly, and clearance of land, making necessary improvements through eminent domain, expending public funds, and other means whereby blighted areas may be redeveloped or rehabilitated may be employed. The Municipal Redevelopment Law entitles municipalities (individually or as joint undertakings) to issue tax increment bonds that are payable from and secured by real property taxes. This proposal seeks to establish a TIF (Tax Increment Finance) district for this the Fruit Belt and the adjacent Buffalo Niagara Medical Campus.

In its Master Plan, the City of Buffalo uses a Neighborhood Condition Index (NCI) to grade City neighborhoods into “Poor”, “Fair” and “Good”. The NCI is based directly on using “key economic and social variables”, primarily those correlating with poverty, such as unemployment, the housing cost burden, and single-headed dependent families. Despite its exclusively socio-economic content, the NCI is used primarily to triage neighborhoods for physical redevelopment. In the Master Plan poor areas, such as the Fruit Belt, are designated for “substantial clearance of blighted property and land assembly for redevelopment with major changes to the existing development (creating) significant future redevelopment opportunities”. The strategy implies an accelerated erosion of the neighborhood’s remaining housing stock and dispersion of the population. This approach compliments the City’s failed strategy of heavily subsidizing construction of a small number of in-fill suburban-style replacement houses in poor neighborhoods, with little or no attention to the neighborhoods’ environment and amenities. While the building of a small number of in-fill housing may have improved living conditions somewhat, it has not halted the decline of housing and neighborhood conditions or the out-migration of population from the East Side.

Even though the City’s new strategy is driven, in part, by Buffalo’s current budgetary plight, it is neither warranted, nor necessary. Most of the remaining housing stock in the Fruit Belt is reparable, and the neighborhood, whist poor, still accommodates a functioning community. The City of Buffalo Real Property file describes the <u>physical</u> condition of every property in the City on a scale of one (low) to four (high). The average

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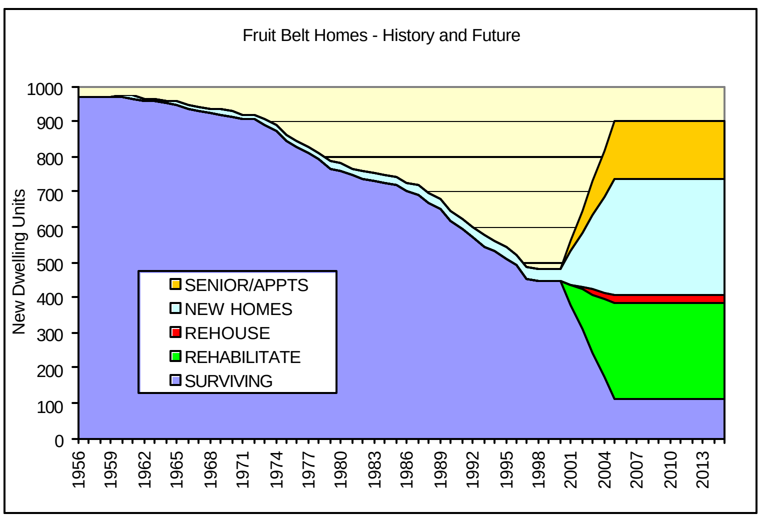
[1] New York State Assembly. Article 18-C. Municipal Redevelopment Law. Sect 970-b. Tax increment bonds and allocation are covered in Sect 970-m and 970-p. http://assembly.state.us/leg/..

for the Fruit Belt is 2.84 compared to 2.94 for the entire city.[2] The Fruit Belt/Medical Campus project proposed in this document advocates a different strategy based on the viability of the present housing stock and community, and the potential for revitalizing the neighborhood into primarily residential district near the City Center. Moreover, the public sector investment needed to initiate such development is to be raised through Tax Increment Financing (TIF).

It is not surprising given its present blighted condition and officially designated prospects, that the Fruit Belt neighborhood is unattractive to private commercial and residential investors. Nonetheless, the neighborhood has considerable potential since it is situated within the boundaries of Buffalo's Downtown Area and shares the many advantages of other downtown neighborhoods. It has access to major urban arteries, is home to a prosperous Medical Campus, is located on the transit line, and is close to some of the most desirable residential districts in the city. The key to Fruit Belt revitalization is to realize that the location advantages of inner city neighborhoods apply to residences as well as businesses. Several studies, including the City of Buffalo Downtown Employee Survey, demonstrate the demand for affordable rental and owner occupied accommodation in historic districts near the Central Business district (CBD) and Theater District.[3]

<u>Figure 1. Past Decline and Future Revitalization of the Fruit Belt (Number of homes)</u>



The new economy of the neighborhood would be driven by new housing demand that exploits this advantage, particularly the fact that properties and land are currently

[2] Even though this information about the condition of the City's housing stock are most relevant for the Neighborhood Condition Index, it is not incorporated by the City Office of Strategic Planning into the NCI.
[3] The underlying basis for the approach to revitalizing the Fruit Belt has been argued in several documents, not least Development of A Turning Point Scenario: A Strategic Plan and Action Agenda for the Fruit Belt/Medical Campus (Center for Urban Studies, 2001). This document has already been adopted by the City of Buffalo Common Council. Structural Racism and Efforts to Radically Reconstruct the Inner-City Built Environment (Center for Urban Studies, 2001. Association of Collegiate Schools of Planning Fannie May Foundation Award Best Action Research Paper. 2001).

undervalued relatively to their favorable location and potential. The large number of vacant properties in the neighborhood makes possible the construction of many desirable properties and most of the remaining structures can be rehabilitated into charming homes.[4] This neighborhood would include clusters of new townhouses, condominiums, and rehabilitated single-family homes with landscaped streets and open space, commercial development, and other amenities making it a vital place to live and work – a complete reversal of present trends, as illustrated by Figure 1.

Goal of the Project

The goal of the Fruit Belt/Buffalo Niagara Medical Campus project is to create a multicultural and cross-class neighborhood, retaining the existing population base and encouraging the in-migration of new residents. The new residents would primarily be young, upwardly mobile workers from the Medical Campus and other downtown businesses who currently commute from the suburbs. A major study, the 1998 Downtown Employee Survey showed that there is substantial demand for affordable accommodation close to the Downtown from most socio-economic categories, but especially by young middle-income professionals. Of these prospective residents, about one half currently commutes from the suburbs. By retaining the current residents and by attracting a significant number of new residents into the community, the development envisaged in this proposal can be realized.

The combined income of daytime workers and the enlarged residential population would create demand sufficient to support a mid-sized community shopping and social service district. The development of the commercial corridor will not only provide a range of high quality goods and services for neighborhood residents, hospital workers, and nearby neighborhood residents, but it will also create a physical, social, and economic bridge that links the Medical Campus with the Fruit Belt. The revitalization of the Fruit Belt neighborhood would also bolster the development of the Medical Campus by providing more attractive local accommodation for employees and by reducing the cost of operation. To realize this potential, considerable public and private investments are needed to improve the physical, visual, environmental, and social conditions of the neighborhood. Public investment will also leverage private sector investment in new dwellings and commerce, which in turn will raise property values.

Importantly, to avoid gentrification of the neighborhood, currently owner-occupied dwellings as far a possible would be refurbished at public cost, as would the demolition of irreparable homes, the re-housing of displaced residents, the repair of most streets, and the landscaping of public space. Additionally, since improvements in property values over time will cause assessments to rise, existing property owners should be protected from excessive costs through full or partial abatement of taxes on the appreciation. These taxes may be applied retroactively upon sale of the property.

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[4] See e.g. Bothwell, S., R. Gindroz, and R. Lang. 1998. Restoring Community through Traditional Neighborhood Design: A case Sudy of Diggs Town Public Housing. Housing Policy Debate. 9:1. Fannie Mae Foundation.

Tax Increment Financing

The intent of the Municipal Redevelopment Law and the purpose of tax increment financing as the instrument to ensure such developments is manifest. The legislation is rather flexible in that it allows for modification of plans and permits joint undertakings between municipal entities. It also expands the pool of resources available to the City. For these reasons, a Tax Increment Finance District is an ideal instrument for the City of Buffalo to finance the initial public investment. Moreover, for the lifetime of the TIF, until the bond is repaid, the authority administering the TIF receives all School, County, and Sewerage Authority property taxes on the improvements and appreciation that are used to repay the TIF bond.[5] There are, nonetheless, restrictions on the use of funds and ambiguities in the legislation that may necessitate use of gap financing through grants and loans for the Fruit Belt/Buffalo Niagara Medical Campus project. Whether or not the TIF bond is supplemented with gap financing, the total private investment in the district is expected to be several times that of the public investment. As the later calculations demonstrate, the return on overall investment is forecast to be sufficient to repay public costs while still making the private sector investment attractive. Moreover, the TIF bond should be fully paid-off well within the physical lifetime of the new properties, after which the City will continue to enjoy increased property taxes from the neighborhood.

The TIF instrument is not widely used in New York State. However, tax increment financing has been used successfully in California, Indiana, Ohio, Texas, Pennsylvania, Minnesota, and Illinois.[6] Of particular relevance is the use of the TIF in Urbana, Illinois to finance affordable housing in a community similar to the Fruit Belt. As with the Fruit Belt proposal, proponents first used tax increment impact analysis to argue the feasibility of tax increment finance for a project. The Urbana case demonstrates that once improvements are made, tax increment financing can serve as an effective method of providing affordable housing.[7] Nonetheless, such studies also demonstrate the importance of appropriate application and administration of the TIF.[8] While the relevant TIF statues vary considerably across states, it is notable that a recent study of 707 TIF districts (in Illinois) shows a positive relationship between blight and property value growth in the districts.[9] This finding arises, in part, because a high proportion of the lots are vacant and

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[5] The New York State constitutional amendment to the TIF statute that excludes school district taxes will not affect the income since these taxes are a line item in the City of Buffalo budget.

[6] Tax Increment Financing, Program Evaluation Division, Office of the Legislative Auditor, State of Minnesota, March 1996; Craig L. Johnson and Joyce Y. Man, *Tax Increment Financing and Economic Development: Uses, Structures, and Impact* (Albany: State University of New York Press, 2001).

[7] Andrea Elson, Garrit Knaap, and Clifford Singer. Using TIF to Provide Affordable Housing: A Fiscal Impact Analysis of the King Park TIF District in Urbana, Illinois, in Johnson, et al. *Tax Increment Financing and Economic Development,* pp. 193-221.

[8] Reingold, D. 1999. Are TIF's being Misused to Alter Patterns of Racial Segregation? Reingold describes the potential costs of misuse and also the need for competent organization that take full account of , and protect, neighborhood interests. This case study illustrates several issues relevant to the organization of the Fruit Belt/Buffalo Niagara Medical Campus TIF, for example, the TIF could resulting in movement of population within the city, subsidize private developers, provide windfall profits to absentee landlords, or promote neighborhood gentrification.

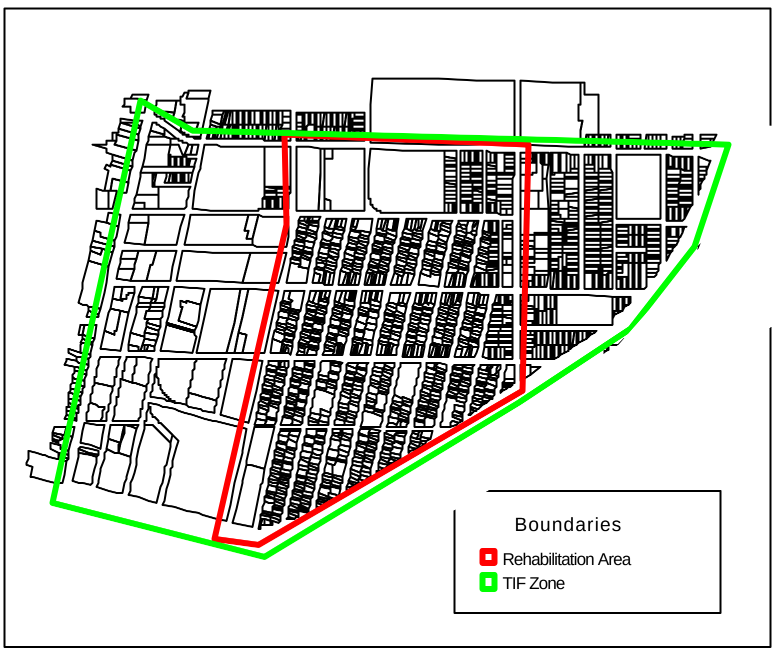
[9] Determinants of Property Value Growth for Tax Increment Finance Districts. Byrne, P., Mimeo. Department of Economics. University of Illinois at Urbana-Champaign.

the remaining (i.e. non-demolished) housing stock is in reparable condition and indicates that the Fruit Belt should be a prime candidate for TIF financing despite restrictions in the New York State statute.[10] Adopting the TIF as the principal instrument for financing the project makes it possible to improve the living conditions for present residents.

Project Boundaries

The Project designates a Tax Increment Financing District (TIF) that encompasses a Residential Redevelopment Area. The TIF is bounded by Main (from Best to Goodell), Best (from Main to the Expressway), the Expressway (from Best to Goodell), and Goodell (from the Expressway to Main). Properties on both sides of Main, Best, and Goodell are included in the TIF. The Redevelopment Area includes all properties and streets in the Fruit Belt neighborhood bounded by Best (from Michigan to Jefferson), Jefferson (from Best to the Expressway), the Expressway (from Jefferson to Goodell), Goodell (from the Expressway to Michigan), and Michigan (from Goodell to Best). Properties on both sides of Best, Michigan, and Jefferson are included in the Redevelopment area. Map 1 shows the TIF and Redevelopment Area boundaries.

Map 1. Properties within the TIF and Redevelopment Area



Major streets (Best, Jefferson, Michigan, High, and East North) are to be improved along their entire length within the Redevelopment Area. Improvement will include resurfacing

[10] Primarily, the limitations relate to use of TIF to directly finance homeowners. However, rehabilitation of the exteriors of dwellings might be permitted as an essential infrastructure improvement necessary for successful redevelopment via easement to the administering agency. New York State Senator Byron Brown has agreed to work with residents of the Fruit Belt to develop legislation that will improve the New York State TIF legislation to allow the funds to provide grants for housing rehabilitation.

pavement and sidewalks, including curbs and verges. All other streets within the Redevelopment Area will be resurfaced and some sewage systems within the Redevelopment Area will be repaired or upgraded.

The primary reasons for including the Buffalo Niagara Medical Campus within the TIF boundaries is that this is necessary for the effective redevelopment of the area by ensuring that the Fruit Belt neighborhood benefits from the expansion of the Medical Campus. The proposal for the expansion of the Buffalo Niagara Medical Campus (BNMC) aims to reinforce the Downtown development and emphasizes that BNMC "must embrace its surrounding neighborhoods in order to succeed" and "contribute to the development of a continuous, diverse, exciting mixed-use urban fabric from one end of Downtown to the other".[11] Historically, the impact of the Medical Complex on its most proximate neighborhood, the Fruit Belt, has been quite the reverse. The Medical Complex creates an unattractive physical barrier by design between the neighborhood and the rest of Downtown, and there is negligible economic trickle-down to households or business. It is apparent that, without conscientious incorporation of the Medical Campus development into the Fruit Belt and vice versa and a change from the strategy of abandonment in the City Master Plan, the goals for the Medical Campus and the Fruit Belt will not be met.[12] The inclusion of the Medical Campus within the TIF District emphasizes the need to improve access into the Fruit Belt, to help create the desired synergistic commercial and public space.[13] Since the neighborhood will provide convenient residential and commercial location for medical staff that will contribute to the overall economic viability of the Medical campus. Beyond this, given the stated goals of Medical Campus, a PILOT (Payment in Lieu of Taxes) could be used to supplement TIF financing in the Fruit Belt.

Character and Condition of Fruit Belt Properties

The Fruit Belt has a very distinctive character. With the exception of new suburban style homes constructed over the last decade, the properties were built in the late 19th and early 20th centuries. Only about 60% of the original approximately one thousand homes remain. On average the surviving homes in the Fruit Belt are somewhat older than the City as a whole. Figure 2 compares the age structure of dwellings in the Fruit Belt and the City that have survived demolition showing the percentage of remaining dwellings by decade of construction from 1800 to 2000. Nonetheless, as remarked earlier, the City Property Tax records show the average condition of remaining homes in the Fruit Belt to be only somewhat below the citywide average, and this applies when circa 1900 Fruit Belt dwellings are compared to the City as a whole.

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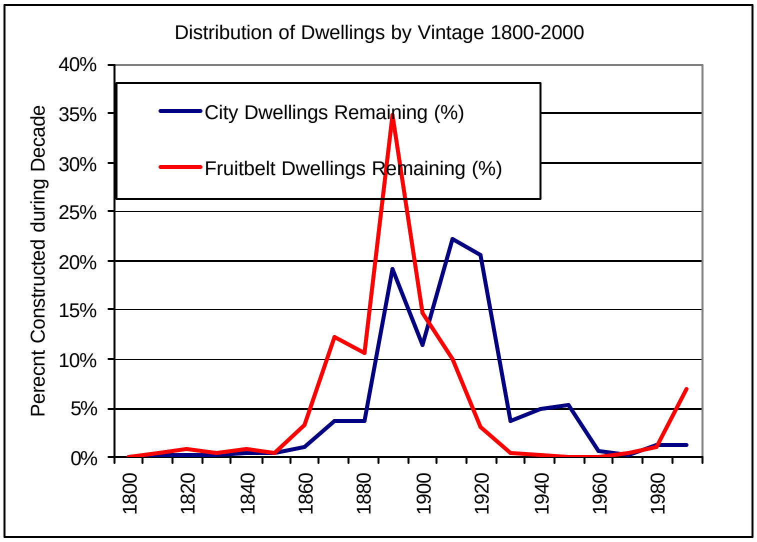
[11] BNMC. 2002. Buffalo Niagara Medical campus Master Plan and Implementation Strategy. Executive Summary. December. Buffalo.

[12] While the St. John's Baptist Church project is an important initiative and has been linked with the BNMC expansion it provides relatively few dwellings and does not address the overall blight in the Fruit Belt.

[13] Here the BMNC cites William Greiner, President, "if we work together, great things can and will happen".

Figure 2. The Age Distribution and Condition of Remaining Properties by Decade.

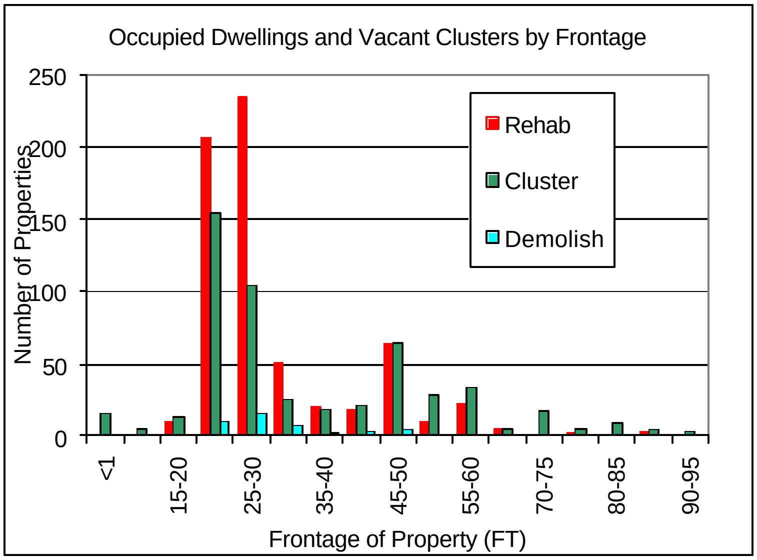


Properties in the Fruit Belt are mainly deep narrow lots typically around 25-30 feet in width. Most of the surviving dwellings and a similar proportion of the 509 vacant lots are in this category. However, because many vacant lots are adjacent to each other, nearly half of the available lots are considerably wider. The distribution of occupied and vacant lots is shown in Figure 3. Map 2 shows the existing and proposed use of properties. The narrowness of some lots poses a challenge to contemporary housing standards, both for refurbishing and new construction. It is nonetheless possible to renew the area in a manner that retains the historic character of the neighborhood.[14] In any case, the demand for affordable downtown accommodation is best met through smaller dwellings, both in stand-alone or multiple-units.

The majority of existing residential and commercial properties within the Redevelopment Area will be rehabilitated. Improvement to most dwellings will include repairs to structures, paintwork, and gardens. Approximately 126 properties are basically sound and require modest attention. Approximately 651 properties require some structural repairs. Irreparable properties and those within a designated commercial/social district are to be demolished. All displaced persons are to be re-housed. About 41 homes should be demolished unless detailed appraisals demonstrate that rehabilitation is a feasible option. The majority of vacant properties (approximately 509) could be used for the construction of new homes. Adjacent vacant lots provide space for somewhat larger improvements. A proportion (about 185 lots of various sizes) of vacant properties will be rehabilitated as recreation/parkland.

[14] One approach is presented in a Fruit Belt Redevelopment Plan Preliminary Study. Center for Urban Studies, University at Buffalo, November, 2002. In addition, the St John's Baptist Church has already designed houses to be constructed on about 25 of the available lots.

Figure 3. Mix of Existing Dwellings and Potential for New Dwellings in the Fruit Belt



Much of the vacant lots in the Fruit Belt have already been effectively "land-banked" by the City of Buffalo. Indeed, approximately 44% of all vacant property in the Fruit Belt is owned by the City of Buffalo, and 80% of Fruit Belt properties that are owned by the City are vacant. This consolidation of ownership should facilitate the present proposals for re-vitalization of the neighborhood. Some vacant land adjacent to owner-occupied properties has been "homesteaded".

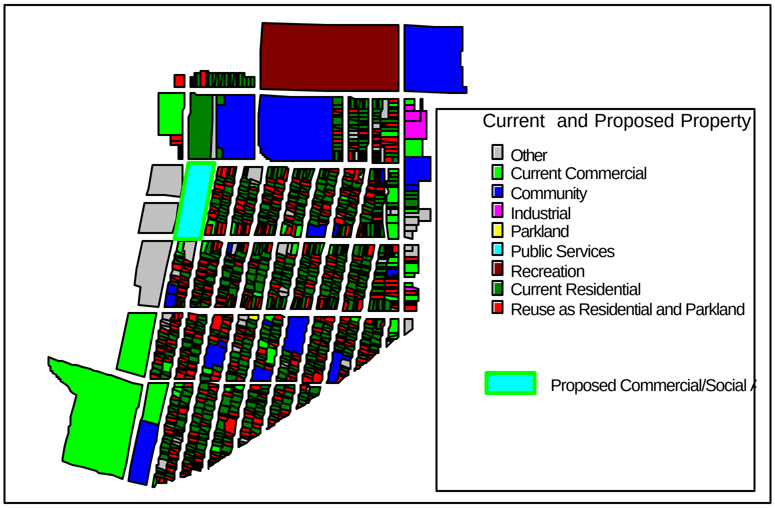
Table 1. Ownership of Existing Properties and Physical Condition

RESIDENTIAL STRUCTURAL CONDITION BY OWNERSHIP				
INDEX	OWNER OCCUPIED	NEIGHBOR OWNED	OTHER OWNER	PROJECT TIF
	1	2	3	TOTAL
0	20	1	53	74
1	107	4	14	125
1.5	9	1	5	15
2	95	1	41	137
2.5	18	0	14	32
3	80	1	73	154
3.5	3	0	4	7
4	22	1	70	93
TOTAL	354	9	274	637

Table 1 shows the physical condition of existing residential and commercial properties in the Fruit Belt.[15] On average, properties owned by absentee landlords are in poorer physical condition than owner-occupied property. The Municipal Redevelopment Law includes provisions for exercise of eminent domain and other mechanisms to encourage rehabilitation of properties. It also includes stipulations for the relocation of displaced persons.

[15] This index is based on the condition survey conducted by the Center for Urban Studies. For this the condition of every property was graded on a scale of one to four, with identification of those to be demolished. This survey was required since the physical property index used in the City Real Property records does not differentiate individual properties well.

Map 2. Redevelopment Area Properties



It is emphasized that the final composition of the residential and other properties will depend on the interest of current and potential residents, and developers, investors, and public agencies. Table 2 summarizes the composition of new dwellings that is used in this proposal to demonstrate the viability of a TIF as the principal instrument to finance revitalization of the Fruit Belt.

Table 2. Possible Profile of New Residences.

ITEM	Medium Detached	Small Detached	Row	Duplex	Apartments	Senior
Nominal Lot Size SQFT*	4000	3000	7000	5250	Build-over	Build-over
Number of Structures	22	164	34	79		
Unit Floor Size SQFT	2000	1500	1400	1050	660	500
Unit Total Base $K 2002	$133	$106	$94	$72	$48	$38
Number of Footprints	22	164	34	79	30	25
Number of Units/Footprint	1	1	3	2	3	3
Number of Units	22	164	102	158	90	75
Hard Cost $M	$2.9	$17.4	$9.6	$11.4	$4.3	$2.9
Land Use Area SQFT	88,000	492,000	238,000	414,750	Build-over	Build-over
Unit Floor Area SQFT	44,000	246,000	142,800	165,900	59,400	37,500
Persons per Unit	4	3.5	3	2.5	2	1
New Residents	88	574	306	395	180	75

Demand for Affordable Homes in Historic Neighborhoods

Several studies show that there is a solid demand for affordable, charming accommodation in the City. Specifically, nearly 20% of the over 2100 respondents to the 1998 Downtown Employee Survey reported that they would like to live downtown. This finding is supported by another study of the suburban market for housing in the City that found 22% of suburban respondents would consider living in the City.[16]

[16] Is there a Suburban Market for Housing in the City of Buffalo? The Buffalo New, M&T Bank, Center for Urban Studies. July 1997.

About one third of city and suburban respondents would prefer to live in the Allentown and Theater Districts close to Downtown. Although the Fruit Belt is not presently viewed as especially desirable, the neighborhood already shares the advantageous location of these neighborhoods and, after revitalization it will share other enviable characteristics. Moreover, the neighborhood is close to the Medical Campus with its educated, cosmopolitan, labor force. These workers mirror the profile of those desiring to live downtown.[17] The Downtown Employee Survey showed that typically, workers desiring to live Downtown are well-educated professionals (over 64% are college graduates), 79% are white, many are female (60%), and the majority are childless singles or couples (81%).

Table 3. Desirable Characteristics for Downtown Dwellings.

Desired Characteristics	Owner	Renter
Average Bedrooms	2.6	2.0
Single Unit or Townhouse	61%	38%
Multiple Unit or Apartment	39%	62%
Average Price $K or Average Monthly Rent $	$96,000	$476

Source: Downtown Employee Survey.

The majority of respondents wishing to live Downtown are seeking affordable smaller accommodations. The average size of home sought by prospective purchasers and renters respectively has 2.6 and 2.0 bedrooms, in a variety of styles. 61% of purchasers prefer single units or townhouses. Over 80% of prospective homebuyers seeking properties in the $50,000 to $150,000 range and over 35% are seeking rental properties costing $500 to $1000 per month. This profile too matches the size-related possibilities for rehabilitated and new dwellings in the Fruit Belt.

To increase the City's tax base it is important that new residents should, as far as possible, be drawn from the suburbs, and should not require subsidized housing. Suburban residents were 70% of the Downtown Employee sample and accounted for 42% of those prepared to live downtown. These suburban residents have above average incomes of $57,000 compared to $46,000 for City residents.

Approximately seven thousand people work in the Medical Campus from a total of over 50 thousand people are employed downtown. Whilst few respondents interviewed had immediate plans to relocate, the various studies show that there is a potential demand that can be developed through marketing of the locality particularly to new workers in the City, especially professionals entering the job market. The marketing effort will also slow the out-migration of the present population. The 2000 Census shows that a growing

[17] Case studies show that while race continues to be a significant factor in the residential decision making process, blacks prefer integrated neighborhoods providing they are adequately represented there, whilst whites preference is inverse to the proportion of blacks. see e.g. The Residential Preferences of Blacks and Whites: A Four-Metropolis Analysis. Farley R., E. Fielding, and M. Krysan. 1997. Housing Policy Debate. 8:4. Fannie Mae Foundation.

number of upwardly mobile African Americans are moving to the suburbs, but many of these households might remain in the City given viable alternative housing options. There also is a market for low to moderate-income blacks, as evidenced by the St. John Baptist Church plans to begin construction of fifty new homes in the southern part of the Fruit Belt in early 2003.

The revitalization of the Fruit Belt will complement other residential redevelopment projects underway in the vicinity of the Buffalo Niagara Medical Campus For example, the Sidway Building residential project, to be located on Main Street, within the TIF, will be a cross-class apartment building complex that is targeted for middle class whites and low to moderate-income residents. This project can break down the barriers that have kept whites from moving into residential areas on the eastern side of Main Street. Finally, the current emphasis on downtown housing on Main Street, close to the Fruit Belt neighborhood also confirms the viability of a major housing initiative in this community. Lastly, the Downtown Employees Survey indicated that Allentown was a favored choice of most groups desirous of living in this area. The revitalized Fruit Belt neighborhood will be a delightful, historically charming community hosting comparable amenities to Allentown and providing a social and economic bridge across Main Street.

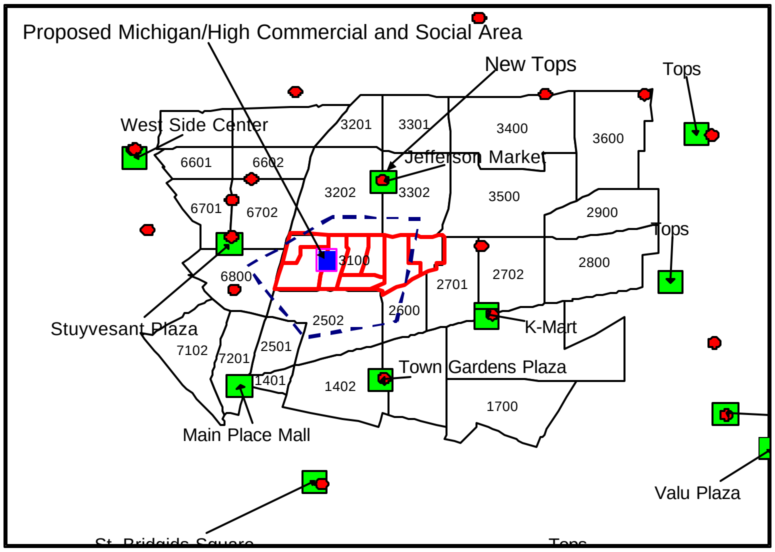
Residential and Commercial Improvements

The new homes will be constructed in the Redevelopment Area to meet the affordable housing needs of low to middle income households.[18] These properties will be sympathetic in their size, architecture, and clustering to the circa 1900 style of the Fruit Belt. Most properties will be small single homes, row townhouses, or duplexes. Somewhat larger dwellings will be constructed where lot sizes permit. A small number of existing structures may be relocated to facilitate appropriate housing clusters and permit the optimal use of available land. Property boundaries will be adjusted as necessary. In addition, up to 90 apartments and accommodation for 75 senior citizens may be constructed above the commercial and social developments respectively (see below) adjacent to the Medical Campus.

The aforementioned survey of the suburban market for housing in the City of Buffalo demonstrated the importance of neighborhood conveniences, and other studies have emphasized that not having shopping amenities in close proximity to homes will undermine the desirability and marketability of a neighborhood.[19] Presently, there is no substantial commercial retail activity in the Fruit Belt. Map 2 shows the proposed commercial/social district and competing centers.

[18] These new residents will be identified through more targeted and detailed marketing studies.
[19] U.B. Center for Urban Studies, Is There a Suburban Market for City Housing?" White Paper (1998)

Map 3. Location of New Commercial Area relative to Competing Centers



Several recent studies have examined the level of demand for new retail facilities in the City from residents and workers.[20] With an influx of new population into the Fruit Belt, supplemented by daytime spending of workers in local businesses, it is estimated using a statistical model of retailing performance in Buffalo that the localized demand for various goods and services will increase by between 250% and 500%).[21] The area bounded by Michigan, North, High, and Maple adjacent to the Medical Campus will become a commercial/social district that is comprised of approximately ten (10) commercial/service/retail activities and five (5) social service/public activities with appropriate parking provision. This level of provision has been calculated using a statistical model of the competing retailing opportunities in the City and suburbs shown in Map 3.[22] These commercial properties can be over-built with affordable apartments. The social facilities may re-house existing neighborhood centers, and given their location close to the Medical Campus should be over-built with senior residences.

Physical and Visual Environment

Improving the image the Fruit Belt neighborhood by transforming the Fruit Belt resident neighborhood into a visually attractive community is an important aspect of the developmental strategy. New parkland in the Redevelopment Area will enhance recreation facilities and new facilities at the commercial/social District will improve

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[20] The City of Buffalo Retail Shopping and Restaurant Usage Study. Goldhaber Research Associates. September, 2001. The Retail Opportunity in Downtown Buffalo, NY. Buffalo Place Inc.

[21] The 1998 Downtown Employee Survey showed that worker average spending downtown is $493 per annum on average workers. In addition workers spend $4.47 on average for daily lunch and suggests an average spending of up to one thousand dollars annually.

[22] Development of A Turning Point Scenario: A Strategic Plan and Action Agenda for the Fruit Belt/Medical Campus (Center for Urban Studies, 2001). This model is used to calculate the threshold size of retail facility is that required satisfy local residential and workplace demand and compete with other centers.

social service delivery in the neighborhood. Focus groups of local residents showed that this is a highly desired aspect of the Fruit Belt Project.[23] More extensive research including a Community Fair review alternative designs are reported in the Fruit Belt Redevelopment Plan Preliminary Study.[24] The proposed developments will restore the presently dilapidated physical and visual aspect of the Fruit Belt neighborhood to its former condition and improve the social and living environments of all residents. The redevelopment will reduce any contamination in the area from former activities. No new contaminating activities are included.

Sub-Projects and Schedule

For purposes of economic and fiscal analysis, the TIF proposal is sub-divided into four activities or projects:

Project 1: Rehabilitation of Existing Properties. This includes the aesthetic and structural improvements to existing properties, demolition and the re-housing of displaced residents, rehab of commercial properties, parks and recreation.

Project 2: Construction of New Homes

Project 3: Construction of the Social and Commercial District, including apartments and senior residences.

Project 4: Restoration of Streets, Sidewalks, and Sewers

These projects should be carried out concurrently in a phased geographic manner with street-by-street improvement across the Fruit Belt, beginning with area closest to the Medical Campus. Work on the project will be completed in a five-year period, including the restoration of streets, sidewalks, and sewers and the rehabilitation of existing properties. Thus, each project must be funded and completed in a timely manner. Rapid transformation of the community is key to the project's success.

Project Financing

New properties, commercial facilities, and apartments will be developed privately. Repairs to streets, rehabilitation of existing owner-occupied properties, demolition, re-housing of residents, and social facilities will be undertaken using loans, and where possible through tax increment financing. Streets within and adjacent to the Medical Campus will be improved as part of the on-going expansion of that facility, and not be charged to the TIF.[25] Similarly, the current proposal by the St Johns Baptist Church calls for 50 units in single and multiple structures in the Fruit Belt. This would involve a

[23] Ethno-Visioning Sub-Project of the Fruit Belt Study. Center for Urban Studies. December 2001.

[24] Fruit Belt Redevelopment Plan Preliminary Study. Center for Urban Studies. November, 2002. see also Serra D., and C. Revelle. 1999. Surviving the Competitive Spatial Market: the Threshold Capture Model. Department of Economics and Business. Universitat Pompeu Fabra.

[25] Although other improvements are being undertaken in this area, these are not accounted for in calculating the income from the TIF because developers are likely to be granted tax abatements for several years.

mixture of public and private finance and is not charged to the TIF. The potential return on private investment should encourage absentee landlords to improve rental properties to the new neighborhood standard. To the extent that this does not happen, an aggressive building code program will be initiated, while public sector financing will be made available. Currently, a variety of public agency financing has been identified. (This is summarized in the Appendix). Again, all publicly funded improvements are considered to be essential if privately funded improvements are to realize their potential value in the market, and hence for the TIF financing to be recouped in a timely manner.

Table 4. Summary of Project Costs.

PUBLIC AND PRIVATE COST BY PROJECT

ITEM	PUBLIC	PRIVATE	COMBINED
PROJECT 1	$13,231	$12,543	$25,775
PROJECT 2		$41,225	$41,225
PROJECT 3	$1,906	$10,847	$12,754
PROJECT 4	$9,810	$4,458	$14,267
TOTAL	$24,947	$69,073	$94,020

Note: Amounts in $k and include contingency costs.

The expected private investment is 277% times the public investment. This well above the City of Buffalo Office of Strategic Planning (OSP) guideline that private investment in projects should exceed the public outlay. However, the relevant consideration for a TIF, whereby the City recoups all property tax on property improvements and appreciation, is that the bond with appropriate interest is paid off over a reasonable time period.

Property Values and Appreciation

An important aim of the Fruit Belt Project is to revitalize the neighborhood in a comprehensive way so that properties can be sold at market rate. Moreover, following completion of the project, market prices are expected to appreciate significantly above their initial (i.e. post-construction) levels. The expectation is based on the current market values of properties in other neighborhoods near the Medical Campus and on the Fruit Belt's favorable location with respect to the Central Business District and the Theater District, and on the statistical analysis now summarized.

Present market prices for new and existing homes in the Fruit Belt are extremely low. Indeed, in order to encourage sales of the new suburban style homes over the last decade the City has paid substantial subsidies amounting to 25% of cost per dwelling (about $20,000). Un-rehabilitated homes dating from the early 20th century generally sell for around $10,000 or less. The City Property Tax Assessor considers the market value of properties in the Fruit Belt to be indeterminable given the small number of arms-length sales in recent years. Nonetheless, property assessments are mandated by the State Assessor to be tied to actual (recent arms-length) property sales, and are supposed to reflect valuations to within a few percent. More seriously for the present project, there is no mechanism in place in the City for estimating the potential market price of new or refurbished properties in the situation envisaged in the Fruit Belt project where an entire neighborhood including its infrastructure and amenities is revitalized.

At the State level, two methods based values derived from market sales are acceptable for estimating the potential market value of properties. The first is to impute prices from similar properties in similarly improved or comparable neighborhoods (for example, Allentown or Walden Heights). The second is to use a statistical analysis to infer potential prices. Statistical analysis has the advantage of using data from all properties in the City, thereby reducing the anomalies associated with the small number of sales of relevant properties in key neighborhoods. The analysis establishes the relationship between property price variations and other variables, including the attributes of individual dwellings and neighborhoods' physical and economic conditions. The expected market value of the new properties proposed for the Fruit Belt may then be deduced from the resulting property price model. The results are reported here for census tracts within the City of Buffalo, highlighting the findings for the tracts adjacent to the Fruit Belt.

The statistical model assumes market prices (as reflected by the current property tax assessed value) may depend on depend on:

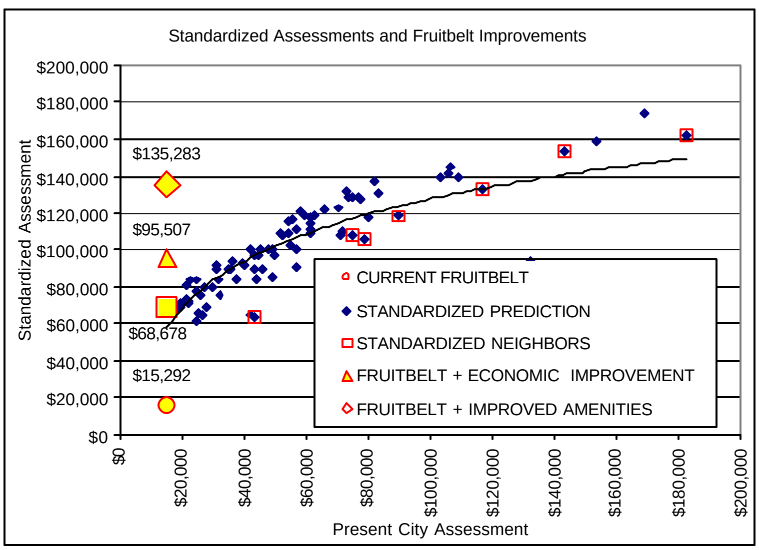
i) <u>attributes of the individual dwelling,</u> in particular the physical characteristics of the dwelling (size, as measured by the number of bedrooms and the area of the property; standard of accommodation, measured by the ratio of bathrooms to bedrooms, and repair, as measured by each property's reported condition).

ii) <u>physical attributes of the neighborhood</u> such as the visual aspect (measured by the average property condition or the ratio of vacant to occupied lots

iii) <u>socio-economic situation of the neighborhood</u> not least recorded levels of poverty, (which correlates with other social variables such as the proportion of renters, single adult homes, crime, and proportion of minorities).

iv) <u>neighborhood accessibility</u> as measured by proximity to, and provision of, local retailing, jobs, entertainment districts, and the central business district.

<u>Figure 4. Standardized Citywide Assessments with Potential Appreciation of Fruit Belt Properties</u>



Two caveats are in order. The variables and indicators used are limited to those for which reliable and comprehensive data are available. Several of the variables are correlated (e.g. poverty and unemployment, or access to CBD and size of property lot) and so only a sub-set of variables is used.[26] The mix of individual properties (in terms of size and appointment) varies across neighborhoods so it is necessary to standardize estimated market prices to the typical styles of dwelling proposed for the Fruit Belt.

Figure 4 shows how the standardized assessment for a two-bedroom, home with 1.5 bathrooms in each census tract varies against the average assessment for all properties in each census tract. For the more expensive neighborhoods with larger, better-appointed, properties, the standardized assessments are below the average assessment. Figure 4 also shows the way in which each improvement changes the expected price of a standard dwelling in the Fruit Belt from the average assessment of about $15,000 for homes in the neighborhood. Without improvements in social conditions or amenities, a new 2 bedroom-1.5 bath home is estimated to sell for around $69,000. Since National Building Construction Manual (NBCM) adjusted construction cost (including soft costs and developer profits) for such a home are around $90-$100,000 it cannot be sold at market rate. This correctly mirrors the current situation whereby purchasers of new homes in the Fruit Belt have received public subsidies. Taking account of expected improvements in socio-economic conditions (with at least a halving of the present 50% poverty rate) increases the expected market value to about $96,000, roughly the construction cost. Improvements in amenity and access, including construction of a new commercial and social district, and the neighborhood-wide improvement raises the expected market value to about $135,000. This is 35% to 45% above the cost of construction of the new dwelling, and represents the expected appreciation of market prices for properties once the project is completed (within about 5 years of completion).

Thus, the expectation based on current assessments throughout the City is that, over the 10 years following construction, the market price of new homes will rise by around 40% above initial values (based on current assessments and improvement). The same figure is used for fully rehabilitated dwellings. Since this appreciation is due only to the actual new construction and improvements and the contagion effect of the neighborhood wide improvements in infrastructure and social conditions, it does not account for citywide property price inflation.

Tax Increment Financing

The public sector debt generated by the Fruit Belt project will be repaid through the capture of increases in taxes caused by the redevelopment. As a consequence of this

[26] The adjusted R Square for the selected variables is 0.79. Further details are given in the Appendix. Similar levels of appreciation are forecast using variants of the model.

project, taxes will increase throughout the TIF District, with the most intense increments taking place within the Redevelopment Area. This is in part because of the new investments in the neighborhood (i.e. refurbishing of existing homes and construction of new homes and the commercial center), and in part because the greatest impact of the neighborhood-wide improvement on property values will be within the TIF District. The appreciation in market values throughout the TIF is expected to reflect the 40% growth calculated for "standard" dwellings. This is over and above the average citywide appreciation of property values.[27] The appreciation in value of rehabilitated dwellings (and hence the taxable increment) may well be higher, since these properties must be re-assessed immediately prior to the initiation of the TIF.[28]

The contributions to the increase in value of properties in the Fruit Belt/Buffalo Niagara Medical Campus for purposes of calculating the taxable increment are threefold:

i) <u>actual cost of the improvements</u> in new construction and rehabilitation including developer costs, markup, soft costs and contingency, but excluding the non-taxable cost of infrastructure improvements.

ii) <u>appreciation of property values</u> in the decade during and following construction as a result of the complete transformation of the Fruit Belt neighborhood and the Niagara Medical Campus.

iii) <u>general property price inflation</u> in the City of Buffalo.

Recognizing that using a TIF to finance the Fruit Belt project is perceived as a somewhat risky by the City Office of Strategic Planning, a relatively conservative estimate of appreciation based on the ratio of non-taxable infrastructure investment to taxable investment will be used to demonstrate the viability of the TIF. The appreciation adopted for private dwellings within the Redevelopment area is 18% within 10 years of the project startup. This figure is the ratio of non-taxable infrastructure costs of $14.3 million for Project 4 to the taxable non-infrastructure costs of $79.8 million for Projects 1 to 3. This implies some modest spillover from neighborhood-wide improvements onto individual properties. Other residential and commercial properties within the TIF will appreciate by a lesser amount (from 3 to 10%). Thus, the assumed appreciation reflects all expenditures on the project, albeit in a cautious manner. Given the availability of a variety of gap financing (see below), this is sufficient to demonstrate that the property taxes from new taxable investments and appreciation will be more than sufficient to repay the bond raised by the City and interest within a time frame much less than the expected useful lifetime of the investments.

Gap Financing

City of Buffalo officials and other advisors have indicated that elements of the project may be eligible for gap financing from various State and Federal sources. Although a variety of sources exist, availability of these funds for the Fruit Belt depends on precise details of projects and more especially on the budgetary priorities of the City of Buffalo.

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[27] The City of Buffalo Office of Strategic Planning uses a 2% annual appreciation.

[28] Moreover, since city-owned properties are wholly tax exempt, the potentially increment may be maximized, by re-assessment immediately prior to the initiation of the project.

A total of 22 programs offering low interest loans and grants that are relevant to the Fruit Belt revitalization project have been identified and are tabulated in the Appendix. This includes seven programs dealing with Acquisition, Community Development, Economic Development, Drinking Water and Environment and Preservation; eight programs dealing with Housing, Owner Occupied Redevelopment, and Renter Occupied Development: three programs covering Highway Safety, Land Use, and Infrastructure. There are also programs dealing with Institutional/Capacity Building, Outreach, Technical Assistance, and Training.

While some advisors have concerns over the viability of a TIF to fund the Fruit Belt /Buffalo Niagara Medical Campus (for reasons noted earlier), they also suggest alternative or supplementary funding. Foremost here is that the BNMC to make a payment in lieu of taxes (PILOT) of approximately $1,000,000 annually to leverage other funds, with or without the issuance of bonds and to finance the redevelopment in stages over a five to ten year period. Alternatively, the City might pay for the redevelopment by borrowing against its future Federal Community Development Block Grant (CDBG). This permits Housing and Urban Development (HUD) to guarantee notes or other obligations issued by local governments or public agencies so designated by local governments to finance the acquisition or rehabilitation of real property owned by any unit of local government; housing rehabilitation; and economic development. HUD provides deferred payment loans for housing rehabilitation. These loans provide for a lien on the property and require the owner to live in the house for three - five years, at which time, the loan is forgiven. HUD also offers low interest loans and outright grants for rehabilitation.

Others possibilities include using the New York State Urban Development Action Area Act to designate the Fruit Belt/Buffalo Niagara Medical Campus as an “urban development action area”. This requires that at least sixty percent of property be titled to the municipality, if necessary through exercise of eminent domain proceedings. A further alternative is the Federal 80/20 Program that requires 20% of the housing in a specified development to be reserved for individuals with income levels that are at or below 50% of the regional median. The New York State Affordable Housing Corporation (AHC) too provides grants to not-for profit organizations, housing development funds, or municipalities for the construction, acquisition / rehabilitation or home improvement of one to four family, owner occupied residential buildings. These funds may be combined with other private and public financing sources to provide financial assistance and development incentives.

The availability of funds varies for each component of the sub-projects (rehabilitation, new construction, commercial district, and infrastructure) identified earlier. For purposes of analysis of the TIF below, it is anticipated that on average 30% of the TIF costs allocated to the public sector can be covered by low interest loans and grants for affordable housing and infrastructure improvements.[29]

[29] The suggestions for gap financing obviously will improve the prospects for a successful TIF. Calculations show, for example, that a $1 million annual PILOT from the Buffalo Niagara Medical Campus would obviate the need for other gap financing. The principle concern here is that most of the proposals for

TIF Repayment and Lifetime

The total public sector cost of the project will be $24.94 million, with $17.4 million being financed through the Tax Increment Finance District. These figures include the consolidated costs of projects and contingency costs. It is expected that about $7.5 million will be financed through non-TIF public funding and $4.1 million will be financed in conjunction with the expansion of the Medical Campus. The private sector cost of the project is $69.1 million. This is summarized in Table 5.

Table 5. Project Summary and Financing.

ITEM	AMOUNT
NUMBER OF STRUCTURES	314
OF WHICH COMMERCIAL & SOCIAL	15
NUMBER OF UNITS	626
PERSONS	1618
PARKLAND % (NOMINAL)	
CONSTRUCTION BY YEAR	5
APPRECIATION BY YEAR	10
CONTINGENCY	10%
SOFT AND OTHER COSTS	5%
LARGE PROJECT SAVING	-5%
PUBLIC COST $K	$24,947
LOAN/GRANT GAP FINANCE	$7,484
NET CITY TIF	$17,463
MEDICAL CAMPUS STREETS $K	$4,098

The property tax accruing from the public and private investment is calculated on the basis of certain assumptions about appreciation (explained above), rates of taxation, abatements on existing and new properties, and the interest rates on the TIF bonds. For the lifetime of the TIF, the City receives the total City, School, County property tax at prevailing homestead and non-homestead property tax rates.

There is a wide range of property tax abatements on properties in the City of Buffalo. This includes 100% abatement on properties used for social and medical services (which make up more than half of assessments in the Fruit Belt), extensive abatements on commercial properties and apartment buildings, and even abatements on vacant land and land used for car parks (see Table 7). These abatements place the burden of taxation on homeowners, even though the City has adopted the state option of a lower homestead rate for local property tax.

Table 7. Property Assessments and Tax Abatements ($thousands).

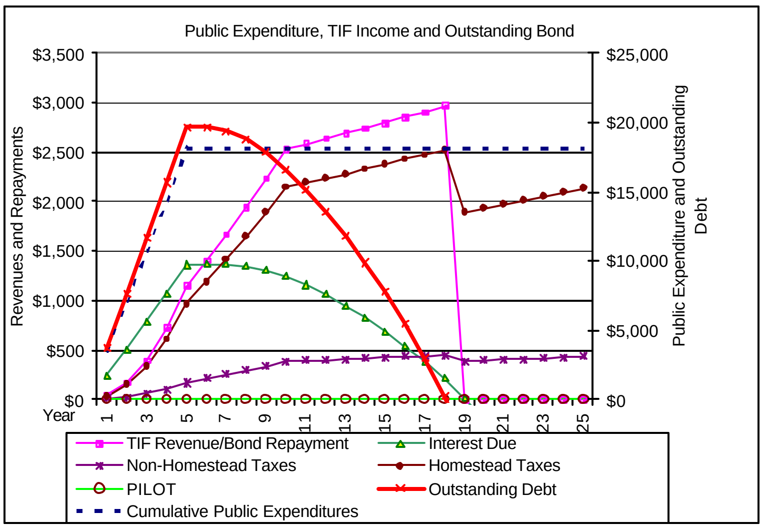
CATEGORY	ASSESSED VALUE	TAXED VALUE	ABATEMENT
Apartments	$18,159	$4,620	75%
Commercial	$21,281	$17,025	20%
Vacant	$1,780	$348	80%
Other	$5,444	$4,478	18%

gap financing have been available to the City of Buffalo for some time, but have not been used to significant effect in the Fruit Belt.

Residence	$17,072	$14,846	13%
Social	$176,494	$2,722	98%
Medical	$125,478		100%
TOTAL	$365,709	$55,878	85%

Whatever the anomalies in property tax levies, for purposes of calculation here, it is assumed that average abatements on different property classes (such as medical and social) in the Fruit Belt will continue the current practice. The exception to this is that, to avoid hardship to current residents, 50% of the property tax increases on rehabilitated owner-occupied dwellings will be abated. This is necessary if progressive gentrification of the neighborhood is to be averted. Improvements to taxable properties in the TIF outside the Project District are not included (because current plans are not finalized and the projects may be tax-abated for several years). As noted earlier it is reasonable that a PILOT (Payment in Lieu of Taxes) on the Buffalo Niagara Medical Campus might be used for revitalization of the Fruit Belt, although this is not pursued here.

Figure 5. Expenditures and Bond Repayment



The actual interest rate on the TIF bonds will follow Federal Reserve rates, although affected adversely (i.e. increased) by the City of Buffalo's limited credit worthiness, and positively (i.e. lowered) because municipal bonds are not subject to income tax. Interest rates as low as 5% and as high as 10% have been suggested. A conservative 7% figure is adopted here for purposes of calculation.

The time taken to repay the TIF bond is calculated by assuming that the public sector investment is borrowed as required over the 5-year construction period and that all property tax collected in each year is used to pay off the outstanding debt and the annual interest. The repayment schedule and the growth and subsequent decline on the debt are shown in Figure 5 (in $ thousands). It is noted that bonds should be issued as required for construction in approximately equal increments over the construction period. This reduces the total interest repayment and also introduces planning flexibility such as a change in the total level of improvement (e.g. total number of dwellings) or change in the pace the pace of construction, thus reducing risk due to uncertainties in the progress of the project.

With an interest rate of 7%, the bond would be paid off in 18 years from the beginning of the construction. This breakeven horizon is well within the guideline suggested by the City of Buffalo Office of Strategic Planning, which says the TIF lifetime should be less than half the useful life of the investments. According to the National Building Cost Manual, the useful-life of new dwellings, which comprise the bulk of the taxable improvements, is 50-60 years. Commercial buildings typically have a somewhat shorter useful-life.

Table 8. Summary of Property Tax Revenues and Breakeven

PRIVATE COST $K	$69,073
CURRENT MARKET VALUE RELATIVE TO ASSESSMENT	100%
REDEVELOPMENT AREA 10 YEAR APPRECIATION %	18%
OTHER TIF 10 YEAR APPRECIATION %	4.5%

HOMESTEAD PROPERTY TAX MIL RATE	25.79
NON-HOMESTEAD RATE	42.44
NEW TAXED ASSESSMENT (MEDICAL AND COMMERCIAL)	0
ABATEMENT ON INCREMENT FOR CURRENT RESIDENTS	50%
ANNUAL PILOT ON MEDICAL/COMMERCIAL	0
ANNUAL VALUE GROWTH	2.0%
DISCOUNT/INTEREST RATE	7.0%
BREAKEVEN YEAR	18
NET PRESENT VALUE TO CITY $K	$11,263

The TIF will be terminated once the bond is repaid. After this time the City will continue to receive the regular share of total property tax from the improvements for the whole of their useful life, for approximately another 30 years. Discounted at 7% per annum to the first year of the TIF the accumulated property tax over 50 years after repayment of the bond will have a present 2002 value of $11.3 million. Thus, the project provides a means for the City to improve neighborhoods and also strengthen the tax base long-term despite outstanding concerns that the TIF might appropriate City taxes and resources or cause additional burden for other taxing jurisdictions. In order to avoid misuse a TIF requires competent formulation, organization and monitoring. In the first instance this requires the setting up of a Joint Review Board representing all taxing jurisdictions affected by the TIF that identifies and advances neighborhood interests.

Uncertainties and Contingency

There are several uncertainties with respect to the above calculation. These arise from possible changes in national interest rates which directly impact bond rates, mortgage rates, and other loans, and in turn affect the market price of dwellings, assessments, and hence property taxes. With a lower bond interest rate of 5%, all else unchanged, the bond would be paid off in 15 years. With a higher rate of 10% the bond would be paid off in 26 years respectively: still within the half-life of new construction. If no gap financing were forthcoming from State and Federal sources, breakeven would be extended to 28 years assuming a 7% interest rate. If no gap financing were forthcoming from State and Federal sources, breakeven would be extended to 28 years, given a 7% interest rate. On the other hand, if the statistically estimated 40% appreciation was achieved, the TIF could be paid off in 20 years without recourse to gap financing. However, since there is doubt as to whether TIF funds may be used for rehabilitation of private properties, this would require use of eminent domain or changes in the relevant sections of the Municipal Redevelopment Law.

There are inevitable uncertainties in the financial implications of the TIF due to possible variations in the pace of development and the eventual number and type of dwellings and the precise cost of improvements. These uncertainties are cushioned through the average 10% contingency built into the project. This contingency rate is relatively high for such a large project and should be sufficient to cover unrevealed costs.[30] Moreover, the construction is scheduled over a five-year timetable in such a way that the number of dwellings or the pace of development can be adjusted. Table 9 compares the calculated breakeven horizon for the TIF compared to the base scenario of Tables 7 and 8.

Table 9. TIF Lifetime under Alternative Assumptions

SCENARIO	UNITS	APPRECIATION %	GAP FINANCE %	PILOT FROM MEDICAL CAMPUS	ABATEMENT ON CURRENT RESIDENTS %	BREAKEVEN YEAR
BASE	626	18%	30%		50%	18
PILOT WITHOUT TIF	626	18%		$1,000	50%	15
HIGHER APPRECIATION	626	40%			50%	20
FEWER DWELLINGS	314	18%	30%		50%	18

Social Aspects and Security

The proposed construction involves minimal demolition of existing properties and relocation of displaced residents. School enrollment and diversity in the neighborhood will rise because of the increased number of residents. Ultimately, this could promote improvements to the quality of education. The increases in the school age population can be accommodated since most increases will be in the 6th to 8th grade cohort and these students could be accommodated in Futures Academy. Currently, the school's population is below its capacity of 1000 students. Traffic circulation will be improved throughout the TIF district as a result of improved pavement. Congestion is unlikely since the existing streets were designed to serve a more populous community.

Table 10. Security Concerns of Potential Downtown Residents

SECURITY CONCERNS	WOULD LIVE DOWNTOWN		WOULD NOT LIVE DOWNTOWN	
CURRENTLY LIVE IN:	SUBURBS	BUFFALO	SUBURBS	BUFFALO
DWELLING	67%	71%		
WORK	49%	45%	70%	59%

[30] The City of Buffalo Department of Public Works decreases the contingency rate to under 10% for large projects.

TRANSPORT	62%	62%	66%	63%
NOT RELOCATE			16%	15%

Based on Downtown Employee Survey

Safety and security will improve through the general upgrading of the neighborhood. However, improved "security" is a key issue for both the City and the proposed project since surveys of potential residents in the Downtown show this to be a major concern. The 1997 Downtown Employee Survey showed that about 70% of City and suburban residents who were prepared to live in Downtown Buffalo considered home security to be an important issue. About 50% of these potential residents were concerned about work-related security and 60% were concerned about transport-related security. Downtown workers who are not prepared to live Downtown have slightly higher security concerns although security–related issues make up only about 15% of primary reasons why they would not consider living downtown.

Security is undoubtedly a concern for most inner-city neighborhoods including the Fruit Belt/Buffalo Niagara Medical Campus. According to 1996 crime statistics, reported burglaries per dwelling in the Fruit Belt neighborhood are 16% higher than City average of 11 reported crimes per 1000 dwellings. This rate is actually less than presently found in more desirable and affluent neighborhoods. Statistically, variations in crime rates across neighborhoods in Buffalo can be positively linked to both poverty (of perpetrators) and affluence (of the victims), and also to other variables such as the proportion of unoccupied dwellings.[31] The revitalization of the Fruit Belt will change these variables, by reducing the average poverty rate and increasing affluence and occupancy. On balance, these opposing changes could reduce the average rate of burglaries per dwelling to about 74% of the City average. However, since more affluent homes are likely to be targets for burglaries, and the number of poor residents will not be reduced by revitalization alone, the projected burglary rate for new homes is estimated at about 43% above the City average. While this rate remains lower than other desirable neighborhoods, improved security will be an important objective for TIF. At the same time, a key component of this program will be to develop an aggressive community-policing program, which should lead to a significant reduction in the projected crime rate.

Table 11. Estimate of Crime in Buffalo and Neighborhoods

DISTRICT	BURGLARIES PER DWELLING	RELATIVE TO CITY AVERAGE
AVERAGE BUFFALO	0.11	100%
ALLEN	0.23	214%
BRYANT	0.31	282%
WILLERT PARK	0.17	153%
FRUITBELT/MEDICAL CAMPUS	0.13	116%
NEW FRUITBELT AVERAGE	0.08	73%
NEW DWELLING IN FRUITBELT	0.16	143%

Table shows 1996 reported burglaries divided by number of residences by census tract

[31] These three variables explain more than half the variance. Affluence is measured by the average expected assessed value of properties before and after revitalization.

Governance Structure

Oversight of the Fruit Belt/Buffalo Niagara Medical Campus project would be through a new subsidiary developed by the Buffalo Urban Renewal Agency. This body should be established to operate the Tax Increment Finance District and to implement the redevelopment plan.

Appendix 1. Project Construction Schedule by Street and Project

The four projects will be completed over a five-year period with expenditures evenly spread annually over this period. The projects are synergistic, and their success is based on the timeliness of the implementation strategy. The rehabilitation of properties and the restoration of streets, sidewalks, and sewers would move eastward from Michigan Avenue to Jefferson Street. This schedule of discrete activities ranging from repainting of a single dwelling to resurfacing of an entire street to is shown in Table 13.

Table 13. Public and Private Sector Sub-Projects by Street.

PUBLIC AND PRIVATE ACTIONS BY STREET ANDPROJECT

PROJECT		PROJECT 1	PROJECT 2	PROJECT 3	PROJECT 3	PROJECT 4
FINANCE		PUBLIC/PRIVATE	PRIVATE	PRIVATE	PUBLIC	PUBLIC
STREET	YEAR	REHAB/REHOUSE	NEW DWELLINGS	COMMERCIAL	SOCIAL	STREETSCAPE
BEECH	5	15	4			344
BEST	2	34	7			5,702
CARLTON	3	56	20			4,424
GOODELL	3	8				2,065
GOODRICH	3	1				1,573
GRAPE	5	109	30			2,605
HIGH	2	83	13		5	5,014
JEFFERSON	3	73	20			2,360
LEMON	4	110	30			2,458
LOCUST	4	120	31			2,950
MAPLE	1	112	39			2,900
MICHIGAN	1	52	5	10		3,982
MULBERRY	3	132	28			2,950
NORTH ST EAST	2	53	10			3,736
ORANGE	5	93	12			2,851
PEACH	4	114	32			2,753
ROSE	5	70	18			1,868
VIRGINIA ST	3	4				3,539
TOTAL		1,239	299	10	5	54,074

Note: Amounts are structures or street length (FT).

Project 1: Rehabilitation of Existing Properties. This project includes the aesthetic and structural improvements to existing properties, demolition, re-housing of displaced residents, rehab of commercial properties, parks and recreation. The total for Project One is $25.8 (or $23.3 million excluding contingency costs). These costs include rehabilitation, painting, landscaping, development of parkland, and landscaping.

Rehabilitation costs are based on a lot-by-lot external inspection of the condition every property in the Fruit Belt, including vacant and commercial properties (explained previously). A local contractor with considerable experience of distressed area estimated refurbishing costs on the basis of an external inspection of a sample cross-section of dwellings and this was applied to all dwellings. It is noted that the condition of dwellings shows the average condition to be far higher than the previous condition index reported by the City of Buffalo, and exhibits much greater variation.

Project 2: Construction of New Homes. This project consists of the construction of new dwelling units. The new builds will consist of both rental properties and owner-occupied units. A maximum of 470 new housing units (excluding senior units and apartments associated with the commercial center) will be constructed over a five-year period, with about 186 small and medium-sized detached single-family dwellings (with floor area approximately 1,500-2,000 square feet on 3,000-4,000 square foot lots, and about 103 town houses and multiple-unit dwellings (with floor area approximately 1,00-1,400 square feet on larger lots. The cost of the project will be $41.2 million and will be financed by the private sector.

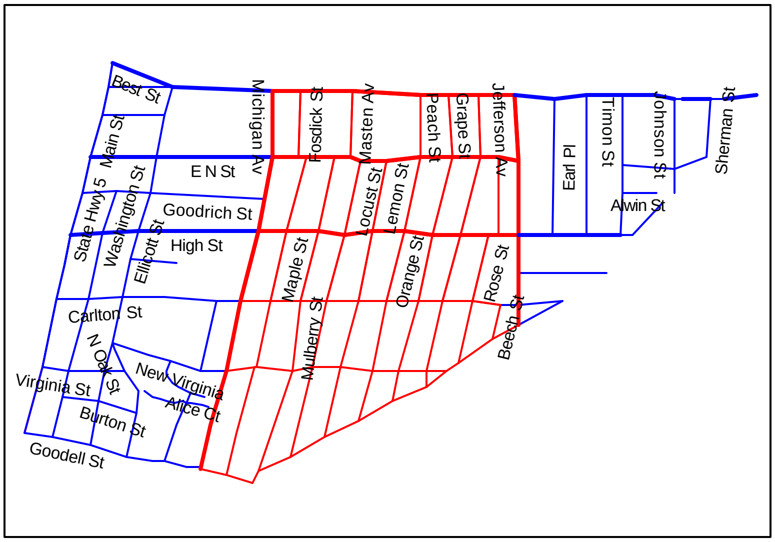
The construction costs of dwellings are based on National Building Cost Manual (NBMC) for average-grade construction and materials adjusted for regional variations, and inflation to the current year. The NBMC base construction costs are the "end-user" price inclusive of design costs, and fees, but exclude special heating, cooling, and other special features that have been estimated at 5% of total cost. These costs have been matched to local building costs, noting here that City of Buffalo construction costs for publicly subsidized homes are systematically higher than for similar privately constructed dwellings in the suburbs.

Project 3: Construction of the Social and Commercial District. This project undertakes development of a commercial and social district on Michigan Avenue, between High Street and Carlton. The goal is to create an area that will provide both residents and employees at the Medical campus with high quality convenient goods and services, as well as function as a center for the delivery of key social services. The construction cost of the retail area, based on the level of profitable capacity required to meet expected demand is $3.7 million. This includes a proportion of private service business. Other publicly funded social services units will cost $1.9 million financed through the Tax Increment Finance District. Construction costs of rental apartments for seniors and Medical Campus workers are $4.3 million and $2.9 million respectively.

Again, the construction costs are based on National Building Cost Manual for average-grade construction and materials adjusted for regional variations, and inflation to the current year. Commercial and social service unit construction costs assume masonry or steel construction given the expectation that they will be capped with apartments and senior residences.

Project 4: Restoration of Streets, Sidewalks, and Sewers. The restoration of streets, sidewalks, and sewers will cost $13.1 million. Of this, some $4.1 million (about 30%) will be financed through non-TIF public funds associated with the on-going expansion of the Medical Campus.

Map 3. Street Improvements within the TIF and Redevelopment Area



The costs are based on the National Building Cost Manual. These have been crosschecked with the City of Buffalo Department of Public Works and itemized unit costs from local contractors. It is noted that some current city-practice appears to be quite expensive and not typical for the region. As a cost-saving measure for the TIF, concrete curbs rather than granite are employed and heavily trafficked streets to are resurfaced at a higher grade than residential streets. Public Works also advise that complete refurbishing of sewers is not required, but that some attention to higher-pressure water mains may be in order.

For purposes of estimating the overall funding requirement, the base construction costs have been increased as appropriate by an average of 10% to include contingency (in case of unexpected additional costs) and various soft costs (such as additional developer fees).

Table 14. Public and Private Investment by Project

PROJECT	ACTION	PUBLIC COST $K	PRIVATE COST $K	COMBINED
PROJECT 1	Dwellings Cosmetic Rehab	$3,678	$4,259	$7,937
	Dwellings Structural Rehab	$5,016	$7,114	$12,131
	Demolition	$271		$271
	Rehouse	$2,324		$2,324
	Commercial Rehab	$556	$1,169	$1,725
	Parks	$1,386		$1,386
PROJECT 2	New Homes		$41,225	$41,225
PROJECT 3	New Social Amenities	$1,906		$1,906
	New Commercial Properties		$3,668	$3,668
	New Apartments		$4,321	$4,321
	New Senior Units		$2,859	$2,859
PROJECT 4	Streetscaping	$7,699	$3,498	$11,197
	Sewers	$2,111	$959	$3,070
	TOTAL	$24,947	$69,073	$94,020

Appendix 2: Details of Economic Feasibility Calculations

This appendix provides details of the economic feasibility study and supplementary tables. The method for calculating the financial implications of the TIF uses methods detailed in reports by the Center for Urban Studies of the University at Buffalo. It is based on the preliminary TIF Proposal submitted in 2001 but incorporates suggestions and information provided by the City of Buffalo Office of Strategic Planning, Public Works, Division of Budget and Management, the Tax Assessor, and members of the Common Council. Information and suggestions from officers of the State of New York and Erie County are also included. Discrepancies have been resolved as indicated in the main text, generally in a conservative manner. Except where stated amounts are reported in current values ($thousands).

Public and Private Investment Required

1. Property Rehabilitation (Project 1)

The required rehabilitation has been determined from a preliminary survey of most properties and streets in the Redevelopment Area. The estimated costs of rehabilitation are based on consultants' advice, supplemented by information from the National Building Cost Manual.

Table 1A shows the number of properties to be rehabilitated with respect to their structure, appearance, and surroundings in each street in the Redevelopment Area. Demolitions and re-housing on Michigan and Maple associated with the commercial/social district and parkland areas are indicated.

Table 1B shows the average cost per property of each type of restoration. Rehabilitation costs are based on an inspection of the majority of properties in the Redevelopment Area. The amounts shown here do not include contingency costs, but these costs are included in the final calculation. Amounts are given in $thousands.

Table 1C shows the costs of rehabilitation for all residential and commercial properties in each street. Amounts are given in $thousands.

Table 1D shows the number of owner-occupied, neighbor-owned, and absentee-owner properties in the Fruit Belt by structural condition as assessed by the Center for Urban Studies.

2. New Residential Properties (Project 2)

The number and size of new dwellings is based on the optimal use of vacated land on each street. Costs for new dwellings are based on local construction costs and the National Building Cost Manual.

Table 2A shows the number of new dwellings by nominal parcel size (square feet) to be constructed on each street in the Redevelopment Area. This includes homes required for the re-housing of existing residents. Some of the smaller dwellings enumerated are to comprise part of multiple housing units.

Tables 2B shows the average cost per residential property by size. Amounts are based on NBCM figures and include contingency costs. These amounts are in reasonable agreement with some local developer brochures. Amounts are given in $thousands. Tables 2C shows the total costs of new residential properties in each street.

Table 2C shows the number dwellings of each type, the amount of land taken, and the unit cost of dwelling construction. The likely number of occupants is also given.

Table 2D summarizes the calculation of unit costs for each class of proposed new structures. Data are presented for lots, structures, and dwelling units. The table also shows the expected number of occupants.

3. New Commercial and Social Amenities (Project 3)

The location and size new commercial activity is based on expected demand from existing and new residents, and from adjacent business and residential areas. Costs for new commercial properties are based on local construction costs and the National Building Cost Manual.

Table 3A shows new properties in the commercial/social district. Table 3B shows the average cost per commercial/social property. Amounts based on NBCM again include contingency costs. Amounts are given in $thousands.

Table 3C shows the total costs of new commercial/social properties in each street.

Table 3D gives an estimate of the expected demand for goods and services at the proposed center based on a calibrated retailing model of the Fruit Belt and surrounding census tracts and all local shopping provision.

Figure 3 summarizes the results of the threshold analysis for retail capacity at different levels of demand and outlet size (relative to average outlet size in the City of Buffalo).

4. Street Improvement (Project 4)

Costs of extensive repair to all pavement, sidewalks and verges are determined from information provided by the City of Buffalo Department of Public Works, the National Building Cost Manual, and information from private contractors. On average, the unit costs adopted here for infrastructure are about 30% below estimates based on current the City practice.

Table 4A gives the surface dimension (square feet) for repair of pavement, sidewalk, curbs, verges, medians, and sewers by street in the Redevelopment Area.

Table 4B gives the unit cost of each type of street repair. Amounts are given in $thousand. The amount of improvement to be undertaken through the Medical Campus expansion is also shown.

Table 4C shows the total cost by street for each type of improvement. Amounts are given in $thousand. The combined public and private investment in residential improvements (rehabilitation, demolition, re-housing, and new dwellings) exclusive of improvements to residential streets and sewers is greater than 70 percent of the total investment.

5. Construction Schedule

The projects will be completed over a period of five years with expenditures evenly spread annually over this period.

Table 5A indicates the years in which work for Projects 1 through 4 will be undertaken in each street. The data show the number of properties requiring esthetic or major repair, the number of new dwellings and commercial properties, and the length of street to be repaired.

Table 5B allocates the above costs by street for Projects 1 through 4 according to proposed funding source. Public funding includes rehabilitation of properties-, demolition and re-housing, street improvements, and new social properties. Private funding includes all new dwellings (except those for re-housing) and new commercial properties. The year scheduled for the rehabilitation of each street is also shown.

Table 5C allocates public and private funding according to year over the five year completion period. Table 5D shows the number of properties to be rehabilitated or constructed and street (by length) annually for Projects 1 through 4.

Table 5E shows the annual cost or work for Projects 1 through 4.

6. Consolidated Project Costs

Consolidated costs include variable amounts to cover contingencies and soft costs and possible scale economies due to the overall size of the project. There is some discrepancy for contingency costs between the City Offices of Strategic Planning (a flat 15%) and Public Works (a variable rate between 5% and 10% depending on size of project) and the NCBM (as low as 2%).

Table 6A shows the number of properties affected by each activity for each project and the division of public and privately funded activities.

Table 6B gives the costs of the above work based on the previous tables and shows the share of total expenditure to be allocated to each activity.

Table 6C includes a contingency cost for each type of activity averaging 10 percent for the entire project. The public sector cost shown, net of other public offsets, is the amount to be covered by tax increment financing.

Table 6D shows the share of public expenditure on infrastructure (streets and sewers) that might be covered by non-TIF sources. These amounts are illustrative and variations on this base scenario of uniform gap financing based on Table 6G below have been examined. The table deducts the gap financing from the total public investment to be covered by tax increment financing.

Table 6E indicates the distribution of rehabilitation costs for owner occupied and rental properties to the public sector and to absentee owners.

Table 6F shows the ownership of occupied and vacant properties by number of properties owned.

Table 6E details potential sources of gap financing for dwellings, infrastructure, commerce, and technical assistance.

7. Current Assessments and Abatements

Property assessments in this calculation are based on the City of Buffalo Real Property data base for 2000.

Table 7A shows current City of Buffalo assessed values for properties in the TIF and Redevelopment Areas according to type of use (based on City of Buffalo data for 2001).

Table 7B shows property tax abatements by type of use for properties in the Fruit Belt (based on City of Buffalo data for 1997).

8. Appreciation of Property Values and Taxable Increment

As explained in the main text property values within the Redevelopment Area are appreciated by 18 percent. Other properties within the TIF appreciate by a lesser amount.

Table 8A combines current assessment and the value of potentially taxable improvements on properties by use in the Redevelopment Area and in the remainder of the TIF district. Taxable improvements include all public and private expenditures on properties, but exclude improvement to streets, sewers, or public parks. Potential improvements to properties in the remainder of the TIF district (such as the Medical Campus) are not included at this time.

Table 8B gives the taxable increment calculated as the difference between current assessed values and the final anticipated value of properties throughout the TIF adjusted for current abatements (as in Table 7B).

Table 8C indicates two adjustments to the taxable increment. The tax increment on existing properties due to improvement or the subsequent appreciation of value is abated by 50 percent.

Table 8D shows the net taxable increment once the project is completed and property values have appreciated to the assumed level.

Table 8E gives the variables used in the statistical estimation of assessments and other statistical information. The low significance of “access to CBD” not important for calculation of appreciation.

9. Tax Rates and Timetable

Table 9A shows current (2001) tax rates for homestead and non-homestead properties in the City of Buffalo. All improvements are to be taxed at these rates (subject to current and modified abatements as above). Data are based on the City of Buffalo Real Property file.

Table 9B shows the expected timescale for completion of the project (5 years) and the years for the anticipated appreciation of property values to occur (10 years). Data are based on the City of Buffalo Real Property file.

10. Present Value of Taxes

Tax increment financing recovers public expenditures through taxes on the increased assessed value of properties as a result of the project. The viability of the TIF is demonstrated by showing that the cumulative taxes (discounted to present value) over a relatively short number of years exceed the initial public investment. The present value of the taxes raised through the TIF is calculated taking account of the above timetable for rehabilitation and construction, and the pace of appreciation. This calculation also adopts the ambient value growth and discount rates for 2001 used by the City of Buffalo.

Table 10A shows the increased assessment by year for homestead and non-homestead properties three decades taking account of the construction and appreciation schedule. The table also appreciates the value of the increased assessment by year using a City of Buffalo Office of Strategic Planning value growth (inflation) of 2 percent.

Table 10B shows the taxable increment for homestead and non-homestead improvements including appreciation and inflation.

Table 10C shows the net balance of initial public expenditures and cumulative discounted revenues for selected time horizons. For horizons beyond the breakeven year the TIF shows a sizable surplus.

TABLE 1A. PROJECT 1.
NUMBER OF PROPERTIES TO BE REHABILITATED ETC.

REHAB STREET	COSMETIC REHAB	STRUCTURAL REHAB	PAINT	LAWN	PARKLAND	REHOUSE	DEMOLITION	MOVE
BEECH	11		1	1	6	4	4	
BEST	10	22	23	23	6	2	4	
CARLTON	37	19	23	28	29		1	
GOODELL	8							
GOODRICH	1			1				
GRAPE	60	49	52	80	25		2	
HIGH	52	31	31	49	30		1	
JEFFERSON	47	23	24	34	25	3	11	
LEMON	72	36	41	61	36	2	3	
LOCUST	66	50	53	80	27	4	5	
MAPLE	81	30	33	59	51	1	1	
MICHIGAN	43	8	6	26	26	1	1	
MULBERRY	79	53	52	92	41			
NORTH ST EAST	24	29	29	40	13			
ORANGE	35	57	64	72	17	1	1	
PEACH	70	44	50	77	34		2	
ROSE	36	32	40	48	19	2	5	
VIRGINIA ST	4		1	1	3			
TOTAL	736	483	523	772	388	20	42	

Red items in social/commercial district
348 1219

TABLE 1B. PROJECT 1.
AVERAGE COSTS PER PROPERTY

REHAB	COSMETIC REHAB	STRUCTURAL REHAB	PAINT	LAWN	PARKLAND	REHOUSE	DEMOLITION	MOVE
AVERAGE $K/ITEM	$2.0	$25.5	$4.7	$4.3	$3.3	$105.8	$6.0	$20.0

Note: Excludes Contingency

TABLE 1C. PROJECT 1.
COST OF REHABILITATION AND REHOUSING

ACTION STREET	COSMETIC REHAB	STRUCTURAL REHAB	PAINT	LAWN	PARKLAND	REHOUSE	DEMOLITION	MOVE
BEECH	$22		$2	$2	$20	$423	$24	
BEST	$20	$660	$125	$119	$20	$212	$24	
CARLTON	$74	$670	$145	$118	$96		$6	
GOODELL	$16							
GOODRICH	$2			$8				
GRAPE	$120	$1,100	$230	$269	$83		$12	
HIGH	$104	$1,050	$220	$228	$100		$6	
JEFFERSON	$94	$664	$128	$269	$83	$318	$66	
LEMON	$144	$840	$166	$242	$120	$212	$18	
LOCUST	$132	$1,083	$227	$364	$90	$423	$30	
MAPLE	$162	$680	$136	$239	$169	$106	$6	
MICHIGAN	$86	$193	$19	$102	$86	$106	$6	
MULBERRY	$158	$1,016	$176	$337	$136			
NORTH ST EAST	$48	$868	$162	$175	$43			
ORANGE	$70	$1,500	$298	$309	$56	$141	$8	
PEACH	$140	$1,142	$221	$402	$113		$14	
ROSE	$72	$845	$189	$172	$63	$221	$31	
VIRGINIA ST	$8		$2	$3	$10			
TOTAL	$1,472	$12,311	$2,443	$3,356	$1,289	$2,161	$252	
FINANCING	PUBLIC/PRIVATE	PUBLIC/PRIVATE	PUBLIC/PRIVATE	PUBLIC/PRIVATE	PUBLIC	PUBLIC	PUBLIC	PUBLIC

$ Amounts are 000's

Note: Rehabilitation costs are based on preliminary survey of individual properties.

TABLE 2A PROJECT 2.
NUMBER OF NEW PROPERTIES EXCLUDING REHOUSING

STYLE	Medium Detached	Small Detached	Row	Duplex
NOMINAL LOT SIZE SQFT	4000	3000	7000	5250
BEECH		1	1	2
BEST		4	2	1
CARLTON	1	12	2	5
GOODELL				
GOODRICH				
GRAPE		19	3	8
HIGH			3	10
JEFFERSON	2	8	4	6
LEMON	7	15	4	4
LOCUST	3	20	1	7
MAPLE		21	4	14
MICHIGAN			1	4
MULBERRY	1	21		6
NORTH ST EAST	1	5		4
ORANGE	2	9	1	
PEACH	4	20	4	4
ROSE	1	9	4	4
VIRGINIA ST				
TOTAL	22	164	34	79
				299

TABLE 2B. PROJECT 2.
COSTS PER RESIDENTIAL PROPERTY LOT SIZE FTSQ

STYLE	Medium Detached	Small Detached	Row	Duplex
COST /HOME $K	$132.5	$105.8	$93.8	$72.1

TABLE 2C. PROJECT 2.
NEW DWELLINGS EXCLUDING REHOUSING

STYLE	Medium Detached	Small Detached	Row	Duplex
UNIT SIZE SQFT	2000	1500	1400	1050
BEECH		$106	$281	$288
BEST		$423	$563	$144
CARLTON	$133	$1,270	$563	$721
GOODELL				
GOODRICH				
GRAPE		$2,011	$844	$1,153
HIGH			$844	$1,441
JEFFERSON	$265	$847	$1,126	$865
LEMON	$928	$1,588	$1,126	$576
LOCUST	$398	$2,117	$281	$1,009
MAPLE		$2,223	$1,126	$2,018
MICHIGAN			$281	$576
MULBERRY	$133	$2,223		$865
NORTH ST EAST	$133	$529		$576
ORANGE	$265	$953	$281	
PEACH	$530	$2,117	$1,126	$576
ROSE	$133	$953	$1,126	$576
VIRGINIA ST				
TOTAL	$2,915	$17,358	$9,567	$11,385
FINANCING	PRIVATE	PRIVATE	PRIVATE	PRIVATE

TABLE 2D. UNIT AND OVERALL COSTS OF NEW CONSTRUCTION

ITEM	Medium Detached	Small Detached	Row	Duplex	Apartments	Senior	COMMERCIAL AND SOCIAL	PUBLIC SERVICE	PARKS AND PARKING	TOTALS ETC
Nominal Lot Size SQFT*	4000	3000	7000	5250	Buildover	Buildover	5000	5000	Varied	
TOTAL NOMINAL LOTS	22	164	34	79	0	0	10	5	172	486
Buildup % (or Buildover)	**25%**	**25%**	**30%**	**40%**	**40%**	**50%**	**80%**	**80%**		
Built Footprint/Lot SQFT (Lowe Floor)	1000	750	2100	2100			4000	4000		
Structures/Lot	1	1	1	1			1	1		
Units/Structure	1	1	3	2						
Number of Structures	22	164	34	79	0	0	10	5	0	314
Footprint/Unit SQFT	1000	750	700	1050	**660**	**500**	4000	4000		
Number Floors/Unit	**2**	**2**	**2**	**1**	1	1	1	1		
Unit Floor Size SQFT	2000	1500	1400	1050	660	500	4000	4000		
Quality Class	3	3	3	3	3	3	3	3		
NCMB Page Reference	12	12	17	17	18	18	60	107		
$ Base (500 SQFT)					$60.50	$60.50				
$ Base (1000 SQFT)	$59.42	$59.42	$54.65	$54.65	$51.84	$51.84				
$ Base (2/3000 SQFT)	$45.74	$45.74	$50.95	$50.95			$78.58	$80.27		
$ Base (10,000 SQFT)							$55.37	$61.79		
$ Base SQFT (Interpolated)	$52.58	$56.00	$53.17	$54.47	$57.73	$60.50	$72.78	$75.65		
Additional Feature Costs SQFT	$3	$3	$3	$3	$3	$3	$4	$4		**5%**
$ Total Base SQFT	$55	$59	$56	$57	$61	$64	$76	$79		
Base Unit $K	$110	$88	$78	$60	$40	$32	$306	$318		
Buffalo Area Modification	8%	8%	8%	8%	8%	8%	8%	8%		
Inflation 1998-2002	12%	12%	12%	12%	12%	12%	12%	12%		
Unit Total Base $K 2002	$132.5	$105.8	$93.8	$72.1	$48.0	$38.1	$366.8	$381.3		
Number of Footprints	22	164	34	79	30	25	10	5		
Number of Units/Footprint	1	1	3	2	3	3	1	1		
Number of Units	22	164	102	158	90	75	10	5		626
Hard Cost $M	$2.9	$17.4	$9.6	$11.4	$4.3	$2.9	$3.7	$1.9		$54.0
Land Use Area SQFT	88,000	492,000	238,000	414,750	Buildover	Buildover	50,000	25,000		1,307,750
Unit Floor Area SQFT	44,000	246,000	142,800	165,900	59,400	37,500	40,000	20,000		755,600

NCMB Base Construction Costs are the "end-user" price inclusive of design costs, fees, but exclude special heating, cooling, and other special features

Commercial and social construction is masonry/steel for build over of Apartments and Senior Residences

	Medium Detached	Small Detached	Row	Duplex	Apartments	Senior	Total
Number of Units	22	164	102	158	90	75	
Bedrooms per Unit	4	3	2	2	2	1	
Persons per Unit	4	3.5	3	2.5	2	1	1618
SQ FT/PERSON	500	429	467	420	330	500	

TABLE 3A. PROJECT 3.
NEW COMMERCIAL/SOCIAL DISTRICT

STYLE NOMINAL LOT SIZE SQFT	Apartments Buildover	Senior Buildover	COMMERCIAL 5000	SOCIAL 5000
BEECH				
BEST				
CARLTON				
GOODELL				
GOODRICH				
GRAPE				
HIGH				5
JEFFERSON				
LEMON				
LOCUST				
MAPLE				
MICHIGAN			10	
MULBERRY				
NORTH ST EAST				
ORANGE				
PEACH				
ROSE				
VIRGINIA ST				
TOTAL			10	5

TABLE 3B. PROJECT 3.
COSTS PER COMMERCIAL/SOCIAL PROPERTY

STYLE	Apartments	Senior	COMMERCIAL	SOCIAL
COST/UNIT	$48.0	$38.1	$366.8	$381.3

TABLE 3C. PROJECT 3.
NEW COMMERCIAL/SOCIAL CENTER

STYLE	Apartments	Senior	COMMERCIAL	SOCIAL
UNIT SIZE SQFT	660	500	4000	4000
BEECH				
BEST				
CARLTON				
GOODELL				
GOODRICH				
GRAPE				
HIGH		$2,859		$1,906
JEFFERSON				
LEMON				
LOCUST				
MAPLE				
MICHIGAN	$4,321		$3,668	
MULBERRY				
NORTH ST EAST				
ORANGE				
PEACH				
ROSE				
VIRGINIA ST				
TOTAL	$4,321	$2,859	$3,668	$1,906
FINANCING	PRIVATE	PRIVATE	PRIVATE	PUBLIC

$ Amounts are 000's

TABLE 3D. POTENTIAL NEIGHBORHOOD DEMAND FOR GOODS AND SERVICES

HOUSEHOLD CONSUMPTION Consumption Category	CURRENT FRUIT BELT Present Residents	POTENTIAL NEW SURVEY AREA RESIDENTS Family	Single/Couples	Senior	SCENARIO TOTAL NEW	TOTAL Commuters Hholds	POTENTIAL Workplace %	SCENARIO Workplace Related	Workplace $/day/worker	TOTAL DEMAND	Total/Current Demand
Average annual expenditures $K	$23	$52	$38	$15		$38					
Number of Families	1,496	186	260	75		15,000					
Local Purchases	80%	80%	80%	80%		100%					
Food at home	$2,938	$830	$848	$97	$1,774	$61,134	5%	$3,057	$0.33	$7,769	2.6
Food away from home	$1,446	$408	$417	$48	$873	$30,088	20%	$6,018	$0.65	$8,337	5.8
Alcoholic beverages	$221	$63	$64	$7	$134	$4,609	5%	$230	$0.02	$586	2.6
Housing	$10,075	$2,846	$2,907	$331	$6,085	$209,666	0%	$0	$0.00	$16,160	1.6
Apparel and services	$1,188	$336	$343	$39	$718	$24,724	5%	$1,236	$0.13	$3,142	2.6
Transportation	$3,980	$1,124	$1,148	$131	$2,404	$82,822	10%	$8,282	$0.89	$14,666	3.7
Health care	$2,106	$595	$608	$69	$1,272	$43,817	5%	$2,191	$0.24	$5,568	2.6
Entertainment	$2,106	$595	$608	$69	$1,272	$43,817	5%	$2,191	$0.24	$5,568	2.6
Personal care products and services	$405	$114	$117	$13	$244	$8,419	10%	$842	$0.09	$1,491	3.7
Reading	$117	$33	$34	$4	$71	$2,437	5%	$122	$0.01	$310	2.6
Education	$505	$143	$146	$17	$305	$10,510	0%	$0	$0.00	$810	1.6
Tobacco products and smoking supplies	$350	$99	$101	$12	$211	$7,286	10%	$729	$0.08	$1,290	3.7
Miscellaneous	$749	$211	$216	$25	$452	$15,576	5%	$779	$0.08	$1,979	2.6
Cash contributions	$577	$163	$167	$19	$349	$12,016	5%	$601	$0.06	$1,527	2.6
Personal insurance and pensions	$629	$178	$181	$21	$380	$13,080	5%	$654	$0.07	$1,662	2.6
Life and other personal insurance	$0	$0	$0	$0	$0	$0					
TOTAL	$27,391	$7,738	$7,904	$900	$16,542	$570,000	5%	$26,931	$2.91	$70,863	2.6

FIGURE 3. PROPOSED COMMERCIAL CAPACITY RELATIVE TO EXPECTED DEMAND

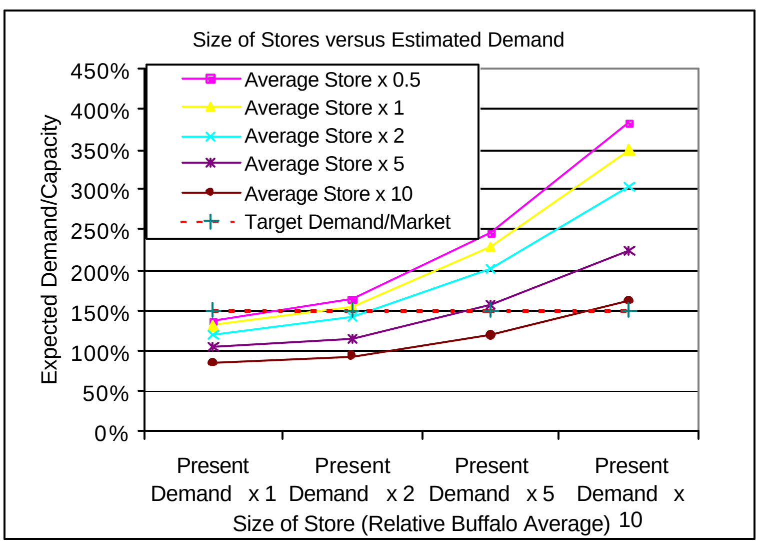


TABLE 4A. PROJECT 4.
STREETSCAPE IMPROVEMENT

REPAIR	Street	Street Width	UNIT AREA OR LENGTH FOR REPAIR						
STREET	Length FT	Width FT	PAVEMENT	SIDEWALK	CURBS	VERGES	MEDIANS	SEWERS	MEDICAL
			SF	SF	LF	SF	SF	LF	CORRIDOR
BEECH	344	24	8,259	4,129	688	4,129		344	
BEST	5,702	32	182,477	68,429	11,405	68,429		5,702	31%
CARLTON	4,424	24	106,183	53,091	8,849	53,091		4,424	40%
GOODELL	2,065	24	49,552	24,776	4,129	24,776		2,065	79%
GOODRICH	1,573	24	37,754	18,877	3,146	18,877		1,573	100%
GRAPE	2,605	24	62,530	31,265	5,211	31,265		2,605	
HIGH	5,014	32	160,454	60,170	10,028	60,170		5,014	33%
JEFFERSON	2,360	32	75,508	28,315	4,719	28,315		2,360	
LEMON	2,458	24	58,990	29,495	4,916	29,495		2,458	
LOCUST	2,950	24	70,788	35,394	5,899	35,394		2,950	
MAPLE	2,900	24	69,609	34,804	5,801	34,804		2,900	
MICHIGAN	3,982	32	127,419	47,782	7,964	47,782		3,982	100%
MULBERRY	2,950	24	70,788	35,394	5,899	35,394		2,950	
NORTH ST EAST	3,736	32	119,554	44,833	7,472	44,833		3,736	38%
ORANGE	2,851	24	68,429	34,214	5,702	34,214		2,851	
PEACH	2,753	24	66,069	33,035	5,506	33,035		2,753	
ROSE	1,868	24	44,833	22,416	3,736	22,416		1,868	
VIRGINIA ST	3,539	24	84,946	42,473	7,079	42,473		3,539	47%
TOTAL	54,074	472	1,464,140	648,894	108,149	648,894		54,074	
Sidewalk etc. Width FT			1	6	1	6		1	

TABLE 4B. PROJECT 4.
COSTS PER UNIT

REPAIR	LIGHT	HEAVY	SIDEWALK	CURBS	VERGES	MEDIANS	SEWERS
	SF	SF	SF	LF	SF	SF	LF
COST FT UNIT $ inc OVERHEAD	$2.1	$4.2	$3.2	$16.6	$3.0	$22.6	$50.0

TABLE 4C. PROJECT 4.
COST OF NEW STREETS

STREETSCAPE IMPROVEMENT	LIGHT	HEAVY	SIDEWALK	CURBS	VERGES	MEDIANS	SEWERS	TOTAL	PROJECT	MEDICAL
UNIT SIZE SQFT	PAVEMENT	PAVEMENT								CORRIDOR
BEECH	$17		$13	$11	$12		$17	$71	$71	
BEST		$758	$220	$190	$205		$285	$1,658	$1,147	$511
CARLTON	$221		$171	$147	$159		$221	$919	$549	$370
GOODELL	$103		$80	$69	$74		$103	$429	$90	$339
GOODRICH	$78	$157	$61	$52	$57		$79	$484		$484
GRAPE	$130		$101	$87	$94		$130	$541	$541	
HIGH		$667	$194	$167	$181		$251	$1,458	$972	$486
JEFFERSON		$314	$91	$78	$85		$118	$686	$686	
LEMON	$123		$95	$82	$88		$123	$511	$511	
LOCUST	$147		$114	$98	$106		$147	$613	$613	
MAPLE	$145		$112	$96	$104		$145	$602	$602	
MICHIGAN		$529	$154	$132	$143		$199	$1,158		$1,158
MULBERRY	$147		$114	$98	$106		$147	$613	$613	
NORTH ST EAST		$497	$144	$124	$134		$187	$1,086	$679	$407
ORANGE	$142		$110	$95	$103		$143	$592	$592	
PEACH	$137		$106	$91	$99		$138	$572	$572	
ROSE	$93		$72	$62	$67		$93	$388	$388	
VIRGINIA ST	$176		$137	$118	$127		$177	$735	$392	$343
TOTAL	$1,659	$2,921	$2,089	$1,797	$1,947		$2,704	$13,116	$9,018	$4,098
FINANCING	PUBLIC	PUBLIC	PUBLIC	PUBLIC	PUBLIC	PUBLIC	PUBLIC	PUBLIC	PUBLIC	PRIVATE
							SEWERS	21%	$1,859	$845
							OTHER		$7,159	$3,253

CONSTRUCTION SCHEDULE
TABLE 5A
PUBLIC AND PRIVATE ACTIONS BY STREET ANDPROJECT

PROJECT		PROJECT 1	PROJECT 2	PROJECT 3	PROJECT 3	PROJECT 4
FINANCE		PUBLIC/PRIVATE	PRIVATE	PRIVATE	PUBLIC	PUBLIC
STREET	YEAR	REHAB/REHOUSE	NEW DWELLINGS	COMMERCIAL	SOCIAL	STREETSCAPE
BEECH	5	15	4			344
BEST	2	34	7			5,702
CARLTON	3	56	20			4,424
GOODELL	3	8				2,065
GOODRICH	3	1				1,573
GRAPE	5	109	30			2,605
HIGH	2	83	13		5	5,014
JEFFERSON	3	73	20			2,360
LEMON	4	110	30			2,458
LOCUST	4	120	31			2,950
MAPLE	1	112	39			2,900
MICHIGAN	1	52	5	10		3,982
MULBERRY	3	132	28			2,950
NORTH ST EAST	2	53	10			3,736
ORANGE	5	93	12			2,851
PEACH	4	114	32			2,753
ROSE	5	70	18			1,868
VIRGINIA ST	3	4				3,539
TOTAL		1,239	299	10	5	54,074

Note: Amounts are structures or street length (FT).

TABLE 5B.
PUBLIC AND PRIVATE EXPENDITURES BY STREET ANDPROJECT

PROJECT		PROJECT 1	PROJECT 1	PROJECT 2	PROJECT 3	PROJECT 3	PROJECT 4	PROJECT 4
FINANCE		PUBLIC	PRIVATE	PRIVATE	PRIVATE	PUBLIC	PUBLIC	MEDICAL
STREET	YEAR	REHAB/REHOUSE	REHAB	NEW DWELLINGS	COMMERCIAL	SOCIAL	STREETSCAPE	CORRIDOR
BEECH	5	$493		$675			$71	
BEST	2	$913	$266	$1,130			$1,147	$511
CARLTON	3	$336	$773	$2,686			$549	$370
GOODELL	3	$16					$90	$339
GOODRICH	3	$10						$484
GRAPE	5	$955	$859	$4,008			$541	
HIGH	2	$417	$1,289	$2,285	$2,859	$1,906	$972	$486
JEFFERSON	3	$918	$704	$3,102			$686	
LEMON	4	$1,181	$560	$4,217			$511	
LOCUST	4	$1,489	$861	$3,804			$613	
MAPLE	1	$870	$627	$5,366			$602	
MICHIGAN	1	$598		$858	$7,989			$1,158
MULBERRY	3	$972	$852	$3,220			$613	
NORTH ST EAST	2	$59	$1,237	$1,238			$679	$407
ORANGE	5	$1,192	$1,190	$1,499			$592	
PEACH	4	$831	$1,201	$4,349			$572	
ROSE	5	$757	$837	$2,787			$388	
VIRGINIA ST	3	$23					$392	$343
TOTAL		$12,030	$11,256	$41,225	$10,847	$1,906	$9,018	$4,098

$ Amounts are 000's

TABLE 5C.
PUBLIC AND PRIVATE EXPENDITURES BY YEAR $K

YEAR/PHASE	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
PUBLIC	$2,071	$6,094	$4,605	$5,196	$4,990	$22,954
PRIVATE	$15,997	$11,710	$12,872	$14,992	$11,855	$67,426
TOTAL	$18,068	$17,803	$17,477	$20,187	$16,845	$90,380
PERCENT	20%	20%	19%	22%	19%	100%
PUBLIC PERCENT	9%	27%	20%	23%	22%	100%

$ Amounts are 000's

Above excludes contingency adjustment.

TABLE 5D.
ANNUAL UNITS BY PROJECT

PROJECT	PROJECT 1	PROJECT 2	PROJECT 3	PROJECT 3	PROJECT 4	
FINANCE	PUBLIC	PRIVATE	PRIVATE	PUBLIC	PUBLIC	
YEAR	REHAB/REHOUSE	NEW DWELLINGS	COMMERCIAL	SOCIAL	STREETSCAPE	
YEAR 1	164	44	10		6,882	
YEAR 2	170	30		5	14,453	
YEAR 3	274	68			16,911	
YEAR 4	344	93			8,160	
YEAR 5	287	64			7,669	
TOTAL	1,239	299	10	5	54,074	

TABLE 5E.
ANNUAL EXPENDITURES BY PROJECT

PROJECT	PROJECT 1	PROJECT 1	PROJECT 2	PROJECT 3	PROJECT 3	PROJECT 4	PROJECT 4	
FINANCE	PUBLIC	PRIVATE	PRIVATE	PRIVATE	PUBLIC	PUBLIC	MEDICAL	
YEAR	REHAB/REHOUSE	REHAB	NEW DWELLINGS	COMMERCIAL	SOCIAL	STREETSCAPE	CORRIDOR	TOTAL
YEAR 1	$1,468	$627	$6,224	$7,989		$602	$1,158	$18,068
YEAR 2	$1,389	$2,793	$4,654	$2,859	$1,906	$2,798	$1,405	$17,803
YEAR 3	$2,275	$2,329	$9,008			$2,330	$1,535	$17,477
YEAR 4	$3,501	$2,621	$12,370			$1,695		$20,187
YEAR 5	$3,397	$2,886	$8,969			$1,593		$16,845
TOTAL	$12,030	$11,256	$41,225	$10,847	$1,906	$9,018	$4,098	$90,380

TABLE 6A. PROJECT AREA BASE SCENARIO
DEVELOPMENT SUMMARY UNITS AFFECTED

PROJECT	ACTION	PUBLIC	ST JOHNS	OTHER PRIVATE	TOTAL PRIVATE
PROJECT 1	Dwellings Cosmetic Rehab	419		317	317
	Dwellings Structural Rehab	275		208	208
	Demolition	42			
	Rehouse	20			
	Commercial Rehab	95			
	Parks	388			
PROJECT 2	New Homes		50	249	299
PROJECT 3	New Social Amenities	5			
	New Commercial Properties			10	10
	New Apartments			90	90
	New Senior Units			75	75
PROJECT 4	Streetscaping	16		8	8
	Sewers	16		8	8

Units are properties or streets

TABLE 6B PROJECT AREA BASE SCENARIO
CONSOLLIDATED COST SUMMARY

PROJECT	ACTION	PUBLIC COST $K	PRIVATE COST	COMBINED	SHARE
PROJECT 1	Dwellings Cosmetic Rehab	$3,420	$3,961	$7,381	8%
	Dwellings Structural Rehab	$4,417	$6,265	$10,682	12%
	Demolition	$252		$252	0%
	Rehouse	$2,161		$2,161	2%
	Commercial Rehab	$489	$1,030	$1,519	2%
	Parks	$1,289		$1,289	1%
PROJECT 2	New Homes		$41,225	$41,225	46%
PROJECT 3	New Social Amenities	$1,906		$1,906	2%
	New Commercial Properties		$3,668	$3,668	4%
	New Apartments		$4,321	$4,321	
	New Senior Units		$2,859	$2,859	
PROJECT 4	Streetscaping	$7,159	$3,253	$10,413	12%
	Sewers	$1,859	$845	$2,704	3%
	TOTAL	$22,954	$67,426	$90,380	100%
$ Amounts are 000's	Cross Check	$22,954	$67,426		

TABLE 6C. PROJECT AREA BASE SCENARIO
CONSOLIDATED PROJECT COSTS WITH CONTINGENCY AND SCALE ECONOMIES

PROJECT	ACTION	CONTINGENCY	LARGE PROJECT SAVING	SOFT AND OTHER COSTS	PUBLIC COST $K	PRIVATE COST $K	COMBINED	SHARE
PROJECT 1	Dwellings Cosmetic Rehab	8%	-5.0%	5.0%	$3,678	$4,259	$7,937	8%
	Dwellings Structural Rehab	14%	-5.0%	5.0%	$5,016	$7,114	$12,131	13%
	Demolition	8%	-5.0%	5.0%	$271		$271	0%
	Rehouse	8%	-5.0%	5.0%	$2,324		$2,324	2%
	Commercial Rehab	14%	-5.0%	5.0%	$556	$1,169	$1,725	2%
	Parks	8%	-5.0%	5.0%	$1,386		$1,386	1%
PROJECT 2	New Homes		-5.0%	5.0%		$41,225	$41,225	44%
PROJECT 3	New Social Amenities		-5.0%	5.0%	$1,906		$1,906	2%
	New Commercial Properties		-5.0%	5.0%		$3,668	$3,668	4%
	New Apartments		-5.0%	5.0%		$4,321	$4,321	
	New Senior Units		-5.0%	5.0%		$2,859	$2,859	
PROJECT 4	Streetscaping	8%	-5.0%	5.0%	$7,699	$3,498	$11,197	12%
	Sewers	14%	-5.0%	5.0%	$2,111	$959	$3,070	3%
	TOTAL	**10.0%**	**-5.0%**	**5.0%**	$24,947	$69,073	$94,020	100%

$ Amounts are 000's OTHER COSTS INCLUDES EG INFLATION, DEVELOPER, ETC. BASIS FOR TIF VALUATION

TABLE 6D
NET PUBLIC COST TO BE REPAID THROUGH TIF

PROJECT	ACTION	PUBLIC COST $K	FEDERAL	STATE	COUNTY	ALL AGENCIES	NET CITY TIF
PROJECT 1	Dwellings Cosmetic Rehab	$3,678					$3,678
	Dwellings Structural Rehab	$5,016				100%	
	Demolition	$271					$271
	Rehouse	$2,324					$2,324
	Commercial Rehab	$556				100%	
	Parks	$1,386					$1,386
PROJECT 2	New Homes						
PROJECT 3	New Social Amenities	$1,906				100%	
	New Commercial Properties						
	New Appartments						
	New Senior Units						
PROJECT 4	Streetscaping	$7,699					$7,699
	Sewers	$2,111					$2,111
	TOTAL	$24,947				30%	$17,469

$ Amounts are 000's AMOUNT REQUIRED FROM TIF REVENUE

TABLE 6E. RESIDENTIAL PROPERTIES										
	PROPERTIES				MAJOR REHAB COST				PROPERTIES	REHAB COST
$K COST/UNIT	OWNER OCCUPIED	NEIGHBOR OWNED	OTHER OWNER	TOTAL	OWNER OCCUPIED	NEIGHBOR OWNED	OTHER OWNER	TOTAL	SHARE	SHARE
BEECH	1	0	4	5	$3	$0	$0	$3	80%	0%
BEST	15	1	8	24	$393	$55	$181	$629	33%	29%
CARLTON	12	0	15	27	$140	$0	$464	$604	56%	77%
GOODELL	0	0	0	0	$0	$0	$0	$0	0%	0%
GOODRICH	0	0	0	0	$0	$0	$0	$0	0%	0%
GRAPE	37	1	28	66	$491	$1	$492	$985	42%	50%
HIGH	10	0	18	28	$171	$0	$707	$878	64%	81%
JEFFERSON	8	0	9	17	$118	$0	$185	$303	53%	61%
LEMON	44	2	15	61	$408	$25	$291	$724	25%	40%
LOCUST	38	0	25	63	$458	$0	$417	$875	40%	48%
MAPLE	26	1	20	47	$304	$1	$324	$629	43%	52%
MICHIGAN	9	0	5	14	$0	$0	$0	$0	36%	0%
MULBERRY	52	0	30	82	$466	$0	$475	$941	37%	50%
NORTH ST EAST	2	0	21	23	$8	$0	$657	$666	91%	99%
ORANGE	39	1	31	71	$658	$1	$794	$1,453	44%	55%
PEACH	35	2	27	64	$410	$7	$712	$1,130	42%	63%
ROSE	25	1	18	44	$294	$3	$563	$860	41%	65%
VIRGINIA ST	1	0	0	1	$1	$0	$0	$1	0%	0%
TOTAL	354	9	274	637	$4,324	$93	$6,265	$10,682	43%	59%

TABLE 6F. OWNERSHIP BY NUMBER OF PROPERTIES OWNED													
OWNER1	Other TIF	Commercial	Community	Industrial	Parkland	Public Services	Recreation	Residential	Vacant	PROJECT TOTAL	% VACANT	% OF VACANT	NUMBER OF OWNERS
CITY OF BUFFALO (VARIOUS)	552	6	3		1			45	225	280	80%	44%	3
> 10 PROPERTIES (EX CITY)	1							2	9	11	82%	2%	1
10 PROPERTIES		2	1						7	10	70%	1%	1
9 PROPERTIES		1	1					1	6	9	67%	1%	1
8 PROPERTIES		1						1	6	8	75%	1%	1
7 PROPERTIES									7	7	100%	1%	1
6 PROPERTIES		2	1					1	8	12	67%	2%	2
5 PROPERTIES	34	3						1	11	15	73%	2%	3
4 PROPERTIES	2	2						14	12	28	43%	2%	7
3 PROPERTIES	13	5	3	1				27	27	63	43%	5%	21
2 PROPERTIES	8	6	5	2				73	72	158	46%	14%	79
1 PROPERTIES	72	46	6	1		1	1	487	126	668	19%	25%	668
Grand Total	2075	73	20	4	1	1	1	651	508	1259	52%	100%	1104

TABLE 6G. POTENTIAL SOURCES OF GAP FINANCING FOR DWELLINGS, INFRASTRUCTURE, COMMERCE, & TECHNICAL ASSISTANCE.

NO	POTENTIAL AREA	PROGRAM NAME	DEPARTMENT	SUMMARY	UTILIZATION	ELIGIBILITY
1	HOUSING (OWNER OCCUPIED) REDEVELOPMENT	Affordable Home Ownership Development Program	NYS Housing Finance Agency/NYS Affordable Housing Corporation	Grant. Home ownership by persons of low and moderate income. Fosters development, stabilization and preservation of neighborhoods considered blighted, deteriorating or in danger of becoming. Unwillingness of private sector to invest. *Application Dates 11/27/02 and 5/15/03	Private and public investment for construction, acquisition, rehabilitation and improvement of owner-occupied housing * Grants limited to the lesser of $15,000 per dwelling unit or 40% of the project cost.	Area which at least 70% of families have incomes 80% or less of statewide median income. Eligible applicants: local municipalities, housing authorities, not-for-profit, preservation * Project must have support of municipality * Funds cannot exceed 60% of total development budget of project * Permits and Environmental reviews must be in place
2	HOUSING (RENTER OCCUPIED) DEVELOPMENT	Housing Opportunity and Preservation for the Empire State (HOPES Program)	NYS Housing Finance Agency/ Multifamily Financing Programs	Bonds and Loans. Provide low cost, flexible financing in to increase and improve housing stock, job creation, better communities and solid investment opportunities on rental housing.	Financing for preservation, rehabilitation and creation of quality, affordable multifamily rental housing.	Any property in need of preservation. Examples include Section 8, 236 & 20 and low income housing tax credit programs. Units that are affordable to low, moderate or middle income families Eligible borrowers are 501© (3) corporations that are established and have expertise.
3	HOUSING	Low Income Housing Trust Fund	NYS Division of Housing and Community Renewal	Grants and Loans. Program established the help meet the need for decent, affordable housing opportunities low-income people	Blighted or deteriorating areas. Areas must be either vacant or under-occupied residential properties. Funding to construct low-income housing, rehabilitate vacant or under-utilized residential property. Seed Funding to non-profits who need financial assistance in developing full Housing Trust Fund application	Applicants: not-for-profit (*In existence 1 yr. prior to application) or charitable organization, housing development fund companies, municipalities; counties in existence for at least one year prior to application--Low income persons may not be direct recipients Funding limited up to $55,000 per unit. Long-term (15-30 years) use by low and very low-income persons ensured.
4	HOUSING	Homes for Working Families Initiatives Program	NYS Division of Housing and Community Renewal	Loan (low interest). Initiatives to family rental projects, which finance more than 50% of the project cost with tax-exempt bonds subject to State Private Activity Bond Volume Cap and are eligible to receive an allocation of the Low Income Housing Credit. Loan structure is 30yr. 1% interest with interest & principal repaid from available cash flow	Projects that include substantial rehabilitation or new construction of affordable rental housing. * Financing assistance of up to $25,000 per unit to family or senior projects	Affordable rental housing for which rents for 100% of units must be set to meet restricted rent requirements under Section 42 of Internal Revenue Code (IRC). More than 50% of project cost must be financed by tax-exempt bonds issued under Section 142 of IRC.
5	HOUSING	HOME Program	NYS Division of Housing and Community Renewal/ * NYS Housing Trust Fund Corporation	Grant or Loan. To undertake activities under one or more of the three basic types: rental projects (acquisition, new construction or rehabilitation), homeownership assistance (repair or purchase assistance) and tenant-based rental assistance (TBRA) (payment of rental subsidies on behalf of eligible tenants).	Acquisition, new construction or rehabilitation, repair or purchase assistance and payment of rental subsidies on behalf of eligible tenants. * Relocation costs, down payment and closing costs and administrative and planning costs.	Funds to assist households with income at or below 80% of area median income. Rental projects serve households at or below 60% area median income. Rental houses must remain affordable for a period between 5 and 20 years. * Eligible applicants: Any private-for-profit or not-for-profit entity
6	HOUSING	Housing Development Fund	NYS Division of Housing and Community Renewal	Loan. Revolving loan fund to provide *no-interest temporary and low-interest equity loans to non-profit organizations to develop low-income housing projects.	Substantial rehabilitation or new construction of affordable rental housing or owner-occupied by low-income people. Pre-development cost. Financing	Not-for-profit and Charitable organizations. HUD and Urban Renewal Areas. Blighted, Vacant or deteoriating areas. * Loans must be used to develop low-income housing projects.
7	HOUSING	Senior Housing Initiative	NYS Division of Housing and Community Renewal	Loan (no interest). Provides initiatives to senior rental projects which finance more than 50% of project cost with tax-exempt bonds subject to State Private Activity Bond Volume Cap and eligible to receive allocation of Low Income Housing Credit	Substantial rehabilitation or new construction of affordable rental housing or owner-occupied by low-income people. Pre-development cost. Financing	Not-for-profit and Charitable organizations. HUD and Urban Renewal Areas. Blighted, Vacant or deteoriating areas. Households with incomes 90% (80% in NYC) or less of area medium income. Min. of 20% of housing units must be affordable to those with incomes 50% or less of median income. * Minimum of 80% of housing units must be occupied by person 55 years of age or older.
8	HOUSING	Secured Loan Rental Housing Program	NYS Housing Finance Agency	Loan (min=$1,000,000 max=$100,000,000) Finance low income housing by raising funds through issuance of municipal securities and making of mortgage loans to eligible borrows. Program provides efficient source of funds for variety of affordable multi-family rental developments.	Lends proceeds from sale of tax-exempt or taxable bonds for construction, acquisition and rehabilitation of multifamily rental housing developments. Private-for-profit housing, not-for-profit and special needs housing. Housing for educational and medical institutions.	Developments must meet Federal Tax Code. Profit developers must make 20% of units to tenants whose income does not exceed 50% area median income. 40% to those whose income does not exceed 60% area median income
9	INFRASTRUCTURE	Infrastructure Development Demonstration Program	NYS Housing Finance Agency	Grant. Assists in creation of affordable housing by providing grants.	Installation or upgrading of necessary infrastructure improvements to reduce construction costs of new or rehabilitated affordable housing units.	Grants only made to projects receiving some other form of govt assistance and cannot exceed $5,000 per unit.
10	INFRASTRUCTURE	Infrastructure Loans and Grants Programs	Empire State Department	NYS can provide assistance for construction, modification or improvements in the infrastructure serving an eligible company	Site Clearance, Water and Sewer lines, access roads, paving and docks. * Empire Housing Fund loans may be used as form of gap (or subordinate) financing.	See four Programs below
11	ECONOMIC DEVELOPMENT	Tax Incentives	Empire State Department	Incentives to encourage business investment and economic development. Credits, Deductions or allocation formula changes	Investment Tax Credit, Employment Incentive Credit, Real Property Tax Business Improvement Exemption, Credits for hiring disabled, Insurance Tax Credit for Certified Capital Co., Wage Tax Credit and Capital Credit	Companies must locate to Empire Zone.

12	ECONOMIC DEVELOPMENT	Qualified Empire Zone Enterprises (QEZE)	Empire State Department	Gives Companies increasing employment opportunity to operate on an almost tax-free basis for up to 10 years in Designated areas of NYS.	Businesses increasing employment in Empire Zones be eligible for enhanced sales tax exemptions, real property tax credit and tax reduction credits	Qualified Empire Zone Enterprises. Credits are available for up to 15 years.
13	ECONOMIC DEVELOPMENT	Tax Incentives	Empire State Department	Provides direct loans, loan guarantees and grants that can help companies reduce costs of undertaking a job creation or retention in State.	Funds available to help defray capital expenses such as, acquisition, renovation and some work capital assistance.	Eligible recipients: manufacturers, assemblers, distributors, research & development firms, non-retail service and commercial firm, retail firms located in economically distress area and local dev entities and other not-for-profits
14	TRAINING	Competitiveness Improvement Assistance Program	Empire State Department	Grants or other. Training assistance to partially defray costs associated with recruiting and/or training new employees and upgrading the skills of current workers * Never Fund more than 50% of project	Funds can be used for classroom, on-the-job training for new hires (material and supply cost). Training provided for specific job skills and advanced technologies.	Contact Empire State Department Staff
15	INSTITUTIONAL/CAPACITY BUILDING	Local Government Records Management Improvement Fund	NYS Education Department	Help local gov establish records management programs or develop new program components. Grants intended to help local gov provide access to info such as building permits, local ordinances or survey maps etc.. Applications Due Feb.	Funds can be used for inventory and planning, records creation and system design, active records, inactive records, microfilming, archival records and educational uses of local government records.	Every local govin NYS eligible to apply for grant if it has appointed a Records Mgt. Officer and if it has adopted the appropriate records retention and disposition schedule issued by State Archives and Records Administration
16	TECHNICAL ASSISTANCE	Permit Assistance Program	Governor's Office of Regulatory Reform	Provides comprehensive permit and licensing assistance for New York State's new and expanding businesses	Financial Assistance is not available through the Governor's Office of Regulatory Reform	No eligibility requirements.
17	TECHNICAL ASSISTANCE	Community Development Strategic Plan	Governor's Office for Small Cities	Grant. Federal Community Dev Block Grant provides annual grants to states and metropolitan cities and urban counties. Applications for 2002 Due September 3	Developing a Strategic Plan that will be used to identify implementation steps to achieve specific community development goals and objectives.	Units of general purpose local government. Municipalities with fewer than 50,000 residents (except certain central cities) and non-urban communities (200,000 or fewer) are eligible. * A 40% match is required for Grants which may be in the form of in-kind services or cash contribution. Private or public funding may be used.
18	COMMUNITY DEVELOPMENT	Blocks Grants Program	Governor's Office for Small Cities/NYS Housing Trust Fund	Grant (100%). Provides annual grants to states and eligible metropolitan cities and urban counties for community improvement activities.	Programs must benefit low to moderate income individuals, eliminate slums and address blight in the community or meet imminent threats to the health, safety and welfare of the community.	Units of general purpose local government. Municipalities with fewer than 50,000 residents (except certain central cities) and non-urban communities (200,000 or fewer) are eligible.
19	PRESERVATION	Greenway Conservancy for the Hudson River Valley Trails Program	The Greenway Conservancy	Provides technical assistance and funding for local planning and project implementation related to the Greenway. Call for proposals is issued annually, application period is not fixed.	Funding for trail planning, construction and amenities, historic landscape preservation, regional and local partnerships, as well as many other resource enhancement and economic development projects. Funds provided to communities on a reimbursement basis after submittal of vouchers documenting	Municipalities and not-for-profit corporations located within the geographic area of the Greenway, as defined by Article 44 of the Environmental Conservation Law.
20	ENVIRONMENTAL	NYS Energy and Development Authority Environmental Protection Program	NYS Energy Research and Development Authority	50% co-funding for development or demonstration projects for innovative environmental technologies.	Pollution Prevention, Developing environmental technology products, detailed engineering feasibility studies, development, demonstration and commercialization projects.	Projects must be co-shared with at least 50% co funding required Projects must impact NYS by producing significant economic benefits.
21	ENVIRONMENTAL	NYS Environmental Facilities Corp. Industrial Finance Program	NYS Department of Environmental Conservation	Low-interest loan. Help private businesses manage wastes, control pollution, build and improve environmental and drinking water facilities.	Eligible costs for an IFP loan may include purchase of land, construction or acquisition of bldgs., equipment purchase and installation and other capital costs.	Private businesses in NYS may be eligible for loans.
22	ENVIRONMENTAL	The Heritage Areas Program	NYS Office of Parks, Recreation and Historic Preservation Program	Grant (50%). Project must develop, expand or enhance public access to water bodies, promote water based recreation or enhance the natural, cultural or historic aspects of water bodies	Preserving, rehabilitating or restoring lands, waters or structures.	Municipalities, state agencies, public benefit corp., public authorities and not-for-profit organizations with ownership interest in property. NYS Designated Heritage Areas: Albany, Buffalo, Kingston, NYC, Ossining, Rochester, Saratoga Springs, Schenectady, Seneca Falls
23	ACQUISITION	The Acquisition Program	NYS Office of Parks, Recreation and Historic Preservation	Grant (50%). Project must develop, expand or enhance public access to water bodies, promote water based recreation or enhance the natural, cultural or historic aspects of water bodies	Acquisition of a permanent easement in or fee title to lands, waters or structures for use by all segments of the population for park, recreation conservation or preservation purposes.	Municipalities, state agencies, public benefit corp., public authorities and not-for-profit organizations with ownership interest in property. Such interest my be outright ownership or a lesser interest.
24	DRINKING WATER	Drinking Water State Revolving Fund	NYS State Department of Health	Grants (available to eligible hardship communities) and low or no interest loans. Provides a financial incentive for public and private water systems to undertake drinking water infrastructure improvements. *Improvements that enhance the drinking water quality and quantity of public water supplies	Investments to upgrade or replace infrastructure needed to achieve or maintain compliance with federal or state health standards and provide public with safe affordable drinking water.	Community water systems, both public and private owned, and non-profit, non-community water systems. Grants--Hardship communities with project cost less than $10000 and median household income less than state average. Those higher will get %0 loans. *Must submit pre-application which are accepted on a continuous basis.
25	LAND USE	Hudson River Valley Greenway Communities Council Planning Grants	Hudson River Valley Greenway	Grant (50%). Council provides technical assistance to help communities develop a vision for future and tools to achieve it by balancing economic dev. And resource protection objectives.	Natural and Culture Resource Protection, regional planning, economic development, public access and heritage and environmental education	Communities that elect to join in Greenway planning at the local or regional level are eligible to apply for matching grants, usually $5000, for community efforts.
26	HIGHWAY SAFETY	Highway Safety Grant Program	NYS Department of Motor	Grant (up to 100%). Intended to support state and local efforts by	Projects must fall within an area identified as a priority in Highway	Communities within county must cooperatively develop strategic plan which identifies and documents the

			Vehicles/Governor's Traffic Safety Committee	providing start up money for new programs directed at identified highway safety problems. No Limit on available funding. Applications submitted in May.	Safety Strategic Plan. *Fruit Belt Corp. can utilize monies for safety education purposes, not for physical aspects.	county's highway safety problems, establish performance goals, objectives and measures and proposes strategies that target the problem identified.
27	OUTREACH	Community Outreach Partnerships Centers Program (COPC)	U.S. Department of Housing and Urban Development	Grants. Help colleges and universities apply their human, intellectual and institutional resources to the challenge of revitalizing distressed communities. 5-year Demonstration Program	2-3 year grants of up to $400,000 to establish and operate (COPCs). Target areas: local housing, infrastructure, economic development, revitalization, health care, crime or planning. Contribute through research problems, outreach and public service projects.	Institutions of higher education working in urban areas.

TABLE 7A.
ASSESSMENTS 2000

CATEGORY	REDEVELOPMENT AREA	OTHER TIF	TOTAL TIF
Apartments	$13,114	$5,045	$18,159
Commercial	$3,742	$17,539	$21,281
Vacant	$754	$1,026	$1,780
Recreation	$5,444		$5,444
Residence	$11,644	$5,428	$17,072
Social	$24,281	$152,214	$176,494
Medical	$945	$124,533	$125,478
TOTAL	$59,925	$305,784	$365,709

TABLE 7B.
PROPERTY TAX ABATEMENTS

CATEGORY	ASSESSED VALUE	TAXED VALUE	ABATEMENT
Apartments	$22,143	$5,634	75%
Commercial	$3,310	$2,648	20%
Vacant	$3,560	$696	80%
Other	$492	$405	18%
Residence	$22,764	$19,795	13%
Social	$50,245	$775	98%
Medical	$93,520		100%
TOTAL	$196,034	$29,953	85%

TABLE 8A. INCREASE IN PROPERTY VALUES

PROJECT AREA

	CURRENT MARKET VALUE	CURRENT ASSESSMENT	PROJECT IMPROVEMENTS		OTHER IMPROVEMENTS	BASE VALUE
CATEGORY	**100%**		PUBLIC	PRIVATE		
Apartments	$13,114	$13,114		$4,321		$17,435
Commercial	$3,742	$3,742	$556	$4,837		$9,135
Vacant	$754	$754	$1,386			$2,141
Other	$5,444	$5,444				$5,444
Residence	$11,644	$11,644	$11,289	$52,598		$75,532
Social	$24,281	$24,281	$1,906	$2,859		$29,046
Medical	$945	$945				$945
TOTAL	$59,925	$59,925	$15,138	$64,615		$139,678
Homestead	$11,644	$11,644	$11,289	$52,598		$75,532
Non-Homestead	$48,281	$48,281	$3,848	$12,017		$64,145

OTHER TIF AREA

	CURRENT MARKET VALUE	CURRENT ASSESSMENT	PROJECT IMPROVEMENTS		OTHER IMPROVEMENTS	BASE VALUE
CATEGORY	**100%**		PUBLIC	PRIVATE		
Apartments	$5,045	$5,045				$5,045
Commercial	$17,539	$17,539				$17,539
Vacant	$1,026	$1,026				$1,026
Other						
Residence	$5,428	$5,428				$5,428
Social	$152,214	$152,214				$152,214
Medical	$124,533	$124,533				$124,533
TOTAL	$305,784	$305,784				$305,784
Homestead	$5,428	$5,428				$5,428
Non-Homestead	$300,357	$300,357				$300,357

TIF TOTAL	$365,709	$365,709	$15,138	$64,615		$445,462
Homestead	$17,072	$17,072	$11,289	$52,598		$80,960
Non-Homestead	$348,637	$348,637	$3,848	$12,017		$364,502
Commercial and Medical only	$146,760	$146,760	$556	$4,837		$152,152

For Purposes of Comparison with other Housing Markets
Current Market Value and Appreciation are relative to Current Assessment
Taxable Increment in project area based on current assessment, improvements and appreciation
Taxable Increment outside project area based on knock-on appreciation

TABLE 8B. TAXABLE INCREMENT

PROJECT AREA

CATEGORY	10 YEAR APPRECIATION %	ANTICIPATED VALUE	INCREMENT	%NOT EXEMPT	TAXABLE INCREMENT
		on Base scenario finished value			
Apartments	9%	$19,004	$5,890	25%	$1,499
Commercial	9%	$9,957	$6,215	80%	$4,972
Vacant	9%	$2,333	$1,579	20%	$309
Other	9%	$5,934	$490	82%	$403
Residence	18%	$89,128	$77,484	87%	$67,380
Social	5%	$30,353	$6,072	2%	$94
Medical	5%	$988	$43		
TOTAL	13%	$157,697	$97,772	76%	$74,656
Homestead	18%	$89,128	$77,484	87%	$67,380
Non-Homestead	7%	$68,569	$20,288	36%	$7,276

OTHER TIF AREA

CATEGORY	10 YEAR APPRECIATION %	ANTICIPATED VALUE	INCREMENT	%NOT EXEMPT	TAXABLE INCREMENT
	9%	of Project Appreciation			
Apartments	1%	$5,086	$41	25%	$10
Commercial	1%	$17,681	$142	80%	$114
Vacant	1%	$1,034	$8	20%	$2
Other	1%			82%	
Residence	2%	$5,515	$88	87%	$76
Social	0%	$152,830	$616	2%	$10
Medical	0%	$125,037	$504		
TOTAL	0%	$307,184	$1,400	15%	$212
Homestead	2%	$5,515	$88	87%	$76
Non-Homestead	0%	$301,669	$1,312	10%	$135

TIF TOTAL	4%	$464,881	$99,172	75%	$74,867
Homestead	17%	$94,643	$77,572	87%	$67,456
Non-Homestead	2%	$370,238	$21,600	34%	$7,411
Commercial and Medical only	1%	$153,664	$6,904	74%	$5,086

TABLE 8E. VARIABLES INCLUDED IN THE STATISTICAL PROPERTY PRICE ANALYSIS.

ITEM	INCLUDED	MAX	MEAN	MIN	MEDICAL PARK/ FRUIT BELT
NUMBER OF DWELLINGS		1904	645	28	531
AVERAGE ASSESSMENT	x	$182,779	$57,857	$15,292	$15,292
AVERAGE CONDITION		3.72	2.96	2.74	2.84
AVERAGE SIZE	x	3.98	3.53	2.45	3.50
BATH/BED RATIO	x	1.33	0.46	0.38	0.41
AVERAGE BUILD YEAR		1986	1917	1892	1906
AVERAGE LOT AREA		8220	4331	1675	3608
PROPERTY DEMOLISHED %	x	61.1	14.6	1.1	54.9
POVERTY %	x	57.0	25.1	0.0	50.5
UNEMPLOYMENT %		33.4	12.4	0.0	24.3
MINORITY %		98.8	35.9	0.5	93.2
SINGLE %		38.4	13.7	0.0	24.7
RENTER %		92.9	55.0	13.2	72.6
UNOCCCUPIED %		84.2	10.1	0.7	15.8
CRIME/DWELLING %		46.4	10.9	1.2	12.6
CBD ACCESS	x	89.6	22.4	9.9	40.9
RETAIL ACCESS	x	64.6	35.1	16.2	37.4

VARIABLE	COEFFICIENTS	STANDARD ERROR	T STAT	P-VALUE
INTERCEPT	-100175.26	29820.50	-3.36	0.00122
RESIDENCE DEMOLISHED	-60202.66	17490.68	-3.44	0.00094
AVERAGE SIZE	24128.76	8077.89	2.99	0.00378
BATH/BED RATIO	201271.67	19794.56	10.17	0.00000
POVERTY %	-969.80	188.99	-5.13	0.00000
CBD ACCESS	14.27	184.29	0.08	0.93850
RETAIL ACCESS	376.76	214.50	1.76	0.08299

TABLE 8C.
CHANGES IN ABATEMENTS

Amounts are $K

ITEM	INCREMENT/ASSESSMENT	PERCENT TAXED	TAXABLE ASSESSMENT
New Taxed Assessment (Medical and Commercial)	$131,356		
Abatement on Increment for Current Residents	$12,671		
Annual PILOT on Medical/Commercial			

TABLE 9D.
TAXABLE ASSESSMENT

ITEM	AMOUNT	Homestead	Non-Homestead
Taxable Increment Minus Abatement on Existing Residents	$72,579	$65,462	$7,117
Net Project Increment Other Taxable Amount	$72,579	$65,462	$7,117
TOTAL	$72,579	$65,462	$7,117

TABLE 9A.
TAX RATES

2001 PROPERTY TAX RATES	Homestead Rate	Non-homestead Rate
City	$19.1	$35.7
Erie	$5.0	$5.0
Sewer	$1.7	$1.7
TOTAL	$25.8	$42.4

TABLE 9B.
TIMETABLE

Construction by Year	**5**
Appreciation by Year	**10**

TABLE 10A.
INCREASED TAXABLE ASSESSMENT BY YEAR (IMPROVEMENT AND APPRECIATION)

	HOMESTEAD				NON-HOMESTEAD				Value Growth (Inflation)		2%
YEAR	Rehabilitation Area Increased Assessment	Project Taxable Increment	Other New TIF Assessment	Total New TIF Assessment	Rehabilitation Area Increased Assessment	Project Taxable Increment	Other New TIF Assessment	Total New TIF Assessment	Grand Total	Inflator	Total Taxable Vale
										100%	
1	$12,191	$1,219		$1,219	$1,482	$148		$148	$1,367	102%	$1,395
2	$24,382	$4,876		$4,876	$2,964	$593		$593	$5,469	104%	$5,690
3	$36,573	$10,972		$10,972	$4,447	$1,334		$1,334	$12,306	106%	$13,059
4	$48,765	$19,506		$19,506	$5,929	$2,372		$2,372	$21,877	108%	$23,681
5	$60,956	$30,478		$30,478	$7,411	$3,706		$3,706	$34,183	110%	$37,741
6	$60,956	$36,573		$36,573	$7,411	$4,447		$4,447	$41,020	113%	$46,195
7	$60,956	$42,669		$42,669	$7,411	$5,188		$5,188	$47,857	115%	$54,972
8	$60,956	$48,765		$48,765	$7,411	$5,929		$5,929	$54,693	117%	$64,082
9	$60,956	$54,860		$54,860	$7,411	$6,670		$6,670	$61,530	120%	$73,534
10	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	122%	$83,339
11	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	124%	$85,006
12	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	127%	$86,706
13	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	129%	$88,440
14	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	132%	$90,209
15	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	135%	$92,013
16	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	137%	$93,853
17	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	140%	$95,730
18	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	143%	$97,645
19	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	146%	$99,598
20	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	149%	$101,589
21	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	152%	$103,621
22	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	155%	$105,694
23	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	158%	$107,808
24	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	161%	$109,964
25	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	164%	$112,163
26	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	167%	$114,406
27	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	171%	$116,694
28	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	174%	$119,028
29	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	178%	$121,409
30	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	181%	$123,837
31	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	185%	$126,314
32	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	188%	$128,840
33	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	192%	$131,417
34	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	196%	$134,045
35	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	200%	$136,726
36	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	204%	$139,461
37	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	208%	$142,250
38	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	212%	$145,095
39	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	216%	$147,997
40	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	221%	$150,957
41	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	225%	$153,976
42	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	230%	$157,055
43	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	234%	$160,196
44	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	239%	$163,400
45	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	244%	$166,668
46	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	249%	$170,002
47	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	254%	$173,402
48	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	259%	$176,870
49	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	264%	$180,407
50	$60,956	$60,956		$60,956	$7,411	$7,411		$7,411	$68,367	269%	$184,015

TABLE 10B.
ANNUAL VALUE GROWTH AND TAXES

YEAR	TIF Taxable Increment (Homestead)	TIF Taxable Increment (Non-Homestead)	New Homestead Taxes	New Non-homestead Taxes	Total TIF TaxStream
1	$1,243	$151	$32	$6	$38
2	$5,690	$617	$147	$26	$173
3	$13,059	$1,416	$337	$60	$397
4	$23,681	$2,567	$611	$109	$720
5	$37,741	$4,091	$973	$174	$1,147
6	$46,195	$5,008	$1,191	$213	$1,404
7	$54,972	$5,959	$1,418	$253	$1,671
8	$64,082	$6,947	$1,653	$295	$1,947
9	$73,534	$7,971	$1,896	$338	$2,235
10	$83,339	$9,034	$2,149	$383	$2,533
11	$85,006	$9,215	$2,192	$391	$2,583
12	$86,706	$9,399	$2,236	$399	$2,635
13	$88,440	$9,587	$2,281	$407	$2,688
14	$90,209	$9,779	$2,326	$415	$2,741
15	$92,013	$9,974	$2,373	$423	$2,796
16	$93,853	$10,174	$2,420	$432	$2,852
17	$95,730	$10,377	$2,469	$440	$2,909
18	$97,645	$10,585	$2,518	$449	$2,967
19	$99,598	$10,797	$2,569	$458	$3,027
20	$101,589	$11,013	$2,620	$467	$3,087
21	$103,621	$11,233	$2,672	$477	$3,149
22	$105,694	$11,457	$2,726	$486	$3,212
23	$107,808	$11,687	$2,780	$496	$3,276
24	$109,964	$11,920	$2,836	$506	$3,342
25	$112,163	$12,159	$2,893	$516	$3,409
26	$114,406	$12,402	$2,951	$526	$3,477
27	$116,694	$12,650	$3,010	$537	$3,546
28	$119,028	$12,903	$3,070	$548	$3,617
29	$121,409	$13,161	$3,131	$559	$3,690
30	$123,837	$13,424	$3,194	$570	$3,763
31	$126,314	$13,693	$3,258	$581	$3,839
32	$128,840	$13,967	$3,323	$593	$3,916
33	$131,417	$14,246	$3,389	$605	$3,994
34	$134,045	$14,531	$3,457	$617	$4,074
35	$136,726	$14,821	$3,526	$629	$4,155
36	$139,461	$15,118	$3,597	$642	$4,238
37	$142,250	$15,420	$3,669	$654	$4,323
38	$145,095	$15,729	$3,742	$668	$4,410
39	$147,997	$16,043	$3,817	$681	$4,498
40	$150,957	$16,364	$3,893	$694	$4,588
41	$153,976	$16,691	$3,971	$708	$4,679
42	$157,055	$17,025	$4,050	$723	$4,773
43	$160,196	$17,366	$4,131	$737	$4,868
44	$163,400	$17,713	$4,214	$752	$4,966
45	$166,668	$18,067	$4,298	$767	$5,065
46	$170,002	$18,429	$4,384	$782	$5,166
47	$173,402	$18,797	$4,472	$798	$5,270
48	$176,870	$19,173	$4,561	$814	$5,375
49	$180,407	$19,557	$4,653	$830	$5,483
50	$184,015	$19,948	$4,746	$847	$5,592

TABLE 10C. Discount/Interest Rate **7%**

BOND REPAYMENT (USING CONSTRUCTION SCHEDULE)

YEAR	Public Expenditure	Debt Carried Over)	Interest Due	Bond Repayment	Outstanding Debt	Net Revenue to City	Present Value of Net City Income
1	$3,493		$244	$37	$3,700		
2	$3,562	$3,700	$508	$167	$7,603		
3	$3,634	$7,603	$787	$384	$11,640		
4	$3,706	$11,640	$1,074	$696	$15,724		
5	$3,781	$15,724	$1,365	$1,110	$19,760		
6		$19,760	$1,383	$1,358	$19,785		
7		$19,785	$1,385	$1,617	$19,553		
8		$19,553	$1,369	$1,884	$19,037		
9		$19,037	$1,333	$2,162	$18,207		
10		$18,207	$1,275	$2,451	$17,031		
11		$17,031	$1,192	$2,500	$15,723		
12		$15,723	$1,101	$2,550	$14,274		
13		$14,274	$999	$2,601	$12,673		
14		$12,673	$887	$2,653	$10,907		
15		$10,907	$763	$2,706	$8,965		
16		$8,965	$628	$2,760	$6,832		
17		$6,832	$478	$2,815	$4,495		
18		$4,495	$315	$2,871	$1,939		
19		$1,939	$136	$2,074		$134	$40
20						$2,253	$623
21						$2,298	$594
22						$2,344	$566
23						$2,391	$540
24						$2,438	$514
25						$2,487	$490
26						$2,537	$467
27						$2,588	$446
28						$2,639	$425
29						$2,692	$405
30						$2,746	$386
31						$2,801	$368
32						$2,857	$351
33						$2,914	$334
34						$2,972	$319
35						$3,032	$304
36						$3,093	$290
37						$3,154	$276
38						$3,217	$263
39						$3,282	$251
40						$3,347	$239
41						$3,414	$228
42						$3,483	$217
43						$3,552	$207
44						$3,623	$198
45						$3,696	$188
46						$3,770	$179
47						$3,845	$171
48						$3,922	$163
49						$4,000	$155
50						$4,080	$148

Breakeven Horizon	18		Total	$10,346

Resolution No.______________

A RESOLUTION AUTHORIZING THE ISSUANCE OF $______ IN PROMISARY NOTES FOR THE COMPLETE REVITALIZATION OF PROPERTIES AND STREETS IN THE MEDICAL CAMPUS/FRUIT BELT TIF DISTRICT.

WHEREAS, the City of Buffalo, Erie County, New York (hereinafter called the City) is presently in need of funds aggregating $_____ for the purpose of redeveloping the Medical Campus/Fruit Belt TIF District; and

WHEREAS, the Common Council of the City of Buffalo deems it necessary and in the best interest of the City that pursuant to Section_____ of the New York Statutes, the sum of $_______ be borrowed on the terms and conditions hereinafter set forth for the purposes hereinabove stated:

NOW, THEREFORE Be it Resolved that the Common Council of the City of Buffalo, Erie County, New York, that for the purposes hereinabove set forth the City, by its Mayor, pursuant to Section ________ of the New York Statutes borrows from the ______ Bank (hereinafter called the Lender) the sum of $29,942,000 and to evidence such indebtedness, said Mayor shall make and execute and deliver to the Lender for and on behalf of the City promissory notes of the City in the principal amount, bearing interest, and payable as follows:

DATE DUE	PRINCIPAL	INTEREST RATE	INTEREST	TOTAL PAYMENT DUE

Said interest to be payable annually on principal payment dates on the outstanding balance, with prepayment privileges, on any principal payment date on or after the executed date of this resolution, which note shall be substantively in the form heretofore described.

BE IT FURTHER RESOLVED, that there be, and hereby is levied on all of the taxable property of said City, a direct irrepealable tax sufficient in amount to pay the principle and interest on said notes, which same becomes due and payable, said tax being as follows:

YEAR OF LEVY	AMOUNT OF TAX	TO MEET PAYMENTS DUE IN

If at any time there shall be on hand insufficient funds from the aforesaid tax levy sufficient to meet principal and/or interest payments on said notes when due, the requisite amount shall be paid from other funds of the City then available, which sums shall be replaced upon the collection of the taxes therein levied.

In the event that the City exercises its prepayment privilege then no such direct annual tax shall be included on the tax roles each year for the prepayments so made and the amount of the taxes hereinabove levied shall be reduced accordingly for the year or years with respect to which said notes were prepaid.

In each of the said years _____ to ____ inclusive, the direct annual tax hereinabove levied shall be carried into the tax roles each year and shall be collected in the same manner and at the same time as other taxes of the City for such years are collected, so long as any part of the principal or interest on said notes remains unpaid, the proceeds of said tax to be segregated in a special fund used solely for the payment of the principal interest on said notes; and

BE IT FURTHER RESOLVED, that said notes hereinabove authorized shall be dated no earlier than _______ , executed in accordance with the terms of this resolution, and delivered to the Lenders as soon as practicable thereafter but not earlier than the date of said notes upon receipt of the principal amount of the loan evidenced thereby, plus accrued interest, if any, to date of delivery.