

# Mixed-Use Study for the Main-LaSalle Revitalization Area Buffalo, New York

## *Project Report*

*Submitted to:*

**The City of Buffalo**

*Submitted by:*

**Economics Research Associates, McLean Va**

*in association with:*

DeLeuw Cather & Company of New York, Inc.  
Nutter Associates  
Foit Albert Associates

July 1995

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## **MAIN-LASALLE REVITALIZATION STUDY**

### **INTRODUCTION AND ACKNOWLEDGEMENTS**

This series of memoranda constitutes the report for the first phase of a study to evaluate the redevelopment potential of lands near the Main-LaSalle Metro station in Buffalo, New York. The project was undertaken beginning in mid-1994 by a team of consultants working under the overall direction of the City of Buffalo's Department of Planning and Community Development. Economics Research Associates of McLean, Virginia was the lead consultant, responsible for the management of the overall project and for all economic, market, and financial analysis tasks. DeLeuw Cather & Company of Buffalo served as the physical planner for the project and addressed issues of infrastructure capacity and site conditions. Foit-Albert Associates of Buffalo provided assistance in the areas of urban and architectural design and helped to generate preliminary estimates of development costs. Nutter Associates of Rochester was responsible for issues related to project implementation and assisted with the market research.

At the initiation of the project, the client and consulting team formed a Steering Committee comprised of city and regional planning, transportation, and economic development officials, representatives of area institutions, and interested business owners. This committee served as the policy advisor to the study team throughout the course of the research. Each of the three stages of the work concluded with a technical memorandum summarizing the results, a meeting and presentation to the Steering Committee, and other meetings as appropriate. Revised versions of these memoranda, incorporating the comments of the Steering Committee, are presented in this report. Several meetings were held with neighborhood residents and a focused workshop was held with representatives of the real estate development community. The consulting team appreciates the efforts of these representatives, the Steering Committee, and the client group, without whose cooperation and interest the study could not have been completed.

The intent of the loose-leaf format of this report is that as the project proceeds to more detailed levels of planning and analysis additional reports and work products will be added to this binder. The work completed during the course of this initial phase of work outlines a broad vision for the Main-LaSalle area. The consulting team hopes that this work forms a framework for ongoing reference by the city, the neighborhood, and others to help guide the many decisions that must follow to realize the vision.

**S T A G E**

**I**

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**TECHNICAL  
MEMORANDUM**

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## Memorandum

**DATE:** October 6, 1994  
**TO:** Main-LaSalle Planning Study Steering Committee  
**FROM:** Economics Research Associates  
**RE:** Revised Stage I Technical Memorandum

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This memorandum represents the first deliverable product for the study of development potentials on the land surrounding the Main-LaSalle transit station in Buffalo, New York. This memo has been revised based on comments received from the Steering Committee. Major substantive changes relate to the State University at Buffalo South Campus planning effort and the Buffalo Medical Corridor Concept. The first stage of work has consisted of an overall assessment of the site and area from three distinct perspectives: physical opportunities and constraints, economic and market issues, and--as expressed in a public meeting--the desires of the immediately surrounding residents.

This memorandum is organized into three sections. The first covers physical issues and includes a summary analysis in graphic form. The second section discusses related planning efforts, including those of the State University at Buffalo and the Buffalo Medical Corridor opportunity based on the results of interviews with several key players in the region. The final section deals with economic and real estate market issues and concludes with recommended approaches to alternative development programs for the site. Throughout, we have attempted to respond to the issues raised by residents of the surrounding area.

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### I. SITE ANALYSIS

#### *Location*

The project study area is located within the Northeastern section of the City of Buffalo, or University Heights District, less than one mile from the State University at Buffalo South Campus. The study area straddles Main Street (NY Route 5) and the Metro Rail line, with the LaSalle Metro Rail Station being the nucleus, or central focus, within this zone. The site itself is comprised mainly of vacant or underutilized Railroad Corridor land and miscellaneous adjacent parcels. North and west of Main Street the study area is very narrow, following the abandoned rail corridor right-of-way. The study area limit is Starin Avenue to the west, and Kenmore Avenue and the Town of Tonawanda town limit to the North. South and east of Main Street the study area is much larger in acreage and wider in developable size, comprising not only the abandoned rail rights-of-ways, but also adjacent parcels, both in active use and those which are vacant or underutilized. The study limits are approximately LaSalle Avenue and McCarthy Park to the East and Amherst Street to the South.

### ***Existing Site Conditions***

The most significant site condition which exists in the northernmost portion of the study area is the elevated landform created by three former railroads. This elevated rail bed is approximately 25' high and extends from the LaSalle Station parking lot east and westward to Starin Avenue. Within this same zone and at a much lower grade, another abandoned rail line extends from Kenmore Avenue southward to the Metro Parking Lot, and is currently utilized as a dirt trail adjacent resident. The trail is informally accessed at numerous locations, including adjacent streets, shopping centers, and parking/vacant lots.

Another prominent feature of the corridor is the Minnesota Linear Park, paralleling the elevated berm to the east. The preservation of this recreational greenspace is considered to be a top priority among the residents who live in the neighborhood near this park. A large asphalt parking lot used by patrons of the Metro Rail occupies the area between the south end of the railroad berm/trail and LaSalle Station on the east side of Main Street.

Presently, the two halves of the study area are linked by two historic steel railroad bridges spanning Main Street beside LaSalle Station. To the east of Main Street the study area broadens to include a number of different land uses, including residential, commercial, and light manufacturing. Behind the facilities which front upon LaSalle Avenue and Main Street is a large acreage of abandoned rail corridor and vacant or underutilized industrial lands. This open land has been neglected over the years and has been utilized as a dumping ground for garbage and miscellaneous construction materials. In addition, there is also a large zone which is predominantly wooded along the study area's eastern edge. The existing vegetation is comprised of both large woodland trees, as well as lower understory brush and grasses/weeds. Numerous dirt pedestrian trails and vehicular access roads have been identified throughout this area.

Bordering the study area at its southeastern corner is McCarthy Park, a very active park with many ballfields and a playground, as well as the old LaSalle Quarry, much of which has been filled in to create useable acreage (including McCarthy Park).

### ***Key Physical Issues***

- **Traffic/Infrastructure:** Main Street forms Buffalo's backbone. It also forms the central nucleus of the project study area, not only as a surface arterial, but also as the main Metro Rail line (subsurface) from downtown Buffalo to the South Campus of the State University at Buffalo. The major node along Main Street within this area is the LaSalle Metro Rail Station. Many of the city's major utility services to the University Heights area and points north run through this zone. Kenmore Avenue, Starin Avenue, and Amherst Street are major thoroughfares and collector roads within the city and form the north, east, and southern edges of the site respectively. Hertel Avenue is also a major city street, intersecting Main Street within the study area. Many smaller streets, some of which dead-end at the project study area, provide access to adjacent neighborhoods.
- **Metro Rail:** Buffalo's Rapid Transit System, or Metro Rail, is located beneath Main Street within this area and provides passengers with opportunities for commuting from the University of Buffalo campus and adjacent city neighborhoods to the Downtown Buffalo area. Access points closest to the study area include LaSalle Station and the Amherst Street Station.
- **Land Use:** Land uses surrounding the study area to the north and west of Main Street are primarily residential, consisting of both single-family and multi-family uses. Adjacent to the site on the northeastern side is the Minnesota Linear Park, the only parkland land use actually within the study area limits. In addition, Shoshone Park lies adjacent to the study area close to LaSalle Station. The Main Street area itself in this area is a thriving business district, especially extending from LaSalle Station northward to the University at Buffalo. This "University Heights" district is comprised of many small retail/commercial uses, as well as restaurants, support services and institutional-related uses.

- To the south and east of Main Street, there are several different types of land uses surrounding the study area. LaSalle Avenue forms a transition zone between business/manufacturing uses and predominantly residential. McCarthy Park lies adjacent to the study area in the southeastern corner. At the southern edge, along Amherst Street, old manufacturing facilities (former Harrison Plant) and a few active businesses dominate the land uses. A nursing home, bowling alley and Bennett High School's "All-High Stadium" form the south western border to the study area. Behind these uses to the west are mainly residential neighborhoods.
- Recreation: Minnesota Linear Park, Shoshone Park, McCarthy Park and All-High Stadium are major developed areas, with both active and passive types of recreation, having influence on the study area. There is a recognized need within the area for additional facilities, and pedestrian/bike linkage between all of these existing facilities.

### *Opportunities and Constraints*

- Vehicular and Pedestrian Access/Connections: In the Northern portion of the study area, residents and adjacent land owners have expressed much sensitivity to any proposal connecting or extending streets to form main thoroughfares. There is, however, an interest for improved vehicular and pedestrian circulation from the surrounding neighborhoods to the area parks, as well as throughout the project area itself. An opportunity exists for improved pedestrian circulation within the abandoned rail corridor, possibly replacing existing dirt trails with paved foot and bike paths. Opportunities also exist for the creation of new access roads through the study area, serving not only new uses developed on the site, but also area residents. This may include extending Hertel Avenue from the Main Street intersection through the site to Amherst Street and possibly continuing within the former rail corridor to a connection with the Route 33 Expressway. A connection of this kind will allow rapid and easy access to a major highway for the residents of this area.
- Metro Rail Expansion: An important feature of the study area, as well as the city as a whole, is the extensive network of abandoned rail lines which form vacant linear corridors. Given the existing Metro Rail system currently serving the area, there is a huge opportunity to extend this system by reserving a small portion of these right-of-ways for the future expansion of the Metro Rail in the form of a surface rail light rail rapid transit. Without reserving this prosperity now, any hopes for future metro expansion could be lost. This expansion could also be a major marketing feature from the properties within the study area.
- Recreation: There is a major demand for improved pedestrian and bike access throughout the area. With the linear nature of the study area and the abandoned rail rights-of-ways, the site is very conducive to the development of linear trails and parks. A new network of linear greenspaces connecting to the four major recreational spaces would serve not only the new development on the site, but meet the needs of the surrounding community.
- Business and Residential Development: Several areas of the project site can be identified as possible opportunities for new development. One such area is the large vacant parcels and wooded areas located to the south and east of Main Street. This area tends to be larger in acreage and more conducive to concentrated development.
- Surrounding Neighborhood Sentiment: A possible constraint to developing certain areas of the site are the feelings, or sentiments, of the surrounding residential community. After one public meeting, residents have expressed concerns which relate to: 1) not connecting neighborhood on the east and west sides of the project area, 2) providing better pedestrian and possibly vehicular access to the area parks, without creating any new through-streets for increased traffic, 3) improving the quality of life for residents by maintain and improving existing greenspace – especially the Minnesota Linear Park, 4) providing better access to a major highway from the neighborhood, and 5) improving the area image for both business development and residential property values which would in turn attract more people to live in this area and do business here.



## II. RELATED PLANNING INITIATIVES

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### *State University at Buffalo South Campus*

The proposed revitalization of the State University of New York at Buffalo South Campus is an important issue to be discussed when planning potential development of the land surrounding the Main-Lasalle transit station. The development of a master plan for the South Campus is currently in the third phase of a five phase process to be completed in early 1996:

PHASE	TIMETABLE
Inventory and Analysis	November 1993 - September 1994
Goals and Objectives Retreat	September 1994
Alternative Plans Development and Testing	October 1994 - June 1995
Publication of Master Plan	February 1996

### Objectives

According to materials supplied by University officials in September, 1994, the objectives of the South Campus revitalization project are the following:

- To restructure the South Campus as a Health Sciences Center.
- To convert and rehabilitate existing campus buildings to meet the goals of individual academic schools, particularly those schools in the health and medical fields.
- To provide physical expansion to University programs deficient in space.
- To give the South Campus a spatial cohesiveness.
- To provide a public service component that is significant to the University community, the surrounding community, and the City of Buffalo.

## Plan Development

In order to reach the above-stated objectives, plans have been proposed to The South Campus Master Plan Steering Committee for consideration. These plans have been proposed by various interest groups including sub-committees, academic departments, students, staff, student activities, and housing representatives. The South Campus Master Plan Steering Committee will publish a final plan in February, 1996.

Following is a list of potential plans for South Campus revitalization, organized by topic:

### HEALTH

- Relocation of the Schools of Nursing and Health-related Professionals into one cohesive facility
- Creation of a Community Health Education Center
- Creation of a Student Health Center
- Creation of a child care facility to support the South Campus and local communities

### STUDENT ACTIVITIES

- Creation of a student activity and service center, with full functioning food service
- Creation of a recreational facility with a fitness center, gymnasium, and pool to offer South Campus students an alternative to existing North Campus facilities.

### STUDENT HOUSING

- Provide student housing geared primarily toward undergraduates in the Nursing and Health-related fields.

### TRANSPORTATION AND ACCESS

- Restore a two-way perimeter road around the entire campus
- Provide secondary service vehicle access roads to each building
- Define a single attractive primary campus gateway providing for both pedestrian and vehicular traffic
- Create logical vehicular routing with concise signage
- Increase the availability of commuter parking
- Provide more public transportation opportunities to and from the South Campus area, especially between the North and South campuses

### OTHER CONSIDERATIONS

- Creation of an on-campus hotel operation to accommodate conference needs and visiting faculty and guests (Stockton Kimball Tower might be rehabilitated into a combination hotel/apartment complex)
- Creation of public meeting facilities such as a theater, auditorium, and/or conference center.
- Creation of a campus preparatory high school (proposed by governor, may or may not be pursued)

The next phase of the campus planning effort, expected to continue through June of 1995, will explore various options in greater detail.

### ***Buffalo Medical Corridor***

Early in 1994, the Main-LaSalle Team became aware of efforts by public and private development leaders in Buffalo and Erie County to develop a regional health care industry marketing effort which includes the concept of a "Buffalo Medical Corridor" within the Main Street area of Buffalo. The purpose of the effort is to call attention to the fact that Western New York is the home of a nationally significant concentration of health care industry businesses and facilities, and to build on that concentration through coordinated marketing and facility development.

The effort is in its formative stages. The organizations which are primarily involved as advocates, which include the newly established Health Care Industries Association (HCIA) of Western New York, the Western New York Economic Development Corporation (WNYDEC), and The Greater Buffalo Partnership, are now emphasizing shared marketing and coordinated “buyer’s guide” types of business services.

The “Buffalo Medical Corridor” concept, as one part of the effort, is now receiving serious attention by WNYDEC. Its goal is to view the larger Main Street corridor within Buffalo, stretching from downtown to the University of Buffalo, as an actively coordinated network of medical skills, facilities, businesses and services, and to translate these linkages into greater economic development opportunities. The Medical Corridor concept is both service and development oriented in its interest in future potentials.

The Main-LaSalle revitalization area lies at the center of the Medical Corridor area and clearly could serve as a testing ground for the idea of new physical medically-oriented development related to this idea. During Stage I of the work, the Team has begun an exploration of this potential which the corridor concept holds for development projects within the area.

#### The Buffalo Medical Corridor Concept and Its Opportunity

The purpose of The Buffalo Medical Corridor initiative, like the Ceramic Corridor program centered on Corning in The Southern Tier, is to apply an overall development and marketing umbrella to the Main Street area from Buffalo Place to the University of Buffalo Main Street campus. It offers an approach to coordinated land use and development planning and funding integrated with Main Street's powerful existing assets:

- The medically-related services and facilities of downtown, including nursing and para- and emergency-medical instructional programs offered at Erie Community College's City Campus;
- The Buffalo Medical Center and Roswell Cancer Research Center complex of facilities, and neighboring mid-City located hospital facilities, clinics, professional labs and offices;
- The medically-related programs of Canisius College at its Delevan and Humboldt campuses, including the adjacent headquarters of Blue Cross/Blue Shield, served by the NFTA's Delevan Transit Station;
- The Sisters of Charity and St. Mary's School for the Deaf hospital centers at the Humboldt-Hospital NFTA Transit Station;
- The State University of Buffalo Teaching Hospital and School of Medicine facilities;
- St. Francis Hospital;
- The University of Buffalo Campus and Veteran's Hospital; including the potential for new facility development for the Buffalo Medical School at the Main Street Campus.
- The nearby Erie County Medical Center (ECMC) complex at Greider and Kensington;
- and the Niagara Frontier Transportation Authority's (NFTA) Light Rail Metro Line which ties the majority of these facilities and programs together directly.

The issues involved in addressing the potential of the corridor concept as a development potential for Main/LaSalle involve structuring an appropriate public/private partnership, identifying land development legal mechanisms, assessing the linkages between existing corridor institutions (including potential linkages of services, labor supply, training and product development which do not presently exist), categorizing medically-related facility types (medical/professional office, clinic and residential or out-patient care, laboratory, health care research, manufacturing, testing, and distribution facilities) which have scale characteristics compatible with the area, and testing these ideas with the real estate development community.

### Stage I Interviews

As a first step, interviews on the general topic of the concept were held with:

- (1) **Michael Swart**  
**President, Health Care Industries Association (HCIA)**  
**P.O. Box 89**  
**Niagara Square Station**  
**Buffalo, NY 14201**  
**662-6650**

(Mr. Swart is also Regulatory Affairs Director for Matrix Medical Inc., Orchard Park, NY)

The Health Care Industries Association was formed in 1991 as a networking association of health care businesses in the Niagara Frontier region. Its mission is:

“...to support the regional health care industry through networking, programs and service for its members; to bring research, manufacturers and providers of regional healthcare together; and to jointly foster the participants’ and the area’s economic growth.”

HCIA’s membership of approximately 50 organizations includes medical product manufacturers; hospitals and other health care facilities; physicians groups; medical insurers; medical educational and research institutions; and legal, accounting and other service providers to the industry.

The Association’s areas of interest is the Niagara Frontier, including relationships with Canadian businesses and service providers. Primary membership is in the Buffalo area and many members are located along the Main Street corridor, from downtown to the City line and beyond. Main Street members include educational institutions, hospitals, and many office uses (physicians, insurers, membership associations, and legal and other service providers, etc.).

HCIA ongoing activities include a monthly newsletter, educational forums and acting as a liaison between members and government. Projects to date include several trade fairs and providing training in ISO 9000, an international system of manufacturing standards, similar to the concept of Total Quality Management. Ongoing and planned projects include a study of the Mexican market for medical devices, and an index of local health care suppliers and users, with the purpose of facilitating buying and selling locally. Several projects are financed by the Western New York Economic Development Corporation.

In addition to its on-going activities HCIA has discussed potentials for a real estate project which would provide a location for a number of health-related businesses. The purpose would be to increase the visibility of the industry and to provide common services to the involved businesses. Services might include shared distribution facilities, shared access to the regulatory compliance advice, quality audits, etc.

Locational requirements for an HCIA real estate project would depend upon the specific types of medical businesses targeted. A lakefront site would be indicated for certain manufacturing processes which require large amounts of pure water. A location convenient to the limited access highway network and a large land area would be required for a project focused on warehousing and distribution. The Main Street corridor might be appropriate for labor intensive businesses whose employees could use the subway system; businesses associated with university research or hospital personnel; or almost any office use for which proximity to the many health-related businesses in the corridor would be an advantage. Project size could be small initially, but space to grow over time would be a plus. Mr. Swart felt that the HCIA board would favor a city location, all other things being equal.

- (2) **Patricia Rehak**  
**Executive Vice President**  
**Greater Buffalo Partnership**  
**300 Main Place Tower**  
**Buffalo, NY 14202**  
**852-7100**

The Greater Buffalo Partnership is a private sector civic and business organization which represents the recent merger of the Greater Buffalo Development Foundation and the Greater Buffalo Chamber of Commerce. GBP has established health care as one of its high priority areas, and is currently engaged in several medical-related projects. These include a study of the effects of health care reform and an investigation into the contributions that the health care industry makes to the Western New York economy. In partnership with HCIA, GBP is assisting in putting together a medical directory, including provider facilities, equipment manufacturers and services to the industry. The directory is expected to facilitate buying locally and demonstrating the importance of the medical industry to WNY.

The GBP is working with the US-Canada Trade Center at SUNY at Buffalo to understand and promote cross-border industry relationships with special attention to those in the medical equipment and pharmaceutical industries. The Center's research indicates that within the "Golden Horseshoe" around the western end of Lake Ontario (Buffalo, Niagara Falls, St. Catherine's Hamilton and Toronto) the medical products and pharmaceutical sectors are key industry clusters. An industry cluster defined as a group of small and medium-sized firms with common pools of labor, customers and suppliers. The presence of such a cluster indicates that a competitive advantage exists in the area for the businesses involved.

The GBP is working with the Erie County Industrial Development Agency, the City of Buffalo, and Erie Community College on a concept for an Advanced Technology Center. The Center would provide services and training for high tech businesses, possibly including health-related businesses. The location being discussed is in the City of Buffalo, in the Elm/Oak area.

GBP is also working with representatives of WNY medical educational institutions, health care providers and equipment manufacturers to facilitate interaction between the three groups.

- (3) **Judith Kossy**  
**President**  
**Western New York Economic Development Corporation**  
**Suite 717**  
**424 Main Street**  
**Buffalo, New York 14202**  
**856-8111 • Fax 856-1744**

WNYEDC is a subsidiary of the NYS Urban Development Corporation created in 1984 to help Western New York companies access New York State economic development programs. WNYEDC considers the medical products industry to be a prime growth industry for the region and has provided funding for a number of medical related projects.

WNYEDC has helped the HCIA to become organized and is working with HCIA and CUBRIC ( a joint venture between the University of Buffalo and Calspan Corporation) to develop a computerized data base of the technological, research production and human resource capacities of the regional health care industry. Also with HCIA, WNYEDC helped obtain NYS funds for five manufacturers and 15 of their suppliers to become

certified in ISO 9000 quality standards. The two organizations have also co-sponsored several informational seminars for the industry.

WNYEDC has helped several area medical products manufacturers to obtain needed funding from NYS, including a \$155,000 loan/grant package for Harmac Medical Products to help expand plant capacity and a \$1 million loan for Leica Inc. to move into a new facility and add 40 employees.

In 1993, WNYEDC published Medical Industry: Opportunity in Western New York, a report on the status of the industry and its future potential. WNYEDC staff person for health care is Joseph Albano, Director of Industrial Effectiveness.

(4) **Bob Martin**  
**President**  
**Western New York Technology Development Center**  
**1576 Sweet Home Road**  
**Amherst, NY 14228**  
**636-3626 • Fax 636-3230**

Western New York Technology Development Center is a non-profit group which operates incubator facilities associated with the University of Buffalo. Small start-up technical or research-oriented businesses share common facilities and services, lowering costs for individual entrepreneurs..

In operation since 1984, WNYTDC has provided space for 55 companies, including about 15 which are medically-related. About 40 of the companies are still in existence, and 15 remain as tenants in the incubator.

The main WNYTDC incubator is in Amherst, adjacent to the University at Buffalo campus. It offers 40,000 SF of space, including wet and dry laboratories, a cold room, solvent storage, office space, conference capabilities, and off-street parking. Office machines and services are available to tenants. The organization's second incubator, an 11,000 SF facility on Main Street adjacent to Sisters Hospital, was closed in November 1993 when UB sold its building to Sisters. WNYTDC is seeking to replace that facility and is planning to lease approximately 11,000 SF in the Tri-Main complex on Main Street at Amherst St. The building is owned by a Canadian company, the Tri-Main Development Ltd. Partnership, and the incubator is planned as a joint venture among Tri-Main, WNYTDC, and the City of Buffalo Department of Community Development (Chris Durr, primary staff person). One disadvantage Mr. Martin noted regarding Tri-Main is the relatively high cost or renovating this older building for high technology lab space.

Regarding the potential for start-up medically related businesses in the Main Street area, Mr. Martin stressed the necessity for the active involvement of the University at Buffalo and the other medical educational institutions, the teaching hospitals, and/or Roswell Park Cancer Institute, both in planning and execution of any successful incubator project. Personnel from these institutions would be an important source of tenants and research linkages. Another need is to assure that rents, services and type of space provided is competitive in the marketplace. Low-cost space is available in many places in the city, including along Main Street; and much convenient, well-serviced space is available in attractive suburban locations. Space offered would need to be cost effective and offer services and space appropriate to the needs of the businesses being attracted.

Regarding the potential for high-tech incubator space in the Main/LaSalle area, Mr. Martin felt that competitively priced well-serviced space at that location would be attractive to tenants. The location near the subway stop would be a plus, and new construction would permit creation of the necessary laboratories and other high technology infrastructure. His experience indicates that the economics of such a project demand a building of at least 40,000 SF. The number of medical tenants would depend in part on the level of support from local medical institutions and it was Mr. Martin's suggestion that tenants not be limited to medical or any

one type of business. The economics of construction will be assisted if not all tenants require access to the most sophisticated technology and the market for medical uses might be too limiting.

The WNYTDC would be interested in further exploring the development of an incubator at Main/LaSalle, assuming this were encouraged by the City. The space being planned at Tri-Main will have a five-year lease with a potential bail-out clause at two years, and tenants could potentially be moved at that time.

#### Development Potentials, Advantages and Limitations

Review of the corridor concept and the Stage I interviews strongly suggest that the Main/LaSalle Revitalization Area possesses locational advantages for medically-related uses as part of the corridor concept:

- 1) the proximity of the area to the Main Street University of Buffalo Campus, with the Veteran's Administration Hospital, Medical School and other medical and health facilities;
- 2) transportation linkages between the revitalization area sites and other area medical institutions are very strong as a result of the Metro Line and the Main/LaSalle park and ride Station and the potential for new local road connectors;
- 3) the presence in the larger Main street area of a large labor force of trained medical personnel and also persons in need of training for positions which might be filled in new medical facilities;
- 4) the high degree of prominent exposure which the area and its sites have, which in turn offers high exposure as part of the regional marketing of the "Medical Corridor" and Western New York Health Care industry themes;
- 5) in part, the innovative social character of medical and health care development has an exceptionally good fit with the needs of the Main/LaSalle area. The creation of an sensitively-scaled and designed development area involving medically-oriented facilities is a meaningful goal for the revitalization area.

The area has the following limitations:

- 1) its potential development areas are relatively small and diverse, implying that the scale of medically-related developments should take the form of a series of smaller buildings or medical parks rather than large scale manufacturing or distribution complexes which would be better sited farther from the center of the City;
- 2) land parcels in the Main/LaSalle area have all been previously developed and are owned by a wide variety of private and public parties, resulting in the need to identify new development sites very sensitively and to use public redevelopment mechanisms to assemble the land;
- 3) the public/private partnership aspects will require new forms of discussions and agreements among area institutions and would also require agreements, appropriately developed, with private investors and developers.

#### Next Steps

Stage 2 of the work will identify specific sites, types of uses, and development mechanisms as they relate to these potentials. As part of this stage, the Team will interview representatives of the medical institutions and businesses in the general Main/LaSalle and center city area, as well as real estate professionals who have been active in medical facility development in Erie County. We will also explore comparable successful developments in other cities (such as the Science Park development at Yale University, transit/development

relationships which are being tapped successfully at the Johns Hopkins Medical Campus in Baltimore, and public/private medically-oriented development in the Cleveland Circle/University Heights area of Cleveland) to draw useful parallels.

### **III. ECONOMIC OVERVIEW, DEMOGRAPHIC ANALYSIS AND REAL ESTATE TRENDS**

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#### ***Demographic Analysis***

The summary points below, supported by Tables 1 through 24, portray the larger, regional economic context within which the development would be developed and marketed. The overall framework is that of a generally stable economy.

- Erie County lost over 40,000 residents during the 1980 to 1993 period and Niagara County lost some 5,600. Although this loss is significant, it represents a decline at nearly half the rate experienced in the previous decade. From 1980 to 1993, Buffalo's population declined at an average of 0.7 percent annually, compared to the CMSA rate of decline of 0.3 percent. Although the area's population was declining, the number of households generally increased, growing at a rate of roughly one half of one percent on average throughout the CMSA. The City of Buffalo experienced a slight decline in households as the regional population continued to decentralize.
- According to projections made by the Regional Planning Board, Erie County is projected to add over 17,000 residents during the 1990 to 2000 period, growing at an annual rate of 0.2 percent. Niagara is expected to remain relatively stable during that period. From 2000 to 2010, Erie County could add another 18,000 in population, and Niagara another 3,000. The downtrend in City of Buffalo households is projected to turn around, with an increase of 0.3 percent on average through 2010.
- The average household size for the City of Buffalo is 2.52, slightly higher than the CMSA average of 2.51. Median household income is \$26,367 in the City of Buffalo, lower than the median income in the surrounding area, and almost \$9,000 lower than in Erie County as a whole.
- The largest single age cohort in the Buffalo-Niagara County CMSA consists of those between 20 and 34 years of age, almost one-fourth of the total population. The next largest age groups contains those between 45 and 64.

The local area is well distributed in terms of population, though fairly distinct in neighborhood characteristics. The area to the west of the site is the more affluent of the area, with median household income currently averaging almost \$40,000. The neighborhoods east and south of the site earn an average of just \$30,000.

#### ***Residential Market Overview***

- Building permits issued for new housing unit construction in the region increased slightly between 1991 and 1992, from 2,548 to 2,734.
- Multi-family units account for a larger share of new residential construction in the Metropolitan Buffalo area than in previous years. In 1992, multi-family units accounted for 33 percent of all new residential permits, compared to 22 percent in 1990, and 18 percent in 1987. This trend reflects the increasing cost and decreasing availability of residential land. The City of Buffalo has a particularly high proportion of multi-family housing, almost 70 percent.



- Local housing is fairly evenly split between single-family detached and multi-family units. Median housing value varies widely by neighborhood, with the area to the west of the site again exhibiting more affluent tendencies. The median housing value here is \$91,300, as opposed to \$66,000 and \$52,500 in the other two census tracts adjacent to the site.
- On average, the CMSA had a 1990 median household value of \$68,350. The median value in the City of Buffalo is by far the lowest of the areas evaluated, \$46,700, while Erie County as a whole has the highest, \$74,000.

The average monthly rent in the area ranges from \$350 to \$373 per month, although suburban towns can often capture higher rents. The City of Buffalo has the lowest rent in the study areas. Both home prices and rents have been consistently higher in the northeast region than the nation as a whole, particularly since the late 1980s. The annual rate of growth in the northeast was double that of the US. between 1972 and 1992.

#### Development Implications

Based on recent market trends, the character of the neighborhood and on interviews with local developers, there appears to be moderate support for moderate-density single-family housing to the northwest Main Street. The development could draw on the success and perceived stability and safety of the existing neighborhood on the west side of the site.

Due to the proximity of the light rail station and recent success nationwide for transit-based housing, a high-density residential development could enjoy moderate to strong support.

A key issue, however, which must be taken into consideration is the desire expressed by local residents to maintain the northwest portion of the site as green space in order to keep through traffic limited and improve the quality of life in the area.

#### ***Light Industrial/R&D Market Overview***

#### Employment Trend Review

Buffalo has recently seen the common shift away from heavy industrial and manufacturing employment into light industrial, distribution and services.

- The manufacturing sector has lost more than 8,000 jobs in the Consolidated Metropolitan Statistical Area (including Erie and Niagara counties) since 1990. Since 1980, this sector has declined at an average annual rate of 2.5 percent.
- Construction and trade employment sectors, both related to manufacturing, have also declined over the past few years.
- The service industry in the CMSA is the only sector which has grown since 1990 with finance, insurance and real estate and transportation, communication and public utilities remaining steady.

#### Existing Conditions

- Buffalo's industrial market is dominated by warehouse/distribution space, 70 percent of the total, with manufacturing at 25 percent, and high tech/R & D space at 5 percent. Absorption in the past two years has followed a similar pattern, with a slight shift toward warehouse/distribution in both construction and absorption.

- Local developers report a shortage in modern, light industrial space.
- Vacancy is reported to be at less than 10 percent for reasonably modern, functional space. Non-competitive industrial space has vacancy rates estimated to be as high as 40 percent.
- Space in Buffalo's suburbs tend to command higher sales and lease prices than that in the city. Average net lease rental rates for industrial tenants range from \$1.00 to \$3.25 per square foot within the central city based on the size of space leased, and \$2.75 to \$5.50 per square foot in the suburbs.
- Sales prices per square foot are from \$6.00 to \$35 in the City of Buffalo, compared to \$20 to \$40 in suburban areas. High tech/R & D space runs substantially higher, but has experienced the same trends in terms of location.

Prices for sites are relatively stable in terms of site size in the central city, but vary widely, from \$0.60 to \$1.25 for improved sites in the suburbs.

#### Development Potential

Based on our analysis of trends and characteristics of the light industrial/research and development market, there appears to be a moderate market for low-rise, flexible manufacturing/office/lab space of between 150,000 and 250,000 square feet. This use would be best suited to the east side of Main Street, away from the residential neighborhoods.

Critical to this type of development, however, as asserted by local developers, is the provision of access from the site to the Kensington Expressway to the south. The ability to easily reach this major artery would link the site into the regional transportation network and increase its desirability by any number of industrial users.

A related use which has been well received among local business organizations is the development of a business incubator. This would require multi-tenant, flexible space of approximately 40,000 to 60,000 square feet. A key consideration, however, would be the cost to develop the space relative to the rents which could be captured from relatively low-income tenants.

#### *Office Market Overview*

- The current inventory of office space in the Buffalo central business district totals almost 6.7 million square feet. Class "A" space comprises the majority, over half of the total.
- In 1993, absorption in the downtown Buffalo office market of 306,908 square feet, outpaced previous annual absorption growth by over 80 percent, or 137,410 square feet.
- Both in the past year and the past decade the greatest changes occurred in this type of space. Between 1982 and 1993 there was a net addition of 1.3 million square feet of occupied Class "A" space. All occupied Class "B" space increase by a total of 96,000 square feet in the downtown area.
- The vacancy rate for Class "A" space in downtown Buffalo was 13.7 percent in December 1993, compared to 12.9 percent a year before. The increased vacancy is a result of construction of a 180,000 square foot tower. The vacancy rate for all space in downtown Buffalo was 19.3 percent in December 1993.

### Development Potential

Demand for office space at the Main-LaSalle site is considered to be low to moderate. Rapid transit access is an asset of the site, but will not reach its full potential in terms of office space until the tracks are extended to the more concentrated residential areas in the suburbs. This amenity, however, is not expected to create excessive demand for office space due to the limits of the system as a whole, but will provide slightly increased levels of use. Depending on the ongoing development of nearby institutions and the stability of the surrounding residential areas, we can foresee a longer-term market for professional services tenants.

Tenants would be likely to be professional services organizations, possibly including medical professionals, for whom transit could serve as a valuable amenity. Concerns regarding office space in this location relate to the low rents that the site would be able to command relative to development costs.

### *Retail Market Overview*

#### Existing Conditions

- Buffalo's retail inventory amounts to approximately 26 million square feet, with the area's seven regional malls accounting for over 6.5 million of this. Of the remainder, community-serving centers and neighborhood/strip centers contribute 8 million and 11.5 million square feet, respectively. The vacancy rate averaged 9.2 percent in the third quarter of 1993, although rates in suburban areas were reported to be lower.
- Annual retail sales in Buffalo are estimated at \$8.7 billion for 1993, and are expected to grow at a rate of 5.3 percent in the coming five years. This compares favorably with the projected growth of 4.7 percent in Rochester, and 4.1 percent nationally.
- Buffalo benefits from its location at the border with Canada and from Canada's high sales taxes. There are reports that the Canadian government is attempting to take action to prevent this outflow of dollars to the U.S., but until then the outlet malls near the border and other Buffalo retailers will continue to profit. Most recent retail growth has come from big box retailers, as is typical throughout the country.
- Retail near the site is limited to small convenience-oriented neighborhood shops. Most of the existing population to the west of Main Street is served by shopping centers to the north.

#### Development Potential

Due to low residential density and distance from major employment centers, the Main-LaSalle area is viewed as having low to moderate support for retail space.

Future retail development would likely be oriented to other new development on the site--and would therefore be of modest overall size--unless improved access were provided. Retail opportunities would consist of small infill stores, or community-serving development along Main Street. Access to the Kensington Expressway could potentially open the market up for "big-box" retail, a large national discount retailer, although visibility would still be limited.

### *Hotel Market Overview*

- Over 5,400 hotel rooms are contained in the largest 25 hotels in the Buffalo-Niagara Falls, New York area. The majority of these are full-service hotels in the downtown Buffalo, Niagara Falls or airport areas. Many have extensive amenities and meeting space for large groups, up to 1,480 persons in the Hyatt Regency.

Over half of these hotels, 14 of the 25, were built since 1980. There is reported to be a drop-off in corporate business since the closing of several large local businesses.

- Average occupancy in Buffalo hotels reached 57.6 percent for the first four months of 1994, compared with 56.9 percent for the same period in 1993. This rate is slightly below the national average of 61.7 percent. Few new rooms can be expected to be built under these market-wide occupancy conditions, although market conditions may favor the development of limited-service properties at highway interchange locations.
- The hotel inventory in the local area consists of older, relatively small hotels/motels that serve the university and local hospitals. There are no full-service hotel in the vicinity of the Main-LaSalle corridor.

#### Development Implications

Hotel development is not considered to be a recommended use for the Main-LaSalle development area due to its location, lack of proximity to a substantial employment base and limited access to restaurants, retail and nightlife, factors which have proven to be critical in hotel location selection.

#### *Summary and Next Steps*

The consulting team believes, based on this initial analysis of the site and its physical and economic characteristics, that the area offers considerable long-term opportunity. Key issues revolve around the neighborhood's wish to minimize new development west of Main Street, access and visibility considerations for the larger tract of land to the east, and the critical role of recreational resources and open space in the long-term vision of the area.

We believe that maximizing the development intensity close to the station, while sound in joint-development/planning terms, may be problematic from the standpoint of neighborhood support. We came away from the community meeting clearly impressed by the concerns expressed relative to neighborhood health and stability. We are aware of the fragility of diverse, owner-occupied, middle-class neighborhoods and are anxious to see the adjacent neighborhoods reinforced. This may dictate a more open-space oriented solution to the west of the station, one that connects and improves the recreational resources while preserving the option over the long-run of extending the Metrorail system to the northtowns.

Our early work also indicates substantial development potential for light industrial/R&D--and potentially retail space--on the east side of the area. However, we are concerned about the existing limited access and limited visibility of this area. Rationalizing access from Main Street will help, but maximizing the potential of this area may require substantially upgraded access from the south and east as well.

Another option advocated by Dr. Henry Taylor would focus on housing development on the east side of Main. While this would limit the direct, job-creating aspects of the site's development, it may help to stabilize the area over the long-term. The team agreed to evaluate this alternative in greater detail.

In Stage II of the project, we will explore in detail four alternative land use approaches to the site. These include:

- A program that balances development across the site, including housing to the west of Main and employment-intensive development on the east side of Main, as originally envisioned by the City.

- A program that trades off housing on the west side for additional development intensity, potentially including larger-scale retail development, on the east. This would likely require improved sub-regional access, including more direct access to the Route 33.
- Variations on the programs described above, including an option that focuses a higher-density, solution at the LaSalle station. Such a project could consist of housing, professional office space, retail, and service businesses in a mixed-use project.
- An option that maximizes the benefits of additional housing on the east side of Main.

Table 1

**POPULATION TRENDS FOR THE BUFFALO CONSOLIDATED  
METROPOLITAN STATISTICAL AREA, 1970-1993 (000s)**

<u>Jurisdiction</u>	<u>1970</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>1993</u>	<u>Change: 1970-1980</u>		<u>Change: 1980-1993</u>	
						<u>Number</u>	<u>Ann'l%</u>	<u>Number</u>	<u>Ann'l%</u>
City of Buffalo	462.8	357.9	335.2	328.1	325.2	(104.9)	-2.5%	(32.7)	-0.7%
Erie County	1,113.5	1,015.5	990.2	968.5	974.8	(98.0)	-0.9%	(40.7)	-0.3%
Niagara County	<u>235.7</u>	<u>226.4</u>	<u>216.4</u>	<u>220.8</u>	<u>220.8</u>	<u>(9.3)</u>	<u>-0.4%</u>	<u>(5.6)</u>	<u>-0.2%</u>
<b>TOTAL CMSA</b>	1,349.2	1,241.9	1,206.6	1,189.3	1,195.6	(107.3)	-0.8%	(46.3)	-0.3%

Source: U.S. Department of Commerce, Bureau of the Census; Erie and Niagara Counties Regional Planning Board;  
Economics Research Associates.

**Table 2**

**HOUSEHOLD TRENDS FOR THE BUFFALO CONSOLIDATED  
METROPOLITAN STATISTICAL AREA, 1970-1993 (000s)**

<u>Jurisdiction</u>	<u>1970</u>	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>1993 (est)</u>	<u>Change: 1970-1980</u>		<u>Change: 1980-1993</u>	
						<u>Number</u>	<u>Ann'l %</u>	<u>Number</u>	<u>Ann'l %</u>
City of Buffalo	158	141	140.8	135.4	136.6	(17.0)	-1.1%	(4.4)	-0.2%
Erie County	346.4	365.2	368.1	376.9	384	18.8	0.5%	18.8	0.4%
<u>Niagara County</u>	<u>71.9</u>	<u>80.3</u>	<u>82.4</u>	<u>84.8</u>	<u>85.5</u>	<u>8.4</u>	<u>1.1%</u>	<u>5.2</u>	<u>0.5%</u>
<b>TOTAL CMSA</b>	418.3	445.5	450.5	461.7	469.6	27.2	0.6%	24.1	0.4%

Source: U.S. Department of Commerce, Bureau of the Census; Erie and Niagara Counties Regional Planning Board;  
Economics Research Associates.

**Table 3**

**POPULATION PROJECTIONS FOR THE BUFFALO CONSOLIDATED  
METROPOLITAN STATISTICAL AREA (000s)**

<u>Jurisdiction</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>Change: 1990-2000</u>		<u>Change: 2000-2010</u>	
						<u>Number</u>	<u>Ann'l %</u>	<u>Number</u>	<u>Ann'l %</u>
City of Buffalo	328.1	323.2	318.4	315.2	312.1	-9.7	-0.3%	-6.3	-0.2%
Erie County	968.5	979.0	986.0	994.0	1,004.0	17.5	0.2%	18	0.2%
<u>Niagara County</u>	<u>220.8</u>	<u>220.8</u>	<u>221.8</u>	<u>222.8</u>	<u>224.8</u>	<u>1</u>	<u>0.0%</u>	<u>3</u>	<u>0.1%</u>
TOTAL CMSA	1,189.3	1,199.8	1,207.8	1,216.8	1,228.8	18.5	0.2%	21	0.2%

Source: Erie and Niagara Counties Regional Planning Board and Economics Research Associates.

**Table 4**

**HOUSEHOLD PROJECTIONS FOR THE BUFFALO CONSOLIDATED  
METROPOLITAN STATISTICAL AREA, 1990-2010 (000s)**

<u>Jurisdiction</u>	<u>1990</u>	<u>1995</u>	<u>2000</u>	<u>2005</u>	<u>2010</u>	<u>Change: 1990-2000</u>		<u>Change: 2000-2010</u>	
						<u>Number</u>	<u>Ann'l %</u>	<u>Number</u>	<u>Ann'l %</u>
City of Buffalo	135.4	137.4	139.5	141.7	143.8	4.1	0.3%	4.3	0.3%
Erie County	376.9	388.8	399.4	412.9	427.7	22.5	0.6%	28.3	0.7%
<u>Niagara County</u>	<u>84.8</u>	<u>86</u>	<u>87.7</u>	<u>89.9</u>	<u>92.5</u>	<u>2.9</u>	<u>0.3%</u>	<u>4.8</u>	<u>0.5%</u>
TOTAL CMSA	461.7	474.8	487.2	502.8	520.2	25.5	0.5%	33	0.7%

Source: Erie and Niagara Counties Regional Planning Board and Economics Research Associates.



**Table 5**

**AGE PROFILE FOR BUFFALO CONSOLIDATED  
METROPOLITAN STATISTICAL AREA, 1993  
(000s)**

<u>Age Group</u>	<u>Buffalo-Niagara County CMSA</u>	<u>Niagara County</u>	<u>Erie County</u>	<u>City of Buffalo</u>
0-4	79.2	40.3	14.8	45.6
5-19	231.0	119.2	45.0	130.3
20-34	270.3	134.4	47.3	159.0
35-44	182.7	95.4	33.8	97.3
45-64	243.7	125.3	44.6	134.3
65+	<u>188.6</u>	<u>97.6</u>	<u>35.2</u>	<u>102.8</u>
TOTAL	1,195.5	612.4	220.8	669.4

<u>Age Group</u>	<u>Buffalo-Niagara County CMSA</u>	<u>Niagara County</u>	<u>Erie County</u>	<u>City of Buffalo</u>
0-4	6.6%	6.6%	6.7%	6.8%
5-19	19.3%	19.5%	20.4%	19.5%
20-34	22.6%	22.0%	21.4%	23.8%
35-44	15.3%	15.6%	15.3%	14.5%
45-64	20.4%	20.5%	20.2%	20.1%
65+	<u>15.8%</u>	<u>15.9%</u>	<u>16.0%</u>	<u>15.4%</u>
TOTAL	100.0%	100.0%	100.0%	100.0%

Source: County of Erie, Department of Planning and Economics Research Associates.

**Table 6****MEDIAN HOUSEHOLD INCOME  
1990**

<u>Jurisdiction</u>	<u>Income</u>
City of Buffalo	\$35,266
Erie County	\$26,367
Niagara County	\$33,379
TOTAL CMSA	\$28,084

**Table 7****AVERAGE HOUSEHOLD SIZE  
1990**

<u>Jurisdiction</u>	<u>Number</u>
City of Buffalo	2.50
Erie County	2.52
Niagara County	2.52
TOTAL CMSA	2.51

Source: County of Erie; and Economics Research Associates.

Table 8

# HOUSEHOLD INCOME BY REGION 1972-1992

	Northeast		National		Difference between Northeast and National		Percent Difference Btwn. Northeast and National	
	All Household	All Household	All Household	All Household	II Household	All Household	II Household	All Household
	<u>Owners</u>	<u>Renters</u>	<u>Owners</u>	<u>Renters</u>	<u>Owners</u>	<u>Renters</u>	<u>Owners</u>	<u>Renters</u>
1972	\$32,117	\$20,946	\$29,883	\$19,270	\$2,234	\$1,676	7.5%	8.7%
1974	\$33,449	\$19,592	\$30,582	\$18,397	\$2,867	\$1,195	9.4%	6.5%
1976	\$32,566	\$17,953	\$30,269	\$17,118	\$2,297	\$835	7.6%	4.9%
1978	\$32,148	\$17,636	\$30,862	\$17,084	\$1,286	\$552	4.2%	3.2%
1980	\$31,942	\$16,122	\$29,832	\$15,820	\$2,110	\$302	7.1%	1.9%
1982	\$32,038	\$15,824	\$30,092	\$15,305	\$1,946	\$519	6.5%	3.4%
1984	\$34,252	\$15,992	\$31,149	\$15,873	\$3,103	\$119	10.0%	0.7%
1986	\$36,431	\$17,876	\$33,150	\$16,405	\$3,281	\$1,471	9.9%	9.0%
1988	\$37,944	\$19,077	\$33,542	\$16,666	\$4,402	\$2,411	13.1%	14.5%
1990	\$37,570	\$18,121	\$33,016	\$16,603	\$4,554	\$1,518	13.8%	9.1%
1992	\$37,032	\$17,765	\$32,436	\$15,820	\$4,596	\$1,945	14.2%	12.3%
Avg. Annual Compound Rate of Change 1972-1982	0.0%	-2.8%	0.1%	-2.3%	-1.4%	-11.1%		
Avg. Annual Compound Rate of Change 1982-1992	1.5%	1.2%	0.8%	0.3%	9.0%	14.1%		
Avg. Annual Compound Rate of Change 1972-1992	0.7%	-0.8%	0.4%	-1.0%	3.7%	0.7%		

Source: National Association of Realtors and Economics Research Associates.

**Table 9**

**CONSUMER PRICE INDEX  
BUFFALO AND THE UNITED STATES**

<u>Year</u>	<u>Consumer Price Index</u>		<u>Absolute Change</u>	<u>Annual % Increase</u>	
	<u>Buffalo</u>	<u>U.S.</u>		<u>Buffalo</u>	<u>U.S.</u>
1980	235.6	246.8	11.2	11.5%	13.5%
1981	257.6	272.4	14.8	9.3%	10.4%
1982	267.2	289.1	21.9	3.7%	6.1%
1983	284.5	298.4	13.9	6.5%	3.2%
1984	294.4	311.1	16.7	3.5%	4.3%
1985	306.3	322.2	15.9	4.0%	3.6%
1986	309.1	328.4	19.3	0.9%	1.9%
1987	318.7	340.4	21.7	3.1%	3.7%
1988	331.0	354.3	23.3	3.9%	4.1%
1989	342.9	371.3	28.4	3.6%	4.8%
1990	360.1	391.4	31.3	5.0%	5.4%

**Table 10**

**DEMOGRAPHIC CHARACTERISTICS OF THE  
MAIN-LASALLE DEVELOPMENT AREA**

	<u>1980</u>	<u>1990</u>	<u>1994</u>	<u>1999</u>	<u>Average Annual Change</u>	
					<u>1980-1994</u>	<u>1994-1999</u>
Population						
Tract 45	6,656	6,175	6,024	5,883	-0.7%	-0.5%
Tract 46.01	3,811	3,482	3,385	3,307	-0.8%	-0.5%
Tract 47	<u>7,048</u>	<u>6,934</u>	<u>6,938</u>	<u>6,823</u>	-0.1%	-0.3%
Total	17,515	16,591	16,347	16,013	-0.5%	-0.4%
Households						
Tract 45	2,468	2,436	2,393	2,358	-0.2%	-0.3%
Tract 46.01	1,470	1,402	1,365	1,338	-0.5%	-0.4%
Tract 47	<u>2,690</u>	<u>2,610</u>	<u>2,607</u>	<u>2,558</u>	-0.2%	-0.4%
Total	6,628	6,448	6,365	6,254	-0.3%	-0.4%
Median Household Income						
Tract 45	\$19,187	\$31,896	\$39,547	\$49,492	5.3%	4.6%
Tract 46.01	15,768	26,964	31,994	38,738	5.2%	3.9%
Tract 47	<u>13,145</u>	<u>25,123</u>	<u>29,622</u>	<u>34,757</u>	6.0%	3.2%
Total	\$15,879	\$27,435	\$33,147	\$39,956	5.4%	3.8%

Source: Claritas/National Planning Data Corporation.

Table 11

**REGIONAL BUILDING PERMITS TRENDS  
FOR NEW RESIDENTIAL CONSTRUCTION  
ERIE AND NIAGARA COUNTIES  
1980-1993**

<u>Jurisdiction</u>	<u>1980</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>To 7/93</u>	<u>Total</u>	<u>Annual Average</u>
Erie County	972	1,128	1,779	2,627	3,457	3,533	1,945	2,000	1,296	18,737	1,441
Niagara County	<u>243</u>	<u>349</u>	<u>474</u>	<u>410</u>	<u>846</u>	<u>1,287</u>	<u>603</u>	<u>734</u>	<u>348</u>	<u>5,294</u>	<u>407</u>
TOTAL	1,215	1,477	2,253	3,037	4,303	4,820	2,548	2,734	1,644	24,031	1,849

Source: The Niagara Frontier Builders' Association, Inc., Economics Research Associates.

**Table 12**

**BUILDING PERMIT STATISTICS  
FOR RESIDENTIAL CONSTRUCTION  
METROPOLITAN BUFFALO, 1992**

<u>Jurisdiction</u>	<u>Single Family</u>	<u>% of Total</u>	<u>Multi- Family</u>	<u>% of Total</u>	<u>TOTAL UNITS</u>
Amherst	240	48.6%	254	51.4%	494
Clarence	202	97.1%	6	2.9%	208
Cheektowaga	50	86.2%	8	13.8%	58
Lancaster	324	82.2%	70	17.8%	394
West Seneca	55	55.6%	44	44.4%	99
Orchard Park	159	93.0%	12	7.0%	171
Hamburg	151	70.9%	62	29.1%	213
Grand Island	122	100.0%	0	0.0%	122
Buffalo	104	30.2%	240	69.8%	344
Tonawanda (City)	0	0.0%	0	0.0%	0
Lackawanna	3	33.3%	6	66.7%	9
<u>Tonawanda (Town)</u>	<u>3</u>	<u>60.0%</u>	<u>2</u>	<u>40.0%</u>	<u>5</u>
TOTAL	1,413	66.7%	704	33.3%	2,117

Source: The Niagara Frontier Builders' Association, Inc., Economics Research Associates

**Table13**

**SINGLE-FAMILY BUILDING PERMIT TRENDS  
ERIE COUNTY, NEW YORK, 1990-1993**

<u>Jurisdiction</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>
Amherst	352	221	240	262
Buffalo	88	78	104	104
Clarence	181	143	202	202
Grand Island	142	101	122	105
Hamburg	131	90	151	177
Lancaster	256	224	324	331
Orchard Park	133	158	159	148
West Seneca	87	68	55	61

Source: The Niagara Frontier Builders' Association, Inc.



**Table 14**

**SUMMARY OF SINGLE-FAMILY HOUSING DATA  
1990**

	<u>Buffalo-Niagara County CMSA</u>	<u>Niagara County</u>	<u>Erie County</u>	<u>City of Buffalo</u>
Median Value of Owner Occupied Units	\$68,350	\$62,700	\$74,000	\$46,700
Median Mortgage	\$664	\$646	\$682	\$544
Median Rent	\$373	\$362	\$384	\$352
Median Year of Housing Units	1950	1951	1950	1939

Source: U.S. Department of Commerce, Bureau of the Census; and Economics Research Associates.

Table 15

# HOUSING COSTS BY REGION 1972-1992

	<u>Northeast</u>			<u>National</u>			<u>Difference between Northeast and National</u>			<u>Percent Difference Between Northeast and National</u>		
	<u>Owner Costs</u>		<u>Renter Costs</u>	<u>Owner Costs</u>		<u>Renter Costs</u>	<u>Owner Costs</u>		<u>Renter Costs</u>	<u>Owner Costs</u>		<u>Renter Costs</u>
	<u>Home Price</u>	<u>Contract Rent</u>	<u>Contract Rent</u>	<u>Home Price</u>	<u>Contract Rent</u>	<u>Contract Rent</u>	<u>Home Price</u>	<u>Contract Rent</u>	<u>Contract Rent</u>	<u>Home Price</u>	<u>Contract Rent</u>	<u>Contract Rent</u>
1972	\$72,747	\$339	\$339	\$60,354	\$330	\$330	\$12,393	\$9	\$9	20.5%		2.7%
1974	\$73,284	\$330	\$330	\$61,361	\$314	\$314	\$11,923	\$16	\$16	19.4%		5.1%
1976	\$72,296	\$328	\$328	\$64,437	\$309	\$309	\$7,859	\$19	\$19	12.2%		6.1%
1978	\$74,428	\$328	\$328	\$73,007	\$312	\$312	\$1,421	\$16	\$16	1.9%		5.1%
1980	\$76,708	\$310	\$310	\$75,975	\$304	\$304	\$733	\$6	\$6	1.0%		2.0%
1982	\$74,147	\$316	\$316	\$72,401	\$310	\$310	\$1,746	\$6	\$6	2.4%		1.9%
1984	\$78,733	\$332	\$332	\$71,228	\$323	\$323	\$7,505	\$9	\$9	10.5%		2.8%
1986	\$94,230	\$368	\$368	\$72,169	\$349	\$349	\$22,061	\$19	\$19	30.6%		5.4%
1988	\$101,572	\$388	\$388	\$73,391	\$354	\$354	\$28,181	\$34	\$34	38.4%		9.6%
1990	\$92,741	\$394	\$394	\$69,928	\$352	\$352	\$22,813	\$42	\$42	32.6%		11.9%
1992	\$90,326	\$394	\$394	\$66,949	\$354	\$354	\$23,377	\$40	\$40	34.9%		11.3%

Avg. Annual Compound

Rate of Change

1972-1982

0.2%

1.8%

-0.6%

-17.8%

-4.0%

Avg. Annual Compound

Rate of Change

1982-1992

2.0%

-0.8%

1.3%

29.6%

20.9%

Avg. Annual Compound

Rate of Change

1972-1992

1.1%

0.5%

0.4%

3.2%

7.7%

Source: National Association of Realtors and Economics Research Associates.

**Table 16**

**HOUSING CHARACTERISTICS OF THE  
MAIN-LASALLE DEVELOPMENT AREA**

<u>1994 Demographics</u>	Tract <u>45</u>	Tract <u>46.01</u>	Tract <u>47</u>	<u>Total</u>
Population	6,024	3,385	6,938	16,347
Households	2,393	1,365	2,607	6,365
Average HH Size	2.4	2.48	2.65	2.52
Median HH Income	\$ 39,547	\$ 31,994	\$ 29,622	\$ 33,147
Median Housing Value	\$ 91,300	\$ 66,000	\$ 52,500	\$ 69,500
Occupied Housing Units				
Single-Family Detached	1,202	756	1,125	3,083
Multi-Family	<u>1,234</u>	<u>649</u>	<u>1,485</u>	<u>3,368</u>
Total	2,436	1,405	2,610	6,451

Source: Claritas/National Planning Data Corporation.

Table 17

**NON-AGRICULTURAL EMPLOYMENT GROWTH BY CATEGORY  
FOR THE BUFFALO NIAGARA FALLS CMSA  
1970-1993 (000s)**

<u>Employment Category</u>	<u>1970</u>	<u>1980</u>	<u>1985</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	Change: 1970-1980		Change: 1980-1993	
										Number	Ann'l %	Number	Ann'l %
Manufacturing	168.6	133.5	103.1	101.5	100.7	97.7	93.8	91.3	89.3	-35.1	-2.1%	-44.2	-2.5%
Construction	19.4	16.4	17.7	20.8	22	22.8	20.5	19.2	17.3	-3	-1.5%	0.9	0.4%
Transportation/Communication	32.1	27.5	25.2	25.5	25.8	27.2	26.3	25.5	25.3	-4.6	-1.4%	-2.2	-0.6%
and Public Utilities										0			
Wholesale & Retail Trade	102.3	112.7	119.5	130.9	135.8	136.6	133.1	132	130	10.4	1.0%	17.3	1.2%
Finance/Insurance/Real Estate	19.3	22.2	24.6	29.8	30	29.3	28.8	29	28.8	2.9	1.5%	6.6	2.3%
Services	76.3	100.7	116.9	133.1	140.3	144.4	142.7	144.4	145.4	24.4	3.2%	44.7	3.4%
Government	79.5	88	83.8	87.7	87.7	89.4	88.3	87.7	87.9	8.5	1.1%	-0.1	0.0%
Total Employment	497.5	501	490.8	529.3	542.3	547.4	533.5	529.1	524	3.5	0.1%	23	0.4%
Percent Annual Growth	N/A	0.1%	-0.4%	2.6%	2.5%	0.9%	-2.5%	-0.8%	-1.0%				

Source: New York State Department of Labor, Division of Research and Statistics, Economics Research Associates.

Table 18

**NON-AGRICULTURAL EMPLOYMENT GROWTH BY CATEGORY  
FOR THE BUFFALO PMSA  
1980-1993 (000s)**

<u>Employment Category</u>	<u>1980</u>	<u>1985</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>Change: 1980-1993</u>		
									<u>Number</u>	<u>Ann'l %</u>	<u>1992-1993</u>
Manufacturing	101	78.3	77.7	76.8	74.8	72.5	70.7	69.1	-31.9	-2.4%	-1.6
Construction	14	15.5	17.4	18.1	18.9	16.8	16	14.5	0.5	0.3%	-1.5
Transportation/Communication and Public Utilities	24.1	21.6	21.7	21.8	23.2	22.1	21.1	20.9	-3.2	-1.0%	-0.2
Wholesale & Retail Trade	97	101.8	111.6	115.5	115.7	112.7	112.5	110.7	13.7	1.1%	-1.8
Finance/Insurance/Real Estate	20.3	22.7	27.8	28	27.3	26.9	26.9	26.7	6.4	2.4%	-0.2
Services	86.8	101.7	116.1	122.6	126.2	124.9	126.5	127.6	40.8	3.6%	1.1
<u>Government</u>	<u>75.1</u>	<u>71.6</u>	<u>75</u>	<u>74.7</u>	<u>76.3</u>	<u>74.9</u>	<u>74.8</u>	<u>74.8</u>	<u>-0.3</u>	<u>0.0%</u>	<u>0</u>
Total Employment	418.3	413.2	447.3	457.5	462.4	450.8	448.5	444.3	26	0.5%	-4.2
Percent Annual Growth		-0.2%	2.8%	2.3%	1.1%	-2.5%	-0.5%	-0.9%			

Source: New York State Department of Labor, Division of Research and Statistics; Economics Research Associates.

Table 19

**NON-AGRICULTURAL EMPLOYMENT GROWTH BY CATEGORY  
FOR THE NIAGARA FALLS PMSA  
1980-1993 (000s)**

<u>Employment Category</u>	<u>1980</u>	<u>1985</u>	<u>1988</u>	<u>1989</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>Change: 1980-1993</u>	
									<u>Number</u>	<u>Ann'l %</u>
Manufacturing	32.5	24.8	23.9	23.8	23	21.4	20.6	20.4	-12.1	-2.9%
Construction	2.8	2.9	3.5	3.9	4	3.7	3.2	2.7	-0.1	-0.3%
Transportation/Communication and Public Utilities	3.4	3.6	3.8	4	4.1	4.2	4.4	4.4	1	2.3%
Wholesale & Retail Trade	15.7	17.7	19.3	20.3	20.9	20.4	19.5	19.4	3.7	1.8%
Finance/Insurance/Real Estate	1.9	1.9	2	2	2	2	2.1	2.1	0.2	0.8%
Services	13.9	15.2	17	17.7	18.2	17.8	17.9	17.9	4	2.2%
<u>Government</u>	<u>12.9</u>	<u>12.2</u>	<u>12.6</u>	<u>13</u>	<u>13.3</u>	<u>13.2</u>	<u>12.9</u>	<u>13.1</u>	<u>0.2</u>	<u>0.1%</u>
Total Employment	83.1	78.3	82.1	84.7	85.5	82.7	80.6	80	-3.1	-0.3%
Percent Annual Growth		-1.2%	1.6%	3.2%	0.9%	-3.3%	-2.5%	-0.7%		

Source: New York State Department of Labor, Division of Research and Statistics; Economics Research Associates.

**Table 20**

**UNEMPLOYMENT RATES IN  
BUFFALO, NEW YORK AND THE UNITED STATES  
1983-1992**

<u>Year</u>	<u>City of</u>	<u>Buffalo</u>	<u>New</u>	<u>United</u>	<u>Difference between Buffalo and:</u>		
	<u>Buffalo</u>	<u>CMSA</u>	<u>York</u>	<u>States</u>	<u>CMSA</u>	<u>NY</u>	<u>US</u>
1983	15.8%	12.0%	8.6%	9.6%	3.8%	7.2%	6.2%
1984	12.2%	9.0%	7.2%	7.5%	3.2%	5.0%	4.7%
1985	10.3%	7.8%	6.5%	7.2%	2.5%	3.8%	3.1%
1986	10.3%	7.6%	6.3%	7.0%	2.7%	4.0%	3.3%
1987	7.9%	5.8%	4.9%	6.2%	2.1%	3.0%	1.7%
1988	7.1%	5.3%	4.2%	5.5%	1.8%	2.9%	1.6%
1989	8.2%	6.0%	5.1%	5.3%	2.2%	3.1%	2.9%
1990	6.8%	5.0%	5.2%	5.5%	1.8%	1.6%	1.3%
1991	9.5%	7.1%	7.2%	6.6%	2.4%	2.3%	2.9%
1992	12.0%	7.6%	8.5%	7.3%	4.4%	3.5%	4.7%

Source: U.S. Department of Labor, Bureau of Labor Statistics; and the New York Department of Labor, Division of Research and Statistics.

**Table 21**

**TRENDS IN ABSORPTION AND INVENTORY  
OF INDUSTRIAL SPACE IN THE BUFFALO AREA**

	<u>1992</u>	<u>1993</u>
Composition of Absorption		
Warehouse/Distribution	60%	70%
Manufacturing	30%	20%
High Tech/R & D	10%	10%
Composition of Inventory		
Warehouse/Distribution	70%	70%
Manufacturing	25%	25%
High Tech/R & D	5%	5%
<u>OUTLOOK</u>		
Rate of Construction		
Warehouse/Distribution		Up 6-10%
Manufacturing		Down 1-5%
High Tech/R & D		Down 11-15%
Dollar Volume - Sales		
Warehouse/Distribution	Same	Down 11-15%
Manufacturing	Down 6-10%	Down 11-15%
High Tech/R & D	Down 25%	Down 11-15%
Dollar Volume - Leases		
Warehouse/Distribution	N/A	Down 1-5%
Manufacturing	N/A	Down 1-5%
High Tech/R & D	N/A	Down 1-5%

Note: Area includes Amherst, Buffalo, Cheektowaga, Lackawanna,  
Lancaster, Orchard Park, Tonawanda and West Seneca.

Source: Comparative Statistics of Industrial & Office Real Estate  
Markets, Landauer Real Estate Consultants, 1993 Guide,  
1994 Guide.



Table 22

**INDUSTRIAL SPACE SALES AND LEASE PRICES, 1993**

<u>Industrial Space</u>	<u>Sales Prices (\$/s.f.)</u>		<u>Net Lease Prices (\$/s.f.)</u>		<u>Construction (\$/s.f.)</u>	<u>Vacancy Indicators</u>
	<u>Central City</u>	<u>Suburban</u>	<u>Central City</u>	<u>Suburban</u>		
Less than 5,000 s.f.	30-35	35-40	2.75-3.25	4.50-5.50	50	Balanced Market
5,000 to 19,999 s.f.	18-25	28-30	2.50-3.00	4.00-4.50	40	Moderate Shortage
20,000 to 39,999 s.f.	16-20	25-30	2.25-2.75	3.50-4.00	35	Balanced Market
40,000 to 59,999 s.f.	15-20	23-28	2.00-2.50	3.25-4.00	35	Moderate Oversupply
60,000 to 99,999 s.f.	15-20	21-24	1.50-2.50	3.00-3.50	25-30	Moderate Oversupply
More than 99,999 sf.	6-9	20-25	1.00-1.75	2.75-3.25	22-25	Balanced Market
High Tech/R & D	45-50	50-60	12.00-14.00	14.00-16.00	60-80	Balanced Market

	<u>Site Prices (\$/s.f.)</u>	
	<u>Central City</u>	<u>Suburban</u>
<b>Improved Sites</b>		
Less than 2 Acres	.60-.70	.75-1.25
2 to 5 Acres	.60-.70	.75-1.00
5 to 10 Acres	.50-.60	.50-.65
Over 10 Acres	.50-.60	.50-.60
<b>Unimproved Sites</b>		
Less than 10 Acres	.50-.60	.15-.25
10 to 100 Acres	.50-.60	.12-.15
Over 100 Acres	.50-.60	.10-.12

Source: Comparative Statistics of Industrial & Office Real Estate Markets, Landauer Real Estate Consultants, 1993 Guide, 1994 Guide.

Table 23

**OFFICE SPACE ABSORPTION  
IN BUFFALO CBD, 1982-1992**

<u>Class of Space</u>	<u>Occupied Square Footage</u>				<u>Change</u>		
	<u>Dec. 1993</u>	<u>Dec. 1992</u>	<u>Dec. 1991</u>	<u>May 1982</u>	<u>1991-1992</u>	<u>1992-1993</u>	<u>1982-1992</u>
A1	2,788,854	2,571,539	2,336,048	1,675,633	235,491	217,315	895,906
A2	<u>217,000</u>	<u>197,071</u>	<u>193,100</u>	<u>-</u>	<u>3,971</u>	<u>19,929</u>	<u>197,071</u>
Total A	3,005,854	2,768,610	2,529,148	2,289,686	239,462	237,244	478,924
R1	855,500	778,436	762,800	280,250	15,636	77,064	498,186
B1	1,116,535	1,102,335	1,110,400	881,700	(8,065)	14,200	220,635
B2	<u>375,700</u>	<u>397,300</u>	<u>370,600</u>	<u>321,000</u>	<u>26,700</u>	<u>(21,600)</u>	<u>76,300</u>
B1 & B2	1,492,235	1,499,635	1,481,000	1,462,365	18,635	(7,400)	37,270
B3	<u>234,000</u>	<u>215,000</u>	<u>215,000</u>	<u>427,500</u>	<u>-</u>	<u>19,000</u>	<u>(212,500)</u>
Total B	1,726,235	1,714,635	1,696,000	1,677,365	18,635	11,600	37,270
Total A1, A2 & R1	3,861,354	3,547,046	3,291,948	3,036,850	255,098	314,308	510,196
Total A1, A2, R1, B1 & B2	5,353,589	5,046,681	4,772,948	4,499,215	273,733	306,908	547,466
Total A1, A2, R1, B1, B2 & B3	5,587,589	5,261,681	4,987,948	4,714,215	273,733	325,908	547,466
C	94,800	98,900	96,200	207,950	2,700	(4,100)	(109,050)
R2	191,620	197,720	177,500	195,750	20,220	(6,100)	1,970
Q	<u>208,000</u>	<u>216,300</u>	<u>198,900</u>	<u>142,500</u>	<u>17,400</u>	<u>(8,300)</u>	<u>73,800</u>
Total All Office Space	6,082,009	5,774,601	5,460,548	5,260,415	314,053	307,408	514,186

Source: Inventory and Analysis of Office Space in the City of Buffalo Central Business District from 1982 through 1993, Department of Planning, Department of Community Development, December 1993.

**Table 24**

**OFFICE RENTS AND SALES PRICES  
BUFFALO AND AMHERST, NEW YORK**

	<u>Class A</u>		<u>Class B</u>	
	<u>CBD</u>	<u>Outside CBD</u>	<u>CBD</u>	<u>Outside CBD</u>
Rental Rates (\$/s.f.)				
Lowest	15.00	15.00	11.00	10.00
Highest	21.00	16.50	14.00	14.00
Weighted Average	16.75	15.95	13.50	12.50

Source: Landauer Real Estate Counselors, Comparative Statistics of Industrial  
and Office Real Estate Markets

**S T A G E**

**II**

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**TECHNICAL  
MEMORANDUM**

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## Memorandum

**DATE:** November 11, 1994  
**TO:** Main-LaSalle Planning Study Steering Committee  
**FROM:** Economics Research Associates  
**RE:** Stage II Technical Memorandum

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This memorandum represents the second deliverable product for the study of development potentials on the land surrounding the Main-LaSalle transit station in Buffalo, New York. This stage of work has focused on the development of three alternative land use approaches to the overall area, the creation of alternative concept-level master plans, and an analysis of public and private development costs, benefits, and overall feasibility. Our intent is to use these products to: 1) continue our dialogue with the public representatives of the Main-LaSalle area; 2) initiate discussions with the private sector regarding potential investment in the area as a means of testing the assumptions in the plan; 3) develop a consensus of the Steering Committee with respect to the overall direction of the plan; and 4) develop a common basis for the work to be completed in the third and final stage of the project.

This memorandum is organized into two major sections. The first presents the three alternative plans in both text and graphic form. The second section discusses the economic dimensions of each alternative.

### **I. PLAN ALTERNATIVES**

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At the conclusion of the first stage of the project, the Steering Committee and city representatives requested that the consulting team develop physical plan alternatives that reflected the basic program directions discussed at the conclusion of the first stage of work. In each case, the team had some common elements to work with:

- Limit development in the rail corridor lands north of the LaSalle Station.
- Enhance the open space network in the same areas, and throughout the study area.
- Maximize the productivity and use of the transit system through appropriate development of the area around and above the station.
- Use transportation improvements to rationalize circulation and land use at Hertel and Main.
- Maximize the beneficial aspects of redevelopment on the commercial uses on Main Street beyond the immediate study area.
- Retain the capability to extend the commuter rail system to the Tonawandas over the long term.
- Capitalize on the potential relationships to area institutions through an appropriate land-use mix.

These can be considered the "givens." Within these parameters, however, the Steering Committee directed the team to consider three basic directions:

An alternative that maximizes job-supporting land uses on the site. This alternative emphasizes light industrial, retail, office, institutional employment uses on the site, within the general conditions outlined above. It aims for the highest realistic density given expected market conditions.

- An alternative that seeks the greatest benefit to the surrounding University District through the creation of a diverse range of new housing in the study area. In this case, job-supporting uses are concentrated along Main Street, with the bulk of the study area devoted to residential development.
- An alternative that balance the twin goals of commercial development and housing and that seeks to locate these respective uses where they derive the greatest benefit from the current infrastructure, including the station, and where they mitigate negative impacts on the surrounding neighborhood.
- The first section below discusses the treatment of three specific sub-areas. These elements are common to each of the alternatives. The second section covers the other portions of the study area by discussing the main points of each of the three alternative plans.

## ***SUB-AREAS***

### **1. Rail Corridor Lands (North of LaSalle Station)**

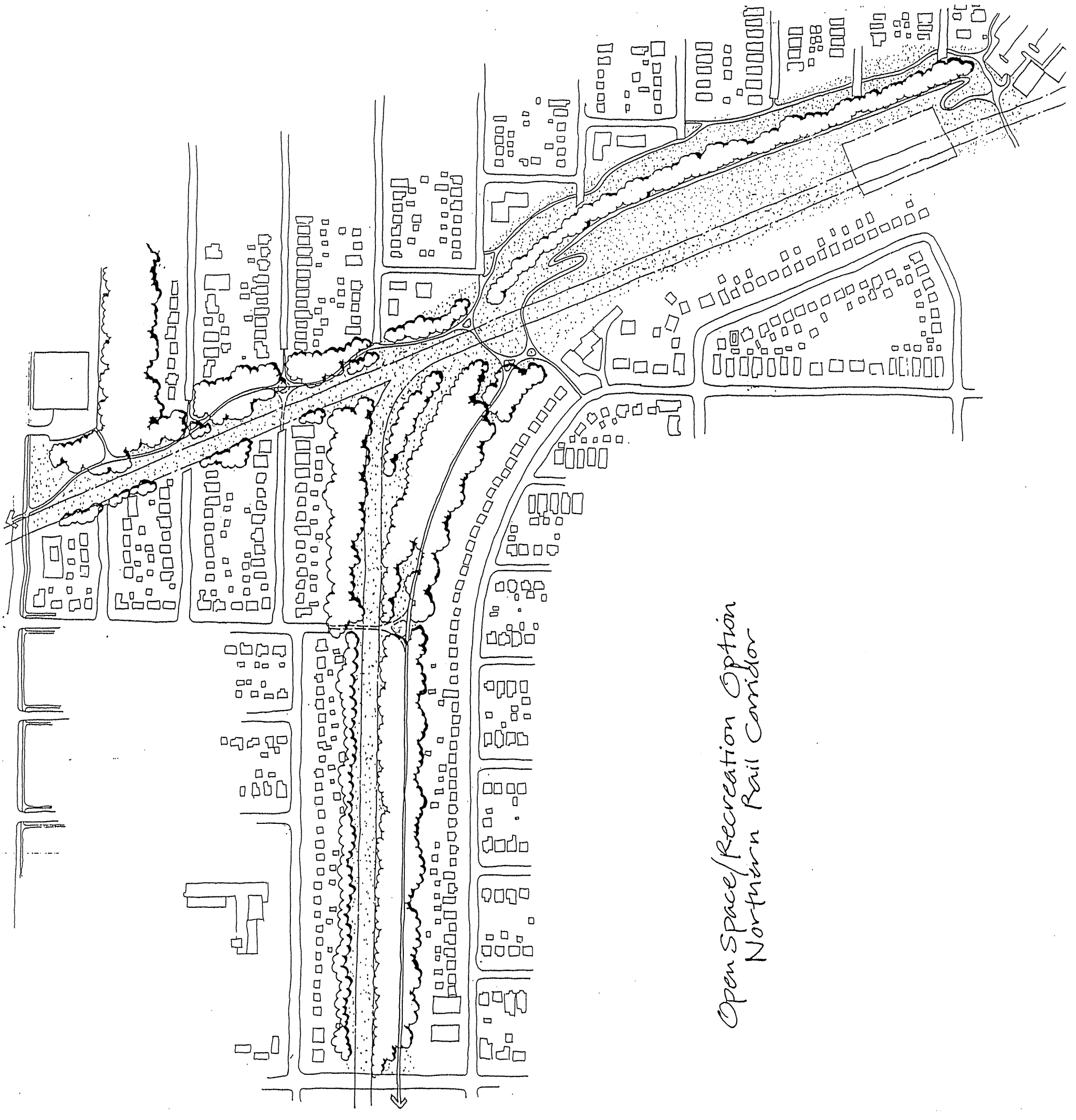
#### ***Recreational/Open Space Approach***

The corridor is currently open space which has naturalized over the years. A number of worn pedestrian and bike trails traverse the area. In most scenarios, this area is treated as follows:

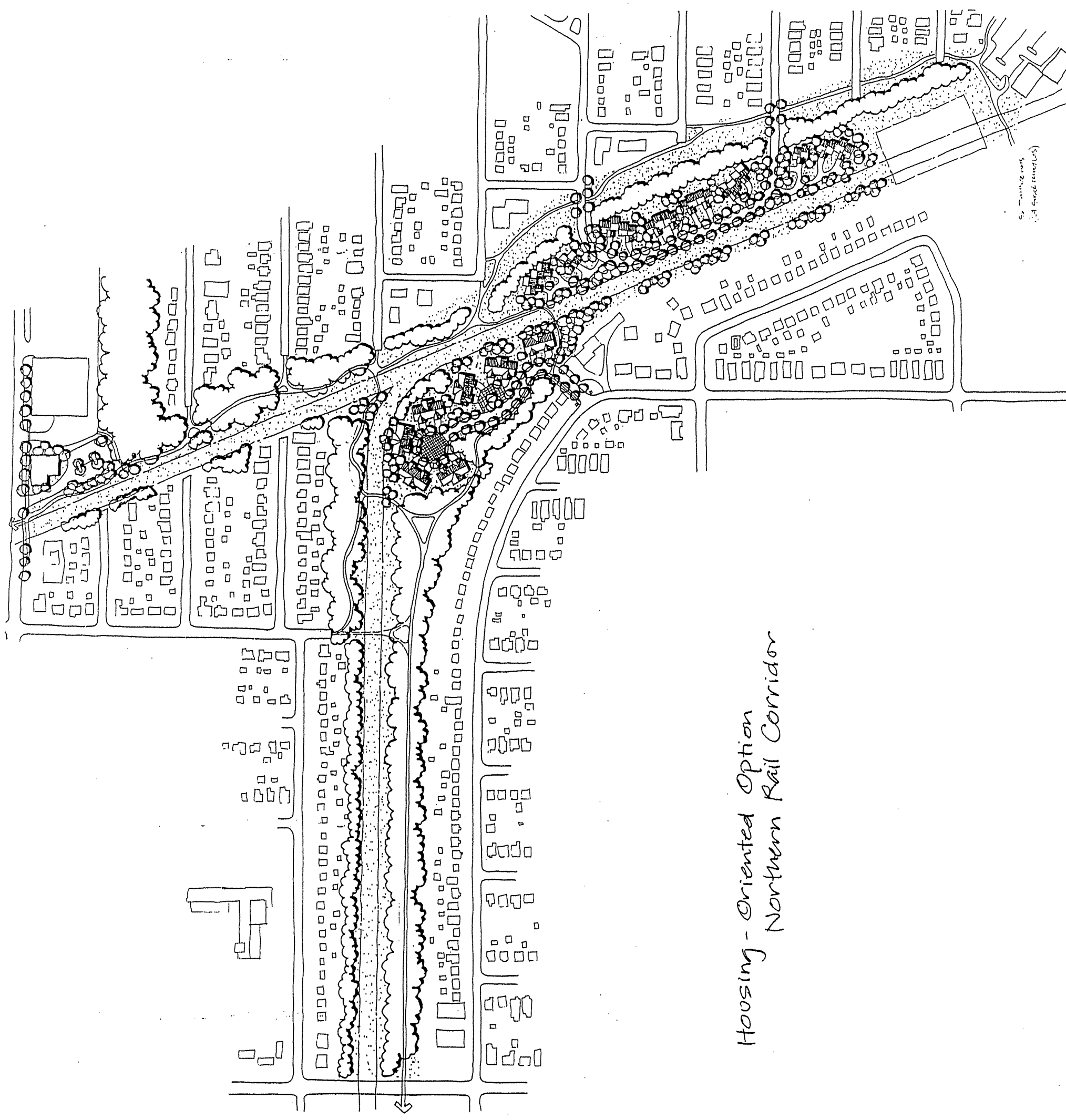
- Enhance existing open space and natural vegetation to create safer and more attractive setting.
- Formalize many of the existing dirt pedestrian trails throughout the corridor for safer use by the public. This supports the Greenways (or Rails to Trails) plan currently in the works for the city of Buffalo.
- Provide pedestrian and bike connections to neighborhood streets along the route which provide open access to the public. Trail connections will be made to Shoshone Park, Minnesota Linear Park and McCarthy Park.
- Provide a 50 wide designated right-of-way (greenspace for future surface rail line expansion.
- Preserve the existing old rail berms for trail use (surface rail expansion on the line from Heath Street to Starin will eliminate some of the existing berm in this area).

### **2. LaSalle Station Joint Development Project**

The aim of this project is to take full advantage of the public investment in the transit station by creating a higher-density development project around an above the Metro station. Highlights of the concept include:



Open Space/Recreation Option  
Northern Rail Corridor



Housing - Oriented Option  
Northern Rail Corridor



- Incorporation of the existing MetroRail station into a larger mixed-use development structure.
- Maintaining all service and functional relationships of the station to the underground MetroRail (elevators, escalators, ticket areas, etc.).
- Creation of a major transfer station for the future Light Rail Rapid Transit System serving the proposed Tonawanda line with passenger transfers to the existing underground MetroRail.
- Development of new passenger platform area (loading and unloading) and new “concourse” area between new surface platform and vertical circulation corridor to underground MetroRail. This rail transfer concourse would be lined with commercial/retail uses serving both rail passengers and area users.
- A new structure that provides commercial/retail frontage on both Main Street and the inner passenger concourse, with a major entrance loop in the rear.
- A multi-storied structure with upper levels above the station to include possible office or residential apartment uses. This would be served by a separate secured lobby and elevator core.
- Future long-term full “build-out” of the station that could include connected residential apartment units with views overlooking Shoshone Park.
- A future multi-level parking structure off the main circulation loop that may be required to accommodate a loss of existing surface parking.
- A focal tower feature at the corner of the station at Main Street which would help to provide a clear identity to the station area along the Main Street corridor.
- An architecturally significant station structure comprised of varying facades fronting Main Street which would form a traditional storefront street.
- Rail lines that circulate in a loop through the new enclosed station in a one-way fashion – utilizing the recently purchased “Cleveland” cars). Future rail expansion would allow for a continuance across Main Street (at-grade) connecting to the future airport rail line.

New access road to a real station entrance, bus/taxi loop (vehicular drop-off area), rear parking areas and future residential structures.

- Bikeway/Pedestrian walkways connecting the new station area to Shoshone Park, McCarthy Park and proposed rail corridor trails.

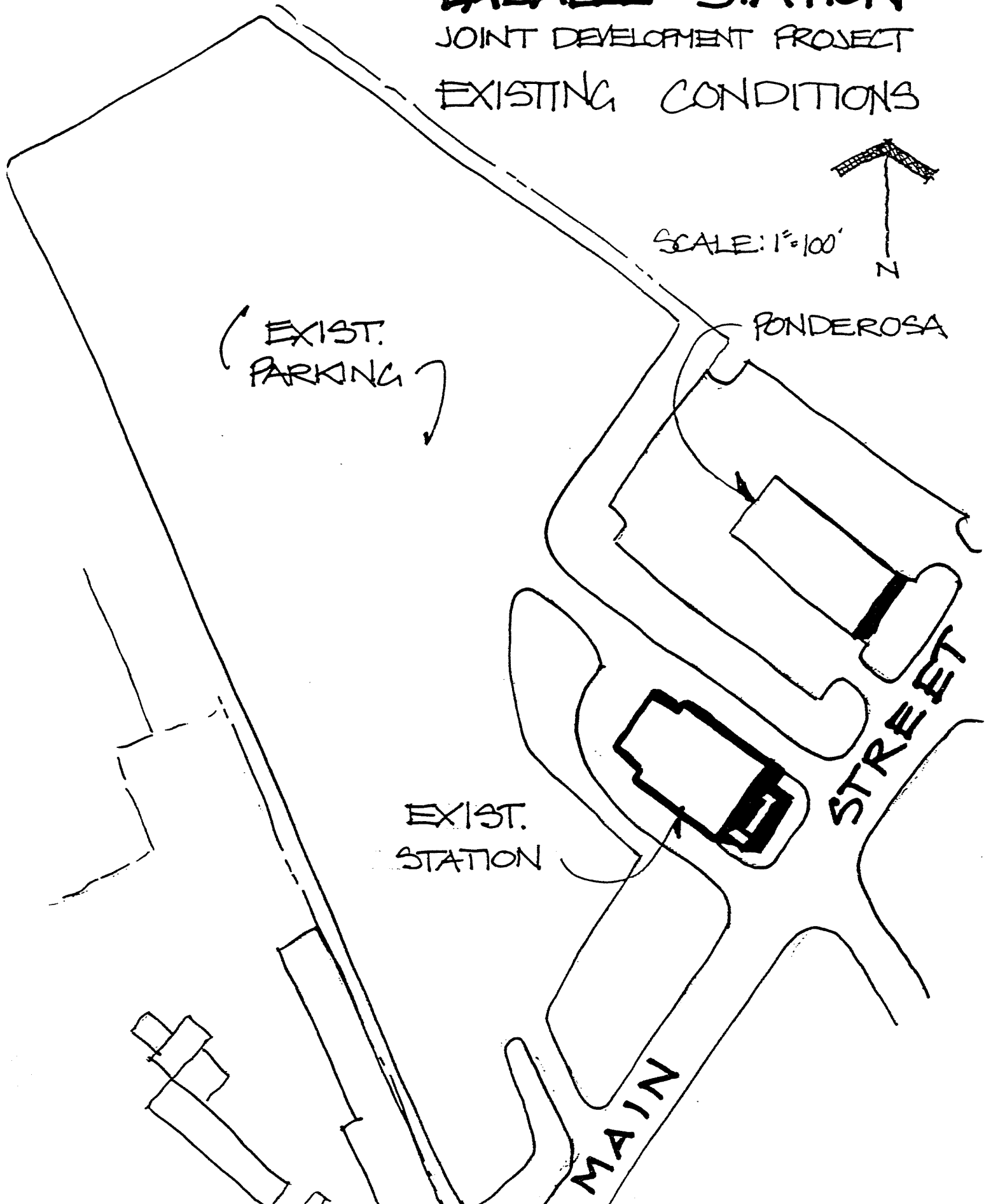
### **3. Main Street Development Area**

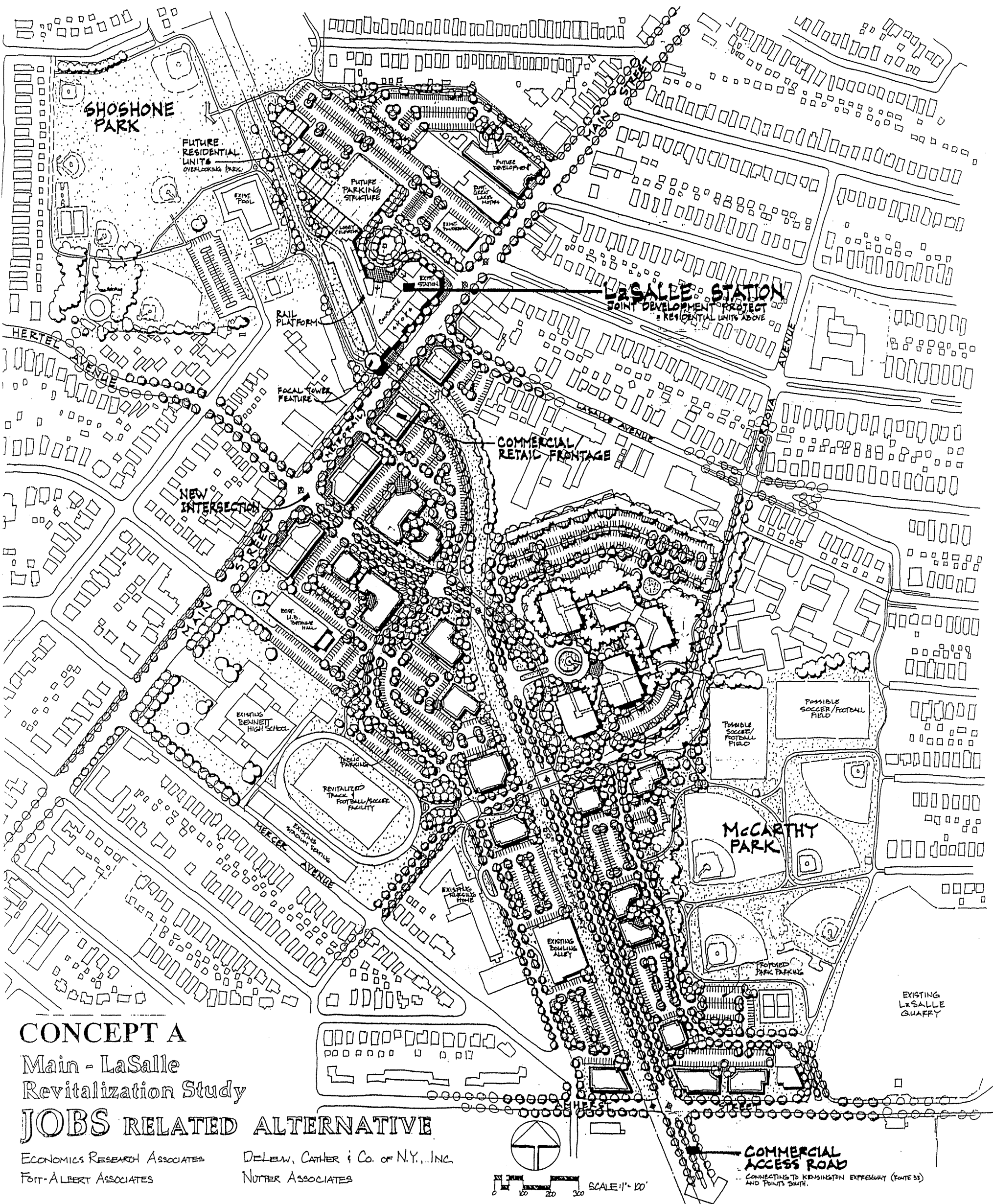
Highlights of the concept include:

- Adaptive reuse of existing structures wherever feasible.

# LASALLE STATION

JOINT DEVELOPMENT PROJECT  
EXISTING CONDITIONS





**CONCEPT A**  
Main - LaSalle  
Revitalization Study  
**JOBS RELATED ALTERNATIVE**

ECONOMICS RESEARCH ASSOCIATES  
FORT-ALBERT ASSOCIATES  
DELEW, CATHY & CO. OF N.Y., INC.  
NUTTER ASSOCIATES

# LASALLE STATION

JOINT DEVELOPMENT PROJECT  
POTENTIAL PHASE I

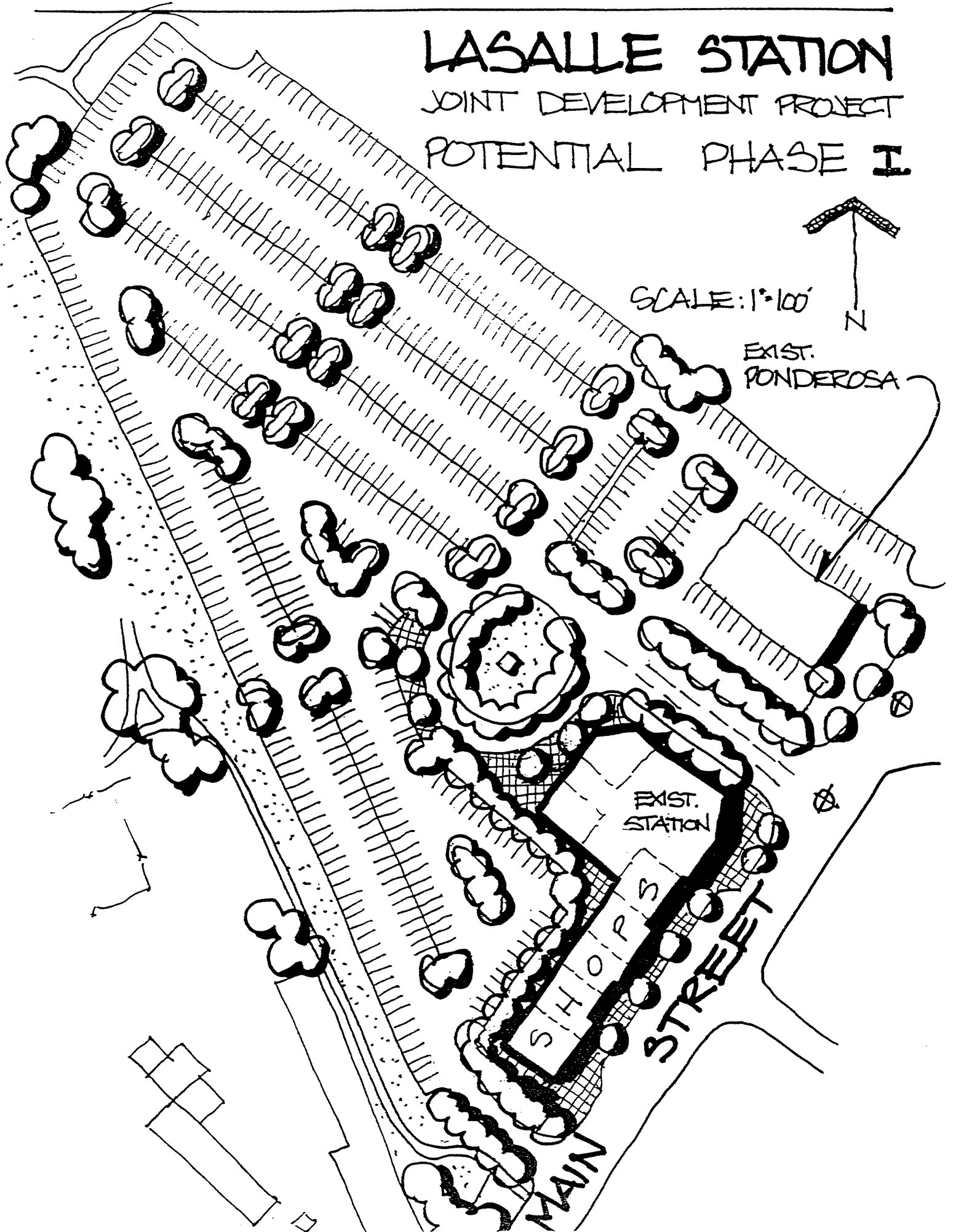
SCALE: 1"=100'



EXIST.  
PONDEROSA

EXIST.  
STATION

SHOPS  
MAIN STREET



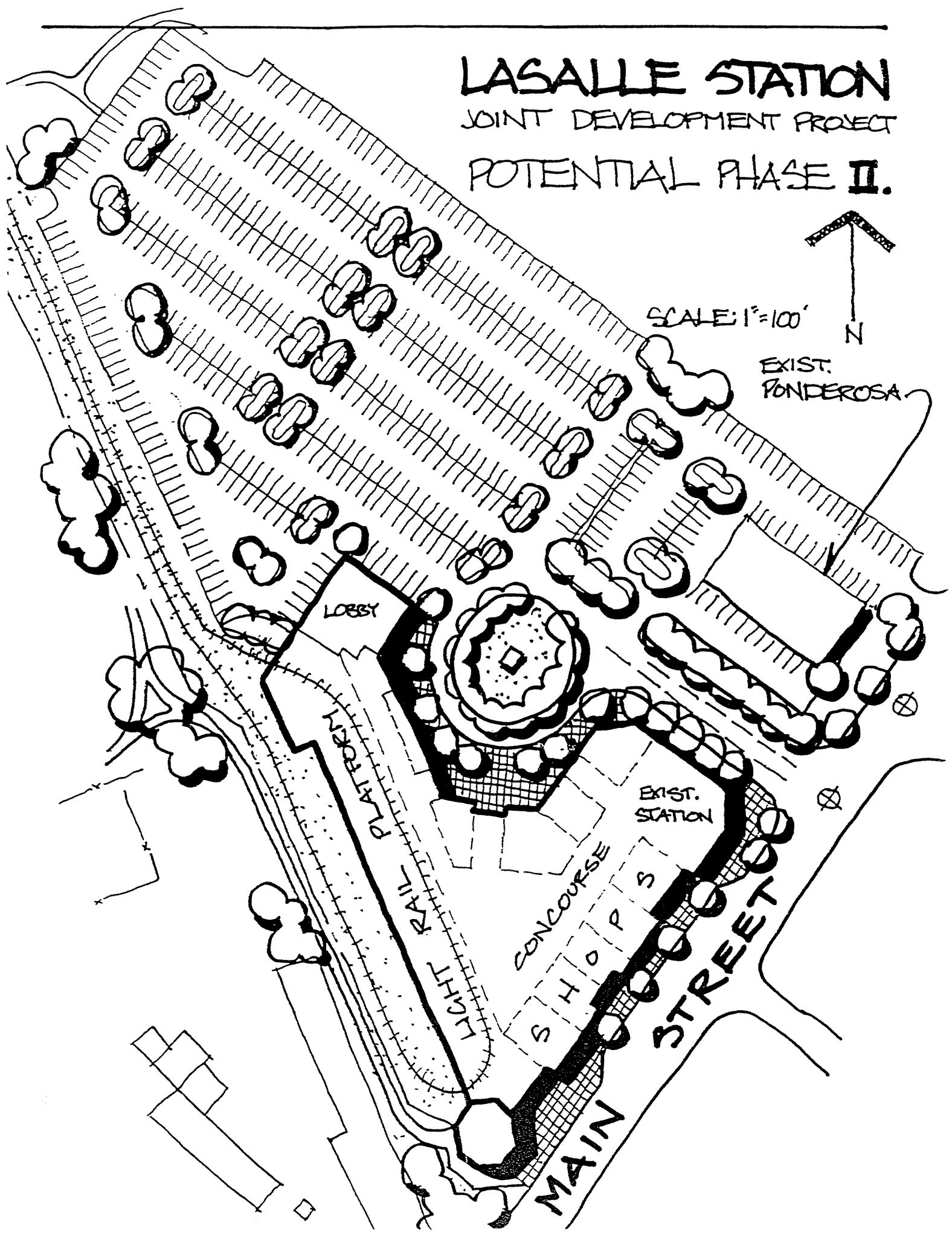
# LASALLE STATION

JOINT DEVELOPMENT PROJECT  
POTENTIAL PHASE II.



SCALE: 1" = 100'

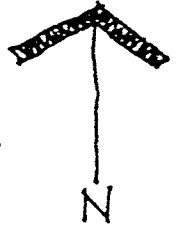
EXIST.  
PONDEROSA



# LASALLE STATION

JOINT DEVELOPMENT PROJECT  
POTENTIAL PHASE III.

SCALE: 1" = 100'



EXIST. FONDEROSA

PARKING  
STRUCTURE

LOBBY

EXIST.  
STATION

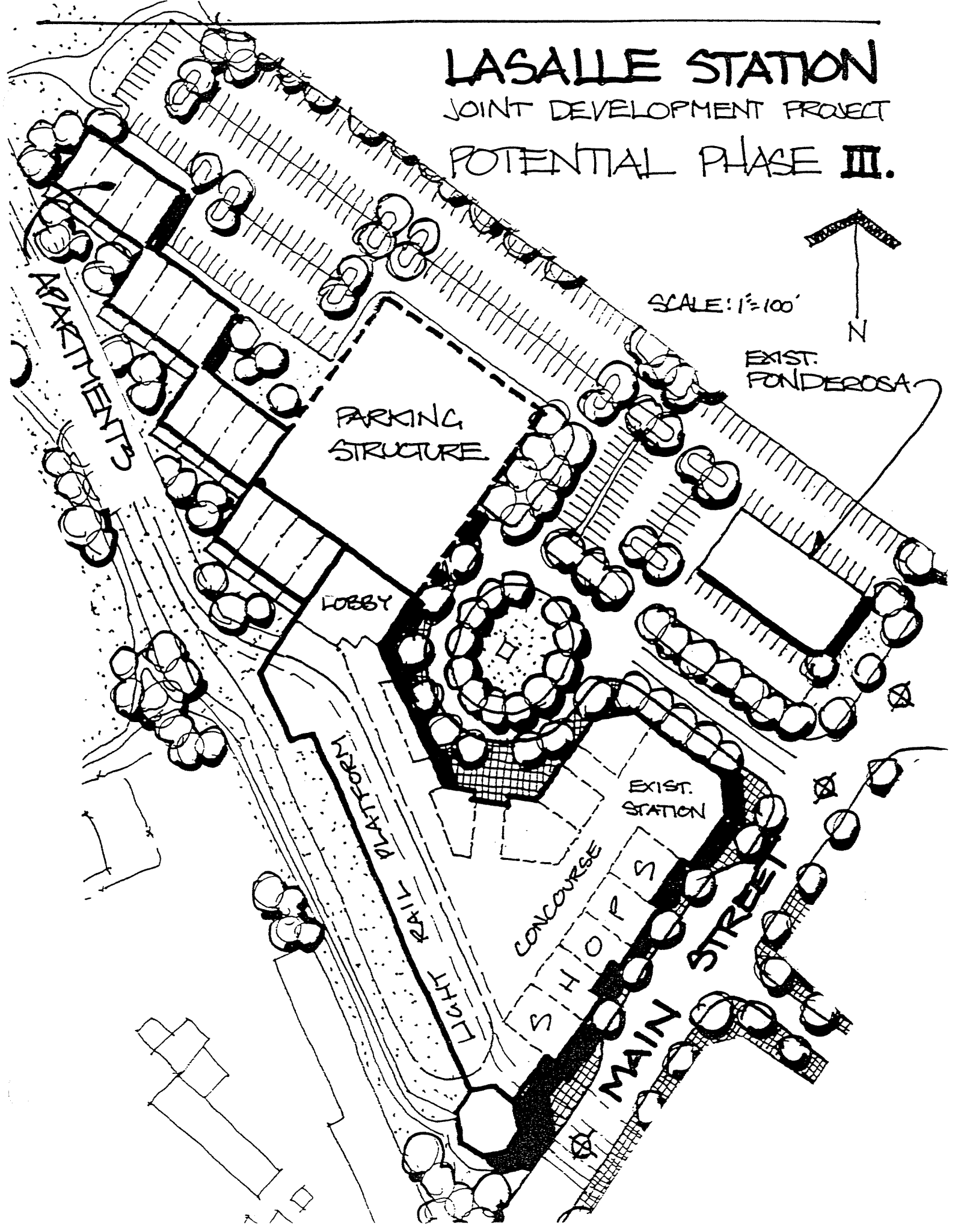
CONCOURSE  
S H O P S

MAIN STREET

LIGHT RAIL

WYOMING

APARTMENTS



- Development of new commercial/retail structures dominating the major Main Street corridor. This would continue the urban pattern of development established in the adjacent University Heights Business District, connecting the previously divided Main Street zone. (It is proposed that existing uses within this zone will be incorporated into new structure schemes wherever feasible.)
- Possible upper level uses of office and residential.
- Streetscape enhancements along Main Street which may include street trees, decorative lighting, special paving materials, etc.

### **CONCEPT ALTERNATIVES FOR SOUTH AND EAST OF MAIN**

For the areas to the south and east of Main Street, the team has developed three alternative concepts. The first focuses on uses that support jobs; the second emphasizes housing; and the third aims for a balance between these two approaches.

#### **CONCEPT A - *Jobs-Related Alternative***

Highlights of this concept include:

- Creation of an “Audobon-style” development with attractive buildings, green space and roadways, built on abandoned rail corridor lands.
- A parcel breakdown that includes one large parcel ( 11.5 acres) with a number of smaller satellite parcels (a campus setting).
- Possible development scenarios of a traditional office park, a high-tech Medical Office Park, the possible UB “Incubator” site, a Light Industrial Park, or variations on these themes.
- A sensitively designed development within the existing large wooded parcel that preserves as many existing trees as possible.
- A divided Commercial Parkway as an extension of Hertel Avenue with street trees and landscaped median serving as an access road through the site from Main Street. The Parkway would connect to a future commercial access road from Amherst Street to the Kensington Expressway (Route 33) and points south.
- A provision of a 50-foot-wide designated right-of-way (greenspace) for future surface rail line expansion.
- Blocks of parking areas that will be shared between adjacent buildings, allowing for more greenspace to be provided. All building will be surrounded by a heavily landscaped area.
- Pedestrian and bike connections to neighborhood streets along the route which provide open access to the public. Trail connections will be made to Shoshone Park, Minnesota Linear Park and McCarthy Park.

## CONCEPT B

### *Housing Alternative*

The emphasis here is to use the provision of a variety of new housing types as a stabilizing influence on the surrounding neighborhood, thereby encouraging middle-income residents to remain in the area. Highlights of this concept include:

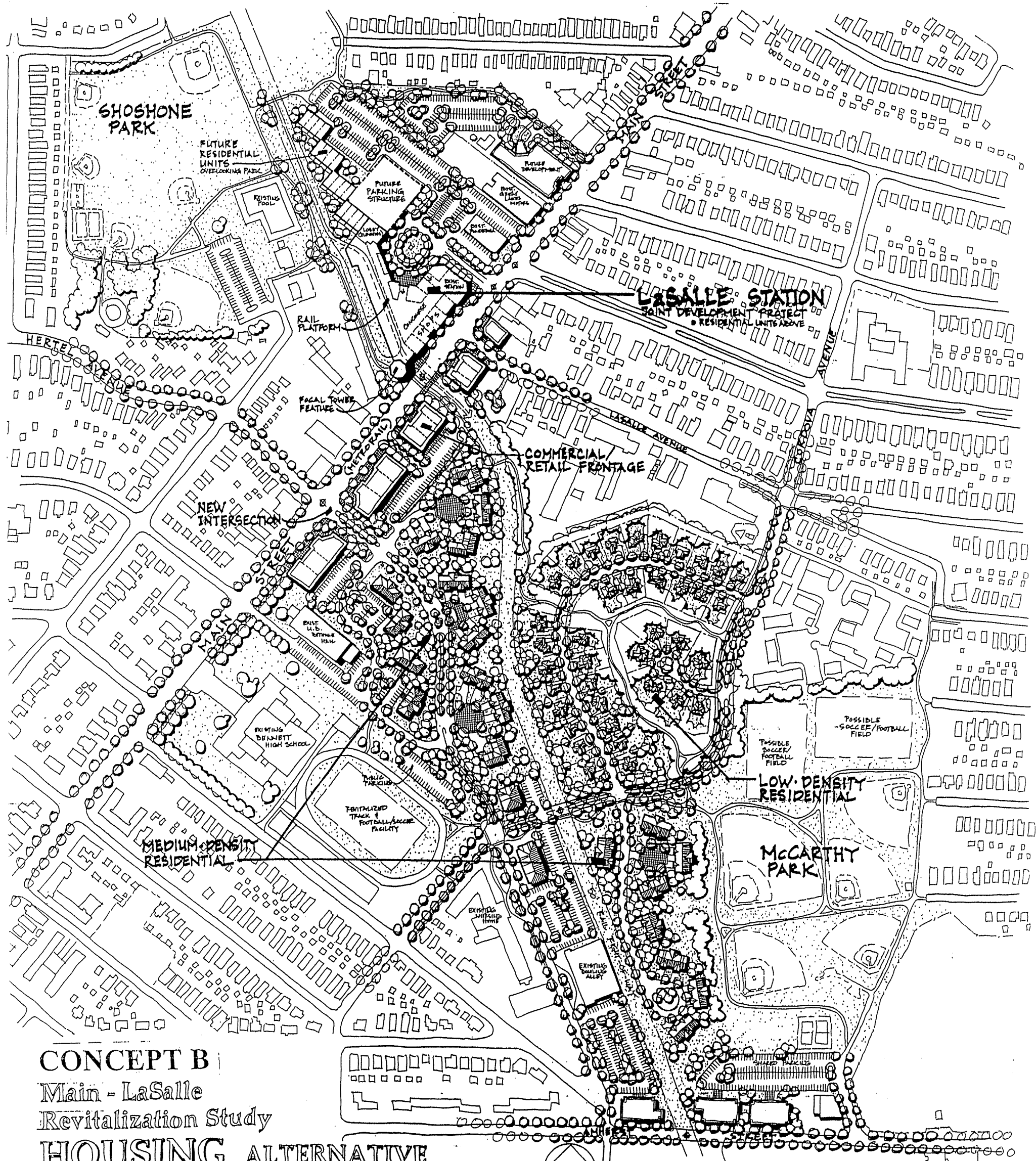
Creation of a mixed-density, market-rate housing community. Possible housing types range from apartments to two-story townhomes to single-family lots.

- Townhome units (attached single-family homes) clustered around private vehicular courtyards, with special pavings, lighting and landscaping.
- All residential units with proposed views to greenspace areas.
- A pedestrian/bike path network connecting area residents to McCarthy Park, Bennet High School facilities, LaSalle Station, Shoshone Park, Minnesota Linear Park, and northern rail corridor trails.
- A sensitive development of single-family homes within the large wooded parcel, which preserves as many existing trees as possible.
- A divided Residential Parkway as an extension of Hertel Avenue with street trees and landscaped median serving as access road from Main Street. The parkway would narrow and connect to the existing neighborhood street network.

In the areas to the north and west of Main, this alternative features:

- Provision of a 50-foot-wide designated right-of-way (greenspace) for future surface rail line expansion.
- Creation of two isolated housing parcels, one east of the north-south rail right-of-way and one west of this right-of-way. The proposed housing alternative includes two-story townhome units (attached single-family homes) surrounded by heavily landscaped areas.
- Vehicular access to the easterly parcel with a loop road that will cut through the existing rail berm to serve the new homes. The retention of the existing rail berm would add privacy to the new development and preserve the secluded Minnesota Linear Park. The new construction would occur on the side of the rail berm, possibly with garage and storage areas at a lower level and living areas on an upper level.
- A trail system serving the public that will traverse the old rail corridor, connecting the local parks and neighborhoods.
- A trail system serving the public that will traverse the old rail corridor, connecting the local parks and neighborhoods.
- A provision of a 50 wide designated right-of-way (greenspace) for future surface rail line expansion.

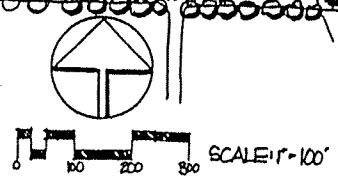




**CONCEPT B**  
Main - LaSalle  
Revitalization Study  
**HOUSING ALTERNATIVE**

ECONOMICS RESEARCH ASSOCIATES  
FORT-ALBERT ASSOCIATES

DELEW, CATHER & Co. of N.Y., INC.  
NUTTER ASSOCIATES



**CONCEPT C -**  
***Mixed-Use Alternative***

Highlights of this concept include:

- Creation of an Audobon-Style mixed-use development combining commercial, office, residential and recreational uses.
- Creation of development with architecturally significant structures, lush greenspace and attractive roadways.
- A cluster design for a townhome development (attached single-family units) within the large wooded parcel. Preservation of existing trees will be of primary concern. All residential units are proposed to have views to natural greenspace areas.
- A divided Commercial Parkway as an extension of Hertel Avenue with street trees and landscaped median serving as access road from Main Street. The parkway would connect to a future access road from Amherst Street to Kensington Expressway (Route 33) and points south.
- A provision of a 50 wide designated right-of-way (greenspace) for future surface rail line expansion.
- Blocks of parking areas that will be “shared” between adjacent office buildings, allowing for more greenspace to be provided. All buildings will be surrounded by a heavily landscaped area.
- A pedestrian/bikepath network provided throughout the property, connecting McCarthy Park, Bennett High School facilities, LaSalle Station, Shoshone Park, Minnesota Linear Park and the northern rail corridor trails.

**II. PRELIMINARY DEVELOPMENT STRATEGY AND ECONOMIC ANALYSIS**

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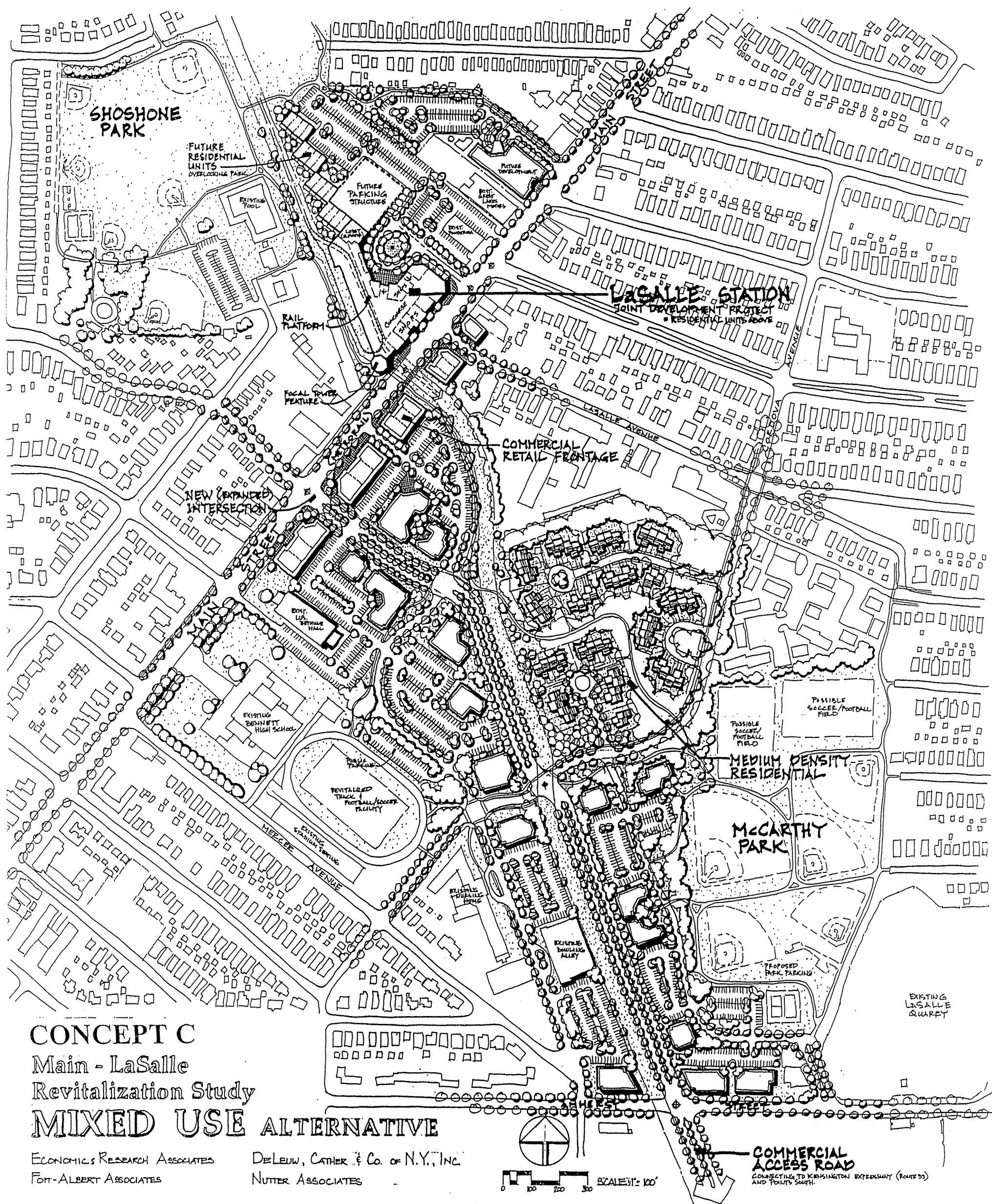
As a means of analyzing the preliminary development economics and costs and benefits of the proposed alternatives, we have assumed the following basic development approach:

- The public-sector or an affiliated non-profit corporation acquires the land and builds the major infrastructure, including the central roadways and rights-of-way improvements, landscaping, utilities, and station-area improvements, including the parking structure. This creates a series of unimproved developable parcels.

Private-sector interests or institutions then provide site improvements and build the individual projects.

The key questions to be addressed are the following:

- What is the relative balance of public costs to private investment in each alternative?
- Which land uses are capable of supporting a portion of the public costs for land and infrastructure?
- Which land uses in effect require a public subsidy and at what magnitude?
- What are the long-term economic and fiscal benefits to the public sector of each alternative?



# Main - LaSalle Revitalization Study

# MIXED USE ALTERNATIVE

ECONOMICS RESEARCH ASSOCIATES  
FORT-ALBERT ASSOCIATES

DELEUW, CATHER & Co. of N.Y., INC  
NUTTER ASSOCIATES

**- COMMERCIAL  
ACCESS ROAD**

CONNECTING TO KENSINGTON EXPRESSWAY (ROUTE 33)  
AND POINTS SOUTH.

To address these issues, the team first estimated the development costs associated with each alternative. These were organized into three basic categories:

- Unallocated infrastructure and station-area improvements. These costs benefit all individual development projects and, as described above are considered public costs under our assumed development strategy.
- Land development costs specifically related to each individual development project and parcel. These are considered to be private investment leveraged by the public investment in infrastructure.
- Building development costs, also considered private investment.

All cost data at this juncture are quite preliminary and are intended to give the team a preliminary sense of the economic merits of each alternative relative to each other. Costs are based on industry standard unit costs adjusted for the Buffalo area, and on quantity take-offs from the preliminary plans. All costs are assumed to include appropriate soft costs (engineering and design, interest, fees, general and administrative costs, and contingencies).

Costs are meaningful, of course, only in relation to the potential revenue that the resulting investment generates. In this case, we have two concerns. The first is that the land uses proposed are in fact feasible--that is, that they can generate sufficient rental income or sales revenue to pay the development and operating costs and provide a sufficient investment return. The second is that the resulting land use mix provides an overall value sufficient to offset at least a portion of the public costs for land acquisition and infrastructure.

Revenues and costs are arrayed by land use in stabilized-year pro forma statements in the appendix. For each use, net sales revenues for the housing developments or capitalized values for operating projects like retail and industrial projects are compared to the projects total development cost, not including the public costs for land and infrastructure. The resulting residual value, if positive, is the value that can be recaptured through a land lease or sale, and applied to help offset the public costs. The specific form of the public-private partnership can vary, and can include a land lease or other mechanism. This issue will be explored in detail in Stage III of the project.

The results of this analysis are shown in the accompanying tables, and summarized below:

	<u>ALTERNATIVE DEVELOPMENT SCENARIO</u>		
	A (Jobs)	B (Housing)	C (Mixed)
<b>Total Public Costs (excluding land)</b>	<b>\$14.4 m.</b>	<b>\$13.3 m.</b>	<b>\$14.6 m.</b>
<b>Total Private Investment</b>	<b>\$86.8 m.</b>	<b>\$63.6 m.</b>	<b>\$75.9 m.</b>
<b>Total Residual Value</b>	<b>\$1.47m.</b>	<b>\$483,000</b>	<b>\$2.13 m.</b>

The basic economic dimensions of each alternative are summarized as follows:

*Alternative A--Jobs Emphasis*

This alternative leverages the greatest amount of private investment, but produces only the second highest residual value, due to the larger size of the office component relative to for-sale housing. It would however produce a strong increment of property taxes relative to its expected public-service costs and would support the highest number of jobs on site.

*Alternative B--Housing Emphasis*

The housing emphasis clearly would mean a trade off in the short term project economics for the long-term stabilizing influences of additional housing in the neighborhood. This option is least able to produce the residual value necessary to help offset the public costs. In fact, the analysis shows a negative residual value, which means that the overall project would require a development subsidy over and above the costs for land acquisition and infrastructure. This option is also unlikely to generate sufficient tax revenues to directly offset the costs of additional public services.

*Alternative C--Mixed-Use Emphasis*

This option gives us the best overall balance of public costs to private investment and the strongest residual value.

In each case above, the only land use that under the current assumptions is not feasible--that produces a negative residual value--is rental housing, programmed for development near the transit station. Under reasonable market assumptions, rents are simply too low to support the costs of development, even excluding the costs of land and infrastructure. Because the housing option has the greatest number of apartments, it is most affected by this variable. The logical upshot of rental housing's problematic economics is that it would not likely be developed in any alternative. If this is the case, and if we exclude rental housing from the residual value calculations for all scenarios, the housing option appears more favorably.

## **NEXT STEPS**

The preliminary plans and economic analysis will be supplemented to include an evaluation of economic-development and fiscal benefit. The work will be presented to the community in a public forum and to a focus group of real estate industry representatives. Based on this review, the third and final stage of the project will detail an implementation strategy for the selected alternative.

**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE  
ANALYSIS**

***APPENDIX***

**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE  
ANALYSIS**

***SCENARIO A - JOBS ALTERNATIVE***

**MAIN - LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE ANALYSIS  
SCENARIO A - JOBS ALTERNATIVE**

<b>PROGRAM</b>	<b>Retail</b>	<b>Office/ R&amp;D</b>	<b>Townhouses</b>	<b>Apartments</b>	<b>Total</b>
Density (FAR)	0.30	0.60	NA	NA	
Gross Square Footage	132,000	526,000	19,200	283,200	960,400
Net Square Footage	105,600	473,400	NA	226,560	805,560
<b>COST</b>					
Allocated Land Development	\$621,154	\$2,943,297	\$75,472	\$1,145,376	\$4,785,300
Building Development	\$11,220,000	\$44,710,000	\$1,344,000	\$24,780,000	\$82,054,000
Per Square Foot	\$85.00	\$85.00	\$70.00	\$87.50	
Per Unit	NA	NA	\$84,000	\$70,000	
Total Development Costs	\$11,841,154	\$47,653,297	\$1,419,472	\$25,925,376	\$86,839,300
<b>REVENUES</b>					
Net Rent/Sq.Ft.	\$11.00	\$10.50	NA	\$9.00	
Total Net Rent	\$1,161,600	\$4,970,700	NA	\$2,039,040	
Capitalization Rate	9.0%	10.0%	NA	8.5%	
Net Sales Revenue/Sq. Ft.	NA	NA	\$95.00	NA	
Total Net Sales Revenue	NA	NA	\$1,714,560	NA	\$1,714,560
Indicated Value	\$12,906,667	\$49,707,000	NA	\$23,988,706	\$86,602,373
Residual Value	\$1,065,512	\$2,053,703	\$295,088	(\$1,936,670)	\$1,477,633
Per Square Foot of GLA & NRA	\$10.09	\$4.34	NA	NA	
Per Unit	NA	NA	\$18,443	(\$5,471)	

Source: Economics Research Associates.



**MAIN - LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE ANALYSIS  
SCENARIO B - HOUSING ALTERNATIVE**

<b>PROGRAM</b>	<b>Retail</b>	<b>Office/ R&amp;D</b>	<b>Single Family Housing</b>	<b>Townhouses</b>	<b>Apartments</b>	<b>Total</b>
Density (FAR)	0.31		NA	NA	NA	
Gross Square Footage	137,000	106,000	76,000	105,600	302,400	727,000
Net Square Footage	109,600	95,400	NA	NA	241,920	446,920
<b>COST</b>						
Land Development	\$672,340	\$810,822	\$1,023,000	\$1,542,472	\$1,334,165	\$5,382,800
Building Development	\$11,645,000	\$9,010,000	\$3,800,000	\$7,392,000	\$26,460,000	\$58,307,000
Per Square Foot	\$85.00	\$85.00	\$50.00	\$70.00	\$87.50	
Per Unit	NA	NA	\$100,000	\$84,000	\$70,000	
Total Development Costs	\$12,317,340	\$9,820,822	\$4,823,000	\$8,934,472	\$27,794,165	\$63,689,800
<b>REVENUES</b>						
Net Rent/Sq.Ft.	\$11.00	\$10.50	NA	NA	\$9.00	
Total Net Rent	\$1,205,600	\$1,001,700	NA	NA	\$2,177,280	
Capitalization Rate	9.0%	10.0%	NA	NA	8.5%	
Net Sales Revenue/Sq. Ft.	NA	NA	\$80.00	\$95.00	NA	
Total Net Sales Revenue	NA	NA	\$5,715,200	\$9,430,080	NA	\$15,145,280
Indicated Value	\$13,395,556	\$10,017,000	NA	NA	\$25,615,059	\$49,027,614
Residual Value	\$1,078,215	\$196,178	\$892,200	\$495,608	(\$2,179,106)	\$483,094
Per Square Foot	\$9.84	\$2.06	NA	NA	NA	
Per Unit	NA	NA	\$23,479	\$5,632	(\$5,765)	

Source: Economics Research Associates.

**MAIN - LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE ANALYSIS  
SCENARIO C - MIXED ALTERNATIVE**

<b>PROGRAM</b>	<b>Retail</b>	<b>Office/ R&amp;D</b>	<b>Townhouses</b>	<b>Apartments</b>	<b>Total</b>
Density (FAR)	0.30	0.39	NA	NA	
Gross Square Footage	132,000	336,000	105,600	283,200	856,800
Net Square Footage	105,600	302,400	NA	226,560	634,560
<b>COST</b>					
Land Development	\$621,154	\$1,905,297	\$323,472	\$1,145,376	\$3,995,300
Building Development	\$11,220,000	\$28,560,000	\$7,392,000	\$24,780,000	\$71,952,000
Per Square Foot	\$85.00	\$85.00	\$70.00	\$87.50	
Per Unit	NA	NA	\$84,000	\$70,000	
Total Development Costs	\$11,841,154	\$30,465,297	\$7,715,472	\$25,925,376	\$75,947,300
<b>REVENUES</b>					
Net Rent/Sq.Ft.	\$11.00	\$10.50	NA	\$9.00	
Total Net Rent	\$1,161,600	\$3,175,200	NA	\$2,039,040	
Capitalization Rate	9.0%	10.0%	NA	8.5%	
Net Sales Revenue/Sq. Ft.	NA	NA	\$95.00	NA	
Total Net Sales Revenue	NA	NA	\$9,430,080	NA	\$9,430,080
Indicated Value	\$12,906,667	\$31,752,000	NA	\$23,988,706	\$68,647,373
Residual Value	\$1,065,512	\$1,286,703	\$1,714,608	(\$1,936,670)	\$2,130,153
Per Square Foot	\$10.09	\$4.25	NA	NA	
Per Unit	NA	NA	\$19,484	(\$5,471)	

Source: Economics Research Associates.

**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE ANALYSIS  
SCENARIO A - JOBS ALTERNATIVE  
RETAIL DEVELOPMENT**

<b>Project Description</b>	
Gross Building Area	132,000
Gross Leasable Area	105,600
FAR	0.30
<b>Land Development Costs</b>	\$621,154
<b>Building Development Costs</b>	
Per Square Foot of GBA	\$85.00
Total Building Development Costs	\$11,220,000
<b>Total Development Costs</b>	\$11,841,154
<b>Revenue and Expenses</b>	
Net Rent per Sq. Ft.	\$11.00
Total Annual Net Operating Income	\$1,161,600
Capitalization Rate	9%
Indicated Value	\$12,906,667
Residual Value and Contribution to Infrastructure Costs	\$1,065,512
Residual Land Value per Sq. Ft. of GLA	\$10.09

Source: Economics Research Associates.

**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE ANALYSIS  
SCENARIO A - JOBS ALTERNATIVE  
OFFICE/R&D DEVELOPMENT**

<b>Project Description</b>	
Gross Building Area Square Footage	526,000
Net Rentable Area	473,400
FAR	0.60
<b>Land Development Costs</b>	
	\$2,943,297
<b>Building Development Costs</b>	
Per Sq. Ft. of GBA	\$85.00
Total Building Development Costs	\$44,710,000
<b>Total Development Costs</b>	<b>\$47,653,297</b>
<b>Revenue and Expenses</b>	
Net Rent per Sq. Ft.	\$10.50
Total Net Operating Income	\$4,970,700
Capitalization Rate	10%
<b>Indicated Value</b>	<b>\$49,707,000</b>
<b>Residual Value and Contribution to Infrastructure Costs</b>	
Residual Land Value per Sq. Ft. NRA	\$2,053,703
	\$4.34

Source: Economics Research Associates.

**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE ANALYSIS  
SCENARIO A - JOBS ALTERNATIVE  
TOWNHOUSES**

<b>Project Description</b>	
Number of Units	16
Average Unit Size (Sq. Ft.)	1,200
Gross Building Square Footage	19,200
<b>Land Development Costs</b>	\$75,472
<b>Building Development Costs</b>	
Per Square Foot	\$70.00
Per Unit	\$84,000
Total Building Development Costs	\$1,344,000
<b>Total Development Costs</b>	\$1,419,472
Per Unit	\$88,717
<b>Revenue and Expenses</b>	
Average Unit Price	\$114,000
Average Price per Sq. Ft.	\$95.00
Total Sales Revenue	\$1,824,000
Cost of Sales @ 6%	\$109,440
Total Net Sales Revenue	\$1,714,560
<b>Residual Value and Contribution to Infrastructure Costs</b>	\$295,088
Residual Land Value per Unit	\$18,443

Source: Economics Research Associates.

**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE ANALYSIS  
SCENARIO A- JOBS ALTERNATIVE  
APARTMENTS**

<b>Project Description</b>	
Number Units	354
Average Unit Size	800
Gross Building Area Square Footage	283,200
Net Rentable Square Footage	226,560
<b>Land Development Costs</b>	<b>\$1,145,376</b>
<b>Building Development Costs</b>	
Per Square Foot of GBA	\$87.50
Per Unit	\$70,000
Total Building Development Costs	24,780,000
<b>Total Development Costs</b>	<b>\$25,925,376</b>
<b>Revenue and Expenses</b>	
Monthly Rent Per Sq. Ft.	\$0.80
Total Rent	\$2,718,720
Operating Expenses @ 25%	\$679,680
Total Net Rent	\$2,039,040
Annual Net Rent per Sq. Ft.	\$9.00
Capitalization Rate	8.50%
Indicated Value	\$23,988,706
Residual Value and Contribution to Infrastructure Costs	(\$1,936,670)
Residual Land Value per Unit	(\$5,471)

Source: Economics Research Associates.

**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE ANALYSIS  
SCENARIO A - JOBS ALTERNATIVE  
PUBLIC INFRASTRUCTURE COSTS**

<b>Station Area</b>	<b>\$5,250,000</b>
<b>Structured Parking</b>	<b>\$2,856,000</b>

**Parkway (Hertel Extension)**

		Linear Feet		
a.	Pavement	2,500	500	\$1,250,000
b.	Sidewalk	25,000	4	\$100,000
		2,500 L.F. x10'	per SF	
c.	Landscape	66,800	2	\$146,960
d.	Storm Sewer	2,500	193	\$482,500
e.	Sanitary Sewer	2,500	88	\$220,000
f.	Water Lines	2,500	75	\$187,500
g.	NYNEX			\$0
h.	Niagara Mohawk			Unknown
i.	National Fuel			Unknown
	Subtotal			\$2,386,960

**Two Lane Roadway**

		Linear Feet		
a.	Pavement	5,700	250	\$1,425,000
b.	Sidewalk	57,000	4	\$228,000
		5,700 L.F. x10'	per SF	
c.	Landscape	114,000	2	\$250,800
d.	Storm Sewer	5,700	156	\$889,200
e.	Sanitary Sewer	5,700	88	\$501,600
f.	Water Lines	5,700	75	\$427,500
g.	NYNEX			\$0
h.	Niagara Mohawk			Unknown
i.	National Fuel			Unknown
	Subtotal			\$3,722,100

**Asphalt**

Station Area	2,560	22	\$56,320
South of Main	4,190	22	\$92,180
Subtotal			\$148,500
<b>TOTAL</b>			<b>\$14,363,560</b>

**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE  
ANALYSIS**

***SCENARIO B - HOUSING ALTERNATIVE***



**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE ANALYSIS  
SCENARIO B - HOUSING ALTERNATIVE  
RETAIL DEVELOPMENT**

<b>Project Description</b>	
Gross Building Area	137,000
Gross Leasable Area	109,600
FAR	0.31
<b>Land Development Costs</b>	\$672,340
<b>Building Development Costs</b>	
Per Square Foot of GBA	\$85.00
Total Building Development Costs	11,645,000
<b>Total Development Costs</b>	12,317,340
<b>Revenue and Expenses</b>	
Net Rent per Sq. Ft.	\$11.00
Total Annual Net Operating Income	\$1,205,600
Capitalization Rate	9.00%
Indicated Value	\$13,395,556
Residual Value and Contribution to Infrastructure Costs	\$1,078,215
Residual Land Value per Sq. Ft. of GLA	\$9.84

Source: Economics Research Associates.

**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE ANALYSIS  
SCENARIO B - HOUSING ALTERNATIVE  
OFFICE/R&D DEVELOPMENT**

<b>Project Description</b>	
Gross Building Area Square Footage	106,000
Net Rentable Area	95,400
FAR	0.12
<b>Land Development Costs</b>	
	\$810,822
<b>Building Development Costs</b>	
Per Sq. Ft. of GBA	\$85.00
Total Building Development Costs	\$9,010,000
<b>Total Development Costs</b>	
	\$9,820,822
<b>Revenue and Expenses</b>	
Net Rent per Sq. Ft.	\$10.50
Total Net Operating Income	\$1,001,700
Capitalization Rate	10%
<b>Indicated Value</b>	
	\$10,017,000
<b>Residual Value and Contribution to Infrastructure Costs</b>	
Residual Land Value per Sq. Ft. NRA	\$196,178
	\$2.06

Source: Economics Research Associates.

**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE ANALYSIS  
SCENARIO B - HOUSING ALTERNATIVE  
SINGLE-FAMILY HOUSING**

<b>Project Description</b>	
Number of Units	38
Average Unit Size (Sq. Ft.)	2,000
Gross Building Square Footage	76,000
<b>Land Development Costs</b>	
	\$1,023,000
<b>Building Development Costs</b>	
Per Square Foot	\$50.00
Per Unit	\$100,000
Total Building Development Costs	3,800,000
<b>Total Development Costs</b>	
	4,823,000
<b>Revenue and Expenses</b>	
Average Unit Price	\$160,000
Average Price per Sq. Ft.	\$80.00
Total Sales Revenue	\$6,080,000
Cost of Sales @ 6%	\$364,800
Total Net Sales Revenue	\$5,715,200
<b>Residual Value and Contribution to Infrastructure Costs</b>	
Residual Land Value per Unit	\$892,200
	\$23,479

Source: Economics Research Associates.

**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE ANALYSIS  
SCENARIO B - HOUSING ALTERNATIVE  
TOWNHOUSES**

<b>Project Description</b>	
Number of Units	88
Average Unit Size (Sq. Ft.)	1,200
Gross Building Square Footage	105,600
<b>Land Development Costs</b>	\$1,542,472
<b>Building Development Costs</b>	
Per Square Foot	\$70.00
Per Unit	\$84,000
Total Building Development Costs	\$7,392,000
<b>Total Development Costs</b>	\$8,934,472
<b>Revenue and Expenses</b>	
Average Unit Price	\$114,000
Average Price per Sq. Ft.	\$95.00
Total Sales Revenue	\$10,032,000
Cost of Sales @ 6%	\$601,920
Total Net Sales Revenue	\$9,430,080
Residual Value and Contribution to Infrastructure Costs	\$495,608
Residual Land Value per Unit	\$5,632

Source: Economics Research Associates.

**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE ANALYSIS  
SCENARIO B - HOUSING ALTERNATIVE  
APARTMENTS**

**Project Description**

Number Rental Units	378
Average Unit Size	800
Gross Building Area Square Footage	302,400
Net Rentable Square Footage	241,920

<b>Land Development Costs</b>	<b>\$1,334,165</b>
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**Building Development Costs**

Per Square Foot of GBA	\$87.50
Per Unit	\$70,000
Total Building Development Costs	\$26,460,000

<b>Total Development Costs</b>	<b>\$27,794,165</b>
--------------------------------	---------------------

**Revenue and Expenses**

Monthly Rent Per Sq. Ft.	\$0.80
Total Rent	\$2,903,040
Operating Expenses @ 25%	\$725,760
Total Net Rent	\$2,177,280
Annual Net Rent per Sq. Ft.	\$9.00
Capitalization Rate	8.50%

Indicated Value	\$25,615,059
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Residual Value and Contribution to Infrastructure Costs	(\$2,179,106)
Residual Land Value per Unit	(\$5,765)

Source: Economics Research Associates.

**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE ANALYSIS  
SCENARIO B - HOUSING ALTERNATIVE  
PUBLIC INFRASTRUCTURE COSTS**

<b>Station Area</b>	\$5,250,000
<b>Structured Parking</b>	\$2,856,000

**Parkway (Hertel Extension)**

	Linear Feet		
a. Pavement	2,850	500	\$1,425,000
b. Sidewalk	28,500	4	\$114,000
	2,850 L.F. x10'	per SF	
c. Landscape	70,800	2	\$155,760
d. Storm Sewer	2,850	193	\$550,050
e. Sanitary Sewer	2,850	88	\$250,800
f. Water Lines	2,850	75	\$213,750
g. NYNEX			\$0
h. Niagara Mohawk			Unknown
i. National Fuel			Unknown
Subtotal			\$2,709,360

**Two Lane Roadway**

	Linear Feet		
a. Pavement	3,650	250	\$912,500
b. Sidewalk	36,500	4	\$146,000
	3,650 L.F. x10'	per SF	
c. Landscape	73,000	2	\$160,600
d. Storm Sewer	3,650	156	\$569,400
e. Sanitary Sewer	3,650	88	\$321,200
f. Water Lines	3,650	75	\$273,750
g. NYNEX			\$0
h. Niagara Mohawk			Unknown
i. National Fuel			Unknown
Subtotal			\$2,383,450

**Asphalt**

Station Area	2,560	22	\$56,320
South of Main	3,220	22	\$70,840
Subtotal			\$127,160
<b>TOTAL</b>			<b>\$13,325,970</b>

**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE  
ANALYSIS**

***SCENARIO C - MIXED ALTERNATIVE***

**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE ANALYSIS  
SCENARIO C - MIXED ALTERNATIVE  
RETAIL DEVELOPMENT**

<b>Project Description</b>	
Gross Building Area	132,000
Gross Leasable Area	105,600
FAR	0.30
<b>Land Development Costs</b>	\$621,154
<b>Building Development Costs</b>	
Per Square Foot of GBA	\$85.00
Total Building Development Costs	11,220,000
<b>Total Development Costs</b>	\$11,841,154
<b>Revenue and Expenses</b>	
Net Rent per Sq. Ft.	\$11.00
Total Annual Net Operating Income	\$1,161,600
Capitalization Rate	9%
<b>Indicated Value</b>	\$12,906,667
<b>Residual Value and Contribution to Infrastructure Costs</b>	\$1,065,512
<b>Residual Land Value per Sq. Ft. of GLA</b>	\$10.09

Source: Economics Research Associates.



**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE ANALYSIS  
SCENARIO C - MIXED ALTERNATIVE  
OFFICE/R&D DEVELOPMENT**

<b>Project Description</b>	
Gross Building Area Square Footage	336,000
Net Rentable Area	302,400
FAR	0.39
<b>Land Development Costs</b>	
	\$1,905,297
<b>Building Development Costs</b>	
Per Sq. Ft. of GBA	\$85.00
Total Building Development Costs	\$28,560,000
<b>Total Development Costs</b>	<b>\$30,465,297</b>
<b>Revenue and Expenses</b>	
Net Rent per Sq. Ft.	\$10.50
Total Net Operating Income	\$3,175,200
Capitalization Rate	10%
<b>Indicated Value</b>	<b>\$31,752,000</b>
<b>Residual Value and Contribution to Infrastructure Costs</b>	
Residual Land Value per Sq. Ft. NRA	\$4.25

Source: Economics Research Associates.

**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE ANALYSIS  
SCENARIO C - MIXED ALTERNATIVE  
TOWNHOUSES**

<b>Project Description</b>	
Number of Units	88
Average Unit Size (Sq. Ft.)	1,200
Gross Building Square Footage	105,600
<b>Land Development Costs</b>	
	\$323,472
<b>Building Development Costs</b>	
Per Square Foot	\$70.00
Per Unit	\$84,000
Total Building Development Costs	\$7,392,000
<b>Total Development Costs</b>	
	\$7,715,472
<b>Revenue and Expenses</b>	
Average Unit Price	\$114,000
Average Price per Sq. Ft.	\$95.00
Total Sales Revenue	\$10,032,000
Cost of Sales @ 6%	\$601,920
Total Net Sales Revenue	\$9,430,080
<b>Residual Value and Contribution to Infrastructure Costs</b>	
Residual Land Value per Unit	\$1,714,608
	\$19,484

Source: Economics Research Associates.

**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE ANALYSIS  
SCENARIO C - MIXED ALTERNATIVE  
APARTMENTS**

<b>Project Description</b>	
Number Rental Units	354
Average Unit Size	800
Gross Building Area Square Footage	283,200
Net Rentable Square Footage	226,560
<b>Land Development Costs</b>	<b>\$1,145,376</b>
<b>Building Development Costs</b>	
Per Square Foot of GBA	\$87.50
Per Unit	\$70,000
Total Building Development Costs	\$24,780,000
<b>Total Development Costs</b>	<b>\$25,925,376</b>
<b>Revenue and Expenses</b>	
Monthly Rent Per Sq. Ft.	\$0.80
Total Rent	\$2,718,720
Operating Expenses @ 25%	\$679,680
Total Net Rent	\$2,039,040
Annual Net Rent per Sq. Ft.	\$9.00
Capitalization Rate	8.50%
Indicated Value	\$23,988,706
Residual Value and Contribution to Infrastructure Costs	(\$1,936,670)
Residual Land Value per Unit	(\$5,471)

Source: Economics Research Associates.

**MAIN-LASALLE REVITALIZATION STUDY  
PRELIMINARY RESIDUAL LAND VALUE ANALYSIS  
SCENARIO C - MIXED ALTERNATIVE  
PUBLIC INFRASTRUCTURE COSTS**

Station Area	\$5,250,000
Structured Parking	\$2,856,000

**Parkway (Hertel Extension)**

	Linear Feet		
a. Pavement	2,500	500	\$1,250,000
b. Sidewalk	25,000	4	\$100,000
	2,500 L.F. x10'	per SF	
c. Landscape	66,800	2	\$146,960
d. Storm Sewer	2,500	193	\$482,500
e. Sanitary Sewer	2,500	88	\$220,000
f. Water Lines	2,500	75	\$187,500
g. NYNEX			\$0
h. Niagara Mohawk			Unknown
i. National Fuel			Unknown
Subtotal			\$2,386,960

**Two Lane Roadway**

	Linear Feet		
a. Pavement	6,000	250	\$1,500,000
b. Sidewalk	60,000	4	\$240,000
	6,000 L.F. x10'	per SF	
c. Landscape	120,000	2	\$264,000
d. Storm Sewer	6,000	156	\$936,000
e. Sanitary Sewer	6,000	88	\$528,000
f. Water Lines	6,000	75	\$450,000
g. NYNEX			\$0
h. Niagara Mohawk			Unknown
i. National Fuel			Unknown
Subtotal			\$3,918,000

**Asphalt**

Station Area	2,560	22	\$56,320
South of Main	4,240	22	\$93,280
Subtotal			\$149,600
TOTAL			\$14,560,560

**S T A G E**

**III**

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**TECHNICAL  
MEMORANDUM**

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## Memorandum

**TO:** City of Buffalo and Main-LaSalle Revitalization  
Study Steering Committee

**FROM:** Economics Research Associates Team

**DATE:** May 4, 1995

**SUBJECT:** Stage III, Implementation and Marketing Recommendations

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### INTRODUCTION AND OVERVIEW

This memorandum addresses the implementation and marketing of the Main-LaSalle Revitalization Plan. In this context, marketing is viewed as a component of project initiation and implementation. The memorandum represents the Stage III deliverable product for the project being undertaken by the Economics Research Associates consulting team for the City of Buffalo. The Main-LaSalle project involves active participation by the City, the University of Buffalo, the University Heights community, Canisius College, Western New York Economic Development Corporation, the Erie County Industrial Development Agency, the Greater Buffalo Partnership and the Niagara Frontier Transportation Authority.

The challenge, and the mission, of the Main-LaSalle effort is to complete a conceptual development program and plan for the study area that best responds to the needs of the University Heights community, a community which is a complex set of social, economic and physical strengths and weaknesses. In a major way, it is a project directed toward community reinvestment and the establishment of new uses that can strengthen and link adjacent areas. An overall implementation strategy is needed that will focus the energy and efforts of the city, allied agencies at the regional and state levels, the private sector, and other interested parties. The city needs to take the initiative to create a legal framework for coordinating the long-term actions of this partnership.

The memorandum describes a variety of recommended actions by project participants. It focuses on two principal implementation measures: (1) the preparation and adoption, by the City of Buffalo, of an urban renewal plan for the project area, and (2) the parallel preparation and execution of a Memorandum of Understanding between the City of Buffalo and the Niagara Frontier Transportation Authority (NFTA) for joint actions to further appropriately develop the NFTA's LaSalle Transit Station property at the center of the project area.

The adoption of a project area urban renewal plan under Article 15 of New York State's general municipal law is recommended because of the physical and property configuration conditions resulting from the historic use of the area as a railroad corridor. These conditions apply to the portions of the project area that lie east of Main Street. East of Main the plan proposes to reinforce the neighborhood by developing new residential housing, appropriately scaled commercial development, and a school or other community serving use. West of Main Street, the plan recommends improvements to existing open spaces, joint development of appropriate portions of the LaSalle Station site, and appropriate upgrading and revitalization of the Main Street properties south of the station.

The consulting team recommends that a fifteen-year time horizon be adopted for the full development of the plan.

The team's Stage III findings and recommendations are based on the research and investigations completed during Stages I and II of the project. They are also strongly based on extensive dialogue with community representatives and the experience of the team with project implementation in Buffalo and urban revitalization in other areas of the country.

Stages I and II of the Main-LaSalle revitalization study were completed during the Fall of 1994. They included physical and design analysis of the site, an analysis of surrounding and general neighborhood conditions, economic research to establish market-based development potentials, extensive consultation with University Heights and University of Buffalo leaders, the presentation of three alternative revitalization concepts and a detailed pro forma financial analysis. These two stages are summarized in greater detail below.

On November 22, 1994, the team conducted an important developer's workshop to discuss the three concept alternatives and elicit responses from potential private sector investors in the public/private redevelopment process. During Stages I and II project Steering Committee meetings were held to review work-in-progress, and major community review and discussion meetings were held in the University Heights neighborhood.

The study team believes that a high degree of consensus has been achieved for a balanced, mixed-use pattern of development within the project area, one which responds sensitively to differing conditions in various portions of the site and one which also allows for flexibility in the implementation of the plan.

Following the review of this memorandum by the Steering Committee, and the team's response to comments received, an overall final report, including findings in each of the three stages, will be completed for the City.

It should be stressed that the goals that have guided the Stage III implementation and marketing work have deliberately involved a mixture of the visionary and the pragmatic. In response to the guidance of the City, the Committee and the community, our effort is to help establish an imaginative, progressive and sustained public/private partnership for Main-LaSalle that can avail itself of implementation tools and programs which are now available to the Buffalo community.

The following sections of this memorandum summarize the recommended development program and plan; the physical and economic characteristics of the site and plan; the overall implementation and marketing strategy and specific tools; project development plans for identified projects; and a schedule and recommended next steps.

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## **SUMMARY OF STAGE I FINDINGS**

The first stage of the project consisted of an overall assessment of the site and area from three distinct perspectives: physical opportunities and constraints; economic and market issues; and the desires, as expressed in a public meeting, of the immediately surrounding residents. Those interested in the full analysis are referred to the Revised Stage I Technical Memorandum submitted to the client group in October 1994. As a means of supporting the recommendations that follow in this memorandum, we have briefly summarized the results of the market assessment and its implications for planning and development below:

- The overall economic framework affecting the site is that of a generally stable economy. The county and city population continues to erode, but at a much lower rate than seen in the earlier decades. At the same time, the number of households is generally increasing. However, the region continues to decentralize and the City of Buffalo has experienced a slight decline in households. Many of the market sources interviewed point to the lack of competitive, market rate housing opportunities within the city as one cause of the city's lack of competitiveness as a residential location.
- Based on recent market trends, the character of the neighborhood, and on supporting interviews with local developers, there appears to be moderate support for moderate-density single-family housing, both attached and townhouse units, in the Main-LaSalle area. Due to the proximity of the light rail station and the recent success nationwide for transit-based housing, we believe that a higher-density residential development could also enjoy moderate to strong support. A key issue with respect to multi-family housing involves the relative low rent structure and fairly limited market experience with condominiums. Financial feasibility will likely be the key hurdle for multi-family housing.
- Based on our analysis of trends and characteristics of the light industrial/research and development market, there appears to be low to moderate potential demand for low-rise, flexible manufacturing/office/lab space. However, this use may present significant conflicts with existing or proposed residential neighborhoods. A more benign use, low-rise office space, is moderately overbuilt in the region, a situation that has the potential to continue for some time given patterns of employment generation in the region. Downtown's office vacancy rate, for example, remains entrenched in the high double digits and rents are insufficient to support new development without significant incentives. In any case, employment intensive uses such as light industrial, flex space or R&D uses are likely to be driven primarily by area institutions, including nearby medical centers and the University.
- A related use that has been well received among local business organizations is the development of a business incubator. This would require multi-tenant, flexible space of approximately 40,000 to 60,000 square feet. This could be a good adaptive use project of an existing building in the Main Street corridor. A key consideration, however, would be the cost to develop the space relative to the rents that could be captured from the tenants.
- As noted, demand for office space is considered to be low. Rapid transit access is an asset of the site, but will not reach its full potential in terms of office space demand until extensions are made to more concentrated residential areas in the suburbs. However, the area near the transit station could be suitable for a professional-services office building, potentially including medical professionals, for whom transit could serve as a valuable amenity.
- Future retail development would likely be oriented to other new development on the site or would be geared to reinforcing the Main Street corridor. Retail opportunities will likely consist of small to moderate in-fill stores or community-serving development along Main Street. Stronger retail access could potentially open the market up for larger, value-oriented retailers.



**EXHIBIT 1**  
**Summary of Market Potential**

<b>RELATIVE DEMAND (L,M,H)</b>				
<i>USE</i>		Short Term	Mid-Term	Long Term
<b><i>Housing</i></b>				
	Single-Family Detached	M	M	M
	Townhouse	L	L-M	M
	Apartments	M	M	M-H
	Condo. Multi-Family	L	L	M
<b><i>Office</i></b>				
	Professional Services	L-M	M	M
	Private-Sector Corporate	L	L	L
	Institutional-Related	L-M	M	M-H
<b><i>Light Industrial/R &amp; D</i></b>				
	Private-Sector Corporate	L-M	L-M	M
	Institutional-Related	L-M	L-M	M
<b><i>Retail</i></b>				
	Neighborhood-Serving	M	M	M-H
	Regional Scale	L	M	M
<b><i>Hotel</i></b>				
		L	L	L

**SUMMARY OF STAGE II FINDINGS**

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**Alternative A**

Stage II of the project presented three alternative development patterns for the study area. The first concentrated on maximizing job-supporting land uses, emphasizing the development of office, research and development, light industrial, and similar employment-intensive uses. However, concerns related to market support, financial feasibility, and perceived negative neighborhood impacts made this option problematic. This was a high-stakes option in which major land acquisition and infrastructure costs would be borne by the public sector to initiate the development. A major through roadway, ultimately connected south to the Kensington, would in this scenario have dramatically repositioned the site with respect to light industrial development potential. However, negative neighborhood impacts would be high due to the prospects of increased through traffic and the adjacency of the new uses. Because the market for these uses is fairly speculative, actual new development may be years in the future, which was undesirable in light of the required up-front, public-sector costs.

## Alternative B

A second option emphasized residential development. The aim here was to renew and regenerate the neighborhoods adjacent to the study area by providing a range of new housing opportunities, along with selected, and compatible, commercial uses. Here, the debate centered around whether or not this use pattern was the most effective means of contributing to overall economic development in the City of Buffalo, and of taking best advantage of the existing infrastructure. The citizens of the area generally supported the lower-impact, housing-oriented option, although some raised concerns regarding introducing new housing in a market where selling an older home was difficult. This concern, however, was evenly offset by households who noted a desire to stay in the city, but a dearth of competitive, well-priced, new housing. The developers who participated in the workshop were also enthusiastic about the market prospects for new city housing. While this option had a lower negative impact on the neighborhood and housing is generally the most marketable land use in the short term, the analysis also showed that this scenario achieved a relatively lower land value (and thus taxable value) than the scenarios that included more commercial development.

## Alternative C

The consulting team also presented a third alternative that blended residential and commercial development. Here the objective was to strengthen surrounding neighborhoods, offer some job-supporting and fiscally beneficial uses, including in the commercial district along Main Street, and to create a node of higher density development around the Main-LaSalle transit station. This approach generally received a favorable response during deliberations over the last several months, with several suggestions for technical refinements. We have presented a fourth alternative, a modified version of this mixed-use approach, in the following plan.

## EXHIBIT 2

### Summary of Alternative Programs

	ALTERNATIVE		
	1 ("Jobs" Focus)	2 ("Housing" Focus)	3 ("Mixed")
Short-Term Marketability	L	M	M
Long-Term Marketability	M	H	H
Net Fiscal Benefit	H	L-M	M
Neighborhood Compatability	L	M-H	M
Employment Impact	H	L	M

## THE RECOMMENDED DEVELOPMENT PROGRAM AND PLAN

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This preferred mixed-use development program and plan includes the following estimated amounts of residential, office and R&D, and retail development. Development of specific projects within this general envelope of development potential will be based on market demand. Again, we expect that this program may encompass a 15-year or longer development horizon.

- Housing: Approximately 400 units, including both single-family, multi-family and apartment uses.
- Institutional Office/R&D: Approximately 100,000 gross square feet of space.
- Retail: Approximately 100,000 gross leaseable square feet of space primarily along Main Street.

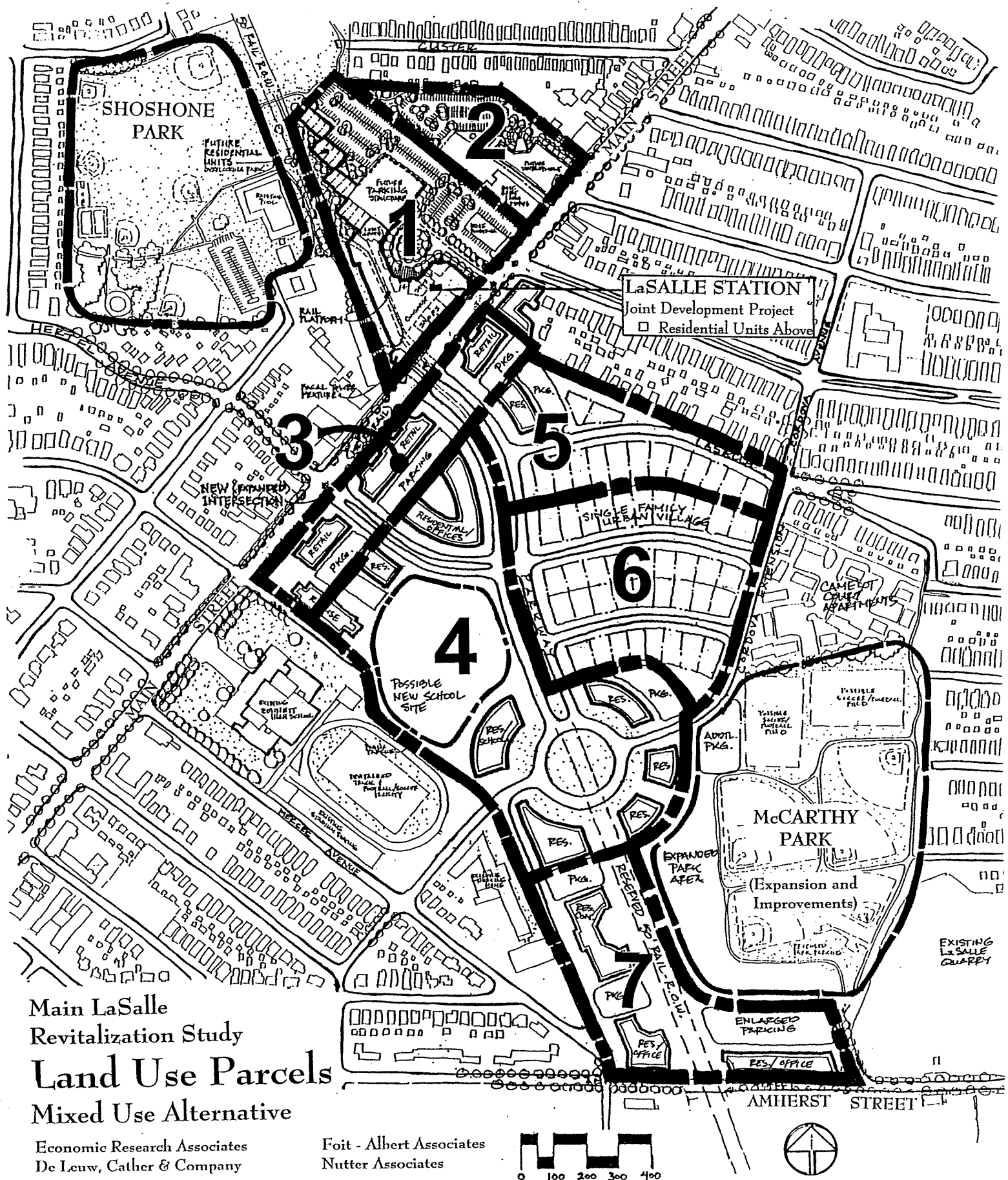
This recommended plan reflects the following planning principles:

- Open space enhancements and limited recreational development should be pursued in the former rail corridor area north of the LaSalle Station. Additional enhancements of the existing open space network, including Shoshone Park, McCarthy Park, and the Minnesota Linear Park, are recommended. Accommodation of additional athletic fields and playground uses are strongly recommended, particularly in McCarthy Park. In all cases, park land should be made more user-friendly.
- Appropriate joint development of the area around and above the existing LaSalle Transit Station (Area 1 on Exhibit 3) should be carried out, in accordance with a sensitive final design, to maximize the potential of this central site and to maximize the use of the transit system. A preliminary design and phasing concept was presented in the Stage II memorandum. The final design should respect and accommodate the future needs for extended transit development, including retention of the capability to extend the surface rail system to the northwest (to Tonawandas and Niagara Falls) and southeast (to the airport) along the former rail corridor. A 50'-60' R.O.W. would be required to accommodate this future use. LaSalle Station would become a major multi-modal node within the regional transportation network and a major "transfer" station for the future light rail system with passenger transfers from the surface line to the existing underground Metro Rail. The existing station could be incorporated into a large mixed-use development serving both rail passengers and the local neighborhood residents. Envisioned are transit-related first floor uses (shops, services, etc.) and either upper floor residential units or professional offices.
- Transportation improvements should be pursued to rationalize both roadway circulation and land use development at Hertel and Main (Areas 3 and 4). This would provide access into the southeast property through an integrated street pattern that could potentially incorporate office or flex-space redevelopment at the southern end of the site (Area 7). Potential environmental concerns and property acquisition could cause delays in carrying out this connection. Alternative road patterns and access issues have been and will continue to be explored. Importantly, the roadway system should reflect the land use pattern, not be conceived independently.
- The plan should facilitate the on-going redevelopment of properties along the Main Street corridor (Area 3), primarily for neighborhood-scale retail uses but also potentially including one or more mid-scale retail stores in the 40,000 to 50,000 square foot size range.
- The plan recommends creation of a new residential development site within the large wooded parcel north of the former railroad right-of-way and south and east of Main Street (Area 6). Envisioned in the plan is an "urban village" which integrates well with the surrounding neighborhood and offers typical "neighborhood" amenities. This initiative also involves a number of supporting elements to help reinforce the surrounding community. These include open space enhancements, as already noted, appropriately scaled commercial

development, and potentially the development of a “showcase” neighborhood school. Ultimately, this new neighborhood pattern could be extended to guide the redevelopment of the under-utilized properties along LaSalle (Area 5).

- Streetscape improvements along existing and future streets should be emphasized throughout the project area, as should efforts to assist and support the upgrading and improvement of existing businesses and properties. It is important that this new development have an image and character which is attractive and inviting to potential residents and passers-by.

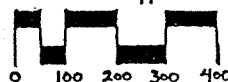
The recommended development plan, which is based on this program, is illustrated in Exhibit 3.



Main LaSalle  
Revitalization Study  
**Land Use Parcels**  
Mixed Use Alternative

Economic Research Associates  
De Leuw, Cather & Company

Foit - Albert Associates  
Nutter Associates



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## **ECONOMIC CHARACTERISTICS OF THE PLAN**

The implementation recommendations contained in this memorandum are based on the physical and economic characteristics of the project site and plan. These together determine the need for a redevelopment approach based on an urban renewal plan which can provide a sustained long-term framework for funding and development over a period of several years.

### **Public Costs**

Based on the methodology presented in the Stage II memorandum, the team has estimated both public and private investment costs for the recommended plan. We have provided estimates for three types of development costs. The first consists of overall project infrastructure and station area improvement costs. These are costs for roads and utilities that benefit all individual developments within the project area. They are treated as public costs under the recommended development strategy.

The city would fund portions of these infrastructure costs on a front-end basis, achieving a degree of return on its funding through subsequent private investment and strengthening of the tax base. The NFTA would support portions of these types of costs which are directly and functionally related to the success of the transit station, transit ridership and the long-term functional operation of the transit system.

The second cost category consists of general project area site acquisition costs, particularly for the former railroad parcels east of Main Street. The city would also take responsibility for preparing and adopting an urban renewal plan in order to facilitate the early stages of site assembly and disposition. Without this activity for the railroad parcels, it is highly unlikely that development will occur at any time in the foreseeable future. The adopted plan would also establish a clear framework for public/private coordination during the 15-year implementation period and sustain an orderly long-term public improvement process as funding permits.

### **Private Investment**

The third category of costs consists of private investment costs, whether in the form of equity or debt financing, for site and building development. It would be expected that various forms of economic development assistance may be needed on a project-by-project basis during the early years of the project, based on existing City and/or ECIDA programs. Private developers would be brought into the process through the issuance of Developer RFP's by the city for individual sites.

Based on preliminary estimates appropriate for both the scale of the project and the level of detail of project plans, the team estimates public costs for infrastructure at approximately \$20 million (see itemization in Appendix). We should note that this is an all-inclusive cost. This investment of approximately \$20 million has the potential to leverage approximately \$76 million in private investment for land and building development.

It is in the best interest of the project to allow for flexibility in individual project development plans with respect to use, density and final design. Private investment will only be feasible to the extent that it can secure financing and generate adequate revenue to repay development costs and provide an attractive return on investment. Based on the analysis presented in Stage II, we believe that single family housing, both in detached and townhouse formats, will prove feasible at this location if the land can be secured.

We also believe that retail, office, and R&D development can be made feasible in a similar manner, provided that specific users or tenants can be identified through pre-leasing programs. The market for office space is especially problematic under current conditions. The region generally faces an ongoing oversupply of space. Nevertheless, because of the importance of supporting nearby educational and medical institutions, we believe it is sound to plan for this use, recognizing that the source of demand is likely to come from these area institutions, and that the timing of particular projects is unknown. We do not believe that the market will be ready to support speculative commercial development in this area. This is because of the physical conditions which have resulted due to the history of railroad use, the market perception of these lands which have arisen as a result of this history, and the potential, but not yet examined, need for high-cost environmental remediation.

We do believe that public investment in infrastructure, and assistance in site assembly, will create substantial interest by the development community in revitalization of the area. This observation is based on the very strong response that the revitalization study received from participants in the Developer's Workshop.

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## OVERALL IMPLEMENTATION AND MARKETING STRATEGY

As a consequence of the economic characteristics of the plan and the project area physical conditions which have resulted from railroad corridor use, the recommended implementation and marketing strategy includes the following measures:

- 1) The city should use its municipal redevelopment authority, under Article 15 of New York State's general municipal law, to establish an urban renewal plan for the overall project area as outlined by Exhibit 1; a revision of the zoning, including provision for the new state-wide tool of incentive zoning, for the project area, should be carried out as part of the urban renewal planning process.
- 2) A Memorandum of Understanding between the City of Buffalo and the Niagara Frontier Transportation Authority should be negotiated and approved for cooperative actions to redevelop appropriate portions of the LaSalle Transit Station site, as described in the Identified Projects description for the Transit Site which follows.
- 3) The City and its partnering organizations should consider forming a 501(c)(3) tax-exempt, charitable status, non-profit community development corporation, formed as an instrumentality of the City. This new organization would serve as a long-term implementation and marketing organization for the Main-LaSalle project within the University Heights community. It would be an effective implementation of a public/private partnership for the project. The corporation should have a board of directors with a membership much like the membership of the project Steering Committee.
- 4) The City and the NFTA should use Developer RFP's as vehicles to prepare specific site and development project offerings for advertising to the private developer community. These would be of the same type recently used by the City's Division of Planning and Department of Inspections and Community Revitalization for the Walden Heights and Hickory Woods residential site offerings in other parts of Buffalo. Focus should be given to the LaSalle Station site as a major development catalyst for the area. Much support has been generated with the City of Buffalo, the NFTA and other agencies to create a mixed-use transit-related development. Given the "clean" and open site and the recent removal of the rail bridge over Main Street, this parcel has become a major attraction for a joint- development effort.

- 5) Plans should continue for the development of a single-family "urban-village" neighborhood within the southeast wooded parcel of the project area off Cordova Road. The city currently owns 5+ acres and should pursue the acquisition of the adjacent 5-6 acre private parcel. Environmental testing due to the quarry landfill site will dictate the schedule and remediation needed for this site.
- 6) The City should consider the potential use of HUD Section 108 Loan Guarantees to enable the front-end funding of initial land acquisition activities, to be repaid from project revenues after land disposition to private developers.

Each of these six implementation measures is a strategic measure for the project as a whole. Each is described in greater detail below.

Due to the redevelopment nature of the project, the City of Buffalo should be in a lead position with respect to the overall effort. The University of Buffalo and Niagara Frontier Transportation Authority, both of which have significant land assets in the immediate vicinity, should be closely allied with the city.

### **Urban Renewal**

The portion of the study area east of Main is characterized by obsolete conditions which are the legacy of the former rail corridor (irregular property boundaries for the linear corridor, possible environmental problems within the soils, etc.), generally fragmented property ownership, deteriorated improvements, and the need for an overall redevelopment authority to coordinate the efforts of the public and private sector. The railroad was built partially by cutting through stone on the east side of Main Street. Geotechnical investigations are in process to understand the stone subsurface more thoroughly. In addition, environmental testing is proceeding on the former LaSalle quarry landfill site to determine the remediation steps needed to accommodate new development.

The urban renewal plan would serve as a context. The city has limited resources for the major elements of redevelopment, including land acquisition and infrastructure investment. The urban renewal plan should serve to harness the city's broad redevelopment powers to maximum effect, working in a cooperative relationship with area institutions, allied public agencies like NFTA, and the private sector.

The city's approach in leading the effort should be to focus its effort and investment on those areas that will generate early results. It is important to the credibility of the overall effort to yield private investment and visible change in the study area based on early action by the city. Based on the analysis in the previous tasks, we recommend that the housing project in development sub-area 6 (see Exhibit 1) be considered the "point of the wedge" to generate these early results. At the same time, the city should pursue, together with NFTA, opportunities for joint development of the Station area.

Article 15, the New York State urban renewal law, describes areas suitable for use of this authority as those which are:

"... characterized by insanitary and substandard conditions, or which are deteriorated or deteriorating, owing to obsolete and dilapidated buildings and structures, defective construction, outmoded design, physical deterioration, lack of proper sanitary facilities or adequate fire or safety protection, excessive land coverage, structural alterations or conversions to a mixture of residential and non-residential uses, insufficient light and ventilation, excessive population density, illegal uses and conversions, inadequate maintenance, buildings abandoned or not utilized in whole or substantial part, obsolete system of utilities, hazardous or detrimental industrial uses, poorly or improperly designed street patterns and intersections, inadequate access to areas, traffic congestion hazardous to the public safety, lack of suitable off street parking, inadequate loading and unloading facilities, impractical street widths, sizes and shapes, blocks and



lots of irregular form, shape, or insufficient size, width or depth, unsuitable topography, subsoil or other physical conditions all of which hamper or impede proper and economic development of such areas and which impair or arrest the sound growth and development of the area, community or municipality; . . . with title to real property in such areas vested in numerous and scattered ownerships which makes assembly of such land for slum clearance, rehabilitation, conservation or redevelopment by individual owners or private enterprise difficult of attainment and uneconomic in nature.”

These are the conditions within the southeastern portions of the study area.

The essential purpose of the law is to facilitate the disposition, rehabilitation and development of properties which will otherwise lay fallow within a blighted area:

“(a) A municipality in order to implement a redevelopment plan adopted by the legislative body, may for purposes of redevelopment, sell, lease, exchange, subdivide, transfer, assign, pledge, encumber by mortgage, deed of trust or otherwise, or otherwise dispose of any real or personal property or any interest in property. Any lease or sale may be made without public bidding but only after a public hearing, notice of which shall be given by publication for not less than once a week for two weeks prior to the hearing in a newspaper of general circulation published in the county in which the land lies. Except as otherwise provided by this article the municipality shall lease or sell all real property acquired by it in any project area, except property conveyed by it to a municipality, school district or improvement district for public purposes as provided by the redevelopment plan. Each such lease or sale shall be conditioned on the redevelopment and use of the property in conformity with the redevelopment plan.

“(b) The municipality may obligate lessees or purchasers of property acquired in a redevelopment project to use the property for the purpose designated in the redevelopment plan, begin the redevelopment of the project area within a period of time which the agency fixes as reasonable and comply with other conditions which the agency deems necessary to carry out the purposes of this article. The municipality may provide in the contract that any of the obligations of the purchasers are covenants or conditions running with the land, the breach of which shall cause the ownership to revert to the agency.”

In Buffalo, the Department of Community Development provides expertise and staff resources for this program. The Department is thoroughly familiar with the statutes and procedures of redevelopment, having used them throughout the City for a broad variety of projects ranging from neighborhood housing and downtown adaptive reuse to new waterfront development. It has special expertise in negotiations with the New York State Urban Development Corporation (UDC), the State's redevelopment arm, and in procedures to market redevelopment sites or buildings to qualified developers.

If the Main-LaSalle Project Area revitalization is to succeed, it is necessary that the redevelopment of the parcels be under unified management. The project cannot work if there are divisions of responsibility. There must be a centralized approach to detailed redevelopment planning, establishment of standards and controls for appraisal purposes, disposition, price, period of performance and coordination between the public and private uses.

#### **Development Sub-areas by Use, Size, Location and Phasing**

Due to the flexible nature of the plans and the changing market conditions, we have chosen to parcelize the site into development sub-areas, each with a generalized plan for improvement. As the redevelopment effort moves into the next phases, a “final master plan” will be developed, bringing together all of the final recommendations. Exhibit 1 breaks down the project area into seven development sub-areas, based on physical land and site conditions (natural and man-made barriers, topography, existing uses and

development patterns), transportation accessibility (existing plus proposed) and design relationships to positive visual and neighborhood assets. These sub-areas present logical development area definitions for the urban renewal plan. Phasing is broken down into three stages over an overall assumed 15-year project implementation schedule. The three stages are: short-term (1-5 years), mid-term (6-10 years) and long-term (11-15 years), and is identified for each major project component in the Project Development Plans for Identified Projects section. Exhibit 1 most closely resembles the preferred land use options, yet final site design will change as the project evolves.

### **Estimated Development Costs and Revenues of Proposed Uses**

Estimated development costs and revenues were estimated in Stage II and were included in the Stage II memorandum, for initial planning purposes. The development costs will need to be supplemented with site specific appraisal, detailed development costs, relocation and demolition cost estimates as development proceeds.

### **Incentive and Other Special Zoning Provisions**

An important way of realizing greater revitalization benefit is to evolve special land use and zoning standards for use along Main Street and within the project area. Buffalo's current zoning ordinance and map are seriously outdated and can be greatly improved. The urban renewal plan offers a framework within which to upgrade project area zoning. In order to further help accomplish the desired revitalization of the project site, it is recommended that the City give serious consideration to the following improvements in its zoning:

#### **(1) Site Plan Review In Accordance With Special Design and Development Standards**

The City should consider incorporating special design standards oriented to the Main-LaSalle plan in order to guide Site Plan Review Procedures. The use of special districts and special design standards for site plan review is now a growing practice among American cities. As permitted under State Law, Site Plan Review would allow the City's Planning Division to review the designs proposed for new developments. It is extremely important in a mixed-use city center environment to ensure use and design compatibility. Design standards for treatment of structures, streetscape enhancements which should be coordinated between public and private efforts, lot fencing and tree planting, pedestrian frontages, parking areas, landscaping, lighting, drainage and signage should be expressed in the Ordinance itself. This is all part of creating an image or establishing a recognizable character for the new development that evokes a positive feeling within the community. Support has been given to a traditional style development, borrowing from the historic Buffalo heritage which will have a "timeless" value. The Planning Division and Department of Community Development would have reasonable discretion to approve, disapprove or approve with modifications development plans submitted by developers.

#### **(2) Main-LaSalle Project Area Special Zoning/Overlay District**

As design and development progress unfolds in Main-LaSalle, consideration should be given to establishing a special Zoning Use District for the project area. This might take the form either of a new zoning treatment of the development sub-areas within the overall project area or of an overlay district which incorporates specific standards (like zero setbacks and encouragement of privately financed facade and streetscape work, or shared parking) for

encouraging the district's revitalization. Developers have noted, for example, that overly stringent design standards for interior roads and other project elements raise the costs of development to the point where a project may become unfeasible. Development standards should be critically reviewed as part of the review of the zoning. Establishing special standards to encourage active retail and people-use ground-floor uses along Main Street is especially important. A Main-LaSalle Project Area Special or Overlay District would allow the City to specify a broader range of permitted uses for the area, as well as to apply to it the Incentive Zoning provisions discussed below.

### (3) Incentive Zoning

The new State-authorized "Incentive Zoning" provisions went into effect for cities on July 1, 1993. Incentive zoning, intended to be used with up-to-date Site Plan Review and Zoning District regulations, enables a City to offer "incentives" to developers in return for "amenities" provided by them as part of their developments. Incentives can include density, or other design or use adjustments, whereas amenities would include such things as contributed open space, design embellishments, coordination with City-sponsored streetscape enhancements or provision of special housing or day care centers. Incentive zoning should be considered seriously as plan implementation begins.

### **Use of Developer RFP's for Site and Project Marketing**

Sites within the project area should be offered to the development community through the use of Developer RFP's like the ones the City is currently using. Each RFP would state the goals for the development sub-area being offered, technical data regarding its current conditions, a basic illustrative site plan desired "imagery" use and dimensional standards which are consistent with the urban renewal plan and zoning, the selection process procedures and the terms and conditions of the City's offering.

### **City/NFTA Memorandum of Understanding**

The proposed City/NFTA Memorandum of Understanding will govern work to jointly develop the station site. NFTA will have the lead responsibility in this area, because it owns the site and because development will be vitally related to transit functions. The Memorandum should address the following topics:

- (1) coordination between the NFTA Station Site development and surrounding actions by the City for the general revitalization of the Main-LaSalle area.
- (2) the role of the larger community partnership between NFTA, the City, University Heights organizations, the University of Buffalo and others.
- (3) design review cooperative procedures.
- (4) coordination of necessary public improvements design, financing and construction for the station with the private development areas involved.
- (5) preparation and issuance of a Developer's RFP and solicitation of developer responses.

### **Possible Formation of a 501(c)(3) Community Development Corporation**

To maximize community participation and partnership in the development program, it is recommended that the City help sponsor - together with area institutions - a 501(c)(3) non-profit Community Development Corporation for spearheading project implementation. The Corporation would have a broad-based Board of Directors and would work closely with the University Heights Corporation on mutual aspects of the Main-LaSalle and University Heights plans. It is recognized that the essence of the mutual effort for a larger University Heights renaissance is to instill strong neighborhood pride through neighborhood accomplishments.

### **Section 108 Loan Guarantee & CDBG Funding**

HUD's Section 108 program is a logical vehicle to begin the process of project funding, in tandem with City capital budget funds. The Section 108 Loan Guarantee Program allows HUD to guarantee notes issued by cities that receive annual CDBG grants. Under the program, the City pledges portions of future CDBG funds as security for loans made for initial project expenses, including property acquisition. The City may borrow up to three times its annual grants for projects, and generally needs to repay the amount borrowed within six years. All CDBG-eligible economic development activities are eligible for use of Section 108 loan guarantees. Projects undertaken must benefit low- and moderate-income persons, aid in the prevention or elimination of slums or blight, and/or meet other community development needs having a particular urgency. Section 108 activities are included in a local government's program for purposes of meeting the requirement that 60 percent of CDBG funds, over a one to three year period selected by the grantee, benefit lower income persons.

### **General Area Marketing**

At an appropriate future time, it will be desirable to have a general, area-wide marketing program for Main-LaSalle. Two important components would be an area-wide marketing brochure and special events. The brochure would be one which promotes the general advantages and benefits of the area, through text and graphics, as an attractive place to live and work. Our recommendation is that the first priority is to make actual redevelopment progress and that a general marketing brochure should be prepared after such progress has occurred. This would be several years into the implementation process.

General marketing should also be fitted within the larger framework of University Heights area marketing. Until actual development progress has occurred, project marketing should be focused through the Developer RFP's discussed above. Ideally, the RFP's would contain sections on the overall area in order to describe the context for the site being offered. These sections, as evolved by the staff over time, can be also used to help with interim general marketing.

The same philosophy should apply to area promotions and special events. These will be invaluable assets for the area, but they should apply to the overall University Heights area. To the extent they specifically apply to Main-LaSalle, they should generally be staged to occur after progress has been made. The one exception to this is the LaSalle Station site, which, through cooperation with the NFTA, may play a more immediate role in special events designed to highlight the Main Street district within the community.

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## PROJECT DEVELOPMENT PLANS FOR IDENTIFIED PROJECTS

The Recommended Development Program and Plan identify four major, general development areas, based on existing conditions and identified future opportunities. They are:

1) The Former Rail Corridor Lands North of the LaSalle Transit Station Site

These lands were part of the linear abandoned railroad corridor to the north of LaSalle Station and its parking lot. The corridor extends north to Kenmore Avenue and beyond towards the Tonawandas and ultimately, to the City of Niagara Falls. Within the project area, as defined on Exhibit 1, the portions adjacent to the Station and parking lot would be treated as portions of the Station Joint Development project described below. To the north of the station parking area, maintenance and enhancement of the existing open space and recreational uses is proposed. This is supportive of the "Rails to Trails" concept and fits in nicely to the Buffalo Greenways Plan. Improved bike/hike trails would be the emphasis of this corridor development. The recommended phasing for the portions north of the Station Site is throughout the duration of the project.

2) The LaSalle Station Transit Site Joint Development

This site includes the existing station and the large adjacent parking lot. With the railroad bridges that formerly crossed Main Street now demolished, the opportunity has opened up to jointly develop the transit site with compatible, and transit-supportive, new uses, in accordance with the concept presented as part of the Stage II work. The Station Site is identified as development sub-area 1 on Exhibit 1. The concept proposes the design and development of a large mixed-use structure with an interior concourse connected to the existing station, to a series of new shops and services also accessed directly from Main Street, and connected, if future conditions warrant, to a new Tonawandas line rail platform.

The recommended phasing is short-term (years 1-5). The project would be initiated by the negotiation and approval of the proposed City/NFTA Memorandum of Understanding. The MoU, in turn, would prepare the way for the NFTA to attract qualified private developers to participate in the project.

Joint development of the site would permit the station to function as a major multi-modal node, attracting additional transit patrons through a variety of convenient retail and service uses. In addition, it would enable the NFTA to make more productive use of its real estate. The project would take advantage of the existing Metro Light Rail Line beneath Main street, the proposed Main Street/Amherst Connector Roadway, and the area's bicycle and pedestrian system. LaSalle Station may also serve as a major transfer station for a future LRRT system extension to the Tonawandas and Niagara Falls and potentially through to the Buffalo airport, with passenger transfers to and from the existing underground Metro.

For development sub-area 2, immediately north of the LaSalle Station Site, the plan recommends a series of property upgrading, infill development, commercial revitalization and streetscape measures to strengthen this area.

3) Main Street Corridor Frontage Sites

This fronting zone along Main Street extends from approximately Minnesota Avenue to the northeast to Mercer Avenue on the Southeast. Within these areas, identified as sub-areas 2 (west of Main) and 3 (east of Main) on Exhibit 1, new developments would be targeted toward active ground-floor, pedestrian-oriented retail uses, with associated residential, service or office uses above, possibly with

parking structure development beneath or behind. Streetscape improvements would be added to both sides of Main Street in order to unify both sides of the street, which historically had been divided by the rail corridor and its massive bridges. The streetscape improvements would include street trees, decorative lighting, new decorative paving materials, and additional amenities. A classic "Old Buffalo" architectural style derived from historic train stations is recommended, in order to form a traditional "American Main Street" character which can draw both sides of Main Street together in a common feeling. The recommended phasing is as market conditions warrant, in response to user needs and developer/tenant interest, beginning after completion of the new access road into the property from Main Street which will create a possible new intersection with Hertel Avenue within development sub-area 3.

4) Southeast of Main Street

A number of different parcel shapes sizes, and ownerships make up the zone to the south and east of Main Street, with the former railroad corridor parcels in the center of this irregular pattern. Ownerships include the City of Buffalo, Conrail, and a number of private parties. Given the environmental concerns in much of this area (with the former Quarry land fill and the abandoned rail corridors) it is likely that development will be delayed due to environmental testings and possible remediation that will be needed. Consequently, the recommended phasing for these portions of the project area, consisting of development sub-area 7 (institutionally related R&D/Flex-Tech and Service uses) is seen as long-term, from 11-15 years.

5) Roadway Connector/Access Road

Due to limited access from Main Street into the southeastern parcel areas, a roadway connection has been proposed that would connect Main Street with the eastern portions of the project site and could possibly tie into Amherst Street to the south. Given the current market conditions for office and light industrial uses, the recommendation for a central "spine" road as an economic generator could be problematic in terms of generating sufficient short-term return on the public investment. Whether or not the road connects south to Amherst depends on the evolution of land use in the southern part of the site. A new road system would provide accessibility and frontage addresses for development sub-areas 4, 5, 6, and 7, and would also create a new development dynamic at the new Hertel Avenue intersection which would be created at its connection with Main Street. Environmental and geotechnical testing will determine the development schedule for this section of the site. The roadway network or specific road projects should reflect the overall land use pattern and phasing and should rationally relate to specific development parcels. It must also relate (not necessarily connect) to connecting routes beyond the immediate study area. For example, the existing and proposed residential areas may be degraded by a through connector, whereas an employment-intensive commercial use in southern portion of the site would benefit substantially from direct access to Amherst and, potentially, further south.

6) Residential Development Site

Development sub-area 6 has been identified as a major short-term (years 1-5) development opportunity for low-to-medium density residential development, possibly including both single-family homes and some townhouse units. This wooded site, adjacent to McCarthy Park, and also adjacent to the new roadway connector, can become a handsome addition to Buffalo's stock of new housing developments. It is recommended that this site be prepared as a developer RFP offering in late 1995, for actual development in 1996 and 1997, as market and site environmental conditions permit. The City should develop careful design standards for this project, while still offering developers latitude for creative solutions.

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## **SCHEDULE AND NEXT STEPS**

As noted above, the plan recommends an overall fifteen-year timeline in three discrete phases, based on specific goals and conditions affecting each identified project and development sub-area.

For the overall project, first steps should include urban renewal plan preparation, CDBG and Section 108 funding analysis and commitments, and related organizational steps.

The City Division of Planning and Department of Community Development, working with Buffalo Urban Renewal Authority and University Heights District organizations, should adopt a work program for the 1995/96 and 1996/7 budget years based on the steps listed below:

- 1) Confirm the recommended development program and plan as the basis for action, review intensities, locations for development both for acceptance and to ensure there is the flexibility needed for changes as necessary. This will culminate in the preparation of a final illustrative master plan for the entire site.
- 2) Negotiate the needed Memorandum of Agreement with NFTA.
- 3) Prepare a developer solicitation package and a detailed schematic site design for the LaSalle Station Joint Development Project. This would include parking, circulation and building footprint, as well as working closely with the NFTA to determine light rail track layout and passenger concourse specifications. In addition, site and architectural imagery would be developed.
- 4) Develop a first phase plan, with Section 108 Loan Guarantee funds application to HUD, for initial site acquisition and associated relocation, demolition, expenditures as necessary.
- 5) Accomplish necessary SEQR steps associated with the adoption of the urban renewal plan by preparing a full FEAF under SEQR, and process this as part of the plan adoption procedures.
- 6) Prepare the necessary urban renewal plan document, including a Finding of Blight as required by Article 15, and text and exhibits for the plan to be submitted for council approval as an ordinance.
- 7) Prepare design concepts for the phase 1 development of Development Sub-area 6, including basic access, relationship to connector road, visibility, desired imagery, security, landscaping, signage, public costs, use and density and relationship to future phases – all as illustrative material, leaving maximum flexibility and discretion to developers.
- 8) Solicit developer interest through City issuance of an appropriate Developers' RFP (Request for Proposals), including requirements, site description, basic development requirements and standards, consistent with 6 above.
- 9) Carry out a phase 1 acquisition, demolition and relocation Plan - commission appraisals, work with Conrail, coordinate with roadway plan, utilities, lighting, and budgeting of payments as necessary.

- 10) Assemble a commercial revitalization, facade and streetscape package for the Main Street frontages in the study area, including adjacent facades integrally related to the project revitalization plan.

Develop proposal for zoning changes in the study area, including highly desirable use of incentive zoning and other new tools.



# Main - LaSalle Revitalization Study

