

PROJECT:

**Peace Bridge Toll Plaza
Operational Improvements Under
The New York Works Program
City of Buffalo, Erie County, New York
PIN: 5PB0.00.201
Map No. 6
Parcel No. 6**

PROPERTY:

**823 Busti Avenue
Buffalo, New York
ENPM File #2012280C**

**GPI/GREENMAN – PEDERSEN, INC
ENGINEERING & CONSTRUCTION SERVICES
4950 GENESEE STREET
BUFFALO, NEW YORK 14225**

FORMER NURSING HOME – FULL TAKE

**SELF-CONTAINED FORMAT
APPRAISAL REPORT
ENPM File #2012280C**

PROJECT: Peace Bridge Toll Plaza
Operational Improvements Under
The New York Works Program
City of Buffalo, Erie County, New York

DOT PIN # 5PB0.00.201

MAP NO: 6

PARCEL NO: 6

REPUTED OWNER/ADDRESS: Episcopal Residential Healthcare Facility, Inc
24 Rhode Island Street
Buffalo, New York 14213

PROPERTY LOCATION: 823 Busti Avenue

CITY: Buffalo

COUNTY: Erie

OPINION OF APPRAISED MARKET VALUE

**ONE MILLION EIGHTY THOUSAND DOLLARS
(\$1,080,000)**

CERTIFICATE OF APPRAISER/LETTER OF TRANSMITTAL

PROJECT: Peace Bridge Plaza
Operational Improvements Under
The New York Works Program
City of Buffalo, Erie County, New York

PIN NO: 5PB0.00.201

APPRAISED PROPERTY: 823 Busti Avenue
Buffalo, New York

MAP NO(s): 6

PARCEL NO(s): 6

I hereby certify:

That I have personally inspected the subject property herein appraised. I have also made a personal field inspection of the comparable sales relied upon, and all adjustments made to such comparables are based upon an observed comparison to the property herein appraised. I have afforded the property owner the opportunity to accompany me at the time of inspection. The subject and comparable sales relied upon in making said appraisal, are represented by the photographs contained in said appraisal.

That to the best of my knowledge and belief the statements contained in the appraisal herein set forth are true and correct, and the information upon which the opinions expressed are based is correct; subject to the limiting conditions set forth within this report.

The reported analyses, opinions and conclusions are limited only by the reported assumptions, limiting conditions and applicable laws and are the personal, unbiased professional analyses and opinions and conclusions of the appraiser.

That I understand that such appraisal may be used in conjunction with the acquisition of the subject premises in conjunction with the Peace Bridge Toll Plaza Operational Improvements Under The New York Works Program Project.

That my analysis, opinions and conclusions are developed, and this appraisal has been prepared in conformity with: New York State Eminent Domain Procedure Law and policies, regulations and procedures applicable to appraisal of right-of-way for such purposes.

That to the best of my knowledge, no portion of the value assigned to such property consists of items that are non-compensable under the established law of said State.

That neither my employment nor the compensation for making this appraisal and report are in any way contingent upon the analyses, opinions or conclusions reached and reported herein and I have no direct or indirect present or contemplated future interest in such property or in any way benefit from the acquisition of such property appraised.

CERTIFICATE OF APPRAISER/LETTER OF TRANSMITTAL (continued)

That I have no personal interest or bias with respect to the parties involved.

That I have not revealed the findings and the results of such appraisal to anyone other than the proper officials of GPI/Greenman – Pedersen, Inc. and the New York State Department of Transportation and I will not do so until authorized by GPI/Greenman – Pedersen, Inc., or until I am required by due process of law, or until I am released from this obligation by having publicly testified as to such findings.

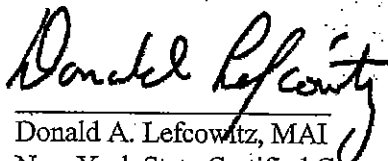
The appraisal is made and the appraisal is prepared in conformity with the Uniform Standards of Professional Appraisal Practice, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the Uniform Standards for Federal Land Acquisitions, except to the extent that the Uniform Standards for Federal Land Acquisitions requires the invocation of USPAP's Jurisdictional Exception Rule regarding exposure time. That no one provided significant professional assistance to the report signatory.

That my opinion of the Market Value of the subject property in Fee Simple Title, as of June 7, 2012, the date of inspection.

OPINION OF APPRAISED MARKET VALUE

**ONE MILLION EIGHTY THOUSAND DOLLARS
(\$1,080,000)**

July 6, 2012
(Date)



Donald A. Lefcowitz, MAI
New York State Certified General
Real Estate Appraiser
License #46-6521

EXTRAORDINARY ASSUMPTIONS, HYPOTHETICAL & PROPERTY SPECIFIC LIMITING CONDITIONS

- Exposure time is not reported as it is a Jurisdictional Exception as per the Uniform Relocation Assistance and Real Property Acquisition Policies Act – Regulation 49 CFR Section 4 as described in CFR.
- Effects on the subject neighborhood as a result of the project are disregarded. This is a Jurisdictional Exception as per the Uniform Relocation Assistance and Real Property Acquisition Policies Act – Regulation 49 CFR Section 4 as described in CFR.
- It is noted that from a provided survey that a portion of the subject building encroaches onto land owned by the City of Buffalo.
- The subject physically connects with the adjacent building (825 Busti Avenue) being Map No. 7/Parcel No. 7 of this project. The property line and appropriation map extends through a portion of the two buildings. It is assumed that the subject property can be sold as an individual entity. The costs to render this property as a single entity is addressed in the valuation. It is assumed any contributory obligation needed to maintain this segregation is in place.

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SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

PROPERTY ADDRESS: 823 Busti Avenue
Buffalo, New York

REPUTED OWNERS/ADDRESS: Episcopal Residential Healthcare Facility, Inc.
24 Rhode Island Street
Buffalo, New York 14213

PROPERTY RIGHTS APPRAISED: Fee Simple Title

TYPE OF PROPERTY: Former Nursing Home

BUILDING AREA: 90,246± sf (floors 1-4)

ZONING: "P-B"; Porter-Busti District

S.B.L. #: 99.65-2-4.1

ASSESSMENT: \$3,000,000

REAL ESTATE TAXES: \$116,516.67 (excludes taxes in arrears)
(See Assessment & Real Estate Tax Section)

UTILITIES: All Public

HIGHEST & BEST USE ("AS VACANT): Residential Development
(See Highest & Best Use Section)

HIGHEST & BEST USE ("AS IMPROVED): Conversion to multi-family or school

LAND AREA: 77,429± sf

LAND AREA APPROPRIATED
IN FEE: **Map No. 6/Parcel No. 6**
77,429± sf

LAND IMPROVEMENTS ACQUIRED: All land improvements will be acquired.

BUILDING IMPROVEMENTS ACQUIRED: All building improvements will be acquired

YEAR OF CONSRTUCTION: 1975± (Robinson Building)
1992± (Robinson addition)

SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS (continued)

DATE OF INSPECTION:	June 7, 2012 & June 21, 2012 for exterior photographs
DATE VALUE OPINION APPLIES:	June 7, 2012
DATE OF APPRAISAL:	July 6, 2012
VALUE OPINION OF PROPERTY:	\$1,080,000
OPINION OF DAMAGES FROM FEE APPROPRIATION:	\$1,080,000

OPINION OF APPRAISED MARKET VALUE

**ONE MILLION EIGHTY THOUSAND DOLLARS
(\$1,080,000)**

Allocation of Damage Opinion

Land:	\$ 309,700
Land Improvements:	\$ 10,000
Building Improvements:	\$ 760,300
Personal Property:	\$ <u>0</u>
Total:	\$1,080,000

PURPOSE OF THE APPRAISAL

The purpose of this appraisal is to provide an opinion as to the legally compensable damages, in accordance with the laws of the State of New York that the subject property will suffer as a result of a full taking of the Fee ownership. The report is being prepared for the potential acquisition of the subject property by the intended users.

The acquisition identified as **Map No. 6, Parcel No. 6** is being undertaken by the intended users of this report in conjunction with the Peace Bridge Toll Plaza Operational Improvements Under the New York Works Program Project.

SCOPE OF THE APPRAISAL/DESCRIPTION OF THE PROCESS

The scope of the appraisal is to perform a valuation of the subject property in Fee Simple Title to measure the effects of the Fee appropriation. The value opinion is made as of June 7, 2012 which is the date of inspection. Exterior photographs and neighborhood photographs were taken on June 21, 2012.

This assignment is intended to encompass the investigations, research, and analysis necessary to prepare the report in accordance with the stated purpose and function of the report and the Standards of Professional Practice of the Appraisal Institute, as well as the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and the Eminent Domain Procedure Law of New York State (EDPL).

The preparation of this appraisal assignment has included the performance of the following analyses and actions necessary to obtain the information required to arrive at an opinion of **Market Value** for the subject property prior to the full appropriation as of the valuation date of June 7, 2012.

- 1) Inspection of the interior and exterior of the subject property. It is noted that the basement in the Robinson Building addition (1992) could not be viewed due to water accumulation in the basement.
- 2) Inspection of the subject neighborhood and environs, together with salient influences upon the subject property.
- 3) Research of the subject property rights, deed research, easements, encroachments or other adverse conditions which may affect the valuation of the subject, if any.

The opinion of **Market Value** is made considering three (3) approaches to value, namely, the Cost Approach, Sales Comparison Approach and the Income Approach.

DEFINITIONS OF VALUE APPRAISED

MARKET VALUE - The amount in cash, or on terms reasonably equivalent to cash, for which in all probability the property would have sold on the effective date of the appraisal, after a reasonable exposure time on the open competitive market, from a willing and reasonably knowledgeable seller to a willing and reasonably knowledgeable buyer, with neither acting under any compulsion to buy or sell, giving due consideration to all available economic uses of the property at the time of the appraisal.¹

Numerous definitions of Market Value have been devised over the years by professional organizations, Government bodies, courts, etcetera.

The Supreme Courts of most states have handed down definitions of Market Value for use in the State courts. These definitions are subject to frequent change.

FEE SIMPLE - an absolute Fee; a Fee without limitations to any particular class of heirs or restrictions, but subject to the limitations of eminent domain, escheat, police power and taxation. An inheritable estate.²

CONSEQUENTIAL DAMAGES - A damage to property arising as a consequence of a taking and/or construction on other lands. In many states the owner may be compensated for damage as a consequence of a change in grade of a street which adversely affects ingress to and egress from the affected property. In some states a property owner is not legally entitled to consequential damages which occur to his real estate. The owner may not be compensated for damage to business, frustration, and loss of goodwill which result as a consequence of a taking or construction by the government.³

SEVERANCE DAMAGES - It is the diminution of the Market Value of the remainder area, in the case of a partial taking, which arises (a) by reason of the taking (severance) and/or (b) the construction of the improvement in the manner proposed.⁴

HYPOTHETICAL CONDITION - That which is contrary to what exists but is supposed for the purpose of analysis. Hypothetical conditions assume conditions contrary to known facts about physical, legal or economic characteristics of the subject property; or about conditions external to the property, such a market conditions of trends; or about the integrity of data used in an analysis. A hypothetical condition may be used in an assignment only if:

- Use of the hypothetical condition is clearly required for legal purposes, for purposes of reasonable analysis, or for purposes of comparison;
- Use of the hypothetical condition results in a credible analysis;
- The appraiser complies with the disclosure requirements set forth in USPAP for hypothetical conditions. (USPAP, 2008 ed.)

¹ Uniform Appraisal Standards of Federal Land Acquisitions

² Uniform Appraisal Standards for Federal Land Acquisitions

³ Uniform Appraisal Standards for Federal Land Acquisitions

⁴ Uniform Appraisal Standards for Federal Land Acquisitions

DEFINITIONS OF VALUE APPRAISED (continued)

EXTRAORDINARY ASSUMPTIONS – An assumption, directly related to a specific assignment, which, if found to be false, could alter the appraiser's opinion or conclusions. Extraordinary assumptions presume as fact otherwise uncertain information about physical, legal, or economic characteristics of the subject property; or about conditions external to the property such as market conditions or trends; or about the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption result in a credible analysis.

APPRAISAL PROBLEM

The subject property represents a 77,429± sf parcel of land improved with a multi-story former nursing home (90,246±sf) situated on the west side of Columbus Parkway (Seventh Street) having additional frontage along Busti Avenue and Massachusetts Avenue in the City of Buffalo, Erie County, New York.

The subject was constructed in two phases. The original building (Robinson Building) was constructed in 1975±. The Robison addition occurred in 1992±.

The subject is zoned "P-B"; Porter-Busti District.

The Appraisal Problem in this report is concerned with rendering an opinion of **Market Value** which will result from the full acquisition of the land area and all site and building improvements thereon.

The resolution of the Appraisal Problem will be undertaken by conducting a valuation of the property in order to properly measure damage from all causes, stemming from the full appropriation.

The subject consists of a multi-story, former nursing home that is in poor condition having been vandalized to an extensive degree. The subject building, due to its condition, is considered to be a "shell" building requiring extensive renovation.

Since the subject property is improved, both a Land and Improved Value Analysis relating to the **Sales Comparison Approach to Value** will be employed.

In rendering an opinion of land value for the site as if vacant, land sales will be considered wherein adjustments for differenced will be analyzed on a price per square foot basis, based on highest and best use considerations.

In rendering an opinion as to an overall value for the subject, as improved, recent sales of "shell" buildings that were purchased for conversion will be compared to the property on a price per square foot basis, with adjustments made to reflect appropriate differences.

The **Cost Approach to Value**, while considered, has limited utility in the overall valuation of the property. The subject is not a special-purpose type of real estate thus precluding application of a cost analysis. Furthermore, the current age and deteriorated condition of the existing building improvement located on-site dictates using a depreciation factor, which is difficult to substantiate and, therefore, is speculative in nature, rendering any value indication via this approach unreliable. Also, properties of this nature are not purchased in the marketplace based upon a Cost Analysis. Therefore, this approach is not utilized in this report.

The **Income Approach to Value** will not be developed in this appraisal since the subject is not in rentable condition.

The Sales Comparison Approach will result in an opinion of market Value for the subject. Since the appropriation represents a "full take", the opinion of Market Value will represent the conclusion of the final damage and compensation opinion resulting from the acquisition of the subject property.

CITY OF BUFFALO ANALYSIS

Overview

The City of Buffalo is located in the western part of New York State, bordering on Lake Erie and the Niagara River. Its origin dates back to 1758. It was incorporated as the Village of Buffalo in 1816. With the opening of the Erie Canal in 1825, Buffalo's growth as a great center of commerce began. The pioneer waterway reduced the cost of freight transportation from the Hudson River to Buffalo from \$100 to \$10 a ton, and the Village became the transfer point of immigration and commerce in the movement to the west. Buffalo was chartered as a city in 1832, when its population was around 10,000.

Buffalo has an area of 42 square miles. The topography is level with a gradual slope to Lake Erie and the Niagara River. The layout and general plan of the City of Buffalo is in the pattern of a grid; in addition, the principal traffic or radial routes begin in the downtown area and fan out in different directions, similar to the spokes of a wheel. Located at the junction of Lake Erie and the Niagara River, the west side is, of course, bounded by the lake and river. The direction of growth is to the north, east and south. There is little vacant residential land remaining in the City with resultant heavy demand in the suburbs. Even adjoining towns, such as Tonawanda, have little land left for development.

Among the leading industries in the Buffalo area are the auto industry, chemicals, machinery, food, paper and paper products, stone, clay and glass products, flour, feed and grain milling, rubber and non-ferrous metal products, clothing, plastics, electric and gasoline motors, furniture, drugs, and petroleum products. It is the third busiest railroad corridor in the United States and ranks seventh among the inland water ports in the United States. The St. Lawrence Seaway, which was completed in 1959 to allow ocean going vessels into the Great Lakes, has had a severe detrimental impact on the city's port traffic.

Traditionally, the City of Buffalo has been thought of as industrial in nature, part of the "Rust Belt". However, there has been a trend to a more service-oriented economy, coupled with an attempt to attract high-tech industries, particularly information technology (IT) firms. Buffalo is gaining recognition as a major growth center for IT firms, as evidenced by Forbes Magazine ranking Buffalo in its Top 30 as an IT firm growth region.

In the past 30 years, there has been government-sponsored redevelopment of the downtown area. Major projects included the Light Rail Rapid Transit System, which extends from Downtown Buffalo to the State University Campus at Main and Bailey, the Main Street Pedestrian Mall (Buffalo Place) beginning at the foot of Main Street and continuing north through the Theater District, Coca-Cola Park (formerly Pilot Field) and the First Niagara Arena, a joint public/private sector project.

Major construction and renovation projects in the Downtown CBD the past decade include a new federal (FBI) office building on Delaware Avenue, a new county court house, 450,000±SF Health Now office building, 130 South Elmwood, Hauptman-Woodward Building (Roswell Park), redevelopment of the Lafayette Hotel, the old Federal Reserve Building into the new headquarters of New Era Cap and the renovation of the former Niagara Mohawk building, Statler and Federal Building. Currently, numerous buildings in the CBD are being converted to apartment use. A number of structures have been renovated and developed in the Theater District including Theater Place and the Market Arcade. A new Federal Courthouse has been built at Niagara Square.

CITY OF BUFFALO ANALYSIS (continued)

Overview (continued)

The city's Inner Harbor/Downtown Waterfront Redevelopment Project appears ready to come to fruition after 10 years of planning from 1989-1999. The initial phase of this project will be the development of the \$27.1 million Inner Harbor Project, which broke ground in the fall, 1999. This project includes the creation of esplanades, slips and plazas, designed for increased public waterfront access at the foot of Main Street. This project will include a new Naval and Military Museum (complete as of 2007) and an office/hotel in the former Donovan building (under construction). The initial \$27.1 million phase was completed in 2007. This included the museum at the historical Erie Canal Terminus Project. The Project is ongoing and will take several decades to complete. An estimated \$285 million in public-private development money is anticipated to be spurred by this project.

To the west of Main Street is the Waterfront project area where projects include Class A office space as well as residential townhouses and condominium units. Construction was completed on the HSBC Arena project in 1996. In 2011, Buffalo based First Niagara Financial Group reached an agreement to purchase HSBC Bank's upstate New York and Connecticut branch network. While naming rights to HSBC Arena were not included in the sale, First Niagara, HSBC, the Buffalo Sabres, and other parties reached an agreement to establish a new naming rights deal with First Niagara. The name of the arena became First Niagara Center that summer. First Niagara bought the naming rights for 15 years, approximately the remainder of the time that was left on HSBC's naming rights deal with the arena. This is a multi-purpose arena, which is the home of the Buffalo Sabres professional hockey team and Buffalo Bandits Lacrosse team.

To the east is the development of the Elm-Oak Light Industrial/Research Corridor, which has been stagnant over the past few years. A Seneca Nation gaming casino is proposed just south of HSBC Arena. The Seneca's are currently operating a temporary 10,000± sf casino.

A major catalyst of development is the Buffalo Niagara Medical Campus (BNMC). The BNMC is a 72± acre campus located just north of the downtown central business district and just east of the historic "Allentown" neighborhood within the City of Buffalo. The BNMC is a consortium of medical research and health care institutions working to create an urban center of education, medical care, and scientific research. This partnership includes the University of Buffalo, Roswell Park Cancer Institute, Olmstead Center for the Visually Impaired, Kaleida Health, Hauptman-Woodward Medical Research Institute, Buffalo Medical Group, and the Buffalo Hearing and Speech Center. The 20-year master plan calls for the construction of nearly 3,000,000 square feet, in addition to the 3,000,000 square feet of already existing space. The State University of New York at Buffalo in 2009 announced plans to move its medical school to the campus. Plans have been announced for \$12,000,000 medical office/research project adjacent to Buffalo General Hospital. Additionally, Millard Fillmore Hospital recently relocated this campus and Children's Hospital will be relocating in the future. The BNMC is the largest concentration of health care organizations in Western New York with 6,800 employees, 500,000 annual patients, and \$80,000,000 in grants per year.

CITY OF BUFFALO ANALYSIS (continued)

Population

In 1980, population of the City of Buffalo was 357,870 while the population is estimated at 323,931 according to the 1990 census. This represents a 9.48 percent reduction from 1980. The 2000 Census indicates the population at 292,648, which represents a 9.66±% reduction from 1990. The recently published 2010 Census indicates the population at 261,310, which represents a 10.71 percent reduction from 2000. New census figures indicate Buffalo's population dropped by 31,338 residents between 2000 and 2010. This represents a 10.7 percent decline in the city's population, which stood at 261,310 in 2010, was among the largest of any place in New York State. Erie County's population, as a whole, decreased 3.3 percent, or 31,225 people, to 919,040 in 2010. In summary, overall the City of Buffalo has experienced a 26.98 percent total population reduction over the past 30 years. Signs as indicated by current census statistics indicate this downward population trend is continuing.

Economic

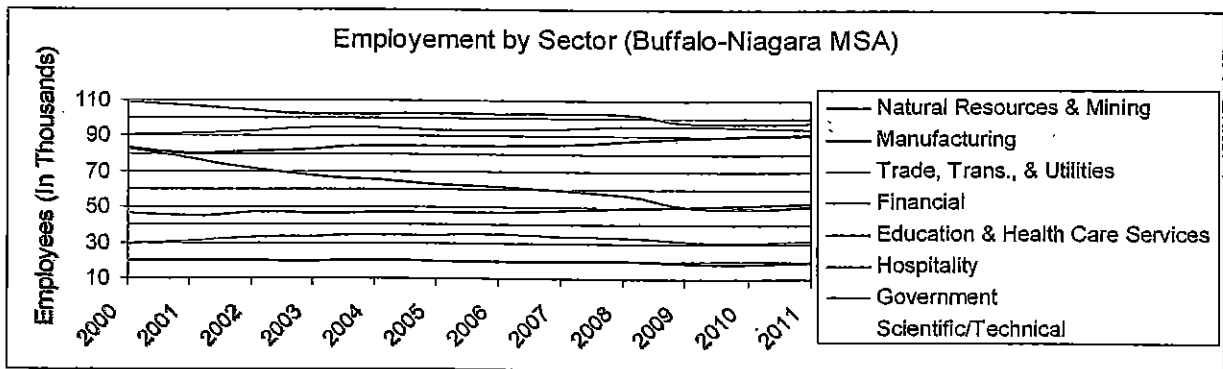
The Western New York Region has continued to move from its heavy industrial and manufacturing past to service-related and high-tech industries. The region has a highly skilled and educated workforce. The economy has diversified with areas in manufacturing, industry, agriculture, technologies and service oriented sectors. This is evidenced by the fact 62.8% of the regions workforce is now employed in white-collar industry and 37.2% in blue-collar industry. Buffalo is the 5th busiest trade city in America. Approximately 38±% of the local product is exported.

Unemployment Statistics

Area	1990	2000	2007	2008	2009	2010	2011	Apr 2012
City of Buffalo	8.7%	5.1%	6.0%	7.0%	10.1%	10.8%	10.4%	10.7%
Erie County	5.2%	4.2%	4.8%	5.7%	8.6%	8.2%	8.3%	8.1%
New York State	5.3%	4.5%	4.5%	5.4%	8.3%	8.6%	8.2%	8.1%

New York State Department of Labor

The largest employers in the Western New York region are governments employing over 50,000 people. Only two (2) of the top 25 employers listed engage in heavy manufacturing, and employ approximately 4,600± full time people. Mirroring national trends, the most growth over the next 10 years is anticipated to be in computer-related occupations, medical fields, especially computer scientists, engineers and systems analysts.



New York State Department of Labor

CITY OF BUFFALO ANALYSIS (continued)

Taxes

Taxes have been steadily increasing because of the heavier demand for services and facilities such as welfare, new schools and recreational outlets as well as the decreasing tax base. This is having a negative impact on commercial property values within the City as the City utilizes a homestead and non-homestead system with a full value assessment program utilizing a six (6) year cycle. The cycle has recently been modified with a full revaluation schedule for 2014. Most new development is occurring due to government sponsored tax incentives.

Recreation/Religious/Schools

Recreational facilities are many and varied, including a zoo, the museum of Science History Museum, Burchfield Penney Art Museum and the Albright-Knox Art Gallery. The majestic falls of the Niagara River are just one-half hour away. Buffalo has representation from sixty church denominations. There are 70 public elementary schools, 7 academic high schools, 7 vocational high schools and several parochial and private grade schools in the City. Colleges in the area include the State University of New York at Buffalo, Erie Community College (3 locations), Canisius College, State University College, D'Youville College, Rosary Hill College, Villa Maria College, Hilbert College, Trocaire College and Medaille College.

Government

Due to financial difficulties encountered by the City of Buffalo, the governor in July of 2003 has appointed an independent control board, known as the Buffalo Fiscal Stability Authority, to oversee the City of Buffalo's finances. The control board voted to convert into an advisory board, whose status will officially change June 1st, 2012. The County of Erie in November of 2006 had an advisory control board changed to a hard control board with expanded powers. This control board has been converted to an advisory board in 2008.

Utilities

City of Buffalo has its own public water supply. Discussions have been held concerning privatization or Erie County Water Authority takeover of the water department. The infrastructure of the water supply system is reportedly dated, and requires substantial repairs. Buffalo also operates the sewer authority. National Fuel Gas supplies natural gas, while electricity is provided by National Grid. The New York State Public Service Commission regulates the rates charged by these utilities.

CITY OF BUFFALO ANALYSIS (continued)

Transportation

The metropolitan area has a diverse transportation system that combines air, highway, rail and shipping access. This allows the transportation of practically any type of cargo or freight to or from the area. The City is well-positioned for international commerce with Canada, the country's largest trading partner. No other region combines all four methods of shipping to Ontario, Canada's leading commercial region.

In early 1997 the Peace Bridge Authority announced plans for the construction of a second twin bridge next to the Peace Bridge, to form a twin span connecting the U.S. to Canada near the downtown CBD for the City of Buffalo. This span was initially projected to open in 2002 but an ongoing controversy between factions calling for a signature bridge to replace the Peace Bridge and the twin span supporters, has delayed appropriations for this project. The twin span project would involve an investment of approximately \$100 million. Either scenario should alleviate traffic congestion and encourage increased trade in the area but will probably not be completed until at least 2020 .

For highway transportation, the New York State Thruway (I-90) and a related beltway system (I-190, I-290, I-990) surrounds the City of Buffalo and leads to points east and west in the state. For travel to the southern portion of the county, ample rapid transit highways are available and include Route 400 which branches off the main thruway system heading in a southeasterly direction through the Towns of West Seneca, Elma and Aurora leading to Wales.

A more direct southerly route is the partially completed Southern Expressway (State Route 219), that also branches off the main thruway in the West Seneca-Lackawanna area and extends southward through the Towns of Orchard Park and Boston, providing direct access to the Village of Springville and the Town of Concord at the south central portion of Erie County. Currently talks are ongoing in the U.S. Senate and House of Representatives for expanding this route through to Pennsylvania. However, this will not occur in the foreseeable future.

Other modes of transportation include the immediate accessibility of Great Lakes shipping via Lake Erie. The Port Buffalo Gateway complex is located on the former 1,400 acre manufacturing and port facility for Bethlehem Steel Corporation. This port facility provides full seaway depth, with 9,000 linear feet of modernized dock space. Bulk cargo storage is available at the port's major storage and transfer facility. Over 30 acres of bulk storage area is available, with an additional 15 acres of paved storage area. Heavy lift crane capacity ranges from 5 to 235 tons.

The Niagara Frontier Transportation Authority operates the light rail subway, which extends from the downtown Central Business District to the State University of New York at Buffalo, paralleling Main Street and terminating at the Town of Amherst. In addition, the region is serviced by nearly 1,000 miles of rail, including one of the largest railheads in the nation.

The Greater Buffalo Niagara International Airport is located just east of the City on Genesee Street, in the Town of Cheektowaga. The airport completed a \$1.2 billion capital expansion program in 1997. Currently, the airport is served by 14 airlines and 182 air carrier operations daily at its 17 gates. The facility is capable of handling large jet traffic, with major carriers including American, Delta, United, Continental, Northwest, and US AIR. Passengers, as of a 2009 survey, approached 5.5 million annually. This increase is due primarily to the re-introduction of "low cost" air carriers with reduced fares, increased number of non-stop flights to the airport and the influx of Canadian travelers. A redevelopment of ingress and egress roadways on-site is going in 2012.

CITY OF BUFFALO ANALYSIS (continued)

Major Current and Proposed Development Projects

- 1) A Waterfront Development Corporation has been incorporated to oversee waterfront development projects. The corporation is to receive \$5 million dollars per year from the recent re-licensing of the Niagara Power Station.
- 2) Redevelopment of the former Lafayette Hotel into a mixed use retail/hotel/banquet/apartment and condominium project.
- 3) Redevelopment of the first two floors of the Statler building.
- 4) Inner Harbor Development - \$27 million public works project. The original development plan called for a replica of "commercial slip" or terminus of the Erie Canal to be reconstructed, new boat slips, a new naval and military museum and set the ground work for a \$285 million dollar regional entertainment district. The first phase including the Naval Museum and Commercial Slip was completed in 2007. The National Park Service has recommended the area as a National Heritage Corridor, which would clear the way for federal funding.
- 5) The Seneca Nation had begun construction of a \$333 million destination casino. They currently operate a 10,000± sf temporary casino within the Cobblestone District. Currently these plans are on hold.
- 6) Uniland Development built a new, 116,800±sf, five-story, Class A office building at 285 Delaware Avenue. Approximately 60% of the building is leased to M&T Bank. Overall project cost is estimated at \$10,000,000.
- 7) A new Federal Court House Building was recently completed on Niagara Square.
- 8) Conversion of the former Graphic Controls building (Larkin Warehouse) into a 600,000± sf modern office building. Total conversion cost was \$60,000,000. The project has received strong market acceptance with occupancy over 95%. Continued redevelopment surrounding the building has occurred.
- 9) A new, 290,000±sf, Federal Building at 130 Elmwood Avenue has been completed. The building replaced the old Federal Building at Huron Street and Delaware Avenue. The old Federal Office building was purchased at auction by the developers of the new Federal Building. The 400,000± sf building has been renovated into an office, hotel, and residential complex called Avant Place. This project has had good market acceptance.
- 10) Numerous downtown apartment conversions including Elk Terminal, LL Berger's Building, Granite Works, University Club, Lofts at Art Space and the Sidway Building.

CITY OF BUFFALO ANALYSIS (continued)

Major Current and Proposed Development Projects

- 11) Developer Carl Paladino had announced plans to build an 11-story, 335,000± sf office building on the corner of Court Street and Franklin Street in the Central Business District. Total project cost is \$45 million and will not start until 50% preleased. Plans have been on hold for several years.
- 12) A new, 469,000± sf, WNY headquarters for Blue Cross Blue Shield at 249 West Genesee Street was completed. The \$100 million dollar project includes a five story parking garage.
- 13) The State University of New York at Buffalo has purchased the former TRICO Building and M. Wile Building and will be expanding their presence in the Central Business District with a concentration on the expanding Medical Corridor of Roswell Park and Buffalo General Hospital. A 2009 announcement indicated the University intends to move their medical school to this campus setting.
- 14) Plans are underway in redeveloping the old Donovan State office building as a project similar to the Avant building have also been cited. Phillips, Lytle, LLP, a major tenant in the HSBC tower will be relocating in the Donovan Building location.
- 15) In 2010, developers announced plans to renovate another part of the Larkin complex with over 500,000 SF of Class "B" office space planned within the next couple of years.
- 16) The Statler building was purchased by developers with extensive renovations and restoration underway.
- 17) The termination of branch bank services in New York State by HSBC has placed a cloud on the future of the HSBC Tower.

In addition to the above-mentioned major projects, government/non-profit agencies including Buffalo Place, Empire State Development Agency, Buffalo Urban Renewal Agency, Buffalo Economic Renaissance Corporation, Buffalo Niagara Partnership, to name a few are offering numerous incentives to attract and generate new business and housing opportunities within Buffalo. Several new developments, including the Inner Harbor projects hope to provide a catalyst for economic growth. Local preservation and private citizen groups have taken an active role in several of the major development projects proposed. These groups have delayed a number of projects, calling into question the feasibility and motives of poorly planned projects. There is hope that revised plans for the Inner Harbor and Peace Bridge will change the trend of Buffalo's historically poor urban planning. The past several years has seen increased residential property values, demand for City property, decrease in office vacancy and numerous development projects in planning. Overall, the stabilization of office and residential markets and proposed developments, has led to a feeling of cautious optimism. Buffalo should remain stable for the foreseeable future.

NEIGHBORHOOD DESCRIPTION

The subject is located on the City of Buffalo's west side. This is an older area of the city that was developed in the late 1800's and early 1900's. The west side is comprised of many identifiable neighborhoods. The subject is located within the Porter-Busti neighborhood which is bounded by Massachusetts Avenue to the north, Porter Avenue to the south, the New York State Thruway (Route I-190) to the west and Niagara Street to the east. The area between Massachusetts Avenue, Busti Avenue, Seventh Street (Columbus Parkway) and Porter Avenue is a unique "pocket" as it is comprised of older, many upscale homes as compared to the surrounding nearby neighborhoods. The surrounding neighborhoods are typified by older, two story, two and three family dwellings in a lower price range with many showing signs of deferred maintenance.

The subject's neighborhood is adjacent to the Peace Bridge, a major border crossing between the United States and Canada. There have been proposals over the past twenty years from replacing the existing Peace Bridge to relocating the border crossing and constructing a new bridge connecting into Niagara Street north of the subject. One proposal required the need to acquire many homes between Busti Avenue and Columbus Parking (Seventh Street). The neighborhood residents vigorously opposed this plan. Current plans are to expand the toll plaza which involves acquisition of a few residences and the subject property.

The area to the north along Niagara Street is developed with older industrial and neighborhood commercial properties. The primary employer in the area is (north of the subject) Rich Products.

East of the subject (three blocks) is the New York State Armory and D'Youville College Campus having forty-five academic majors and 3,200 undergraduate and graduate students. The College has been acquiring nearby properties for construction of new buildings. The City of Buffalo Central Business District is located two miles south.

West of the subject are City parks and related businesses associated with Niagara River use.

	<u>1-Mile Radius Subject</u>	<u>Buffalo</u>	<u>County</u>
Population	20,377	261,310	919,040
Median Value of Owner Occupied Housing Units	\$44,605	\$65,700	\$117,700
Median Household Income	\$20,483	\$30,043	\$47,372

Within the one mile radius of the subject, there are 29.2% vacant housing units and 19.3% owner occupied housing units. Per capita income is \$11,135.

Based on the above references statistics the subject's neighborhood (one mile radius) for the median income and median value of owner occupied housing units is below that of the City of Buffalo and Erie County.

Redevelopment is unlikely in the immediate area except for any D'Youville College expansion. Some speculation purchasing occurred 10± years ago north of the subject along Niagara Street as specialization was that a new bridge crossing was going to occur in that location.

NEIGHBORHOOD DESCRIPTION (continued)

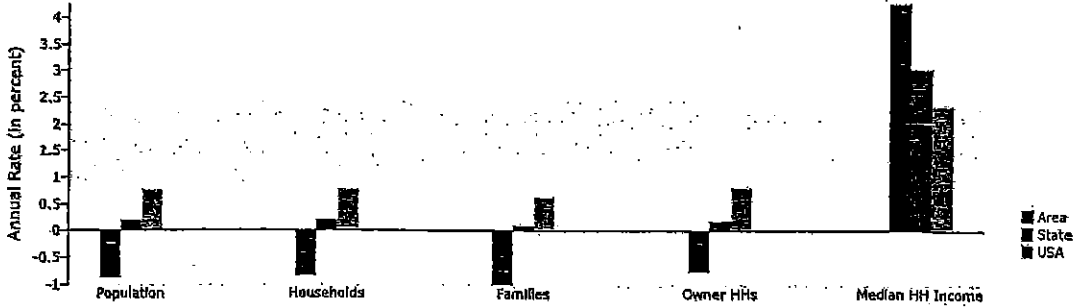


Demographic and Income Profile - Appraisal Version

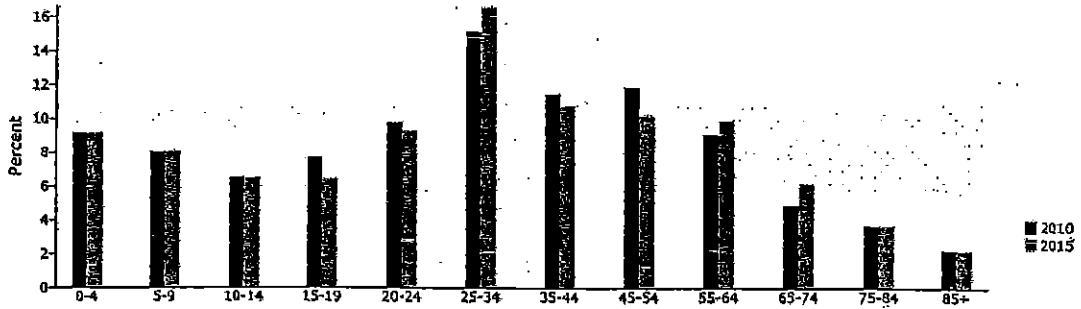
823 Bustl Ave, Buffalo, NY 14213, United States
 Ring: 1 mile radius

Latitude: 42.90538
 Longitude: -78.390139

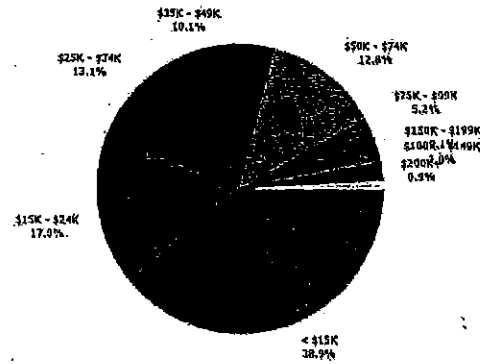
Trends 2010-2015



Population by Age



2010 Household Income.



Source: U.S. Bureau of the Census, 2000 Census of Population and Housing. Esri forecasts for 2010 and 2015.

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[:http://www.bizjournals.com/buffalo/print-edition/2012/03/23/beyond-repair.html](http://www.bizjournals.com/buffalo/print-edition/2012/03/23/beyond-repair.html)

Beyond repair

Once-thriving senior-care center in ruins as financial woes mount

Premium content from Business First by James Fink, Buffalo Business First Reporter

Date: Friday, March 23, 2012, 6:00am EDT

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The tug-of-war concerning a possible Peace Bridge expansion has brought financial havoc to one of the major property owners neighboring the bridge.

Episcopal Church Home and Affiliates Inc. once ran a thriving senior-care community on a 12-acre Rhode Island Street property that sits near the entrance to the Peace Bridge. At its peak, the campus had more than 1,000 elderly and needy clients and employed 550, providing a steady cash flow for the faith-based, not-for-profit entity.

Early plans proposed a bridge expansion that would run across the campus. Episcopal Church Home then began losing clients, leading to a phased shutdown that began seven years ago.

The site has been a Rhode Island Street landmark since 1866. The property was in the path of the proposed companion span, putting it in the middle of a protracted planning battle that pitted the Peace Bridge and West Side residents against each other. The residents opposed plans that saw the second bridge cutting through their neighborhood; Peace Bridge officials said the companion span was needed to ease growing traffic and logistical concerns.

"We were at ground zero of all this, just because of our location," said [Robert Wallace](#), president and CEO.

Fast-forward to 2012: The property is a series of boarded-up buildings – including the late 1800s era Hutchinson Chapel. The main building is full of broken glass, crushed beer bottles,

NEWSPAPER ARTICLES RELATING TO SUBJECT PROPERTY & PROPOSED PROJECT
(continued)

Beyond repair - Buffalo - Business First

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discarded coffee cups, condom wrappers and gutted rooms. Tangled PVC piping and wires hang from ceilings like snakes from a tree. Symbols of gangs are painted on walls and doorways. All six buildings, which total more than 1 million square feet, have been virtually vacant since 2005.

"This is our nightmare," Wallace said. "We're a victim of this snowball effect."

The condition of the property is the most visible sign of the Episcopal Church Home caught in the middle of the Peace Bridge crossfire. What most people don't see, however, is the financial drain on an organization that already has paper-thin revenues.

Between January 1995, when plans for the companion span were announced, and December 2010, the church home lost \$13.1 million in revenues at the Rhode Island Street operation, including \$8.84 million between 2005 and 2010 when the property was being shut down.

In addition to the uncertainty about Peace Bridge plans, the church home is also saddled with nearly \$14 million in liens against the property. That includes a \$7.2 million mortgage owed to the federal Department of Housing and Urban Development and \$1.5 million to New York State Department of Health.

Episcopal Church Home spends about \$500,000 annually on insurance, security systems and legal fees connected with the property. The main building's alarm system is triggered several times a day due to break-ins.

"It's been all expense and no revenues since 2005," Wallace said.

The liens, coupled with the bridge scenario and the derelict condition of the property, make any chance of selling the real estate virtually nil.

"We are in the ultimate no-win situation," Wallace said. "Our hands are completely tied, no matter where we look."

The Episcopal Church Home wants to sell the property and has extended offers to the Buffalo and Fort Erie Public Bridge Authority, which owns and operates the bridge.

Despite some meetings, the response has been a deafening silence -- at least to the church home.

"It's complicated," says Sam Hoyt, chairman of the Peace Bridge Authority. He also is regional president of **Empire State Development Corp.** and a former state assemblyman whose district included the lower West Side.

Hoyt said he sympathizes with church home officials. As assemblyman, he tried to broker a deal with the authority. The sticking point is who would assume the financial responsibility for the liens.

Hoyt bristles when community leaders suggest that the Peace Bridge expansion is the major culprit in Episcopal Church Home's financial dilemma. The shutdown began voluntarily by Episcopal, although it never would have happened if the property wasn't targeted during bridge expansion scenarios, Wallace said.

NEWSPAPER ARTICLES RELATING TO SUBJECT PROPERTY & PROPOSED PROJECT
(continued)

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"I don't think the PBA (Peace Bridge Authority) should be blamed for the current condition of the property," Hoyt said. "And I don't think the finger should be pointed at the PBA."

He said the biggest issue is the liens.

Wallace agreed.

"Somehow the liens have to be resolved," Hoyt said. "As it is, the property is a blight on the community."

Niagara District Councilman David Rivera said reviving the property would be a pricey undertaking.

"You have to have deep pockets to invest the kind of money that's really needed to bring the property back," Rivera said. "And I'm not sure how you would ever get a return on that investment."

James Fink covers real estate, commercial development and government

NEWSPAPER ARTICLES RELATING TO SUBJECT PROPERTY & PROPOSED PROJECT
(continued)

Episcopal Church Home Master Plan, River View Towers, and Out Pat...

<http://www.hhlarchitects.com/episcopal.html>

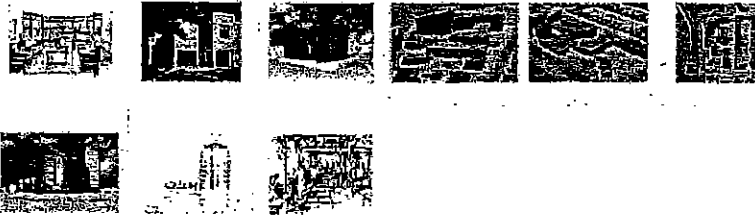
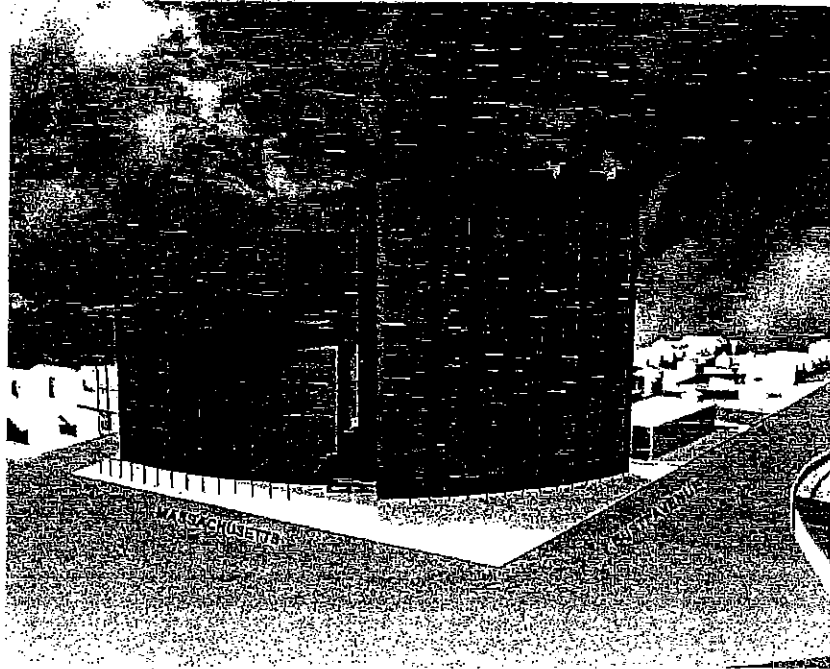


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- Buffalo City Hall Common Council Chambers
- Buffalo & Erie County Public Library Mark Twain Room
- Centennial Pool Alterations
- Corpus Christi Church
- Erie Community College Earl P. Fickinger Athletic Center
- Erie County Courts Master Plan & Implementation
- Episcopal Church Home Master Plan, River View Towers, and Out Patient Building
- Frank Lloyd Wright's Rowing Boathouse
- HSAC Arena Harbour Club & 200 Level Club
- Lancaster Presbyterian Church
- Newstead Public Library
- Niagara Falls City Hall Facade
- Buffalo Sabres Locker Room
- Sisters of St. Joseph Master Plan & Addition
- St. Louis Roman Catholic Church St. Paul's Coliseum
- Temple Beth Zion Master Plan and Renovation
- Westminster Presbyterian Church Space Study and Renovation
- Westminster Presbyterian Church New West Entrance



Markets > Community > Episcopal Church Home Master Plan, River View Towers, and Out Patient Building

Episcopal Church Home Master Plan, River View Towers, and Out Patient Building

The Master Plan Study focused on the unification of this complex in order to coordinate several additions and new structures that were under consideration for construction.

The Campus, originally established in 1904 in the block bounded by Bustl Avenue, Rhode Island Street, Seventh Street, and Massachusetts Avenue expanded to acquire six existing buildings by 1987.

The Master Plan incorporated a new outpatient care addition, an enclosed courtyard, high-rise apartment building, and additional on site parking. The outpatient building, designed by HHL Architects was constructed in 1989/1990.

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Eminent Domain Hammer in Hand, PBA Plowing Ahead with Plaza Ex... <http://www.buffalorising.com/2012/04/eminent-domain-hammer-in-ha...>

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CITY

Eminent Domain Hammer in Hand, PBA Plowing Ahead with Plaza Expansion

April 10, 2012 12:00 AM



weperspective
70

Expansion of the Peace Bridge Plaza is suddenly on a fast track. Governor Andrew M. Cuomo last week announced a \$15 million infusion of state money for the \$85 million project. Meanwhile, the Public Bridge Authority continues efforts to rid itself of the properties it purchased along Bustl Avenue, including the landmarked circa-1863 Wilkason House at 771 Bustl, while using eminent domain to acquire others.



Leading the plaza push is former assemblyman Sam Hoyt. He was elected chairman of the Authority board of directors in February and also serves as regional president of Empire State Development Corporation.

Hoyt told The Buffalo News last week that the state would use its powers of eminent domain to acquire the Episcopal Church Home complex, a residential property at 775 Bustl and even sections of Bustl and Plymouth avenues from the City.

Hoyt questioned the need to use eminent domain for the bridge project back in 2003. At the time, the PBA was working on an agreement with the City to use its eminent domain powers to acquire property or have the State grant the PBA eminent domain authority directly. Now, he's proudly bringing in the NYS Department of Transportation and its eminent domain powers to the neighborhood.

From The Buffalo News:

But any project associated with the Peace Bridge has long been marked by delay; and Hoyt said the state Department of Transportation — and its power to condemn lands for public projects by eminent domain — will now be introduced as a partner in the project. The idea now is to put the plaza on the fast track — by order of Cuomo.

“He’s directed me to do whatever it takes to get it done,” Hoyt said.

Hoyt also said the bipartisan Peace Bridge Authority is unanimous in its desire to accelerate the proposal.

The news is sure to please the Episcopal Church Home (ECH) leaders:

Rob Wallace, president and CEO of Episcopal Church Home, was in Housing Court on February 28 to answer to code violations for their vacant Bustl Avenue complex. Wallace told Housing Court Judge Patrick M. Carney that they've been "victims" of the PBA for the past 17 years.

The Episcopal Church Home was shuttered in 2005 and has been vacant since. While the buildings are reportedly structurally sound, the interiors have been ravaged by vandals. Most of the main building's copper and metals have been stripped and there is no fire alarm or sprinkler system. The grounds have been a mess but were recently cleaned up by the City's Impact Team.

Wallace told the court that their business began to decline in 1994 when the PBA began taking expansion and patients didn't want to move in with eminent domain being considered. It left us no choice but to leave," said Wallace. "It's taken a toll on all of us."

Wallace said the building has "no productive use" yet told the court that the property value has increased from \$11 million in 2008 to \$15 million today.



RaveReviews

RECENT COMMENTS

Eminent Domain Hammer in Hand, PBA Plow! whatever: 300, that same. Rise of doing more on the P.B. side was brought up last year when Higgins, Schumer

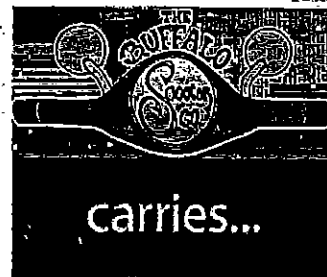
Eminent Domain Hammer in Hand, PBA Plow! whatever: BRL>A drive around the neighborhood would satisfy even the most persistent skeptic, I am sure you a

Eminent Domain Hammer in Hand, PBA Plow! 300miles: Does this change anything for the plaza plaza?: <http://www.buffalorising.com/city/community/buf>

Eminent Domain Hammer in Hand, PBA Plow! whatever: "BTW, the Final Rule was published on January 18th 2001, under President Clinton." True, but since

Eminent Domain Hammer in Hand, PBA Plow! whatever: Yes, it says 200 for "July," because as time goes on, fewer and fewer older trucks not meeting the

Eminent Domain Hammer in Hand, PBA Plow! Romney: BlackRockLaw - the best time I checked, Andre Cuomo was a Democrat, you might want to get away f



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The rundown complex is in contrast to ECH's Canterbury Woods facility in E. Amherst. Canterbury Woods opened in 1999, becoming the first senior living community in the Western New York area to offer a Life Care continuum. It offers "resort-style living" in a mix of apartments, patio homes, and assisted living and nursing care facilities.

Episcopal Church Home owes over \$500,000 in 2010 and 2011 city and county taxes for the Busti Avenue site. All totaled, ECH owes \$15 million in back taxes and liens from mortgage-holder U.S. Department of Housing and Urban Development. Wallace also told the judge that State Senator Kennedy, Assemblyman Ryan and Congressman Higgins assured ECH that \$15 million would be in the New York State budget for property acquisition. Just in time for Easter, Cuomo and his team delivered the golden egg last week.



Judge Carney told Wallace, "I find your claims to be disingenuous." He ordered ECH to maintain the property and stop using the PBA as an excuse. He also ordered a \$150/day fine for every day that ECH fails to comply with keeping the grounds neat and clean.

Kathy Mecca, President of the Columbus Park Association, laid out a different timeline. Eminent Domain legislation for the Peace Bridge project was passed in June 2004, not 1994. ECH even had extensive expansion plans in mind in 2003 and told ArtVoicer that it closed in 2005 due to declining Medicaid reimbursements, making the business unsustainable.

Mecca also says that ECH has been non-responsive to both neighborhood residents and local elected officials and has spurned interest in the property from D'Youville College and a charter school.

ECH and neighborhood residents will be back in court on April 19. Judge Carney told ECH to bring in "Plan B." Governor Cuomo is giving them their shot they've been waiting seven years for.

"All the Episcopal Church has to do is sign off on this sweet deal paid for by the taxpayers," says Mecca. "Their bad deeds wiped clean. They walk away knowing this historic property is going to be demolished for a Duty Free Store."



On April 4, the Public Bridge Authority held a meeting to situate its plans to demolish seven vacant Busti Avenue structures. The seven are currently owned by the Authority but will allow anyone interested in relocating the structures an opportunity to do so as long as they can accomplish that by the end of June. Of this year.

To prove they're a good neighbor, the PBA is making the architectural elements of each house available for salvage prior to demolition and will implement a "site restoration plan" as soon as demolition is completed. They're also going to document the structures at 771, 777 and 783 Busti including drawings, history, and pictures prior to hauling them away for disposal. They have also have pledged to save the ECH chapel and repurpose it.

The PBA hasn't shown the public what the ultimate end-use of the cleared lands - only simulations of the "green space" they're going to create as an interim measure. It's likely this end goal will be released once the Episcopal Home and 775 Busti are acquired and the plaza can expand to the north.

A slice of neighborhood will be removed to expand a duty free store and enlarge a truck plaza to better accommodate 18-wheelers passing thru the region. That's what passes as economic development in WNY. It likely qualifies for the William Hoy Environmental Excellence Award as well.

Get Connected: PBA, 716.884.0744



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BUFFALO RISING POLL

Traffic returning to 600 Block of Main

Good

Bad

Too late

Vote (Display results)

CNLP Raising the Standards

www.nysnla.net

Present Use of Property

The subject is used as a closed former nursing home that had been used by the owner. The building has not been in use since 2005.

Ten Year Sales History

No transfers of the subject property have occurred within the past ten years.

Contact with Owner

Date Inspected: June 7, 2012

Appraiser: Donald A. Lefcowitz, MAI
Emminger, Newton, Pigeon & Magyar, Inc

Accompanied: Thomas H. Newton, Vice President
Emminger, Newton, Pigeon & Magyar, Inc

Timothy J. Magyar, Vice President
Emminger, Newton, Pigeon & Magyar, Inc

Frank Cirillo, Real Estate Officer 2
New York State Department of Transportation, Region 5

Kayla Biltucci, Main Office Review Supervisor
New York State Department of Transportation

Edward Zehler, Real Estate Specialist 2
New York State Department of Transportation, Region 5

Susanne Eddy, Secretary 1
New York State Department of Transportation, Region 5

Gregory C. Klauk, President
Klauk, Lloyd & Wilhelm, Inc

Chris Parker, Research Assistant
Klauk, Lloyd & Wilhelm, Inc

Paul R. Campise, Director of Housing
Episcopal Church Home & Affiliates, Inc

Comments: Mr. Campise provided information concerning the subject property and history of the property. Exterior subject and neighborhood photographs were taken on June 21, 2012. Building plans and property survey were provided by Mr. Paul Taylor, the owner's legal counsel. Mr. Taylor declined to be present on the June 7, 2012 inspection.

BUILDING VIOLATIONS

The subject property along with adjacent properties which comprise the Episcopal Home Complex (823, 825 & 843 Busti Avenue) have been cited for building code violations by the City of Buffalo.

It is noted due to fire code violations, the City of Buffalo shut the power off to the property deeming it unsafe.

- February 9, 2012 – clean up order issued
- March 1, 2012 – court appearance adjournment
- April 19, 2012 – court appearance adjournment
- June 7, 2012 – trial scheduled
- August 23, 2012 – trial return date

Included on the following pages is a summary of code violations as provided by the City of Buffalo.

CODE VIOLATIONS

<p>THE CITY COURT OF BUFFALO, NEW YORK</p> <hr/> <p>THE PEOPLE OF THE STATE OF NEW YORK</p> <p align="center">vs.</p> <p>EPISCOPAL RESIDENTIAL HEALTH CARE FACILITY INC. HUD MULTIFAMILY PO BOX 44804 WASHINGTON, DC 20026</p>	<p align="center">COUNTY OF ERIE</p> <hr/> <p align="center">PROPERTY INFORMATION</p> <p>RE PROPERTY: 823 BUSTI A.K.A. ADDRESS: <i>823 Busti</i> <i>843 Busti</i></p> <p># OF UNITS: 2 Building is: <u>VAC</u> # OF STORIES: 1</p>
--	--

I, MICHAEL MUSCARELLA, the complainant herein, am a Building Inspector for the City of Buffalo and I maintain offices in Room 304, City Hall, Buffalo, New York.

The defendant named above in this action, did OWN for the property listed above, in the City of Buffalo, and did there violate the ordinances of the City of Buffalo on or about 7/19/2011 through and including 8/9/2011, to wit:

BUFFALO CODE INCORPORATING NEW YORK STATE UNIFORM FIRE PREVENTION AND BUILDING CODE

COUNT	CODE	VIOLATIONS	VIOLATION DESCRIPTION
1.	BUFFALO CODE	1152.1	PROPERTY NOT MAINTAINED
2.	BUFFALO CODE	B103.16A2	PROVIDE INTERIOR ACCESS
3.	BUFFALO CODE	B113.2	VACANT OR DAMAGED BUILDING
4.	BUFFALO CODE	B133.7B	GRAFFITI
5.	BUFFALO CODE	B341.13A3	WINDOWS/BOARDING
6.	NEW YORK STATE CODE	PM-304.13	GLAZING

Based on ASSESSMENT RECORDS which were consulted on 7/19/2011 through and including 8/9/2011, I found the above named defendant did OWN the property listed above on the same date.

WHEREFORE, I request that this Court issue a Summons requiring the Defendant(s) to appear before this Court.

I HAVE READ THIS INFORMATION WITH THE UNDERSTANDING THAT FALSE STATEMENTS MADE HEREIN ARE PUNISHABLE AS A CLASS "A" MISDEMEANOR PURSUANT TO SECTION 210.45 OF THE PENAL LAW.

Verified this
 Tuesday, August 09, 2011

Chief Apprvl. _____

 COMPLAINANT

CODE VIOLATIONS

<p style="text-align: center;">THE CITY COURT OF BUFFALO, NEW YORK</p> <hr/> <p style="text-align: center;">THE PEOPLE OF THE STATE OF NEW YORK</p> <p style="text-align: center;">vs.</p> <p style="text-align: center;">Plaintiffs,</p> <p style="text-align: center;">EPISCOPAL RESIDENTIAL HEALTH CARE FACILITY INC. HUD MULTIFAMILY PO BOX 44804 WASHINGTON, DC 20026</p> <p style="text-align: center;">Defendants,</p>	<p style="text-align: center;">COUNTY OF ERIE</p> <hr/> <p style="text-align: center;">PROPERTY INFORMATION</p> <p>RE PROPERTY: 823 BUSTI A.K.A. ADDRESS:</p> <p># OF UNITS: 2 Building is: <u>VAC</u> # OF STORIES: 1</p>
---	---

THE FACTS ON WHICH THIS ACCUSATION IS MADE ARE OF MY OWN KNOWLEDGE. ON THE ABOVE SAID DATE, I MADE AN INSPECTION AND OBSERVED THE FOLLOWING:

COUNT DESCRIPTION / NARRATIVE

1. THE PROPERTY GROUNDS ARE NOT MAINTAINED, AS THE GRASS AND WEEDS ARE OVER GROWN, AND TRASH AND DEBRIS ARE THROUGH OUT THE PROPERTIES EXTERIOR GROUNDS
2. THE CITY IS REQUESTING AN INTERIOR INSPECTION TO BETTER ASSESS THE OVERALL CONDITIONS OF THE PROPERTIES
3. THE CITY IS REQUESTING AN UPDATED PLAN FROM THE CURRENT OWNER AS TO THE DEVELOPMENT OF THE PROPERTIES
4. THERE IS GRAFFITI ON VARIOUS EXTERIOR WALLS OF THE CAMPUS. CREATING A NEIGHBORHOOD EYESORE
5. THE CITY IS REQUESTING THE IMMEDIATE CLEAN AND SEAL OF ALL LOWER FLOOR WINDOWS, AS THEY ARE BROKEN AND A HAZARD TO THE NEIGHBORHOOD REISENTS
6. THE COMPLEX HAS MANY WINDOWS THAT ARE SMASHED AND CREATING A LIFE SAFETY HAZARD

Based on ASSESSMENT RECORDS which were consulted on 7/19/2011 through and including 8/9/2011, I found the above named defendant did OWN the property listed above on the same date.

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Verified this
Tuesday, August 09, 2011

Chief Apprl. _____

COMPLAINANT

ASSESSED VALUATION AND TAXES

The subject property is assessed under one account number on the City of Buffalo Assessor's roll. Details as to the assessment and applicable taxes, as of the date of valuation, are as follows. It is noted the subject has unpaid taxes and could be placed on the In Rem list in October, 2012 for possible tax foreclosure.

<u>Assessment</u>	<u>SBL # 99.65-2-4.1</u>
Land	\$ 658,000
Improvements	<u>\$2,342,000</u>
Total	\$3,000,000

Equalization Rate: 99%
Equalized Market Value: \$3,030,303

Real Estate Taxes – True Taxes

<u>SBL #</u>	<u>99.65-2-4.1</u>
City/School (2011/2012)	\$ 94,943.16
County (2012)	\$ 5,112.89
Sewer (2011/2012)	<u>\$ 16,460.62</u>
Total	\$116,516.67

The subject is substantially over assessed.

ASSESSED VALUATION AND TAXES (continued)

Real Estate Taxes – In Arrears

SBL #99.65-2-4.1

City (July 2011 Interest)	\$ 8,544.85
City (December 2012 Interest)	\$ 8,544.88
City Interest on Sewer Rent	\$ 613.52
City Collection Fee	\$ 10.00
City 2010 Bill in Arrears	\$281,413.18
County 2011 in Arrears	\$ 41,691.83
2012 Penalties	\$ 2.00
Total in Arrears	\$340,820.26
Total Owed	\$457,336.93

It is noted that the tax parcel SBL# 99.65-2-4.1 will be placed on the In Rem list for possible tax foreclosure in October, 2012 if Real Estate Taxes are not paid.

TAX BILL SBL #99.65-2-4.1



City of Buffalo
 Department of Assessment and Taxation
 121 City Hall, Buffalo New York 14202

5/21/2012

851-5733

Statement of City Tax and Sewer Rent

Fiscal Tax Year

2011 - 2012

Property Address: 823 BUSTI Bank Code 0000000

Owner: EPISCOPAL RESIDENTIAL HEALTH CARE FACILITY INC

Mailing Address: ATTN: HUD MULTIFAMILY NOTES PROJECT NO.014-43051

PO BOX 44804 WASHINGTON DC 20026 4804

Description: 110.57 NE Rhode Island

Bill #: 00583203 SBL: 0996500002004100 Roll: 1 Swis: 147002

Total Assessed Value: 3,000,000.00 Exemption Amount 0

Net Taxable City 3,000,000 Net Taxable School 3,000,000 Net Taxable Sewer 3,000,000

Total Tax Arrears Due \$267,869.18 Total Sewer Arrears Due \$13,239.00

	Due Date	Billed	Paid	Balance Due
July Installment	8/1/2011	47,471.58	0.00	47,471.58
Interest on July Installment		8,544.85	0.00	8,544.85
December Installment	1/31/2012	47,471.58	0.00	47,471.58
Interest on December Installment		8,544.88	0.00	8,544.88
Sewer Rent	5/31/2011	5,112.89	0.00	5,112.89
Interest on Sewer Rent		613.52	0.00	613.52
Collection Fee		10.00	0.00	10.00
Return Check Fee		0.00	0.00	0.00
Balance Owning				117,769.30

* Interest calculated through the end of the month. Additional interest added each month.

Current local assessment are not included in this statement.

1ST HALF	56,016.43	X	2ND HALF	56,016.46	X	SEWER	5,726.41	X
							Amount to be paid	117,769.30

Item 46

SH 37

FOR MORE INFORMATION

CALL

212-254-2222

2/2

5/31/12

TAX BILL SBL #99.65-2-4.1

ERIE COUNTY TAX
95 FRANKLIN STREET
ROOM 100
BUFFALO, NY 14202

**COUNTY OF ERIE
COUNTY AND TOWN TAX 2012
CITY OF BUFFALO**

PROPERTY LOCATION
823 BUSTI
PROPERTY DESCRIPTION

Owner : ** BILL NO. -- 2012*38468
EPISCOPAL RESIDENTIAL
HEALTH CARE FACILITY INC
C/O HUD MULTIFAMILY NOTES
PROJECT NO.014-43051
PO BOX 44804
WASHINGTON DC 20026-4804

JANUARY 1, 2012 THRU DECEMBER 31, 2012
OFFICE HOURS: 8:30 A.M. - 3:00 P.M.
CLOSED SATURDAY AND SUNDAY

ACRES OR DIMENSIONS
FR-305.00 DP-264.00 AC-1.72

SWIS	CLASS	SCHOOL
140200	633	140200
RS	BANK	MORTGAGE
1		

Paid by : SBL 140200.99.650-2-4.1
EPISCOPAL RESIDENTIAL
HEALTH CARE FACILITY INC
C/O HUD MULTIFAMILY NOTES
PROJECT NO.014-43051
PO BOX 44804
WASHINGTON DC 20026-4804

TAX SCHOOL CODE UNIFORM % OF VALUE
73 99.00

ASSESSED VALUE FULL MARKET VALUE
3000000 3036300

LEVY DESCRIPTION	TOTAL LEVY	% OF CHANGE	TAXABLE	RATE	TAX AMOUNT
Library Tax	19,872,457	9.30	3,000,000	0.418710	1,256.13
NYS Mandated Pragma	217,820,374	0.30	3,000,000	6.068164	15,204.49
Total Levy :					16,460.62

EXEMPTION #	AMOUNT	PURPOSE	EXEMPTION #	AMOUNT	PURPOSE
-------------	--------	---------	-------------	--------	---------

None for this tax purpose

Bill #	Billed	Adjust.	Tax Information			Date	Int.	Balance	
			Int. Paid	Charges	Payment				
2011*38444	32198.14	0.00	0.00	2.20	0.00		9491.49	41691.83	
2012*38468	16460.62	0.00	0.00	2.00	0.00		1499.97	17962.59	
Interest as of 9/31/2012								59654.42	
Total due:									59654.42

MULTI-PURPOSE FORMSPACE

*** FOR INFORMATION ONLY ***

*** NOT A RECEIPT ***

PLEASE EXAMINE THIS BILL AND SEE THAT DESCRIPTION IS CORRECT. ERIE COUNTY IS NOT RESPONSIBLE FOR CLERICAL ERRORS, OMISSIONS OR ERRORS CAUSED BY TAXPAYERS PAYING TAXES ON THE WRONG PROPERTY. NOTIFY THE BOARD OF ASSESSORS OF ANY ERROR IN NAME OR PROPERTY DESCRIPTION.



5/21/2012
851-5733

City of Buffalo
Department of Assessment and Taxation
121 City Hall, Buffalo New York 14202
Arrears Billing

Property Address: 823 BUSTI SBL: 0996500002004100
Owner: EPISCOPAL RESIDENTIA HEALTH CARE FACILITY INC Bill #: 00583203
Mailing Address: ATTN: HUD MULTIFAMILY NOTES PROJECT NO.014-43051
PO BOX 44804 WASHINGTON DC 20026 4804
Description: 110.57 NE Rhode Island
InRem #: 46 Serial #: 37 Roll: 1 Swiss: 147002

TAX BILL SBL #99.65-2-4.1

Billing Year	Arrears Billed	Arrears Paid	Interest Billed	Interest Paid	Collection Rec Billed	Collection Rec Paid	TOTAL TAXES DUE	Interest Billed	Interest Paid	Sewer Paid	Sewer Billed	TOTAL SEWER DUES
2010	226,999.30	0.00	40,859.88	0.00	10.00	0.00	267,869.18	10,183.82	0.00	0.00	3,055.18	13,239.00
Total Tax Arrears Due											267,869.18	13,239.00
Total Sewer Arrears Due											10,183.82	3,055.18

* Interest calculated through the end of the month. Additional interest added each month.

Cash, certified check, money order, bank draft required

Make all checks payable to : Treasurer City of Buffalo

TOTAL SEWER AND TAXES DUE: 281,108.18
TOTAL SEWER DUES: 305.00

Total: 281,413.18

CASH PAID
5/21/12

Handwritten signature

PRINTOUT OF INFORMATION ONLY
NOT TO BE USED AS RECEIPT

1 of 6

ZONING OF THE PROPERTY

The subject is zoned "P-B"; Porter-Busti District as per the City of Buffalo zoning ordinance.

Excerpts of the City of Buffalo zoning ordinance will follow. The subject's former use as a nursing home is permitted by restricted use permit.

The subject's "P-B"; Porter-Busti District is a special district. Permitted uses are those uses permitted by law before the "P-B" District was enacted. The zoning ordinance was amended as 402 on November 25, 1980 adopting the "P-B" District. Prior to the Amendment, the subject was zoned "R3: Dwelling District which permits the following:

- Multi-Family Dwelling
- Row Dwellings
- Private Club or Lodge
- Private School
- Day Nursery
- All those in "R2"; Dwelling District
 - Two (2) Family
 - Multi-Family on Row Dwelling not more than 200 feet in length
 - Junior College, College or University
 - Office of a Non-Profit Civil Religious or Charitable Organization
 - Cemetery
 - Private Non-Commercial Recreation Area or Recreation Center operated by a Church or Non-Profit Community Organization
 - Hospital or Sanatorium
 - Branch Telephone Exchange or Electronic Station accommodating switch gear, voltage regulations and/or a transformer without movable parts
 - Restricted Business or Industrial parking lot
- Permitted in the "R1"; Dwelling District
 - One (1) Family detached dwelling
 - Church School, Private School Chartered or Accredited by the State Education Department

The zoning information was verified by Frank Digennaro, Building Inspector (Department of Building Permits & Inspection)

ZONING OF THE PROPERTY (continued)

Restricted uses permitted in the "P-B"; Porter-Busti District, but only upon the issuance of a restricted use permit.

- Administrative or executive offices
- Business offices
- Business or industrial parking lots
- Cafes
- Community garages
- Fraternity or sorority houses
- Funeral homes or undertaking establishments
- Gasoline service stations
- Nonprofit institutions and offices
- Nursing or convalescent homes
- Private clubs or lodges
- Private schools operating on a commercial basis
- Public parking lots
- Recreational centers
- Restaurants, including take-out establishments
- Retail businesses or services, such as grocery stores, liquor stores, drugstores or clothing stores
- Rooming or boarding houses
- Taverns

The subject's former nursing home use is permitted in the "P-B" District by Restricted Use Permit. Nursing home use is permitted in the "R5"; Apartment/Hotel District.

ZONING OF THE PROPERTY (continued)

ZONING

§ 511-62

on Busti Avenue north of Porter Avenue and south of Massachusetts Avenue must not be threatened by possible overdevelopment.

(3) The Common Council further finds an existing and growing traffic problem in the area which it believes can be improved by the creation of a special zoning district.

D. Permitted uses. Except as hereinafter provided, all uses presently permitted by law in the Porter-Busti Special Zoning District shall continue as before.

E. Restricted uses. Any of the following listed uses which presently are permitted under zoning district regulations of this chapter of the Code of the City of Buffalo or which may be established or extended pursuant to said chapter shall be permitted uses in the Porter-Busti Special Zoning District if in compliance with all of the regulations of this chapter, but only upon the issuance of a restricted use permit as provided by § 511-55 of this chapter:

- Administrative or executive offices
- Business offices
- Business or industrial parking lots
- Cafes
- Community garages
- Fraternity or sorority houses
- Funeral homes or undertaking establishments
- Gasoline service stations
- Nonprofit institutions and offices
- Nursing or convalescent homes
- Private clubs or lodges
- Private schools operating on a commercial basis
- Public parking lots
- Recreational centers
- Restaurants, including take-out establishments
- Retail businesses or services, such as grocery stores, liquor stores, drugstores or clothing stores
- Rooming or boarding houses
- Taverns

§ 511-62. Porter-Busti District.

A. The Porter-Busti area, as hereinafter specified, shall be a special zoning district.

B. Limits. The Porter-Busti Special Zoning District shall comprise the following area: all properties fronting on or adjacent to Porter Avenue, bounded on the east by the center line of Seventh Street and on the west by the center line of Fourth Street; and all properties fronting on or adjacent to Busti Avenue, bounded on the north by the center line of Massachusetts Avenue and on the south by the center line of Porter Avenue.

C. Legislative intent.

(1) The Common Council finds that the area needs a special zoning district to create an economic climate which will foster the proper commercial growth and development along Porter Avenue while providing regulation not found in existing legal and regulatory controls to protect against possible overdevelopment.

(2) The Common Council recognizes that the Porter-Busti area, as gateway to and from Canada and Western New York, occupies a unique position and that future growth and development of the area should be aesthetically compatible with this gateway role, and the Common Council further finds that the integrity and stability of the residential area

¹ Editor's Note: Former § 511-60, Main Street District, was repealed 12-11-1990, effective 12-24-1990.

² Editor's Note: Former § 511-61, Transit Station Overlay Review District, was repealed 12-11-1990, effective 12-24-1990.

ZONING OF THE PROPERTY (continued)

§ 511-62

BUFFALO CODE

§ 511-62

for each linear foot of front lot line, whichever is greater. Any illuminated sign or lighting device shall employ only lights emitting an illumination of constant intensity and shall not contain any flashing, intermittent, rotating or movable components. No temporary or portable signs shall be permitted on the grounds of a use or in the public right-of-way. No exterior sign shall face the side of any adjoining lot on any residential use. No sign shall increase light intensity emitted from a premises by more than one (1)

footcandle as measured from a distance of twenty-five (25) feet.

- G. Restricted use permit. Any person seeking to establish or extend a use restricted by Subsection E of this section shall file an application for a restricted use permit as provided by § 511-55 of this chapter.

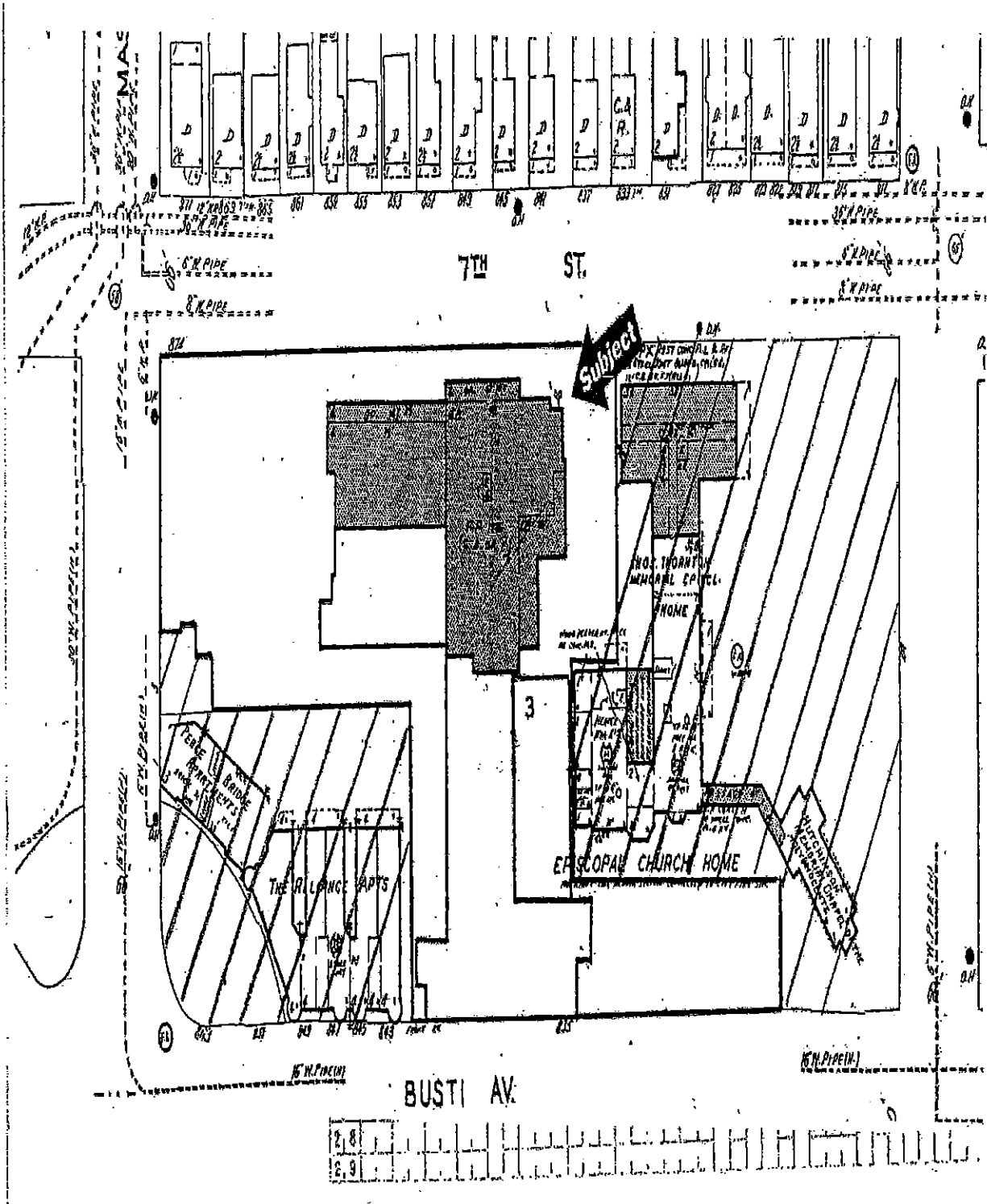
51132

6-28-91

ZONING MAP



MODIFIED SANBORN MAP



DESCRIPTION OF THE PROPERTY

Land

Property dimensions are as follows:

EL: 380.1±' (Columbus Pkwy frontage) 32.2±', 48.5±', 125.0±'
WL: 34.5±', 30.0±', 60.0±', 91.6±', 305.0±' (Busti Avenue frontage)
NL: 100.0±' (Massachusetts Avenue frontage).
SL: 68.0±', 7.0±', 82.7±', 205.2±', 136.2±', 34.0±'

The subject parcel is slightly irregular in shape having 100.0±' of frontage along Massachusetts Avenue, 380.1±' of frontage along Columbus Avenue and 305.0±' frontage along Busti Avenue. In total, the subject contains 77,429±sf

The subject has a level topography with a slight upward slope in an easterly direction.

Dimensions referenced above are based on the appropriation map provided by the New York State Department of Transportation. It is recommended an updated survey be obtained to delineate specific site boundaries.

Subject site is not situated in a designated flood hazard area. This is per National Flood Insurance Program, Community/Panel No. 360230/0015C. Effective date of map is August 21, 1999, and the subject neighborhood area is mapped as Zone "X".

It is noted there is a 10±' x 15±' Niagara Mohawk Power Corp. easement (Liber 9601/Page 223) and a 5±' wide easement with Verizon New York, Inc. (liber 8065/Page 405) both located along the subject's northwest property line. Neither easement is considered to adversely affect the subject.

The subject parcel is not known as an inactive hazardous waste site as per New York State Department of Environmental Conservation publications. The appraiser assumes there are no contaminants existing on the property. It is recommended that anyone relying upon this report for potential purchase have the property tested for contaminants by an expert in this field. The appraiser assumes no responsibility for the engineering required to discover potential contaminants.

LEGAL DESCRIPTION

ALL THAT PIECE OR PARCEL OF LAND situate in the City of Buffalo, County of Erie, State of New York designated as Part of Block No. 185 and more, of the former South Village of Black Rock and more particularly described as follows:

BEGINNING at the intersection of the southeasterly highway boundary of Massachusetts Avenue (66 feet wide), and the southwesterly highway boundary of Columbus Parkway (99 feet wide), said point being 305.2 feet±, measured at right angles from station 22+54.7± of the hereinafter described survey baseline for the reconstruction of the Peace Bridge Toll Plaza; thence southeasterly along said southwesterly highway boundary of Columbus Parkway a distance of 380.1 feet± to a point at its intersection with the division line between the property of Episcopal Church Home of Western New York (R.O.) on the southeast and Episcopal Residential Healthcare Facility, Inc. (R.O.) on the northwest, said point being 315.1 feet±, measured at right angles from station 18+74.8± of the said survey baseline; thence southwesterly along said division line a distance of 109.9 feet± to a point, said point being 205.2 feet±, measured at right angles from station 18+71.8± of the said survey baseline; thence northwesterly along said division line a distance of 32.2 feet± to a point, said point being 204.4 feet±, measured at right angles from station 19+04.0± of the said survey baseline; thence southwesterly along said division line a distance of 82.7 feet± to a point, said point being 121.7 feet±, measured at right angles from station 19+01.7± of the said survey baseline; thence southeasterly along said division line a distance of 48.5 feet± to a point, said point being 123.0 feet±, measured at right angles from station 18+53.3± of the said survey baseline; thence southwesterly along said division line a distance of 7.0 feet± to a point, said point being 116.0 feet±, measured at right angles from station 18+53.1± of the said survey baseline; thence southeasterly along said division line a distance of 125.0 feet± to a point, said point being 119.4 feet±, measured at right angles from station 17+28.1± of the said survey baseline; thence southwesterly along said division line 68.0 feet± to a point on the northeasterly highway boundary of Busti Avenue (99 feet wide), said point being 51.4 feet±, measured at right angles from station 17+26.3± of the said survey baseline; thence northwesterly along said northeasterly highway boundary of Busti Avenue a distance of 305.0 feet± to a point at its intersection with the division line between the property of Episcopal Community Housing, Inc. (R.O.) on the west and Episcopal Residential Healthcare Facility, Inc. (R.O.) on the east, said point being 42.9 feet±, measured at right angles from station 20+31.2± of the said survey baseline; thence northeasterly along said division line a distance of 136.2 feet± to a point, said point being 179.0 feet±, measured at right angles from station 20+35.0± of the said survey baseline; thence northwesterly along said division line a distance of 91.6 feet± to an angle point, said point being 176.5 feet±, measured at right angles from station 21+28.6± of the said survey baseline; thence northwesterly along said division line a distance of 60.0 feet± to a point at its intersection with the division line between the property of Episcopal Church Home of Western New York (R.O.) on the west and Episcopal Residential Healthcare Facility, Inc. (R.O.) on the east, said point being 174.9 feet±, measured at right angles from station 21+86.5± of the said survey baseline; thence northeasterly along said division line a distance of 34.0 feet± to a point, said point being 208.9 feet±, measured at right angles from station 21+87.5± of the said survey baseline; thence northwesterly along said division line a distance of 30.0 feet± to a point, said point being 208.1 feet±, measured at right angles from station 22+17.5± of the said survey baseline; thence southwesterly along said division line a distance of 2.0 feet± to a point, said point being 206.1 feet±, measured at right angles from station 22+17.4± of the said survey baseline; thence northwesterly along said division line a distance of 34.5 feet± to a point on the southeasterly highway boundary of Massachusetts Avenue, said point being 205.2 feet±, measured at right angles from station 22+51.9± of the said survey baseline; thence northeasterly along said southeasterly highway boundary of Massachusetts Avenue a distance of 100.0 feet±, to the POINT OF BEGINNING.

The above mentioned survey baseline is a portion of the 2012 survey baseline for the reconstruction of the Peace Bridge Plaza and described as follows: Beginning at station 10+00.00, thence N 33° 02' 26" W to station 23+87.09. All bearings referred to True North at 78° 35' 00" Meridian of West Longitude.

SITE IMPROVEMENTS

Site improvements consists of asphalt parking lots located south (15 spaces including handicapped and 3 handicapped van) and west (27 spaces) of the building improvements, seeded lawn, sidewalks, handicapped ramps and mature trees along its Columbus Parkway frontage, parking lot guard rails, lighting and drainage. The parking lots are in fair condition.

The landscaping is in fair condition as minimal maintenance has occurred since the closing of the facility in 2005±.

BUILDING IMPROVEMENTS

The subject's building interior is in a vandalized condition with damage occurring to walls, ceilings, mechanicals, plumbing, wiring and windows. The building is considered to be in poor condition. The exterior of the building from the extent possible appears to be in average condition.

The subject was constructed in 1975± (Robinson Building) and consists of a four story nursing home (160±' – 170±' licensed beds). A one and two story addition (Robinson Building addition) occurred in 1992± that was used for a adult day care program (first floor) and alzheimer's care unit (second floor). The buildings are interconnected and are of brick exterior, flat roof (built-up) and double hung and slide by thermopane windows with screens.

The Robinson Building has a full basement. The basement has a poured foundation and floor. The building is heated by a steam system and only some common areas such as, the kitchen and dining room were reported to be air conditioned. There are three boilers which service the building. There are two elevators which access all floors including the basement.

The interior finish of floors one through four consists of vinyl tile flooring, drywall walls, and suspended grid ceilings with florescent lighting. Some first floor office areas are carpeted. The first floor contained administrative offices and activities room. Floors two through four consist of resident rooms (private and semi-private rooms) having painted block walls. Each floor contained nurse's stations, day rooms and dining rooms. Resident rooms had private or shared toilet rooms. There is evidence of water damage on the fourth floor caused by vandalism from removal of portions of roof drains.

The Robinson Building addition was constructed in 1992±. Interior finishes consist of vinyl tile and carpet floors, drywall walls and suspended ceiling with florescent lighting. This building has a full basement, but could not be viewed due to the water flooding at this level. There is one elevator which accesses all floors as well as the basement. The first floor was used in conjunction with adult day care services. The building is fully sprinkled. The second floor was utilized as an Alzheimer care unit which consists of resident rooms, toilet rooms, bathing rooms, activities and dining rooms.

There is one story open atrium section that was constructed as part of the 1992± addition and interconnects to the original 1975± structure.

In total, the subject contains 90,246± sf of gross building area (excluding basement).

RESIDENTIAL BED SUMMARY

	<u>1975</u>	<u>1992</u>
Second Floor	44-Skilled	44-Alzheimer Unit
Third Floor	42-Skilled	
Fourth Floor	42-Health Related	

FLOOR PLAN SUMMARY - 1975 BUILDING

First Floor

Lobby
General Office
Administrative Office
Assistant Administrative Office
Bookkeeper office
Work Room
General Office
Exam & Treatment Room
Toilet Room
Dental POD
Eight Private Offices
Occupational Therapy
Physical Therapy
Beauty Shop
Kitchen
Dry Food Storage
Refuse Room
Oxygen Storage
Soiled Linen
Housekeeping Storage
Women's Locker Room
Men's Locker Room
Nurses Locker Room
Staff Dining Room
Medication Room
Supply Room

Second Floor

Nurses Station
Dining/Lounge/Activities
Bathing Room
Soiled & Clean Linen Room
10 - Single Resident Rooms
17 - Double Resident Rooms

Third Floor

Nurses Station
Dining/Lounge/Activities
Library/Lounge
Soiled & Clean Linen Room
14 - Single Resident Rooms
14 - Double Resident Rooms

Fourth Floor

Nurses Station
Dining/Lounge/Activities
Library/Lounge
Soiled & Clean Linen Room
14 - Single Resident Rooms
14 - Double Resident Rooms

FLOOR PLAN SUMMARY – 1992 BUILDING

First Floor

Meditation
 Physical Therapy Equipment
 Medical Exam Room
 Occupational Therapy Clinic
 Two Toilet Rooms
 Two Speech Rooms
 Physical Therapy Office
 Occupational Therapy Office
 Kitchen
 Bedroom
 Two Offices
 Director Office
 Small Conference Room
 Dining/Activities Room
 Large Conference Room

Second Floor

Nurses Station
 Dining Room
 Cleaned & Soiled Linen Room
 Tub Room
 Toilet Room
 Isolation Room
 5 – Single Resident Rooms
 19 – Double Resident Rooms

GROSS BUILDING AREA SUMMARY

	<u>1975</u>	<u>1992</u>	<u>Total</u>
First Floor	13,648± sf	23,127± sf	36,775± sf
Second Floor	13,712± sf	12,335± sf	26,047± sf
Third Floor	13,712± sf	0	13,712± sf
Fourth Floor	<u>13,712± sf</u>	<u>0</u>	<u>13,712± sf</u>
Total	54,784± sf	35,462± sf	90,246± sf







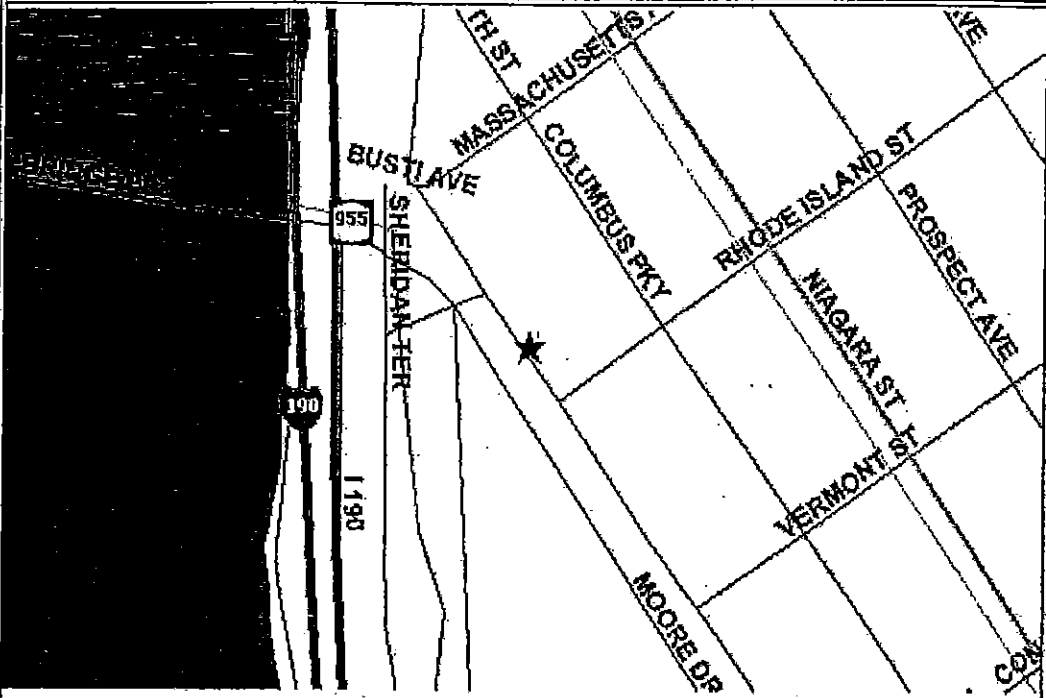
FLOOD MAP

NYflood features near 823 Busti Avenue, Buffalo,
NY

COMMUNITY PANEL ZONE DATE

360230 0015C X 19990823

FLOOD SEARCH DATA

New Search	   	How to use tools	Flood Zone Definitions
			
<p>To view all data, select the  tool and click on the star locator on map.</p>			
			
<p>Check Layers to Display: <input checked="" type="checkbox"/> NYflood <input type="checkbox"/> Census Tract (Med) <input checked="" type="checkbox"/> Streets <input checked="" type="checkbox"/> Highway</p> <p>Redraw Map</p>			

HIGHEST AND BEST USE

Definition

The concept of Highest and Best Use is defined as:

That reasonable and probable use that supports the highest present value, as defined, as of the effective date of the appraisal.

Alternatively, that use, from among reasonably probable and legal alternative uses, found to be physically possible, appropriately supported, financially feasible, and which results in the highest land value.

The definition immediately above applies specifically to the Highest and Best Use of land. It is to be recognized that in cases where a site has existing improvements on it, the Highest and Best Use may very well be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its Highest and Best Use exceeds the total value of the property in its existing use."⁵

Highest and Best Use Analysis

The purpose of the Highest and Best Use Analysis is to determine which use of the subject property will bring about its highest property value. This analysis requires two (2) separate studies:

- (1) Analysis of the site as vacant.
- (2) Analysis of the site as improved.

The primary considerations in doing such analyses are to determine if a potential use is:

- A) Legally Permissible - Determining if a potential use is permitted by zoning and/or deed restrictions on the site.
- B) Physically Possible - Determining if a potential use is physically possible based on the physical nature of the subject site and acceptable land uses.
- C) Economically/Financially Feasible - Determining if a potential use will produce a net income return to the owner of the site.
- D) Most Profitable - Determining that use, from those alternative uses which meet the above criteria, which is most profitable to the owner of the site in terms of highest net return.

In arriving at opinions of Highest and Best Use, all the factors as outlined within the preceding definition are considered.

⁵ Boyce, Real Estate Appraisal Terminology, P. 107

HIGHEST AND BEST USE (continued)

Analysis of the Site as Vacant

Legally Permissible

The subject is within an area of the City of Buffalo zoned "P-B"; Porter-Busti District. This is a Special District. Permitted uses include those permitted in the "R3" Dwelling District which include the following:

- Multi-Family Dwelling
- Row Dwellings
- Private Club or Lodge
- Private School
- Day Nursery
- All those in "R2"; Dwelling District
 - Two (2) Family
 - Multi-Family on Row Dwelling not more than 200 feet in length
 - Junior College, College or University
 - Office of a Non-Profit Civil Religious or Charitable Organization
 - Cemetery
 - Private Non-Commercial Recreation Area or Recreation Center operated by a Church or Non-Profit Community Organization
 - Hospital or Sanatorium
 - Branch Telephone Exchange or Electronic Station accommodating switch gear, voltage regulations and/or a transformer without movable parts
 - Restricted Business or Industrial parking lot
- Permitted in the "R1"; Dwelling District
 - One (1) Family detached dwelling
 - Church School, Private School Chartered or Accredited by the State Education Department

HIGHEST AND BEST USE (continued)

Analysis of the Site as Vacant (continued)

Legally Permissible (continued)

It is noted that additional uses as outlined in the zoning section of this report are permitted by special use permit as follows:

- Administrative or Executive Offices
- Business Offices
- Business or Industrial Parking Lots
- Cafes
- Community Garages
- Fraternity or Sorority Houses
- Funeral Homes or Undertaking Establishments
- Gasoline Service Stations
- Nonprofit institutions and Offices
- Nursing or Convalescent Homes
- Private Clubs or Lodges
- Private Schools operating on a commercial basis
- Public Parking Lots
- Recreational Centers
- Restaurants, including take-out establishments
- Retail Businesses or services, such as Grocery Stores, Liquor Stores, Drugstores or Clothing Stores
- Rooming or Boarding Houses
- Taverns

HIGHEST AND BEST USE (continued)

Physically Possible

The subject site is irregular in shape containing 77,429 ± s f of area. The subject's shape somewhat adversely affects development of the property, however it is large enough to still accommodate some of the larger permitted uses which include:

- Multi-Family Dwellings
- Row Dwelling
- Private Club on Lodge
- Private School
- Day Nursery
- College or University
- Office of a Non-Profit Civil Religious or Charitable Organization
- Branch Telephone Exchange
- Church School or Private School Chartered or Accredited by State Education Department

Nursing or convalescent homes are permitted by special use permit. Even if a special use permit could be obtained, the subject site is not large enough to support congregate current senior healthcare campus design which includes independent apartments, assisted living and skilled nursing care.

Financially Feasible

The subject is located with an older neighborhood of the City of Buffalo. The only new development is occurring by D'Youville College in their immediate vicinity. Considering cost of construction and achievable rents, multi-family development of the subject site would be financially feasible, only through rent assistance or public grant funding. Development of the site for Charter School or College related uses (class room or dormitory) would be likely considering the proximity to D'Youville College and the limited vacant land in the area. It is noted D'Youville College acquired property on Porter Avenue and 4th Street for a future athletic field.

Nursing Home development, even if a special use permit could be obtained, is unlikely due to the subject's location, cost of construction and medicaid reimbursements. In addition, current design to meet senior healthcare needs is on a suburban campus design offering independent apartments, assisted living and skilled nursing care.

Therefore, government assisted multi-family apartments or education development such as a Charter School or College related uses are considered to be financially feasible,

Maximally Productive

Greatest return to the site would be for multi-family related development through government assistance program or Charter School/College development.

The Highest & Best Use for the subject site is multi-family, government assistance rentals or funding and Charter School/College development.

HIGHEST & BEST USE "AS IMPROVED"

The subject is a former nursing home containing 90,246± sf of area. The facility closed in 2005± due to reduced percentage of private pay residents. Ownership has stated that this was due to the result of impending appropriation for the Peace Bridge Plaza expansion project. The building has been vacant since that time and has been substantially vandalized. All aspects of the interior finish, mechanicals, plumbing and electrical have been damaged. Essentially, at this time the subject is considered to be a "shell" building that requires complete gutting for reuse.

Nursing home use is not considered financially feasible even if a special use permit could be obtained. This is supported by the 2010 purchase of the former Grace Manor Nursing facility (Improved Sale #3). This was a nursing home that had been renovated within the past 10± years and due to economic conditions closed. It was purchased in 2010 for reuse to apartments and office use. This property offered a building in better condition and more desirable location as compared to the subject.

As evidenced by the improved sales utilized in the Improved Sales Approach, reuse of "shell" buildings are acquired for conversion to apartment use or as a Charter School.

Considering the subject's location its Highest & Best use would be for conversion for apartments or Charter School/College use. Apartment conversion would be for subsidized rental, most likely as senior housing, or college associated apartments/dormitory in conjunction with D'Youville College. The Subject would also lend itself to education classrooms in conjunction with D'Youville College as they have been expanding in recent years and the subject is four blocks away.

Sales comparison approaches are presented in this report for the subject "As Vacant" and "As Improved". The subject's land value "As Vacant" is appraised at \$309,700. The subject "As Improved" is appraised at \$1,080,000. This indicates the improvements offers contributory value.

Demolition of the building improvements is estimated as follows:

$$\begin{aligned} 90,246\pm \text{ sf @ } \$7.00/\text{sf} &= \$631,722 \\ \text{SAY} &= \$631,700 \end{aligned}$$

Therefore, the subject "As Improved" as a "shell" building for conversion to apartments or education use is its Highest and Best Use as land does not exceed its improved value.

SALES COMPARISON APPROACH - LAND VALUE

As discussed in the Appraisal Problem, a land value analysis as related to the Sales Comparison Approach to Value will be utilized to render an opinion as to land value for the subject, as if vacant and available for development. The indicated value opinions will reflect the parcel's Highest and Best Uses, as if vacant.

In the development of this approach, an extensive search within the City of Buffalo is undertaken in an effort to secure market data of similar sales. Three (3) sales have been selected for direct comparison to the subject based on their degree of similarity. Sales employed are adjusted narratively and on the following grid sheet on a price per square foot basis.

It is noted there are a limited number of sales which have occurred in the City of Buffalo since the City has been built-up for decades. Sales of land have occurred in the City, however these primary included sales from the City of Buffalo representing tax foreclosures. For this reason, they were considered and rejected for use in this analysis. Sales outside the City of Buffalo located in suburban communities are not deemed comparable and therefore are not considered for analysis. Therefore, it is necessary due to lack of recent sales to consider ones that occurred more than 5± years ago (Sale #3). Also, any residential land sales that have occurred in upscale residential neighborhoods for condominium or apartment development have been considered and rejected for analysis due to their far superior locations. In addition, land sales located in areas that are experiencing an upsurge of extensive development due to significant government funding and regional commitment, such as the "medical corridor" are not considered to be reflective of the subject's location.

Due to the subject's Highest & Best Use for assemblage, the subject will be appraised as a "through the fence" approach.

Sales considered within the valuation analysis of the subject can be found in the Addenda of this report.

SALES COMPARISON APPROACH - LAND VALUE (continued)

Market Adjustment Analysis

In order to equalize the sales to the subject, the appraiser has considered the "Rights Conveyed" in each of the transactions, the "Financing Terms" of the transactions, and the "Market Conditions" as of the date of each sale in comparison to the market conditions relative to the effective date of this appraisal. In the "Rights Conveyed" consideration, each of the sales is conveyed in Fee Simple Title, which is the basis of the subject's site valuation. Therefore, no adjustments are required to reflect alternate conditions.

With regard to "Financing Terms", all comparable land sales sold through the implementation of conventional mortgage vehicles, considered to be cash equivalent conditions for this market area or for cash, which is also the basis of the subject's valuation. Therefore, no adjustment to any of the sales is necessary.

Consideration of "Market Conditions" reflects the passage of time, from the date of transfer to the effective date of appraisal, market responses and inflationary trends. Market conditions over recent times have been stable due to current trends in the real estate market. Inasmuch as the sales utilized occurred during a period of market stabilization at the subject's location no time adjustments are warranted.

Having taken into consideration the "Rights Conveyed", "Financing Terms" involved within the sales, and the "Market Conditions" as of the date of each sale, an adjusted unit value for each of the comparable land sales is derived. It is this adjusted unit value upon which all subsequent adjustments are predicated.

The next category of adjustment on the market land grid is "Location". Market evidence is considered in the sense that sales that reflect similar size and use properties in one location are considered in comparison to sales offering similar attributes in another location to develop the adjustment factor.

"Total Area" is also a factor of consideration. This adjustment is predicated on market indications that a smaller parcel, which is otherwise similar to a property, typically will command a higher unit value than a larger parcel offering similar utility and characteristics. However, this is not to say that there is an adjustment in every case because of the size differential; first of all, it must be a significant difference.

There is also an adjustment consideration for "Situating". This adjustment considers corner influences and/or dual access considerations as opposed to interior lot locations with single-street frontage and accessibility.

"Shape/Utility" is also an adjustment factor as portrayed on the market grid, but is pertinent only when the shape impacts the usability of the property. A rectangular versus a slightly irregular shaped parcel would exhibit no significant value variation based on market evidence. Conversely, a triangular shape versus rectangular may require an adjustment consideration if market evidence warrants.

"Topography" is an adjustment category, which will consider variations in properties where fill may be required.

SALES COMPARISON APPROACH - LAND VALUE (continued)

Market Adjustment Analysis (continued)

The "Zoning" adjustment in the land grid will be addressed only where there is a significant variation in the allowable uses from one zoning classification to another.

"Utilities" is an adjustment classification reflecting the availability of services, including electric, gas, sewer and water.

Finally, there is also provision for an adjustment category termed "Other". This allows for consideration regarding somewhat unique factors such as assemblage or plottage consideration. Regarding assemblage, there often times, is a premium paid when assembling an additional parcel of land to existing holdings.

COMPARATIVE ADJUSTMENTS GRID- UNIMPROVED SALES ANALYSIS

COMPARATIVE ADJUSTMENTS - UNIMPROVED SALES ANALYSIS							
UNIT OF COMPARISON: \$/SF							
FILE NUMBER: 2012280C							
ADJUSTMENT FACTORS	SUBJECT	SALE NO. 1	ADJ.	SALE NO. 2	ADJ.	SALE NO. 3	ADJ.
LOCATION	823 Busti Avenue Buffalo, NY	4 Altruria Street Buffalo, NY		640 4th Street Buffalo, NY		1539 & 1603 Seneca St Buffalo, NY	
SALE PRICE	N/A	\$60,000		\$160,000		\$250,000	
UNIT PRICE	N/A	\$2.65		\$4.54		\$1.42	
RIGHTS CONVEYED	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
FINANCING	N/A	Cash		Cash		Cash	
CONDITIONS OF SALE	N/A	Arm's Length		Arm's Length		Arm's Length/Demo	(\$2.83)
ADJUSTED UNIT PRICE	N/A	\$2.65		\$4.54		\$4.25	
DATE OF ANALYSIS	6/7/12	11/10		1/12		10/05	
MARKET COND. (TIME)							
TIME ADJUSTED PRICE		\$2.65		\$4.54		\$4.25	
ADJUSTMENT FACTORS	SUBJECT	SALE NO. 1	ADJ.	SALE NO. 2	ADJ.	SALE NO. 3	ADJ.
LOCATION	Average	Average (-)	(\$0.55)	Good	(\$0.90)	Average (-)	(\$0.85)
PHYSICAL CHARACTERISTICS							
TOTAL LAND AREA (± SF)	77,429±	22,660±		35,261±		176,418±	
SITUATED	3 Street Frontages	3 Street Frontages		Inside		Two Street Frontages	(\$0.85)
SHAPE/UTILITY	V/Irregular/Avg. (-)	Sl. Irregular/Avg.	(\$0.55)	Sl. Irregular/Avg.	(\$0.90)	Irregular/Good	(\$0.85)
TOPOGRAPHY	Level	Level		Level		Level	
ZONING	"PB"	"C-1"		"C-1"		"M-1"	(\$0.85)
UTILITIES AVAILABLE	All Public	All Public		All Public		All Public	
OTHER	None	None		None		None	
NET ADJUSTMENT			(\$0.00)		(\$0.00)		(\$0.82)
SUBJ. VALUE BY COMPARISON		\$2.65		\$4.54		\$3.43	

SALES COMPARISON APPROACH - LAND VALUE – (continued)

Narrative Explanation of Adjustments in Land Grid

Rights Conveyed

No adjustments are made for rights conveyed as all sales are transferred in Fee Simple Title, which is the basis for the subject site valuation.

Financing

No adjustments are deemed appropriate in this category as all sales are transferred based on cash or cash equivalency.

Conditions of Sale

No adjustments are warranted for Sales #1 & #2. Sale #3 is adjusted upward for demolition costs to clear the site for development.

Time

No adjustments are deemed necessary. Sales #1 & #2 occurred within the past two years. Sale #3 occurred in 2005. No adjustment is made to this sale since land values outside the City's Central Business District have been relatively stable since the sale occurred.

Location

Sales #1 & #3 are adjusted upward to reflect the subject's more desirable area. Sale #2 is adjusted downward to reflect its Porter Avenue location.

Total Area

No adjustments are warranted. Any differences in land area will be considered in the utility category.

Situated

No adjustments are warranted for Sales #1 & #2. Sale #2 has a corner exposure. Sale #3 is adjusted downward to reflect having access from two primary streets.

Shape/Utility

All sales are adjusted downward to reflect the subject's very irregular shape and inferior utility.

SALES COMPARISON APPROACH - LAND VALUE – (continued)

Narrative Explanation of Adjustments in Land Grid (continued)

Topography

No adjustments are warranted.

Zoning

No adjustments are made for differences in zoning for Sale #1 & #2. Sale #3 is adjusted upward since this sale required a variance for residential use. Sale #1 was purchased for assisted care use. Sale #2 was purchased for recreational use. The “C-1” zoning was not a significant factor considering the uses they were acquired for.

Utilities

No adjustment is warranted.

Other

No adjustment is warranted.

Analysis and Conclusions

The three (3) sales, as adjusted, indicate a value range extending from \$2.65 to \$4.54 per square foot. Equal weight is given to all sales. A unit value opinion at \$3.25 per square foot is considered appropriate.

Indicated Land Value

77,429± sf @ \$4.00/sf =	\$309,716
SAY:	\$309,700 (R)

**INDICATED OPINION OF MARKET LAND VALUE
VIA THE SALES COMPARISON APPROACH AS OF JUNE 7, 2012 IS:**

**THREE HUNDRED NINE THOUSAND SEVEN HUNDRED DOLLARS
(\$309,700)**

SALES COMPARISON APPROACH TO VALUE - IMPROVED

The Sales Comparison Approach is the process of arriving at an indicator of value by comparing the relative utility and desirability of the subject property with comparable competitive properties recently sold. It postulates the view that an informed, prudent and rational purchaser/investor will pay no more for a property than the cost to acquire a substitute property with the same attractiveness and ability to satisfy his needs and desires.

In utilizing the Sales Comparison Approach to arrive at a value opinion for the subject property as improved, a search for sales of similar improved properties that were purchases as "shell" buildings for conversion purposes within the subject's general area has been conducted. Sales are investigated via discussions with the assessor, a review of other public records and research of real estate broker data.

The sales presented in the Addenda section of this report have been selected for direct comparison to the subject based upon their degree of similarity. Sales considered within the valuation analysis are considered valid indicators of the subject's Market Value.

Adjustment categories will address differences in regards to time, location, land are, total building area, condition, parking and basement. An adjustment will be made for elevators. Although it is doubtful the subject's elevators are operational, the elevator shafts and cabs are in place.

Sales employed are adjusted narratively and on the following grid sheet. This analysis is presented on a price per square foot basis.

Considering the subject's Highest & Best Use for conversion to multi-family or educational uses, sales of "shell" building having similar physical characteristics as the subject that were purchased for conversion are used in this analysis.

SALES COMPARISON APPROACH TO VALUE - IMPROVED (continued)

COMPARATIVE ADJUSTMENTS - IMPROVED SALES ANALYSIS							
UNIT OF COMPARISON: \$/SF							
FILE NUMBER: 2012280C							
ADJUSTMENT FACTORS	SUBJECT	SALE NO. 1	ADJ.	SALE NO. 2	ADJ.	SALE NO. 3	ADJ.
LOCATION	823 Busti Avenue Buffalo, NY	2915-2917 Main Street Buffalo, NY		310 North Street Buffalo, NY		1140 Ellicott Street Buffalo, NY	
SALE PRICE	N/A	\$1,050,000		\$1,600,000		\$850,000	
UNIT PRICE	N/A	\$13.57		\$17.95		\$16.36	
RIGHTS CONVEYED	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
FINANCING	N/A	Conventional		Conventional		Conventional	
CONDITIONS OF SALE	N/A	Arm's Length/Historic	(\$3.59)	Arm's Length		Arm's Length	
ADJUSTED UNIT PRICE	N/A	\$10.18		\$17.95		\$16.36	
DATE OF ANALYSIS	6/7/2012	6/2011		6/2010		4/2011	
MARKET COND. (TIME)							
TIME ADJUSTED PRICE		\$10.18		\$17.95		\$16.36	
ADJUSTMENT FACTORS	SUBJECT	SALE NO. 1	ADJ.	SALE NO. 2	ADJ.	SALE NO. 3	ADJ.
LOCATION	Average	Good	(\$2.00)	Good	(\$3.60)	Good	(\$3.50)
PHYSICAL CHARACTERISTICS							
TOTAL LAND AREA (± SF)	77,429±	140,394±	(\$1.63)	77,537±		63,598±	
TOTAL BLDG AREA (± SF)	90,246±	77,372±		89,094±		51,951±	
CONDITION	Poor to Fair	Poor to Fair		Average	(\$3.60)	Poor to Fair	
PARKING	Adequate	Adequate		Adequate		Adequate	
BASEMENT	Full	Full		Full		Yes	
ELEVATOR	Yes	No	(\$0.65)	Yes.		No	(\$0.60)
NET ADJUSTMENT			(\$2.98)		(\$3.60)		(\$2.50)
SUBJ. VALUE BY COMPARISON		\$7.21		\$9.35		\$13.86	

SALES COMPARISON APPROACH TO VALUE - IMPROVED (continued)

Narrative Explanation of Adjustments in Improved Grid

Rights Conveyed/Conditions of Sale

No adjustments are deemed appropriate in this category for Sales #2 & #3 as they were transferred in Fee Simple Title and are considered arm's length transfers. Sale #1 was transferred in Fee Simple Title and was an arm's length transaction. However, this sale is adjusted downward to reflect its Historic Designation which provides certain tax credits for the buyer. It was verified from the buyer's representative that without these credits, it would have affected the purchase price by -25%.

It is also noted that Sale #2 was purchased through bankruptcy court. The availability to take bids for the property was highly publicized and it is considered to have been approximately exposed to the market and is considered to have met all aspects of the definition of "market value".

Financing Conditions

No adjustments are made in this category.

Time

All sales occurred during a period of market stabilization; therefore, no adjustments are warranted.

Location

Sale #1 is adjusted downward to reflect its more desirable location being situated near the University of Buffalo and medical corridor development. Sale #2 is adjusted downward to reflect its more desirable Allentown, North Street and Richmond Avenue neighborhood. Sale #3 is adjusted downward since part of the buyer's decision to acquire the property was its proximity to Sisters Hospital, Erie County Medical Center, Woman's & Children's Hospital and Roswell Hospital.

Land

Sale #2 & #3 are not adjusted due to the relatively small difference in land areas; the market would not react. Sale #1 is adjusted downward. This adjustment is tempered as the excess land is to the rear of the building offering less desirability.

Building Area

No adjustments are warranted.

Condition

No adjustments are warranted for Sales #1 & #3. Sales #2 is adjusted downward to reflect its better condition.

Parking

No adjustments are warranted.

SALES COMPARISON APPROACH TO VALUE - IMPROVED (continued)

Narrative Explanation of Adjustments in Improved Grid (continued)

Basement

No adjustments are warranted.

Elevator

Sales #1, & #3 are adjusted upward for their lack of elevator. Although it is doubtful that the subject's elevator is operational, the elevator shaft and cab have contributory value. Sale #2 does not require an adjustment.

Analysis and Conclusions

The three (3) sales, as adjusted, indicate a value range extending from \$ 7.21 to \$13.86 per square foot. Sales #2 & #3 are given most weight since they are most similar in land area to the subject and design (Sale #2). A unit value of \$12.00 sf of building area including land is adopted .

$$\begin{array}{rcl} 90,246 \pm \text{ sf @ } \$12.00/\text{sf} & = & \$1,082,952 \\ \text{SAY} & = & \$1,083,000 \end{array}$$

As previously discussed, (refer to extraordinary assumptions, hypothetical and property specific limiting conditions) the subject building physically connects with the adjacent building (825 Busti Avenue). The property line and appropriation map extends through the building at the connecting corridor. A cost to secure each building would be needed in the form of a masonry wall constructed. It is estimated that a cost of \$3,000 would need to be expended for this separation. Therefore, \$3,000 is deducted from the appraised value.

$$\begin{array}{rcl} \text{Appraisal Value} & = & \$1,083,000 \\ \text{Cost to Secure} & = & (\$ 3,000) \\ \text{Final Value} & = & \$1,080,000 \end{array}$$

**INDICATED OPINION OF MARKET VALUE AS "IMPROVED"
VIA THE SALES COMPARISON APPROACH AS OF JUNE 7, 2012 IS:**

**ONE MILLION EIGHTY THOUSAND DOLLARS
(\$1,080,000)**

CORRELATION AND FINAL OPINIONS OF VALUE

Application of the indicated proper approaches used to value the subject property has produced the following opinions:

Opinion of Market Value Via the Sales Comparison Approach:	\$1,080,000
(Land Only):	\$ 309,700
Opinion of Market Value Via the Cost Approach:	Not developed
Opinion of Market Value Via the Income Approach:	Not developed

APPRAISED OPINION OF MARKET VALUE

**ONE MILLION EIGHTY THOUSAND DOLLARS
(\$1,080,000)**

Analysis

The **Sales Comparison Approach** indicated a value opinion at \$1,080,000. This technique establishes a reasonable value conclusion through an analysis of comparable sales, which were compared and adjusted to the subject on a price/square foot basis.

In addition, a land value opinion is developed. Based on this valuation, the value opinion of the subject's land is \$309,700.

The **Cost Approach to Value** is not developed due to the age and condition of the building improvements, which would render any estimate of accrued depreciation to be speculative at best; thus, rendering unreliable results via this method.

The **Income Approach to Value** is not included as the property is a "shell" building due to its condition and is not rentable.

In the final analysis, based on the Highest & Best Use Analysis, an opinion Market Value is Fee Simple Title for the subject of \$1,080,000 is estimated as the improvement value.

CORRELATION AND FINAL OPINIONS OF VALUE

ALLOCATION OF MARKET VALUE OPINION

Land:	\$ 309,700
Land Improvements:	\$ 10,000
Building Improvements:	\$ 760,300
Personal Property:	\$ <u>0</u>
Total Appraisal Value	\$1,080,000

PROPERTY AND RIGHTS TAKEN

Description of Appropriation and Rights Taken

The subject property will be subjected to a Fee taking, encompassing its entirety. The appropriation of the subject property is further identified as Map No. 6/Parcel No. 6.

Therefore damages reflect the Market Value of the entire parcel.

EFFECTS OF THE TAKING

The effect of the appropriation includes a loss of the subject building improvements, and a loss of total land area amounting to 77,429± sf. Land improvements, as previously described which are located upon the subject will also be acquired. The loss of the building, land area and land improvements represent direct damage to the property, which will result from the full take fee appropriation.

A complete analysis of damages and the allocation of damages can be found as follows:

DETERMINATION AND ALLOCATION OF DAMAGES

	<u>Land</u>	<u>Site Improvements</u>	<u>Total</u>
"Before" Value:	\$309,700	\$770,300	\$1,080,000
"After" Value:	\$ 0	\$ 0	\$ 0
Difference:	\$309,700	\$770,300	\$1,080,000

Allocation of Damages

Land

Direct Damage:

Land Area Acquired:

Map No. 6/Parcel No. 6

77,429± sf @ \$4.00/sf = \$309,716

TOTAL DIRECT LAND DAMAGE..... \$309,700 (R)

INDIRECT LAND DAMAGE: \$ 0

TOTAL LAND DAMAGE..... \$309,700

DETERMINATION AND ALLOCATION OF DAMAGES (continued)

TOTAL LAND DAMAGE (from previous page) \$ 309,700

Land Improvements

Direct Damage:

Land Improvements Acquired:

All land improvements associated with the subject will be acquired in conjunction with the project.

Total Direct Land Improvement Damage..... \$ 10,000

Indirect Land Improvement Damage
(N/A – Total Take) \$ 0

TOTAL LAND IMPROVEMENT DAMAGE:..... \$ 10,000

Building Improvements:

Direct: \$770,300

Indirect: (N/A) \$ 0

TOTAL BUILDING IMPROVEMENT DAMAGE:..... \$ 770,300

TOTAL APPRAISED COMPENSATION AND DAMAGES: \$1,080,000

Analysis of Damages

	Acquired (Direct)
Land:	\$ 309,700
Land Improvements:	\$ 10,000
Building Improvements:	\$ 760,300
Total:	\$1,080,000