



April 25, 2013

Mayor Byron W. Brown  
 City of Buffalo  
 Buffalo City Hall, Room 201  
 Buffalo, NY 14202

COPY

Dear Mayor Brown:

As the Managing Member of Key Success LLC, the ownership entity of Key Center in downtown Buffalo, I feel it necessary to advise you that Key Center is at a critical juncture: it will either continue to be the impressive and important twin-tower anchor at the northern end of Main Street in the Central Business District (CBD) of Buffalo, or it will suffer the same fate that One HSBC Center is facing at the southern end of Main Street. To that end, I am requesting consideration from the City of Buffalo, Erie County, the Erie County IDA and New York State to help avert a tremendous dislocation of the Buffalo CBD.

I have been a faithful taxpayer in the City of Buffalo and the County of Erie since 2000 when I acquired, with a long-term plan, Key Center at Fountain Plaza. A further investment followed with the acquisition of the adjacent Bank of America Building in 2007. Subsequently, millions of dollars have been invested for capital improvements, renovations and tenant improvements in both properties. To insure that the properties receive the best management, Ciminelli Real Estate Corporation was engaged as the on-site property manager for both complexes.

However, during my years as a property owner and taxpayer in the City of Buffalo, I have watched as the city, county and state officials spend taxpayer dollars – my tax dollars – in several ill-conceived attempts at economic development. I have witnessed and have been the victim of government agencies pouring incentives into various, well-connected developers' projects. What these well-connected developers did was take the generous tax abatements and pirate actual and potential tenants from our buildings and the buildings of other CBD owners to theirs.

As a direct result of these policies and abatements, my well-kept, tax-paying buildings were placed at a price disadvantage. The effective rent in the city is lower today than it was in 2000 and the vacancy of the market is greater. I defy anyone to explain how taking taxpayer dollars to move tenants from a stabilized building to an empty building down the road is called economic development. The value of my two buildings has decreased over the years and therefore the city's tax base has not improved.

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At this point in time, Key Center is facing a tremendous challenge. As a condition of renewing its lease and staying in the building, its largest tenant has requested rental rate reductions and capital improvements that would only be economically feasible if the same financial incentives were afforded to Key Center that are currently afforded to new projects. These incentives provide new-build projects with a significant price advantage and render existing buildings non-competitive.

Therefore, Key Success LLC respectfully requests that any and all tax credits, abatements, grants and allowances available through your agencies and municipalities be made available to Key Center. We are facing a vacancy of almost 50% which will devalue the property by that amount. The decreased value will then certainly result in a real estate tax bill reduction to Key Center. That is not the preferred way we are looking for a reduction in our real estate taxes. The ripple effect to the CBD, its total tax base and its revenues, as well to the newly reconstructed Main Street corridor, will be devastating.

Very truly yours,

A handwritten signature in black ink, appearing to read "Erwin Zafir". The signature is fluid and cursive, written over a light blue horizontal line.

Erwin Zafir  
Managing Member  
**Key Success, LLC**

cc: Martin F. Kennedy  
Mark Poloncarz  
John J. LaFalce  
Chris Johnston  
Anthony F. Caruana  
James Doherty  
Dennis Eisenbec  
Richard A. Fontana  
✓ Betty Jean Grant  
Michael Hoffert  
Mary F. Holtz  
Thomas Loughran  
Brenda McDuffie  
Frank B. Mesiah  
Andrew J. Rudnick  
Howard Zemsky  
Raymond Carr  
Barry A. Weinstein  
Richard Lipsitz  
Kenneth Adams  
Sam Hoyt  
Christina Orsi