

## **ERIE COUNTY LEGISLATURE**

**BARBARA MILLER-WILLIAMS**

*Legislator - 1st District*

*MEMBER:*

Government Affairs Committee

Finance & Management Committee

Health & Human Services Committee



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March 30, 2015

Erie County Legislature  
Attn: Ms. Karen M. McCarthy, Clerk  
92 Franklin Street, 4<sup>th</sup> Floor  
Buffalo, NY 14202

Dear Ms. McCarthy:

Attached for Clock-In to the public record of the Erie County Legislature, please find a Report from the University at Buffalo Regional Institute Urban Design Project in regards to the Economic Impact associated with the Redevelopment of Humboldt Parkway.

Thank You for your assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Barbara Miller-Williams".

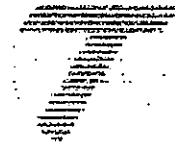
Barbara Miller-Williams  
Erie County Legislator  
District 1

***"We are here to serve the Community"***

## Acknowledgments

Funded by:

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New York State Department of  
Transportation

Prepared by:

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School of Architecture and Planning  
University at Buffalo, State University of New York



REGIONAL INSTITUTE  
URBAN DESIGN PROJECT

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In Collaboration with:

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Restore Our Community Coalition (ROCC)

## Executive Summary

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This report was commissioned by the New York State Department of Transportation (NYSDOT) to determine the possible economic impacts of constructing a \$560 million (2015 dollars) deck over the existing NY Route 33 Expressway, commonly known as the Kensington Expressway. Within the City of Buffalo limits, NY Route 33 has been designated a Commemorative/Memorial Highway named in honor of the Reverend Dr. Martin Luther King Jr. "NY Route 33", "Kensington Expressway", and "Reverend Dr. Martin Luther King Jr. Expressway" are used interchangeably within the context of this report. The three-quarter mile stretch of expressway would be covered by a park resembling the previously demolished Humboldt Parkway designed by Frederick Law Olmsted.

The impact study presented here uses industry standard input-output modeling software (IMPLAN) and a predictive regression model to explain potential impacts over a 30 year timeline that span three distinct scenarios.

The results shown below are estimates of increases to regional economic activity (Regional Output), local home values (household wealth), tax revenue to Erie County and the City of Buffalo, and regional employment that would result from the construction of the Humboldt Deck. The results are also accompanied by a "multiplier." This is a commonly used measure in the economic development industry to compare economic impacts across several projects and generally range from 1.5 to 3.0 for highway infrastructure projects. To better understand this measure, it is helpful to think of it in terms of an input and resulting output. For example, a project yielding a multiplier of 2.5 can be thought of as a \$1.00 input into the economy that produces \$1.50 in spin-off economic activity.

### ***Minimal Impact Scenario***

This scenario only considers the spending related to the design and construction of the deck and the temporary influx of money to the regional economy. This is a low-end estimate and assumes that there will not be any residual impacts on the surrounding neighborhoods from the construction of the deck. It is also important to note that all the impacts associated with this scenario are short-term, lasting approximately the same length as the five year construction period. Overall, when considering only increased economic activity in the form of regional output, this scenario yields a multiplier of 2.08.

#### *Minimal Impact Scenario Impact Over 5-year Construction Period (2015 dollars)*

Regional Output	\$1.17 Billion
Household Wealth	\$0
Tax Revenue	\$0
Deck Construction Employment	950 jobs sustained during five years of construction

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### ***Statistical Inference Scenario***

This scenario builds on the minimal impact scenario by adding the impacts related to predicted increases in home values within one-quarter mile of the proposed deck. Prediction methods are based on commonly used statistical methods and firmly grounded in the most recent body of knowledge about how parks affect home values. This scenario assumes some residual effects will occur in the surrounding neighborhoods, but also assumes there will not be any other new direct investment in the community other than the deck construction. Overall, this scenario considers all the impacts reported above from the minimal impact scenario and adds new household wealth and tax revenue to yield a multiplier of 2.14. The bulk of these impacts will occur during the five year construction period and the remainder will accrue to household wealth and tax revenue over the 25 years following the construction.

#### ***Statistical Inference Scenario Impact Over 30-year Timeline (2015 dollars)***

Regional Output	\$1.17 Billion
Household Wealth	\$31.88 Million
Tax Revenue	\$1.16 Million
Deck Construction Employment	950 jobs sustained during five years of construction

### ***Complete Revitalization Scenario***

This scenario further builds on the first two by estimating impacts related to the re-densification of the surrounding neighborhoods to historical levels and the infill of new mixed-use development along the community's two commercial corridors – Jefferson Avenue and Fillmore Avenue. This scenario is a high end estimate and substantial amounts of additional direct investment would have to be made in the community to supplement the deck construction spending. Additionally, since a sizable portion of the new economic activity relies on infill development, the housing market in neighborhoods surrounding the deck would have change dramatically to exhibit high demand for such developments. The complete revitalization scenario builds on the statistical inference scenario by adding impacts associated with construction spending on new infill developments and increases in home values (household wealth) related to the reduction of vacant lots in the community. Overall, this scenario yields a multiplier of 2.96 and, as with the other scenarios, the bulk of these impacts will occur during the five year construction period and the remainder will accrue over the 25 year following the deck construction.

#### ***Complete Revitalization Scenario Impact Over 30-year Timeline (2015 dollars)***

Regional Output	\$1.58 Billion
Household Wealth	\$76.71 Million
Tax Revenue	\$2.80 Million
Deck Construction Employment	950 jobs sustained during five years of construction
Infill Construction Employment	95 jobs sustained over 25 years after construction

# Introduction

In the early 1960s Humboldt Parkway, an Olmsted-designed parkway that connected two of Buffalo's most prominent parks, was removed to make way for the Kensington Expressway (State Rte. 33). To accommodate the new expressway, approximately 1.5 miles of the new roadway was recessed below grade while access roads were constructed along either side of the expressway at grade. The new expressway divided several neighborhoods in half and has remained a physical barrier in the community to this day.

Like much of Buffalo, since the 1950s many of the neighborhoods surrounding the expressway have seen drastic decline. From 1950 to 2010, the four census tracts adjacent to the former Humboldt Parkway lost 64 percent of their population (22,532 less people) or 49 percent of their households (5,333 less households). At the same time the median household income dropped 24 percent (in adjusted 2010 dollars) from \$29,648 to \$22,410 and the unemployment rate increased from 5.5 percent to 27.2 percent.<sup>1</sup>

The New York State Department of Transportation (NYSDOT), has been asked to explore the possibility of a restored Humboldt Parkway as a way to reconnect the divided neighborhoods. The construction of a deck over the recessed expressway has been envisioned as one way to accomplish the restoration of the Parkway without compromising the long-term capacity of the expressway.

This report estimates the long-term economic impacts of such a deck and offers an aid in the decision making process related to the project. The economic impact model considers potential changes in housing prices, construction spending, and other impacts. All findings are based on the NYSDOT Kensington Expressway Concept Design Study dated August 2012.<sup>2</sup>

NYSDOT's Concept Design Study explored the design and construction cost implications of several alternate configurations of Kensington Expressway. For the purposes of this report, only Alternative D: Full Reconstruction of Expressway within a Tunnel Enclosure is considered and all findings are based on the construction estimates provided. (see appendix C for details).

The NYSDOT Alternative D includes the full reconstruction of the Kensington Expressway within a tunnel structure. The Humboldt Parkway would also be reconstructed, and an at-grade median with landscaping and pedestrian amenities would be established as a re-interpretation of the original Olmsted design. The 3,700 foot long tunnel would extend from Best Street to E. Ferry Street, while reconstruction of the expressway would extend between High Street and the pedestrian overpass north of E. Ferry Street. The existing retaining walls would be removed, and a series of continuous precast structural arches would be installed over the eastbound and westbound travel lanes and median. Ventilation, fire suppression, lighting, drainage and emergency egress systems would be provided. The expressway would be constructed on a new vertical alignment up to 11 feet below the existing alignment. The horizontal alignment would be maintained, although the tunnel structure would be wider than the existing expressway, resulting in the outside travel lanes of the expressway being constructed directly underneath Humboldt Parkway. Access ramps to and from the expressway would be maintained and reconstructed as part of this alternative, however Sub-Alternative D1 is under consideration to remove the exit ramp north of Best Street from NY Route 33 eastbound to Humboldt Parkway. Existing cross street bridges would be removed, and new street crossings constructed atop the new tunnel structure.

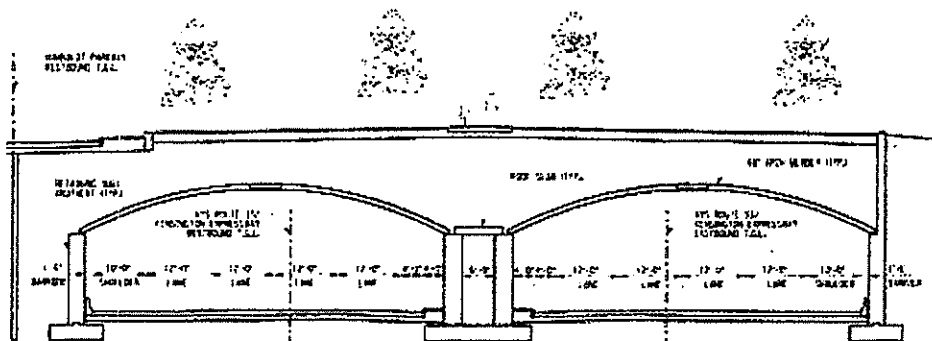


Figure 1. Alternative D  
Typical Section,  
Source: NYSDOT