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Section: Local

Reality check is overdue for Empire Zones

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They gathered to talk about one problem; the composition of the group illustrated another.

When our big developers met privately last week to save the Empire Zone tax-break program, there was not a minority or female entrepreneur in the room.

What a surprise.

And it raises a question: How much support should they expect for a program that has worked best for downtown interests while ignoring Buffalo's most distressed communities?

In fact, instead of meeting privately, they should stage a rally in Niagara Square. No, make it Martin Luther King Jr. Park; they can always MapQuest it. Once they find the East Side, they can have previously unemployed workers take turns at the mike describing how they've escaped poverty, while minority companies show how they've expanded, thanks to Empire Zones targeted at stretches such as Genesee Street.

State leaders would then race to expand the \$1.2 billion program, not cut it in half and boost job-creation requirements, as Gov. David Paterson proposes.

On the other hand, if the only people at the rally are the ones getting out of limos and stepping gingerly through the park in Johnston & Murphy loafers, maybe that would say it all.

Buffalo News analyses over the years have documented that the zones work best for banks, law firms and downtown interests while doing relatively little for the most depressed parts of the city or for job growth.

Not that the zones haven't done some good. Developer Rocco Termini, who convened last week's confab, says his Ellicott Lofts wouldn't have been successful without the zone. He said tax breaks early on helped make rents affordable when there was not much else to attract tenants to a downtown he calls "distressed."

Termini and others point to Tops markets on Jefferson Avenue and Niagara Street as examples of how the program has helped minority neighborhoods.

"If we don't take advantage of the benefits, then we have no one to blame but ourselves," Termini says of other blighted areas. He adds that Paterson's proposal would kill upstate and that applying new job standards retroactively is "unconscionable" and would undermine trust in future programs.

On that last point, he's right; even program critics call that unfair.

But what's the greater unfairness, changing the rules in the middle of the game or having a program designed to bolster blighted neighborhoods whose benefits instead flow primarily downtown and to the largest corporations and most wired developers?

Assessing Empire Zones, Henry L. Taylor Jr., director of the University at Buffalo's Center for Urban Studies, said that there has been no effort "to use development of business to drive community development."

Rebuilding communities -- not just helping businesses -- is what Taylor has been preaching for years, and something the zones were supposed to do. Termini agrees that more is needed in some neighborhoods but says the solution would be enhancing help for the poorest census tracts, "not taking Empire Zones away."

But that's exactly what the zones were supposed to do. And if the program's most ardent backers had been pushing that broader perspective all along, they might have more allies now as they try to save their own financial skins.

As it is, one good will come from the controversy: We'll never again have to hear downtown developers complain about high taxes. After all, taxes wouldn't be as high if the rest of us didn't have to make up for the breaks they're getting in the Empire Zones.

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