

DAVISON ROAD PROPERTIES, LLC

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March 25, 2025

Re: 2025 Comprehensive Plan

To: City of Lockport Common Council

As perhaps some of you know, my name is Corey J. Hogan, and I am the owner of Davison Road Properties LLC, which consists of eight units located in the Davison Road area of the City of Lockport. In total, these units comprise approximately 38,000 square feet of office space and are currently assessed at about \$848,000—or approximately \$22.32 per square foot.

It is my belief that if the Common Council affirms the February 25, 2025, drafts of the proposed Comprehensive Zoning Plan and Zoning Code for the City of Lockport, (**See Exhibit A for February 25, 2025 Zoning Map Draft**) and if I am allowed to appropriately convert these units into residences as provided for in the proposed plan, then the more appropriate assessment should be approximately 10 times the current amount. In other words, because of the ongoing decay of this area over the past decade, the assessment of these properties was reduced from over \$3,000,000 to \$848,000 by court decree—a reduction of 72%. (**See Exhibit B for Court Order**). Even the prior valuation of about \$80 per square foot, which is four times the current assessment, is only 40% of the reasonable market value based on comparable residential sales at approximately \$200 per square foot.

For several reasons, which I will outline below and, if necessary, litigate in court, I believe your closed-door decision to modify the Comprehensive Plan—which has been under consideration for four years—is not only unlawful but represents a failure to fulfill your

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obligations as Aldermen to serve the interests of the entire City of Lockport, rather than a select few members of the Common Council or politically influential adjoining neighborhoods.

On March 12, 2025, it was disclosed for the first time that approximately 60 parcels in the Davison Road area, which under the plan had been designated as "Mixed-Use Neighborhood" and allowed residential modifications of up to four units per structure, had been reclassified into a newly created "Mixed Office" district. This new classification was created and applied exclusively to these 60 parcels—and no others—in a city of approximately 7,000 parcels. This classification change occurred without public notice or transparency, and prohibits any form of residential development, even by special permit. **No other zoning classification prohibits residential development**—not even the General Industrial zoning district, which permits live/work units.

We have analyzed these 60 properties, which had a combined assessed value of over \$20 million—approximately \$307,000 per parcel. Under the current judicial determination, 19 of these parcels are assessed at approximately 28% of that former value, or \$86,000 per parcel. **(See Exhibit C showing current and past appraisal values).** Most of the remaining parcels have not yet been formally reduced to this level, but it is highly unlikely that the City could provide a credible defense to future requests for similar reductions. As a result, the tax contribution of these parcels would then approximate only \$164,000. However, if the original comprehensive plan were affirmed, and these parcels were allowed to proceed with residential conversions, the

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assessed value could increase to approximately \$50 million, with an estimated annual tax contribution of \$1,631,000.

This tax issue is not theoretical. The Riccio Real Estate and Development letter dated March 25, 2024, confirms that of the 19 buildings they attempted to market in the Davison Road area since March 2021, eight were completely vacant, and the remaining 11 were approximately 50% vacant. **(See Exhibit D for Riccio Letter)**. Two of the largest properties, 57 Davison Court and 770 Davison Road, have had zero new tenants over a three-year marketing effort. The neighborhood is visibly deteriorating, and in some instances, homeless individuals are using vacant buildings as a place to congregate.

The commercial market has collapsed locally, just as it has across the country since the COVID-19 pandemic. Local data confirms this trend. Lockport's own "Professional Parkway" office complex off Davison Road is now estimated to be over 90% vacant. 770 Davison Road itself has had only one tenant out of five spaces since late 2023. This mirrors the broader Western New York trend: Buffalo's office vacancy rate hit 16.5% in Q4 2024, up from 15.8% the previous year. Demand for traditional office space has shrunk significantly across the region, leaving older properties economically nonviable.

Conversely, Lockport and Niagara County are experiencing a tight housing market. Zillow recently named Buffalo as the hottest housing market in the country for 2025, citing the area's job growth and severe shortage of new residential construction. Niagara County's median home sale price rose by nearly 11% year-over-year, with homes selling faster and above asking

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price. However, Lockport’s 2024 Comprehensive Plan notes that the City has a relatively old housing stock, with over 50% of homes built before 1940 and only 2% built in the last 20 years. It also confirms a regional shift away from single-family homes toward multi-family housing, driven by younger families, seniors, and Millennials seeking lower maintenance and more affordable living options.

The Comprehensive Plan further emphasizes that Lockport’s neighborhood commercial corridors—like Davison Road—are ideal for mixed-use development. These corridors already serve as buffers between residential areas and higher-intensity uses, and the plan explicitly states that “the City should promote a wider variety of mixed uses along this corridor to ensure the long-term vitality of the area.” **In particular, the plan supports upper-floor residential development, live-work integration, and adaptive reuse of office buildings for multi-family housing—especially in the Professional Parkway/Davison Road area.**

Successful adaptive reuse projects in the region support this strategy. In Buffalo, the 21,000 sq. ft. former office building at 130 Pearl Street is being converted into 18 apartments with commercial space, using a \$5.5 million investment. The former Police Headquarters on Franklin Street is being transformed into 140 apartments. Niagara Falls saw the successful \$24 million conversion of the abandoned South Junior High School into 61 mixed-income housing units. These projects have replaced vacant buildings with productive taxpaying assets while addressing regional housing needs.

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Policy leaders are embracing this approach. Buffalo’s 2017 Green Code eliminated single-use zoning restrictions and minimum parking requirements, encouraging adaptive reuse. Urban planners credit the code with sparking a wave of historic building renovations and downtown reinvestment. **Previous City of Lockport planning board discussions have acknowledged the lack of office demand and the potential benefit of well-regulated residential reuse in the Professional Parkway/Davison Road area.**

These examples—drawn directly from our region—demonstrate that allowing residential conversions of vacant office buildings is not only feasible but necessary. It improves the tax base, revitalizes neighborhoods, and helps meet Lockport’s housing needs, all while preserving and reusing existing infrastructure and buildings.

National data support these trends. According to CBRE and Colliers, the national office vacancy rate rose to approximately 18% in 2023, up from 12.1% pre-pandemic. San Francisco and Portland, for example, now report downtown office vacancy rates of nearly 30% (CBRE, 2023). Meanwhile, office-to-residential conversions are booming. According to Yardi Matrix, more than 70,000 apartments are expected to be created from office conversions in 2025, up from just 23,000 in 2022.

Cities such as New York, Los Angeles, and Kansas City offer compelling case studies. In New York City, the transformation of Lower Manhattan following the 1990s commercial real estate downturn stands as a model: more than 6,500 housing units were created through incentives, zoning changes, and tax abatements, helping turn the Financial District into a

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thriving, mixed-use neighborhood. Similarly, Los Angeles implemented the Adaptive Reuse Ordinance in 1999, which facilitated the conversion of over 12,000 units of housing—primarily in underutilized office and industrial buildings—helping to revitalize its downtown core and generate thousands of construction and service jobs. In Kansas City, the historic Professional Building was converted into 132 affordable apartments using state and federal tax credits, simultaneously preserving architectural heritage, and increasing housing stock. These cities demonstrate how strategic policy choices can unlock private investment, increase tax revenues, and meet pressing housing demands (Governing Magazine, 2024; Yardi Matrix, 2023).

Some have attempted to justify opposition to residential conversions by citing supposed infrastructure limitations—specifically, water and sewer capacity. This is a subterfuge. After consulting with city officials and independent engineers, it is clear that even 100 new residential units would have a minimal impact on existing infrastructure. This area is also not currently experiencing any sewer or water issues, further proven by the Environmental Concerns Map displayed on page 24 of the Comprehensive Plan, which shows no issues near the Davison Road area. **(See Exhibit E for Environmental Concerns Map).**

The opposition stems from an underlying fear that lower-income individuals will move into the area if more residential units are built. This concern is not supported by the market. Based on contractor estimates, the cost of conversion starts at \$75 per square foot and could rise to \$140, with an average slightly above \$100. As a result, either sale prices or monthly rental rates would need to align with the current market: approximately \$200 per square foot for

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condominiums and monthly rents starting at \$1,500 for small units, with average rents ranging from \$2,500 to \$3,000. These are not low-income housing prices; they are market-rate.

Furthermore, these residences will be of high quality both inside and out. Interior finishes will reflect modern design standards, including energy-efficient appliances, contemporary cabinetry, upscale lighting, and durable materials such as engineered hardwood, tile, or luxury vinyl plank flooring. Floor plans will prioritize natural light, open-concept living, and high-functioning kitchens and bathrooms. Exterior improvements will be equally substantial, featuring new facades, refreshed landscaping, professional signage, and well-lit parking areas.

These design elements are not just about aesthetics—they are directly aligned with the preferences expressed by community members during public engagement sessions and surveys conducted as part of the Comprehensive Plan process. Residents consistently favored walkable, mixed-use environments with high-quality building materials, appealing architecture, and green space integration. By incorporating these features into the redevelopment of Davison Road, the new residences will meet and exceed those visual and functional expectations, enhancing the corridor's appeal and reinforcing its identity as a vibrant, livable area.

These are the types of units that attract working professionals, downsizing homeowners, and young families seeking comfort, convenience, and aesthetic appeal—not subsidized housing tenants. Rather than diminishing neighborhood value, these new homes will enhance it. **(See Exhibit F for Potential Site Development Photos).**

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As every member of the Common Council is aware, this Comprehensive Plan process began in Spring 2021. Two separate steering committees were involved, consisting of elected officials, staff, residents, and business owners. Some comprehensive plan committee members also served on the rezoning committee, and vice versa, to ensure a cohesive and consistent direction for both documents. These committees ensured that the plan incorporated input from other planning efforts, residents, and expert analysis. For four years, the members of this committee spent thousands of hours reviewing the needs of the community and developing a plan that took into consideration anything that may have an impact, positive or negative. After thousands of hours of work, a proposed zoning map dated February 25, 2025, was produced.

Following that proposed zoning map, the Common Council took it upon itself to make three abrupt changes: (1) it allowed chickens without requiring an acre of land, (2) it moved a small number of homes from "Mixed Residential" to "Medium-Density Residential," and (3) it created a new zoning designation for the 60 parcels I reference here, **prohibiting residential use altogether. These parcels now make up the only zoning district in the entire city that bans residential use outright—even General Industrial zoning allows live/work units.** (See **Exhibit G for March 26, 2025, Zoning Map Draft**).

There have been numerous public meetings and online engagement initiatives over the past four years, all culminating in the February 25, 2025, draft. Yet, within one week, the Council overturned the plan in a closed-door session, with no explanation. This sudden reversal—which imposes financial harm on property owners and deprives the city of desperately needed housing

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and tax revenue—runs counter to every objective laid out in the comprehensive planning process.

This City Council has an obligation to pursue the economic well-being of the entire city and to implement policies that address Lockport's well-documented housing shortage. Instead, the Council has taken an unprecedented step by isolating and economically harming a targeted group of parcels. The impact is not hypothetical: more than 60% of the space is vacant, there is no commercial tenant interest despite aggressive brokerage efforts, and the area continues to decline visibly. The justification offered by the Council flies in the face of both the needs of the city and the data-driven conclusions of the committees appointed to guide Lockport's future.

New York State General City Law Section 28-a states that among the most important duties granted to a city government are the authority and responsibility to undertake comprehensive planning to protect the health, safety, and welfare of the public. Each Common Council member has taken an oath to uphold this responsibility and to follow the laws of the state. This recent conduct constitutes a breach of that duty.

Lockport currently has a median household income effectively 20% below the Niagara County average and a poverty rate of 11%. Yet the City Council has taken the position that only those who can afford to buy a home are welcome to live here. Apartments—even modest, market-rate ones—are effectively banned in the affected area. There is no rational engineering, economic, or planning reason to deny these parcels their original designation of "Mixed-Use

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Neighborhood." This designation allows up to four units per structure and no apartment complexes, striking a balance between neighborhood character and modern residential needs.

The City Council should be working to strengthen Lockport's economic foundation, address its housing shortage, and increase its tax base. Instead, it has chosen an untenable path that weakens the city financially and socially. There is no engineering, financial, or legal justification for this change. There is only breach of duty by elected officials who swore to uphold the laws of New York State and serve the entire city—not just the politically favored few.

Respectfully Submitted,

Corey J. Hogan