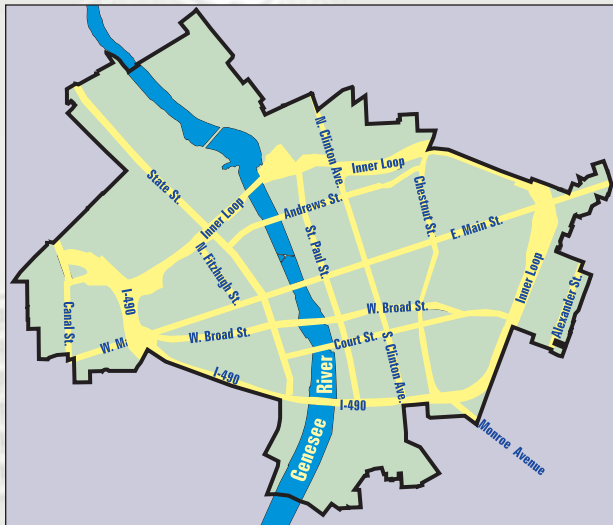


Where Must Qualifying Projects be Located?

CUE is restricted to mixed-use (residential-commercial) conversion projects located in the City's Center City Zoning District.



How Do I Apply for CUE?

To apply for CUE, property owners must complete and file an application with the City Assessor at:

Bureau of Assessment
Commercial Appraiser
City Hall, Room 101A
30 Church Street
Rochester, NY 14614
(585) 428.7221

When Will CUE be in Effect?

Applications must be filed on or before the taxable status date of February 1st. Applications for CUE exemptions will be accepted for the 2004, 2005 and 2006 fiscal years.

The CUE exemption will be applied to tax bills for the fiscal year following the date of application.

For example, if the application is received by February 1, 2004, the effective fiscal year would be July 1, 2004 to June 30, 2005. The exemption would be valid for the 12 years subsequent, so long as the eligibility requirements continue to be satisfied.

For more information or to file an application, contact the City Assessor at:

Bureau of Assessment
Commercial Appraiser
City Hall, Room 101A
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Rochester, NY 14614
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CITY OF ROCHESTER



CUE
*for Center
City Living*

**Conversion Urban
Exemption Program**



Robert J. Duffy, Mayor
City of Rochester, NY

What is CUE? The Conversion Urban Exemption Program (CUE) is the City of Rochester's tax incentive program to encourage housing in the Center City.

The intent of the program is to facilitate the conversion of underutilized office, retail, manufacturing and warehouse buildings to residential use.

How Does CUE Work? Under the provisions of Section 485-a of the Real Property Tax Law, non-residential property, upon conversion to mixed-use, can be partially exempted from taxation and special ad valorem levies for a period of 12 years.

The exemption applies to the increase in assessed value attributable to the conversion to mixed-use.

The schedule of the partial tax exemption is as follows:

Year of Exemption	Exemption
1-8	100%
9	80%
10	60%
11	40%
12	20%



How Much Can I Save? CUE offers substantial savings over the life

of the 12-year exemption period, as this illustration demonstrates:

A vacant warehouse building is currently assessed at \$90,000. At this assessment, the owner currently pays City property taxes of \$3,964.

The owner decides to convert the warehouse to commercial and residential use, producing one commercial unit and 90 residential units. The cost of the conversion is \$3,000,000. A market value assessment of \$1,980,000 is established for the building. Based on this assessment, at the current city tax rate (excluding County and Pure Waters capital charge) the real estate tax would be \$87,199.



After applying for and receiving the CUE exemption, the tax savings in the first year following completion of the building conversion would be:
 $\$87,199 - \$3,964 = \$83,235$

The full 12 year benefit schedule would be:

Year of Exemption	CUE Exemption
1-8	\$83,235
9	\$66,588
10	\$49,941
11	\$33,294
12	\$16,647
Cumulative CUE benefit:	
\$832,350	

* Example described above is for illustrative purposes only.

What Are Qualifying Projects?

In order to qualify for the CUE exemption, property owners will be required to invest a minimum of \$250,000 in the conversion project.

All projects receiving the exemption will be required to provide a minimum of 25% of the total developed space as residential.