

**Testimony Submitted by the Niagara Frontier Transportation Authority for  
A Joint Legislative Public Hearing on the Fiscal Year (FY) 2024-25 Executive Budget  
Proposal**

**Wednesday, January 24, 2024**

**9:30 AM**

**Albany, NY**

Chairwoman Weinstein, Chairwoman Krueger, and members of the Standing Committees, thank you for the opportunity to submit testimony on behalf of the Niagara Frontier Transportation Authority (NFTA) concerning the state fiscal year 2024-25 budget.

The NFTA welcomes Governor Hochul's 2024-2025 Executive Budget, including the state transit capital provided and the increase in state transit operating assistance for public transit systems across the state. A commitment to public transit is extremely important as our region, state, and country recognize how integral transit services are to meeting shared goals for safe, sustainable, and efficient transportation connecting people and opportunities to better serve disadvantaged communities, combat climate change, and generate economic growth. The NFTA has 5 primary budget asks (listed here and detailed below) that will allow the region to further enhance aviation, public transit, economic development, and improve the environment and quality of life:

**Aviation request:**

- **funding from any renewed Seneca Gaming Compact to the Niagara Falls International Airport to sustain operations and capital projects;**
- **\$100 million in direct capital investment in the Buffalo and Niagara Falls International Airports;**

**Transit request:**

- **\$30 Million a year over 5 years in State Transit Capital for NFTA-Metro Rail.**
- **an annual appropriation of \$12 million in State Transit Operating Assistance (STOA) for NFTA-Metro Rail service to recognize the high-capacity service and ridership of Metro Rail;**
- **a letter of commitment from the state for \$700 million in funding over several years in New York State Transportation Capital Plan to complete NFTA-Metro Transit Expansion; and**

The NFTA was created by an act of the New York State Legislature in 1967 as a public benefit corporation to serve the multi-modal transportation needs in Erie and Niagara Counties of New York State. The NFTA provides services through three business centers including Public Transit (Niagara Frontier Transit Metro System, Inc., or NFTA-Metro), Aviation (Buffalo Niagara and Niagara Falls International Airports), and Property.

NFTA-Metro was created as a subsidiary of the NFTA in 1974 to provide public transit service to Erie and Niagara Counties. Metro is the NFTA's largest business center, one of the largest public transportation providers in New York State, and the only non-MTA/Port Authority transit system in New York that operates a rail system. NFTA-Metro provides bus, light rail, and ADA paratransit services to Erie and Niagara Counties in New York State using 294 buses, 27 light rail cars, and 80 demand-response vehicles. NFTA-Metro serves a population of 1,166,902 people (2020 Census), including an urbanized area with a population of 948,864 people (2020 Census). In 2023, NFTA provided 12,763,073 rides on the bus and 2,433,449 rides on the Metro Rail. Bus and rail ridership was up 14% as compared to 2022. On the paratransit side, NFTA provided 233,451 rides in 2023, which was up 10% in comparison to 2022.

The NFTA's aviation business center operates both the Buffalo Niagara International Airport (BNIA) and the Niagara Falls International Airport (NFIA). The Buffalo and Niagara Falls International Airports generate approximately \$1.7 billion in annual economic activity, support nearly 12,000 jobs, and generate \$127 million in annual state and local tax contributions (NYSDOT). The air carriers operating out of BNIA serve 25 airports with up to 70 nonstop flights per day. BNIA is back to about 95% of the seat capacity flown in 2019. NFIA operates under a joint-use agreement with the United State Military and serves general and commercial aviation along with the Niagara Falls Air Reserve Station, home to the Air Force Reserve Command's 914th Airlift Wing and the 107th Air Attack Wing-

Not only is the NFTA the only entity in New York outside of the MTA/Port Authority that runs a rail transit system, it is also the only state public authority in upstate New York that operates a regional public transit system and the region's aviation system as well as significant property holdings. The region benefits from the synergies realized through this regional, holistic approach

to transportation. However, this approach demands diverse, structurally sound, and inflation-sensitive sources of federal, state, and local capital and operating assistance. The NFTA cannot levy taxes like the state, county, or other municipal governments to support transit and aviation systems.

For aviation, the NFTA collects rental income and airport fees, concessions, and commissions to support aviation services. The revenues we collect and the services we share with the military at the Niagara Falls International Airport (NFIA) are not enough to sustain services there – the Buffalo Niagara International Airport (BNIA) and related services have transferred over \$15 million in funds to sustain operations at NFIA over the last decade. And now without a renewal of Seneca Gaming Compact proceeds to support NFIA operations those transfers will grow, negatively impacting the ability of BNIA to invest in capital assets. **NFIA needs funding from any renewed Seneca Gaming Compact to sustain operations and undertake capital projects.**

The capital needs at both BNIA and NFIA are significant – nearly \$50 million to replace life-expired HVAC equipment at the BNIA terminal, \$20 million to replace life-expired Passenger Boarding Bridges at BNIA, and \$20 million to construct a new Air Traffic Control Tower at NFIA that serves the commercial, general, and military aviation traffic at that facility – to name just a few needs. BNIA cannot support its own capital needs and those of NFIA with existing levels of federal and state funding. Over the last decade New York State has invested a total of \$14.7 million in capital funding to the BNIA and NFIA – crucial investments in our aviation system that we are extremely grateful for. However, over that same time the federal government and the NFTA have invested over \$200 million in the system. Also, since 2015 New York State has appropriated and allocated \$250 million through the Upstate Airport Economic Development and Revitalization Competition to airports across Upstate New York. The Buffalo and Niagara Falls International Airports did not receive any funding from the Competition. As a result, the NFTA had to borrow to continue investing in the system. We borrowed \$70 million to expand and enhance the Buffalo Airport Terminal and \$27 million to construct a new Niagara Falls Airport terminal. We need the same level of state investment in our airports as other airports have received throughout New York State. **Therefore, we request an appropriation of \$100**

**million in direct capital investment from New York State in order modernize and enhance NFTA-owned facilities in our region’s airport system.**

To support transit services, the NFTA collects passenger fares and other operating revenues to support transit service, but those are the only revenues that support public transit and make up only 11.4 percent of 2024-25 budgeted operating expenses – the remaining 88.6 come from federal, state, and local operating assistance. The total transit operating and capital assistance provided in the New York State budget each year is the single biggest budget driver for the level of service and state of good repair work that NFTA-Metro can provide and undertake in the coming year. And we have been good stewards of the operating and capital funding provided to us – over the last 5 years NFTA operating expenses have increased only 2.9 percent where expenses increased 24.5 percent at the Capital District Transportation Authority, 15.7 percent at the Central New York Regional Transportation Authority, and 4.2 percent at the Rochester-Genese Regional Transportation Authority (2023 Authorities Budget Office Annual Report).

NFTA-Metro Rail is the only rail transit system in New York State outside of those operated by the MTA and Port Authority. Federal Transit Authority (FTA) funding formulas recognize NFTA-Metro Rail passengers and revenue vehicle miles in determining formula allocations. If STOA were to recognize Metro Rail like the FTA funding formulas, NFTA-Metro would receive an additional \$12 million in annual STOA. **Therefore, we request an additional \$12 million in STOA for the NFTA in the enacted budget to recognize the cost of operating NFTA-Metro Rail, to provide high-capacity transit service to the region, and to provide enhanced security for our passengers.**

If STOA recognized Metro Rail, not only would it enhance the ability of Metro Rail to provide high-quality customer service within the region, but also significantly improve the ability of the region to secure hundreds of millions of dollars in Federal Transit Administration (FTA) funding for competitive state of good repair grants and Metro Transit Expansion that it would otherwise not receive. Metro Transit Expansion will extend high-capacity transit service from its current terminus at the University Station through the University at Buffalo North Campus. It will link all three UB campuses with high-capacity transit and provide a seamless connection between the region’s largest concentration of housing and employment, health care, education, and

entertainment destinations. In August 2021, the Federal Transit Administration (FTA) issued a Notice of Intent (NOI) as Lead Agency to prepare environmental documents for Metro Transit Expansion in accordance with the National Environmental Policy Act (NEPA). Now that the FTA and the NFTA are deep into the federal environmental process the region is positioned to advance the project into the FTA Capital Investment Grant (CIG) funding process. The project scores well enough to secure competitive federal infrastructure dollars of approximately \$700 million that would otherwise not be available to the region. However, the project cannot advance into the CIG funding process without additional state financial support. **Therefore, we request a letter of state commitment for \$700 million over several years in the New York State Transportation Capital Plan to further advance the project and the federal funding process.** Metro Transit Expansion will not only be one of the largest infrastructure projects in the region's history, but it will also provide enhanced mobility to tens of thousands of regional residents daily, address climate change, and generate significant positive economic, fiscal, and household economic impacts.

In the 2019-20 state fiscal year, New York State appropriated the first \$20 million in a historic 5-year, \$100 million plan for Metro Rail Rehabilitation. These state transit capital appropriations for Metro Rail have been a lifeline for addressing the system's state of good repair needs and in doing so, supporting the needs of NFTA-Metro Rail customers, and public transit in the region. NFTA-Metro has put that funding to work on the following projects:

- underground fastener and pad replacement;
- above ground track and track bed work (part of the completion of Cars on Main Street);
- panel liner and tile replacement at underground stations;
- rehabilitation of Canalside and Church Street Stations (part of the completion of Cars on Main Street);
- Metro Rail yard track, catenary, and train control replacement;
- passenger information systems;
- tunnel grouting, conduit, and stand pipes;
- ventilation damper replacement;
- rail car safety upgrades;

- escalator replacement; and
- station exterior rehab.

The final \$20 million of the 5-year, \$100 million commitment was appropriated in the current (2023-24) fiscal year. **Therefore, we request an appropriation of \$30 million annually over the next 5 years or \$150 million total for NFTA-Metro Rail rehabilitation to address remaining NFTA-Metro Rail needs including the following:**

- completion of the NFTA's portion of Cars on Main Street including track and track bed work and rehabilitation of the Evans Bank @ Lafayette and Seneca Stations;
- railcar replacement;
- tunnel fire protection systems (i.e. stand pipe in addition to ventilation dampers);
- panel liner, tile replacement, and elevator replacements at underground stations; and
- underground station exterior rehab.

Until the 2019 historic \$100 million, five-year investment in Metro Rail rehabilitation, dedicated state transit operating, or capital assistance was not provided for Metro Rail. A new 5-year commitment of \$150 million will reinvest in the system, help compete for millions in FTA competitive funds available only for rail system state of good repair projects and support other community and economic development efforts around NFTA-Metro Rail stations including needed affordable housing and retail in close proximity to high-capacity transit.

I would also like to take this opportunity to provide updates on 2 additional projects the NFTA is facilitating thanks to federal, state, and local support – Battery Electric Bus (BEB) Deployment, and Bailey Avenue Bus Rapid Transit.

In 2021, NFTA-Metro advanced the first phase of our BEB Deployment Program by partnering with the New Flyer to build 10 BEBs and collaborating with the New York Power Authority, New York State Department of Environmental Conservation, and New York State Energy Research & Development Authority to fund, design, construct, and install charging infrastructure to support BEB charging operations at our Cold Spring Bus Maintenance Facility (Cold Spring)

in the City of Buffalo. We also worked closely with National Grid, the electric utility that serves the Cold Spring facility, to make the needed feeder and substation improvements to support BEB charging needs. We are grateful for a make ready allocation to support the National Grid and NFTA electrical upgrades necessary to charge BEBs. The NFTA currently has 24 battery-electric buses on site, 13 more on order, and funding secured for 20 more. We look forward to the final appropriation in this year's budget of \$20 million for battery-electric buses across the state and the speedy allocation of all \$100 million. With an allocation of \$25 million or more of the \$100 million we will surpass 25 percent of our fleet mix made up of batter-electric buses.

Also in 2021, the Greater Buffalo Niagara Regional Transportation Council (GBNRTC), in collaboration with the City of Buffalo and Niagara Frontier Transportation Authority (NFTA), completed the Bailey Avenue Corridor Improvements Study. The study analyzed existing transportation infrastructure along a 7.5-mile stretch of Bailey Avenue from Main Street to South Park Avenue in order to identify long-term approaches to streetscape and transit enhancements. The study recommended enhancements to improve multi-modal mobility options and the corridor's sense of place to facilitate economic development along Bailey Avenue and its surrounding neighborhoods. In particular, the study recommended implementation of Bus Rapid Transit service throughout the corridor to improve the streetscape and mobility.

Since completion of the study, the NFTA has secured \$3.7 million in federal, state, and local funding to support the required planning and design work to advance the project and secure additional federal funding. We have also continued to work with the City of Buffalo, which owns nearly all the infrastructure in the corridor, to coordinate any City improvements with future implementation of Battery Electric Bus Rapid Transit. We look forward to securing all the funding and advancing this project to completion in the coming years thanks to your support.

The NFTA has and will continue to advance projects and support our community to achieve its goals and desired outcomes thanks to our amazing, dedicated workforce and the continued strong support of our federal, state, and local government partners, our private sector partnerships, and open collaboration with our customers and stakeholders. To support that work we ask for the following 2024-2025 state budget additions:



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Thank you for your continued leadership, partnership, and advocacy in support of public transit and aviation in New York State.