

*Submitted Testimony*

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CITY OF BUFFALO, NEW YORK**

**TESTIMONY BEFORE  
NEW YORK STATE JOINT  
LEGISLATIVE FISCAL COMMITTEES  
REGARDING  
GOVERNOR'S 2013-2014 RECOMMENDED STATE BUDGET**

**SUBMITTED  
MONDAY, JANUARY 28, 2013  
ALBANY, NEW YORK**



On behalf of the City of Buffalo, I would like to thank you for giving me the opportunity to testify on the city's state budget priorities.

This is my 8<sup>th</sup> year in office as Mayor and the 8<sup>th</sup> time that I have come before you with Buffalo's legislative priorities. When I came to Albany for the first time in 2006, Buffalo was a much different place.

- Economic Development activity was stagnant.
- Residential and commercial property taxes were much higher.
- And, our city was under the control of hard control board.
- Our entire nation was headed into the darkest recession in 60 years.

Today, thanks to your support and my administration's commitment to responsible and conservative budgeting, Buffalo has made tremendous progress.

We have:

- Cut residential property taxes by nearly 15%, commercially by almost 25%.
- Buffalo has had one of the largest property tax cuts in New York State and the lowest property tax rates among the state's largest upstate cities!
- After four years, our city got out from under a hard control board.
- And, we are now taking advantage of a healthy "A category" bond rating, Buffalo's highest credit rating in its history.

- In addition, Buffalo has some of the lowest building permit fees in Western New York, the State of New York and within a 500 mile radius of the city of Buffalo.

Our dedication to fiscal responsibility allowed us to secure effective partnerships that focused on economic development designed to encourage a healthy 'job-generating' private sector economy.

Buffalo has turned a corner.

Last year, we saw over \$1.3 billion in announced, under construction or completed economic development projects, a 31% increase in completed projects over 2011. Governor Cuomo's unprecedented billion dollar promise has added to the momentum and investment interest in Buffalo...and we are grateful.

We are also appreciative of the \$21 million in CHIPS funds that have been allocated to the City of Buffalo since 2006. Last year, CHIPS funds accounted for 30% of our \$10 million city-wide street paving program, which resulted in over 60 lane miles of newly paved city roads, the most paving we've ever done in a single season.

However... despite this positive news... I must remind you again to recognize that the austerity measures the state has taken have had a very significant impact on

city finances, and if not addressed, will jeopardize the fiscal recovery we have worked so hard in Buffalo to establish.

The elimination of funding for the RESTORE NY Program...significant reductions in local aid since 2008 through the Aid Incentives to Municipalities Program (AIM)...Buffalo's Efficiency Grants...and the 100% increase in the Asbestos Notification Fee are just a few examples of our concerns. While there are more concerns, these are the ones that have had the most significant impact and the ones I would ask you to focus on as the legislature begins its budget deliberations.

The city has lost a cumulative total of \$6.2 million in AIM funding since Fiscal Year 2008-09.

While we have clearly stabilized our finances in Buffalo, as indicated earlier, this stability is precarious. Buffalo, like all upstate cities, relies disproportionately on state aid. It comprises about 37% of the city's \$483 million budget.

With budget growth consistently under inflation, a 25% reduction in workforce since 2000, and continued double-digit increases in employee benefit and pension costs, Buffalo has made the tough choices. We continue to do more with less, have implemented scores of efficiency measures to ensure that we are delivering city services in the most cost-effective and efficient manner possible. We did this with the help of state efficiency grants earmarked to Buffalo.

Despite our conservative spending practices and recent surge in economic development activity, we continue to face structural challenges because unless we raise our property tax levy, which I continue to resist...and in fact have frozen our property assessments for one more year as part of my three year pledge to hold the line on taxes for city residents, there are no other growing sources of revenue. We have worked hard not to raise taxes because of the struggling national economy.

There are still many people and families in our city that are facing the challenge of poverty, unemployment and trying to make ends meet.

The RESTORE NY program has been one of the most transformative programs in the past decade in terms of revitalizing neighborhoods in the City of Buffalo. Buffalo has lost more than 50% of its population since 1950, leaving vacant manufacturing, commercial, and residential structures throughout the city.

As you may know, the City of Buffalo also has one of the highest rates of vacant property in the nation with thousands of vacant units, many of which are blighted and unsalvageable. These structures destabilize neighborhoods, bringing down the quality of life for our residents and are often the sites of arson and other criminal activity. Moreover, blight deters private investment in neighborhoods and on commercial strips.

With the help of RESTORE funding we were able to demolish nearly 1,000 structures a year and conduct major rehabilitation activities. Without RESTORE we are only able to demolish between 300-350 structures annually and don't have this resource for rehabilitation projects. While we have reduced the vacancy rate in Buffalo by 7%, we need help to continue to make significant inroads into this problem. Since 2006 we have demolished over 4,574 blighted structures.

Again, we are requesting that the Asbestos Notification fee be eliminated as well. This fee, ranging from \$2,000 to \$8,000 depending on the size of the structure, drives up the costs of each demolition because it is passed onto the city by its contractors. The more we pay in this fee, the fewer demolitions we are able to do.

Since 2006, my message to you has been simple: give us the tools and we will make Buffalo one of the best cities in the nation to live, work, invest and visit. You already know what we can do with state investments.

As an example, let me again point to the remarkable progress on the Buffalo Niagara Medical Campus...in which the state continues to invest. In fact, it was just a few weeks ago, that Governor Cuomo announced that Albany Molecular Research will soon head to the medical campus in Buffalo, creating job growth and spurring new investment. We are grateful for his continued confidence in our city.

With all of the economic development projects in progress for Buffalo, it's projected, that by 2017 there will be between 6,000-to-10,000 new jobs created in the City of Buffalo.

As you can see, Buffalo is in the midst of a remarkable transformation and we must keep the momentum going. The strategic measures we put in place over the last seven years must not be jeopardized.

Thank you and I look forward to continuing to work with you.