



City of Buffalo's 2009-10 State Budget Requests

Byron W. Brown, Mayor



Fiscal Stability & Economic Growth

Adopt Governor's Local Revenue Proposals

- Recurring revenue to meet inflationary and contractual budget growth is needed
- Authorize a red light camera system, worth \$8 million
- Provide 100% of the local share of casino revenue to the city or
- Maintain promised growth in state aid (AIM), worth \$15.2 million to Buffalo in FY09-10

Empire Zones Reform

- *Streamline* and *expedite* approvals
- *Ensure predictability*-benefits should not be rescinded by retroactively changing criteria
- Address need for "*gap*" *financing* for adaptive building re-use in upstate, *including residential*, to address gap when restoration costs exceed rent and sales income
- *Value* retention of manufacturing
- *Create* alternatives to sprawl

Federal Stimulus Package

- Support inclusion of Buffalo's \$156 million project list (included), which will create 3,751 new jobs

Restore CHIPS (Consolidated Highway Improvement) Funding

- Buffalo will lose \$1.2 million under the Governor's budget proposal

Capital to Support Development and Revitalize Neighborhoods

- Extend funding for demolitions and rehab of vacant property by extending the RESTORE NY program
- Fund \$30 million for the Buffalo Revitalization Initiative

Lift Buffalo from the Nation's Third Poorest City

Ensure that Neighborhoods and their Residents Benefit from UB2020 and BNMC Investments

- Support investment within the city
- Support the city's request for \$2 million in operating assistance for *career pathways programming* to assure *opportunity* for Buffalo's youth, residents, and Buffalo- based businesses
- Fund \$10 million for Fruit Belt infrastructure neighborhood projects

Include Buffalo in "Say Yes to Education"

- "Say Yes" provides comprehensive support to enable every child in the program to achieve his or her potential, including the promise of a full college or vocational education and various services to support youth

Keep Youth Funding with the Cities

- *Directly* fund \$2,520,000 in *Office of Children and Family Services'* allocation of *youth funding* to the *City of Buffalo* instead of creating a county block grant. This amount is 2.8% of the \$90 million statewide total, reflecting US Census figures that 2.8% of all state residents in poverty reside in Buffalo

Establish Buffalo as a National Center for Medical Records and Health Informatics

- Support designation of Buffalo's NYS Center of Excellence in Life Sciences as the recipient of the \$50 million settlement between the Attorney General and United Health Group to establish and operate an independent health data base Work has already begun on this initiative

New Revenue Sources Are Critical to Buffalo's Fiscal Future

The City of Buffalo's reliance on state aid places it at financial risk when state aid is withdrawn or fails to increase.

The state authorizes very few revenue sources for cities outside of New York City other than the property tax and sales tax. Buffalo, given its struggling economy, will not raise property taxes and it receives a disproportionately low share of the locally generated sales tax (less than 12% compared to nearly 25% in Rochester and 34% in Syracuse), which means it captures little of this tax's growth.

Consequently, if state aid fails to increase annually, the city does not have the recurring revenue required to fund inflationary costs (ex: employee health care costs) or collectively bargained salary increases for its employees.

As a result of this year's Executive Budget proposal to freeze local aid at current levels, the city will face a future year \$15 million deficit in the absence of any real revenue growth.

Recurring revenue, some of which is contained in the Executive Budget submission, will prevent this from occurring. These sources and annual revenue impact to the City of Buffalo are as follows:

- **Authorize a Red Light Camera System**
 - \$8 million annually
- **Include Cellular Services in the Gross Receipts Tax**
 - \$2-3 million annually
- **Provide 100% of the local share of casino revenues to Buffalo**
 - \$7-8 million annually
- **Eliminate State Share of Locally Generated Revenue**

- \$3 million

Marriage Licenses: Over 50% of the \$40 marriage license fee goes to the state.

Dog License: For each dog license issued, \$3 is taken by the state.

Handicapped Parking Surcharge: \$45 of this \$100 fee goes to the state.

Civil Service Examination Fee: 50% must be shared with the state.

Mortgage Tax: 25% of the city's collections go to the state.

Property Foreclosures: Once city and county liens are satisfied, any excess amounts from the sale of foreclosed property must go to the state (\$1 million annually)

Asbestos Notification Fee: A state imposed \$1,000 fee is passed onto the city, driving up costs for property demolitions.

Adjudication of Motor Vehicle Violations: Authorizing the city to perform this function through its traffic violations adjudication process and returning the state surcharge to the city will result in an additional \$7 million in revenue to the city. Surrounding suburban jurisdictions have this authorization.

