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**MAYOR BYRON W. BROWN  
CITY OF BUFFALO, NEW YORK**

**TESTIMONY BEFORE  
NEW YORK STATE JOINT  
LEGISLATIVE FISCAL COMMITTEES  
REGARDING  
GOVERNOR'S 2011-2012 RECOMMENDED STATE BUDGET**

**SUBMITTED  
TUESDAY JANUARY 24, 2012  
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 7<sup>th</sup> year in office as Mayor and the 7<sup>th</sup> time that I have come before you with Buffalo's legislative priorities. I thank you for the progress we have made, but ask you to recognize that the austerity measures the state has taken have had a very significant impact on city finances, and if not corrected, 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) and Buffalo's Efficiency Grants, and the 100% increase in the Asbestos Notification Fee are just three examples of these austerity measures. While there are more than these, they are the ones that have had the most significant negative impact and the ones I would ask you to focus on as the legislature begins its budget deliberations.

In total, 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, this stability is precarious unless state aid grows. Buffalo, like all upstate cities relies disproportionately on state aid. It comprises just about 35% of the city's \$465 million budget.

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With budget growth consistently under inflation, a 25% reduction in workforce since 2000, and continued double-digit increases in employee benefit costs, Buffalo has made the tough choices by keeping our budget consistently below the rate of inflation. We continue to do more with less, have implemented scores of efficiency measures, and have put in place rigorous management accountability tools, such as CitiStat Buffalo, to ensure that we are delivering city services in as cost-effective and efficient a manner as possible. We did this with the help of state efficiency grants earmarked to Buffalo and their continuous erosion is unfortunate and we request they be restored.

Despite our conservative spending practices, we continue to face structural challenges because unless we raise our property tax levy, which I continue to resist, and in fact have frozen for the next three years, there are no other growing sources of revenue.

And while some may point to Buffalo's sizeable fund balance as an indication that we do not need more, nearly all of our unrestricted fund balance has been earmarked to balance our four-year plan. Future increases in AIM funding are required to keep Buffalo on firm financial footing.

The RESTORE NY program has been perhaps the most transformative program 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 the one of the highest rates of vacant property in the nation with over 23,000 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.

In 2007, I put into place an aggressive demolition and rehabilitation program, the "5 in 5" Plan which is on target to meet its goal of demolishing 5,000 structures and rehabilitating an additional 500 vacant units over five years.

With the help of RESTORE funding and my decision to invest sizeable amounts of other city generated resources, totaling some \$54 million to match the \$20 million we received from RESTORE, we have been able to demolish over 4,200 blighted vacant structures and rehabilitate another 1,200 through these and other funds, since 2006.

RESTORE NY has also been an important component of Buffalo's ongoing economic revitalization.

Restore NY funding has allowed the Buffalo Niagara Medical Campus to move forward on renovations of the former four-story Trico windshield wiper building. This expansion will help grow local biotech companies while at the same time trying to attract life sciences companies from across the country and internationally.

But, as significant as this progress has been it represents only a portion of the problem.

Our progress will be substantially reduced without the support of RESTORE NY funding and the restoration of state aid.

The Asbestos Notification fee must 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 less number of demolitions we are able to do.

Over the past four years, my message to you has been simple and it remains the same today: give us the tools and we will make Buffalo one of the best cities in the nation to live, work, raise a family and visit. The Governor's commitment of \$1 billion to lure private sector investment to Buffalo is welcome and will allow us to do what Albany has done with billions in state investment---accelerate our economic growth and create jobs.

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Lest anyone think that Buffalo is unable to capitalize on state investments, let me use the example of the Buffalo Niagara Medical Campus which the state continues to invest in...from the creation of the NYS Center of Excellence in Bioinformatics and Life Sciences, a new Hauptman Woodward research building to new facilities for the Roswell Park Cancer Institute, the growth and economic impact has been substantial.

In 2001, there were 7,000 employees on the Buffalo Niagara Medical Campus. By September 2012, there will be nearly 12,000 employees on the Medical Campus and by 2011, there will be over 17,000 employees. The construction on the campus, along with

the construction jobs created have been phenomenal, with \$250M in private funding matching state funding to create 2 million square feet of state-of-the-art clinical care, research, education & development space. And now, we are embarking on another 2 million more square feet of development. Projects include the Gates Vascular Institute/Clinical for Translation and Research Center; HighPointe; multi-institutional parking structure; Innovation Center; UB Gateway Building; UB's Educational Opportunity Center; Medical Office Building/Ambulatory Surgery Center; a new Children's Hospital in the works and the relocation of UB's Medical School.

The foundation that we have worked so hard over the past four years to solidify and prepare for future growth and investment must not be endangered by the loss of key state funding. I hope this testimony has convinced you of this fact and I wish you success in the budget deliberations ahead.