

**Testimony Submitted by the Niagara Frontier Transportation Authority for
A Joint Legislative Public Hearing on the Fiscal Year (FY) 2023-24 Executive Budget
Proposal**

Monday, February 6, 2023

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Albany, NY

Chairwoman Weinstein and 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 2023-24 Executive Budget.

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 the 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 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 service encompasses a bi-county area with a population of 1,166,902 people (2020 Census), including an urbanized area with a population of 948,864 people (2020 Census). From April 1, 2016, to March 31, 2020, NFTA-Metro provided an average of 25 million rides per year. The coronavirus pandemic resulted in a decrease in public transit ridership across the country including NFTA-Metro. Bus ridership has averaged about 60 percent of pre-pandemic monthly ridership and rail ridership has averaged about 45 percent. From January 1, 2022, to December 31, 2022, the NFTA provided 13,887,783 rides across bus, rail, and paratransit services.

The NFTA's aviation business center operates both the Buffalo Niagara International Airport (BNIA) and the Niagara Falls International Airport (NFIA). 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. NFIA is only at 49% of the seat capacity flown in 2022, but has continued to trend upward.

The NFTA is the only entity 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. This approach demands diverse, structurally sound, and inflation-sensitive sources of state and federal operating assistance that reflect the demands of a complex system and the integral nature of the NFTA's role in the region's economy.

As the traffic at our airports, and on our buses and trains build back from the impacts of COVID-19, NFTA along with our entire Western New York (WNY) region have been impacted by catastrophic emotional and financial hardships in 2022. In May 10 people were killed in a racially motivated mass shooting. The NFTA suspended fares for several months on four routes that served the impacted community, to help residents access food, health care, family and mental health counseling as our community worked to recover. We continue to work with community members to address long-standing social and economic divisions this massacre highlighted in order to improve long-term outcomes for our region, and historically disadvantaged communities in particular.

On July 30, 2022, a 12 by 200-foot section of shoreline at the NFTA's Metro Rail Yard and Shop facility and soon to be completed new DL&W Station collapsed. The NFTA worked immediately to stabilize the shoreline. We are continuing to remove debris from the site of the collapse, inspect the entire shoreline, including underwater forensic investigation, and restore the shoreline to prevent future erosion and collapse. The NFTA has incurred all costs to date to perform these necessary activities, which are expected to exceed \$8 million.

In November, a week before the Thanksgiving holiday, the region received 6+ feet of snow closing roads, creating driving bans and cancelling numerous flights. At that time, Western New Yorkers believed they had seen the worst of winter. However, one month later the entire region and the City of Buffalo and Buffalo Airport in particular, were devastated by a once-in-a-

generation storm of over 4 feet of snow, freezing cold temperatures and sustained 40-50 mph winds which equate to a category 1 hurricane for more than 37 consecutive hours. This storm shut down the region for more than three days and killed more than 40 residents. NFTA employees saved many lives during the storm, and we are so proud of all our workers who did so much during this storm as they often do to benefit the lives of regional residents.

These events have had an emotional, psychological, and financial impact on the entire region and the NFTA. The NFTA has lost revenue, incurred significant costs, and experienced property damage that will not be fully covered by insurance or any federal/state emergency aid.

The NFTA welcomes Governor Hochul's 2023-2024 Executive Budget 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 combat climate change, work to better serve disadvantaged communities, and create economic growth coming out of the coronavirus pandemic. The NFTA has 4 primary budget asks that will allow the region to further enhance public transit, economic development, and improve the environment and quality of life:

- **An additional annual appropriation of \$12 million in STOA for the NFTA to recognize NFTA-Metro Rail service in annual STOA appropriations and enhance safety and security on Metro Rail;**
- **a state commitment for at least \$300 million in the 5-year New York State Transportation Capital Plan to further advance NFTA-Metro Transit Expansion;**
- **a 57% increase in State Transit Operating Assistance (STOA) to address rising costs, lower farebox recovery, the end of federal coronavirus relief assistance and demands for expanded service; and**
- **\$100 million in direct capital investment in the Buffalo and Niagara Falls International Airports.**

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 the enhanced security for our passengers. Passengers need to feel safe, especially in light of the tragic events that have hit Buffalo, NY this past year.**

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 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 has begun 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 state commitment for at least \$300 million in the 5-year 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.

The 2023-2024 Executive Budget proposed a 25 percent increase in state operating aid for the MTA, an 8.5 percent increase for the other downstate transit systems, and a 7 percent increase for upstate systems. Adding to the difference in last year's budget, the discrepancy is much too great to go unnoticed by transit riders and constituencies in upstate communities that need and deserve the same level of state commitment to transit service as downstate, to access the same opportunities. Erie and Niagara Counties, along with other Upstate communities need and deserve a stronger state investment in transit service so that our residents have the same opportunities for mobility, access, and economic growth. Therefore, **in order to address rising costs, lower farebox recovery, the end of federal coronavirus relief assistance, as well as the demand for more service, we request that the Legislature increase STOA by 57 percent for upstate transit systems.** The increased STOA will support:

- increased trip frequency on core routes;
- increased safety and security of our customers;
- enhanced customer amenities;
- human capital investments including training, employee retention, apprenticeship programs, and recruiting/attraction;
- capital project investments which will result in more efficient, effective and environmentally-friendly transit system.

Since 2015, New York State has appropriated and allocated \$250 million through the Upstate Airport Economic Development and Revitalization Competition. Of that \$250 million in funding, the Buffalo and Niagara Falls International Airports did not receive a single cent. The aviation system in the Buffalo-Niagara Falls region, the largest outside of New York City airports, has received nothing out of this \$250 million appropriation.

The NFTA has done our part – we've invested \$70 million into expanding and enhancing the Buffalo Airport Terminal and \$27 million to construct a new Niagara Falls Airport terminal by bonding for both projects. 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 and need and deserve the same

investment as other airports through New York State. **We need and deserve \$100 million in direct capital investment from New York State in order modernize and enhance NFTA-owned facilities at our region's airport system.**

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. Just this month all 10 BEB's entered revenue service. However, until the charging upgrades are complete, we can only charge 5 BEBs overnight. These upgrades are estimated to be complete later this calendar year.

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.

Despite the pandemic and the obstacles and tragedies our community faced in 2022, the NFTA has continued 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.

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