



City of Buffalo
Office of Mayor Sean M. Ryan

Thank you to Senate Finance Chair Krueger, Assembly Ways and Means Chair Pretlow, and Senate and Assembly staff for the opportunity to testify on the City of Buffalo's needs.

I would also like to thank the members of the Western New York Delegation, especially those who represent the City of Buffalo: Senator April Baskin, Senator Jeremy Zellner, Assembly Majority Leader Crystal Peoples-Stokes, Assemblymember Pat Burke, Assemblymember Jon Rivera, and Assemblymember Bill Conrad.

I want to commend the Governor for once again including Temporary Municipal Assistance in her proposed Budget, and for putting forth numerous proposals that will greatly benefit the people of Buffalo, including increasing access to childcare, as an investment in Buffalo's childcare is an investment in Buffalo's economy that will enable more parents to enter or reenter the workforce and create new jobs in and of itself. The funding that will allow municipalities to renovate community centers is very needed because Buffalo's community centers are in various stages of extreme disrepair. The Lincoln Community Center pool has been closed for years, and last year the City of Buffalo failed to pay the utility bills for several community centers, forcing them to close for days.

The Governor's inclusion of water infrastructure funding and the new round of investment into the Downtown Revitalization Initiative (DRI) will be invaluable as well—Buffalo has greatly benefitted from these programs in the past and the recommitment to these programs presents Buffalo with opportunities for further partnership with the State. In 2022, the Broadway-Fillmore neighborhood received an investment through DRI that was used to attract new businesses to the area, improve the walkability of the area, and preserve historic buildings. Last week, I announced that the City of Buffalo received \$29.3 million from the State for a sewer infrastructure project, and later the same day, we had a very large water main break on Hertel Ave and Military Road that led to flooding. Buffalo's water infrastructure is aging and is in dire need of repairs.

Transparency is very important to me, especially transparency around economic incentives, so I am pleased to see that the Governor included improved tracking for local IDA projects in her proposed budget. Finally, I would like to commend the Governor for the continuation of last year's record high funding for the Environmental Protection Fund (EPF). The Lake Erie Watershed Protection Alliance, the Buffalo Center for Plastic Recycling Research, and many other Western New York environmental groups depend on this funding. I hope to see all these proposals in the final FY 2026-2027 Budget, and I look forward to partnering with you all to do what is best for Buffalo.

The City's Fiscal Situation

Even before taking office, my team has been analyzing the factors that have left the City of Buffalo in such a poor financial condition, and the path forward. For years, the magnitude of the problem was obscured by unrealistic budgeting and repeated reliance on one-shot revenues, including the complete depletion of the City's unassigned fund balance and the use of hundreds of millions of dollars of American Rescue Plan funding to cover budget shortfalls. As Mayor, I have pledged to usher in a new era of transparency with my constituents and the State—that starts with being honest about the depth of this challenge.

Now that I am in office and am developing a clearer view of the numbers, it has become apparent that the City is operating with a structural deficit that will require immediate action at the local level and direct support from the State to bridge the gap during the current year and next City Fiscal Year.

Because we are midway through the fiscal year and operating under a previously adopted budget our options to rebalance this year's budget are extremely limited. While any credible plan to fix the City's short- and long-term financial situations must include disciplined and efficient spending, it is important to note that the City's expenditures are already relatively low, especially when compared to peer cities across the state. There are several structural realities that make significant expenditure reductions unrealistic:

- Expenditure growth has remained well below the inflation rate for the past 10 years (*Fig. 1*);
- The vast majority of city expenditures (around 71%) are for fixed cost personal service and fringe benefits (*Fig. 2*);
- Buffalo already has the lowest per-capita personnel spending of any upstate city (*Fig. 3*);
- Many (if not all) City departments are already understaffed; for example, just six people employed as caretakers are responsible for maintaining over 250 City buildings.

In addition to these constraints, Buffalo also has the lowest per-capita total tax levy among upstate cities. **Put simply, this is a revenue problem, not a spending problem.** I have been exploring a variety of options to increase the City's long-term revenue, including the difficult but necessary prospect of significant property tax increases, but Buffalo needs additional tools to solve this structural problem. I respectfully request that the following proposals be included in the Senate and Assembly One-House proposals and in the final Budget.

CITY	FY2026 EXPENDITURES	FY2016 EXPENDITURES	% CHANGE	FY2026 EXP. PER CAPITA
Buffalo	\$622,074,415	\$493,940,908	26%	\$2,265
10-Year Cumulative Inflation Rate			34%	
Rochester	\$680,455,000	\$501,602,300	36%	\$3,283
Syracuse	\$944,038,200	\$676,446,883	40%	\$6,352
Yonkers	\$1,464,719,827	\$1,070,298,362	37%	\$7,054
Albany	\$228,723,909	\$180,607,786	27%	\$2,260

Fig.1

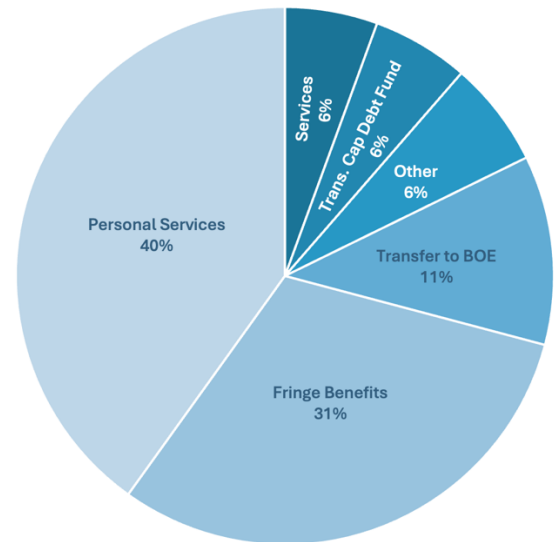


Fig.2

FY 2026 BUDGETS	FY2026 HEAD COUNT	PERSONNEL & FRINGE EXPENDITURES	PERSONNEL & FRINGE PER HEAD COUNT (city staff)	PERSONNEL & FRINGE PER CAPITA (city population)
Buffalo	2,765	\$431,035,533	\$155,890	\$1,569
Rochester	2,975	\$495,896,200	\$166,716	\$2,393
Syracuse	2,401	\$245,850,973	\$102,395	\$1,654
Yonkers	2,754	\$625,595,556	\$227,159	\$3,013
Albany	1,423	\$166,615,961	\$117,088	\$1,646

Fig. 3

Article VII Asks

Secondary Bonding for the Buffalo Fiscal Stability Authority (BFSA)

The first (and most important) of these proposals is legislation authorizing the BFSA to engage in a second round of bonding. This bill was recently introduced, and is Senate number 9161. The BFSA was created by the Legislature in 2003 to exercise fiscal oversight of the City of Buffalo and to provide an additional revenue stream for the City through bond issuance. The BFSA has the highest possible credit rating and the full backing of the State of New York. I am requesting that the state once again grant the BFSA authority to issue deficit bonds to amortize potential revenue shortfalls while we work to achieve structurally balanced budgets.

This funding will reduce the budget gap by a set percentage each year, enable the City of Buffalo to implement long-term revenue-generating policies I will discuss below, and, once the revenue is collected, obviate the need for such funding in the future. **This will not create an obligation for the City to borrow a set amount**, but it provides us with the option to do so if necessary. I have already spoken to the BFSA regarding this legislation and look forward to working with them in an advisory capacity to ensure the City of Buffalo's finances are secure.

Amendments to Buffalo Parking and Mobility Authority (BPMA) Legislation Enacted in 2025-26 State Budget

My aim is to stop relying on flashy one-shot funding sources that do not provide long-term fiscal stability for the City. Our ARPA funding is fully allocated, and the two Article VII proposals included in the FY 2025-2026 Budget on behalf of the City of Buffalo will not generate as much revenue as initially estimated. Buffalo Civic Auto Ramps (BCAR), the nonprofit that currently manages the city-owned parking ramps has historically generated \$5 million in annual revenue for the City. Last year, the City estimated that the sale of the ramps to the Buffalo Parking and Mobility Authority would generate \$43 million in revenue including \$26.5 million for the current fiscal year. While we work through the analysis to better understand the financial implications of the ramp sale, I am requesting a few minor tweaks to the BPMA authorizing legislation, which I believe will enable their success:

- Restructure the Authority board with respect to the length of initial appointments.
- Add mayoral oversight for transfer of property and approval of contracts.
- Authorize ramps currently operated by other entities in the city to continue operating.

Locally, I will be seeking property tax increases from the Common Council over the next three years. Buffalo has the lowest tax cap utilization among the upstate cities, at only 42%. Buffalo's taxes largely decreased or stayed flat between 2007 and 2024, with the City's tax levy even **decreasing** in several of those years. Although it will be necessary to raise property taxes, I am seeking to reduce the burden on Buffalo's most vulnerable residents as much as possible. To that end, I request that the Budget include three

proposals for new taxes on specific behaviors or property types that will both **generate additional revenue and improve the quality of life** for Buffalo residents.

Legislation to Impose Supplementary Tax on Vacant and Abandoned Property

The first new tax for which I am seeking state authorization is a supplementary tax on vacant and abandoned property. Cities across the U.S., including D.C., Baltimore, and Detroit, have recently implemented similar taxes. I have drafted language based on the definition of “vacant and abandoned” in the zombie foreclosure law, which will provide City of Buffalo property owners with notice and an opportunity to be heard before any such tax is imposed on their property. The language around the tax’s imposition mirrors that used in the City of Baltimore. This tax will serve a few functions. There are nearly 7,000 privately owned vacant lots in the City of Buffalo, along with many abandoned houses and other structures. Not only do these blighted properties negatively impact their neighbors’ property values and create hazards, but the City also spends money to maintain them; we cut their grass, plow their driveways, shovel their sidewalks, and our first responders spend a large amount of their time responding to 911 calls at these properties.

The vacant and abandoned property tax is designed to be sufficiently burdensome to incentivize the sale of these neglected properties to owners with the interest and resources to maintain them. This will reduce both blight and costs incurred by the City of Buffalo. Alternatively, if these absentee property owners do not find their increased financial burden sufficient to motivate a sale, the City will collect additional revenue from these properties (either through regular tax payments or through foreclosure). The Common Council will have the flexibility to set the supplementary tax rate, which will determine the amount of revenue generated by this proposal.

Legislation to Restructure Homestead Property Tax Rate

The second new tax for which I am seeking state authorization is a restructuring of the City of Buffalo’s homestead property tax rate eligibility. Currently, the statewide homestead rate applies to any residential property with three or fewer units, regardless of where the owner lives or how many units they own. As a result, many investment properties are eligible for the homestead rate. An investor residing in Cheektowaga or Tonawanda (or Syracuse, New York City, Kuwait, or Spain) is eligible to receive the homestead rate for all five (or 20, or 100) properties they own. The Legislature’s initial goal in establishing the homestead rate was to prevent tax increases from disproportionately affecting homeowners. The current structure fails to accomplish that goal in the City of Buffalo. I am requesting that only owner-occupied one- or two-family units be eligible for the homestead rate in the City of Buffalo. The language I have drafted also limits eligibility for the rate to one property per person or entity.

Legislation Authorizing Real Estate Transfer Tax within the City of Buffalo

The third and final new tax for which I am seeking state authorization is a real estate transfer tax for the City of Buffalo. This would be similar to real estate transfer taxes imposed in New York City, Yonkers, Mount Vernon, and Peekskill. One key difference is that, because I am committed to promoting homeownership in the City of Buffalo, I am

seeking a tax on sellers, not buyers. I propose a two-tiered tax: one rate for properties sold for less than \$1 million and a higher rate for properties sold for \$1 million or more.

Appropriations Ask

Even if each of the Article VII proposals is included in the final FY 2026-2027 Budget, these new revenue streams will not begin to flow until the start of the City of Buffalo's 2027-2028 fiscal year. That is why, in addition to the five aforementioned Article VII proposals, I am also requesting direct State support to help stabilize the City's Budget until these proposals take effect. Only through the combination of all five Article VII proposals, additional state aid, and property tax increases can the City achieve fiscal stability.

The City of Buffalo has been saddled with the consequences of a generation of financial mismanagement, and I am seeking your partnership in developing a toolbox to shield my constituents from the fallout to the greatest extent possible.

I intend to usher in a new era in Buffalo—one where we finally get the basics right. Implementation of these proposals will help the City achieve fiscal stability enable us to begin delivering a long-overdue standard of services that Buffalo residents deserve. While my team has developed these proposals in our best attempt to close our budget gaps, I am ready to work closely with our State partners to discuss any viable plan or alternative proposal, including PILOT payments for State owned land in the City of Buffalo, direct financial support or other proposals that will help us achieve fiscal stability.

I do not want to take your partnership for granted, but want to impress upon you the gravity of Buffalo's financial situation. If we are unable to secure everything needed to balance the FY 2026-2027 Budget and responsibly close the budget shortfall for the current fiscal year, we will be forced to take drastic action that will negatively impact our constituents in the near term. With many core services already cut to the bone, the only way to achieve significant cost reductions to balance the budget would be by reducing public safety with major cuts to fire and police services. There simply is nowhere else to cut. **With your help, and our commitment to a three-year soft landing plan, we can avoid this outcome and finally put Buffalo on a path to financial stability.**

I submit this testimony to reaffirm my commitment to doing what is right for my constituents and working with our State partners to make that happen. Thank you for your thorough consideration of my requests. My team and I remain available to address any questions or concerns you may have.