



**CITY OF ALBANY
OFFICE OF THE MAYOR
24 EAGLE STREET
ALBANY, NEW YORK 12207**

DR. DORCEY L. APPLYRS
MAYOR

February 9, 2026

Hon. J. Gary Pretlow, Chair
Assembly Ways and Means Committee

Hon. Liz Krueger, Chair
Senate Finance Committee

Good morning,

Thank you, Chair Pretlow, Chair Krueger, the Assembly Ways and Means Committee, and the Senate Finance Committee for the opportunity to discuss the State Budget. I extend my thanks as well to Senator Christopher Ryan, Senator Monica Martinez, Assemblymember Michaelle Solages, and Assemblymember Patrick Burke for their committed leadership of the Cities and Local Government Committees in their respective houses. I also want to thank Senator Patricia Fahy, Assemblymember Gabriella Romero, and Assemblymember John McDonald for their steadfast representation of Albany and the Capital Region. I am excited to discuss Albany's fiscal priorities and initiatives with you and for the collaboration ahead.

I am honored to submit this testimony today as Mayor of our Capital City at the dawn of a new era for Albany. This is a moment of renewed purpose and possibility—for our residents, our business community, and all who come to our city to work, govern, and dream. Albany is not merely turning the page; we are authoring a bold new chapter rooted in progress, partnership, and pride. As we do so, we eagerly embrace our collaboration with the members of the State Legislature, because Albany is not only the seat of state government, it is your second home, and together, we will shape a future worthy of this great Capital City.

Every week, members and their staff travel to Albany to eat, sleep, and work. But still, I have heard from many who say that they feel disconnected. I now have the great opportunity and privilege to reintroduce you to our state's Capital City. We are committed to welcoming you into the life of Albany, fostering stronger relationships, and ensuring that your work here is informed by the voices and experiences of our residents.

Albany is a city defined by resilience and determination. For generations, our residents and institutions have worked tirelessly to meet the demands placed upon a capital city, even as those demands have increasingly strained our systems and infrastructure. While the State has recently recognized Albany's unique challenges and we are grateful, the cumulative pressures remain significant. Many of the structural constraints we face today are rooted in State decisions made decades ago, including mid-20th-century planning choices that limit Albany's tax base and continue to constrain access to taxable property. These challenges have been further compounded by the enduring effects of historic redlining, which continue to shape inequities across our city. As we begin the next chapter for Albany, there is an urgent and necessary opportunity to reexamine how the Capital City is funded so that it can meet both its local responsibilities and its statewide role.

Thanks to continued Capital City Funding, the ongoing Empire State Plaza Payment in Lieu of Taxes (PILOT), and Aid & Incentives to Municipalities (AIM), we have been able to accomplish much despite Albany's huge percentage of tax exempt property. We are grateful to the Governor and the State Legislature for approving a historic investment through the Championing Albany's Potential (CAP) Initiative. These funds will revitalize our downtown and world-class State Museum. This is a recognition of the importance of investment in our Capital City, and we will be great stewards of this support.

As treasurer of the New York Conference of Mayors (NYCOM), I join with its leadership and mayors across the state to stress the critical importance of AIM Funding. For the State of New York to be strong, our cities must be strong. And we are strongest when we have the required AIM funding to support our efforts. We are looking to renew our contract with the State regarding its support for local municipalities through AIM. While New York State's personal and corporate income tax revenues have doubled, municipal aid to cities like Albany has not kept pace, remaining flat since fiscal year 2008–2009. For nearly fifteen years, cities have sustained essential services—public safety, infrastructure, sanitation, and emergency response while inflation in labor, fuel, healthcare, and materials has steadily eroded municipal purchasing power. With AIM funding largely flat for almost two decades, this imbalance is no longer sustainable. The State must enact meaningful increases to AIM to ensure cities like Albany can continue to meet both local needs and statewide responsibilities.

Albany carries a dual responsibility unlike any other city in New York State. We are home to more than 100,000 residents—and every weekday, an additional 80,000 people come into our city to work in State government, hospitals, universities, and related institutions. Our public safety, infrastructure, sanitation, and emergency response systems are therefore built not only to serve a local population, but to support the daily functioning of state government itself. This near-daily doubling of demand places extraordinary and ongoing strain on city services, personnel, and infrastructure.

Nearly two-thirds of Albany's annual budget is dedicated to funding full-time police officers, firefighters, and general services employees—public servants who protect, serve, and support both our residents and the thousands who work in Albany each day. These men and women are the backbone of the Capital City. While we are deeply grateful for their service, sustaining this

level of public safety and municipal support without adequate State partnership is increasingly untenable. Additional State funding would directly strengthen these essential services and the workforce that keeps Albany safe, clean, and functional.

Despite this outsized responsibility, Albany ranks last among major cities in State aid. On a per-capita basis, Albany receives approximately \$577 in State funding—totaling \$57.3 million in 2024—less than Buffalo, Rochester, Syracuse, Yonkers, Plattsburgh, Hudson, Niagara Falls, and Newburgh. I want to note that \$10 million of this funding was for our Lincoln Park swimming pool, and those funds are not recurring. The disparity is neither equitable nor reflective of Albany’s role as the Capital City. To address this long-standing imbalance, I urge the State to enact a baseline increase in AIM funding to restore Albany to parity with its peer municipalities.

At the same time, Albany cannot continue to compensate for inadequate aid by further taxing its residents. Compared to Buffalo, Rochester, New Rochelle, and other major cities, Albany already carries the highest tax levy in the State. This approach is unsustainable if we are serious about retaining residents, attracting investment, and stimulating economic growth. A strong property market and a growing local economy depend on fairness and stability, not continued over-reliance on a shrinking tax base.

That tax base is uniquely constrained. 56% of all property in Albany is tax-exempt. The State and State authorities alone own approximately one-third of all property within city limits—more than Albany’s entire taxable property base. As a result, only 44% of property in Albany is taxable, a figure significantly lower than any other city in New York State. This structural reality has forced Albany to raise its City and School property tax levy to the breaking point. Today, Albany’s local tax rate stands at approximately \$26 per \$1,000 of fair market value—nearly 25% higher than rates in Rochester, Syracuse, and Yonkers. We simply cannot raise it any further.

Albany has shown determination. We have done a great deal with limited resources. But for too long, the Capital City has been asked to overcompensate for structural inequities that only the State can correct. A more equitable funding framework is not just an investment in Albany—it is an investment in the effective operation of New York State itself.

To offset this significant level of tax-exempt property, the State currently provides Albany with approximately \$17 million annually in Payments in Lieu of Taxes (PILOTs), calculated at a rate of \$3.07 per \$1,000 of assessed value. The majority of this amount—\$15 million—derives from the statutorily required Empire State Plaza PILOT, which has remained unchanged since 2018 and is scheduled to remain flat through 2031. While we appreciate the State’s recognition of Albany’s limited taxable property base, a substantial gap remains. For comparison, an identical home in Albany is taxed approximately \$5,000 to \$7,000 more per \$100,000 of value than a comparable home in peer cities, placing a disproportionate burden on Albany homeowners.

I hope this testimony and the accompanying presentation paint a clear picture of the unique challenges we face in Albany. What we have been able to do in this City despite these challenges is truly a testament to our leadership, our workers, our residents, and our spirit.

In my recent State of the City address, I outlined my Administration's proposals to elevate the City of Albany and position it to reach its full potential. Priority number one is public safety. I plan to address creating safer streets through standing up an Office of Violence Prevention, following models from across the United States. The Office of Violence Prevention will provide an emphasis on trauma-informed services, which means we will work to understand people's experiences in order to best provide the help they need. This office will bring together police officers, mental health professionals, and community leaders to address the root causes of violence, such as poverty and limited access to mental health services. Cities across the country, from Richmond, California, to Baltimore, Maryland, Newark, New Jersey, and Rochester here in New York, have demonstrated measurable success in reducing violent crime and addressing its underlying causes through offices such as this.

Additionally, I seek to expand our Ambassador Program across downtown Albany and our business corridors. An Ambassador Program deploys trained, uniformed staff on city streets to enhance cleanliness, safety, and the public spaces experience. Ambassadors serve as visible, friendly representatives of the city, greeting residents and visitors, providing directions, removing litter and graffiti, identifying infrastructure issues, and connecting people in crisis or experiencing mental health issues with services. Their constant presence makes streets feel cared for, organized, and safe. An expanded Ambassador program – with Ambassadors in bright jackets walking the streets day and night – would assist the Albany experience for the members and staff walking around the Capital City.

These programs, along with a mass beautification program across the city and the establishment of the City's first Advisory Council on Nightlife Economy, directly impact visitors, residents, and the members who travel here every week. However, we need your help to make these initiatives a financial reality and to turn the lights back on in Albany.

First and foremost, on behalf of Albany and NYCOM, I am asking for an increase in AIM funding for our cities, towns, and villages. Second, I ask that the Capital City Funding and the Empire State Plaza PILOT be made permanent and be indexed for inflation. Finally, I ask that the State consider a PILOT for Harriman Campus. Harriman Campus is another major property owned by the State, and its inability to contribute to our City in tax payments has a direct impact on our residents.

Thank you for your time and for your partnership this budget year in support of these initiatives. Our Capital City is strong, and our residents are hopeful for this new chapter. I look forward to working together in the coming days.

Sincerely,

A handwritten signature in black ink, appearing to read "Dorcey L. Applyrs".

Dr. Dorcey L. Applyrs
Mayor

Enclosure: Slide Presentation



CITY OF ALBANY

2026-27 EXECUTIVE BUDGET TESTIMONY

DR. DORCEY L. APPLYRS
Mayor

 ALBANY
NEW YORK | EST. 1686



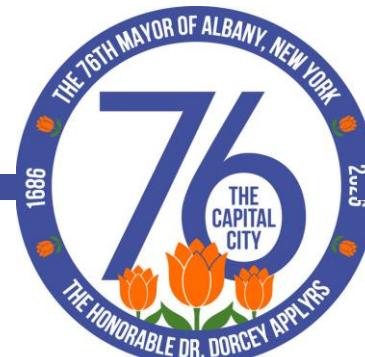
A NEW CHAPTER

- Hope for a new chapter
- Albany is your second home
- State of the City, I outlined:
 - Office of Violence Prevention
 - Ambassador Program
 - Beautification efforts & Turning the Lights Back On
- We need your help to make these initiatives a reality
- Albany's Unique Problem of 56% tax-exempt properties and less-than-fair share of state aid

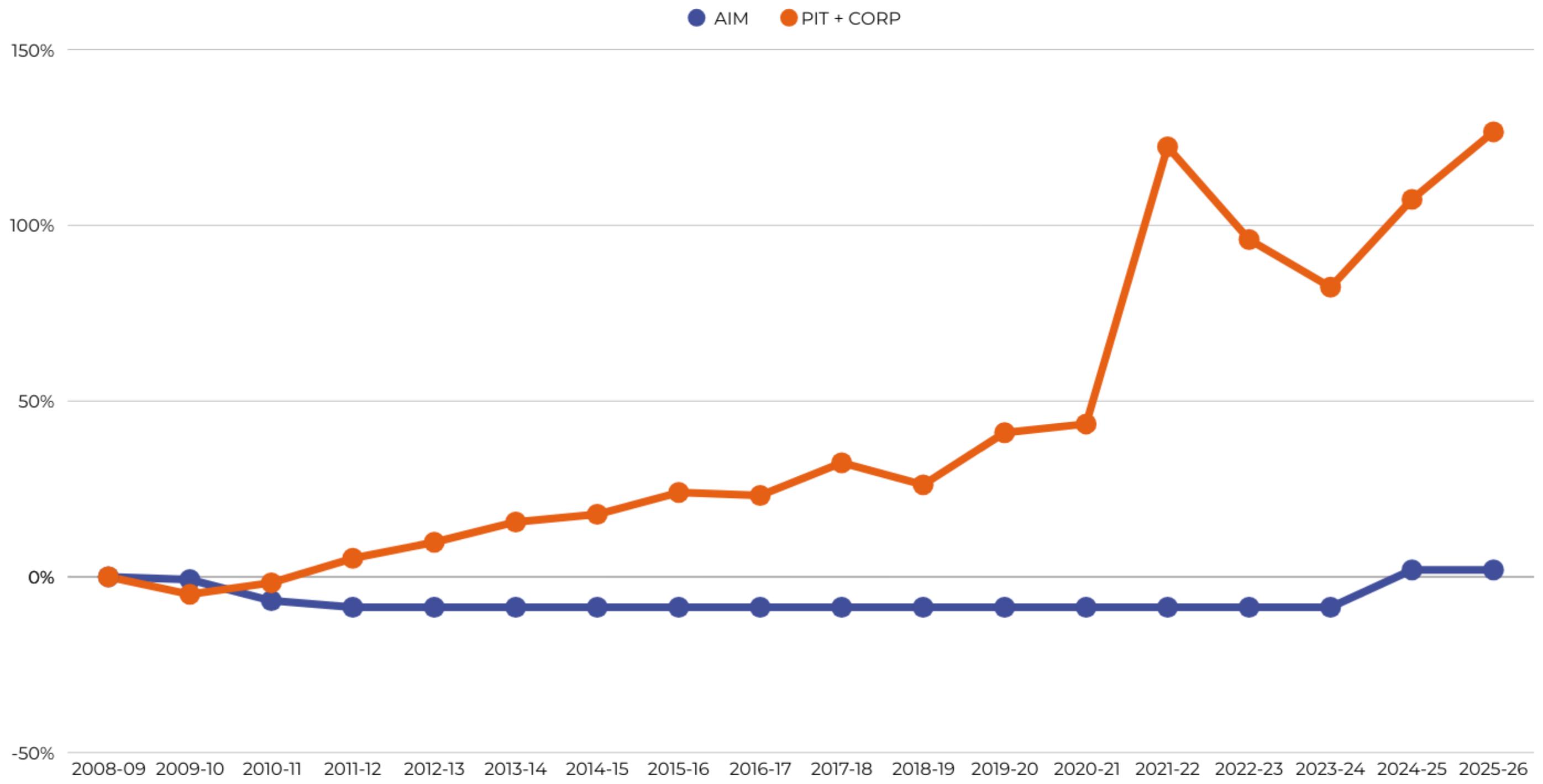
INVESTMENTS IN ALBANY

- 20M Capital City Funding
- 17M PILOTs
 - 15M Empire State Plaza
- 400M Investment
 - 200M Downtown Revitalize
- 14M AIM Funding

In order for NY to be strong, our cities have to be strong.



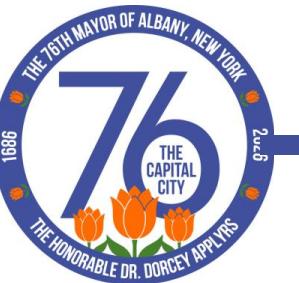
AID & INCENTIVES TO MUNICIPALITIES (AIM)



Source: NYS OSC & DOB

From SFY 2008-09
to 2025-26 State
Personal and
Corporate Income
Tax Revenue Has
More than
Doubled

Aid to (non-NYC)
Cities Flat to 17
Years Ago



2024 CITY STATE AID PER CAPITA



What Albany would receive with parity to the other large cities...

Same per capita as BUFFALO, \$90.5 million

Same per capita as ROCHESTER, \$60.9 million

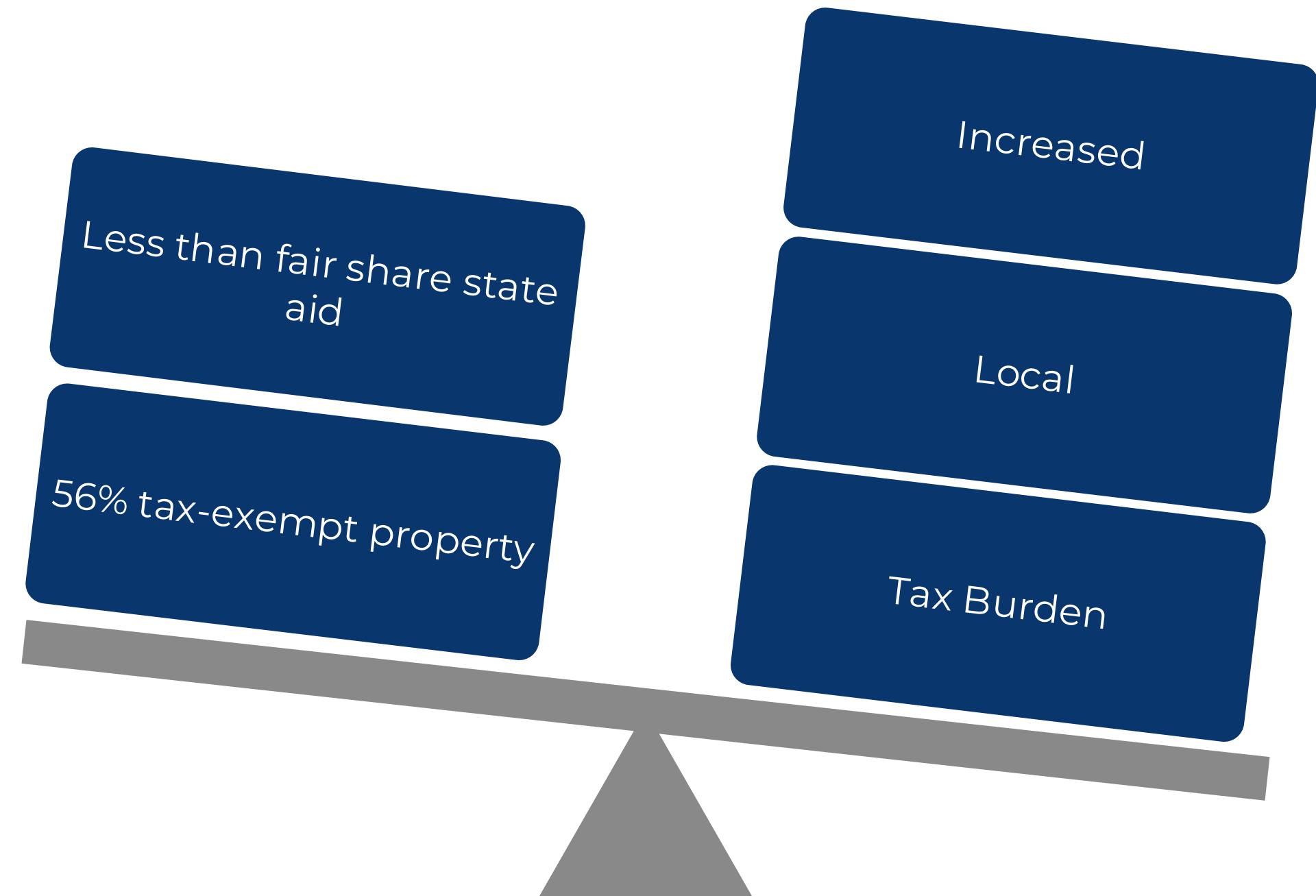
Same per capita as SYRACUSE, \$60.0 million

Same per capita as YONKERS, \$59.4 million

ALBANY received \$57.3 million of State aid in 2024

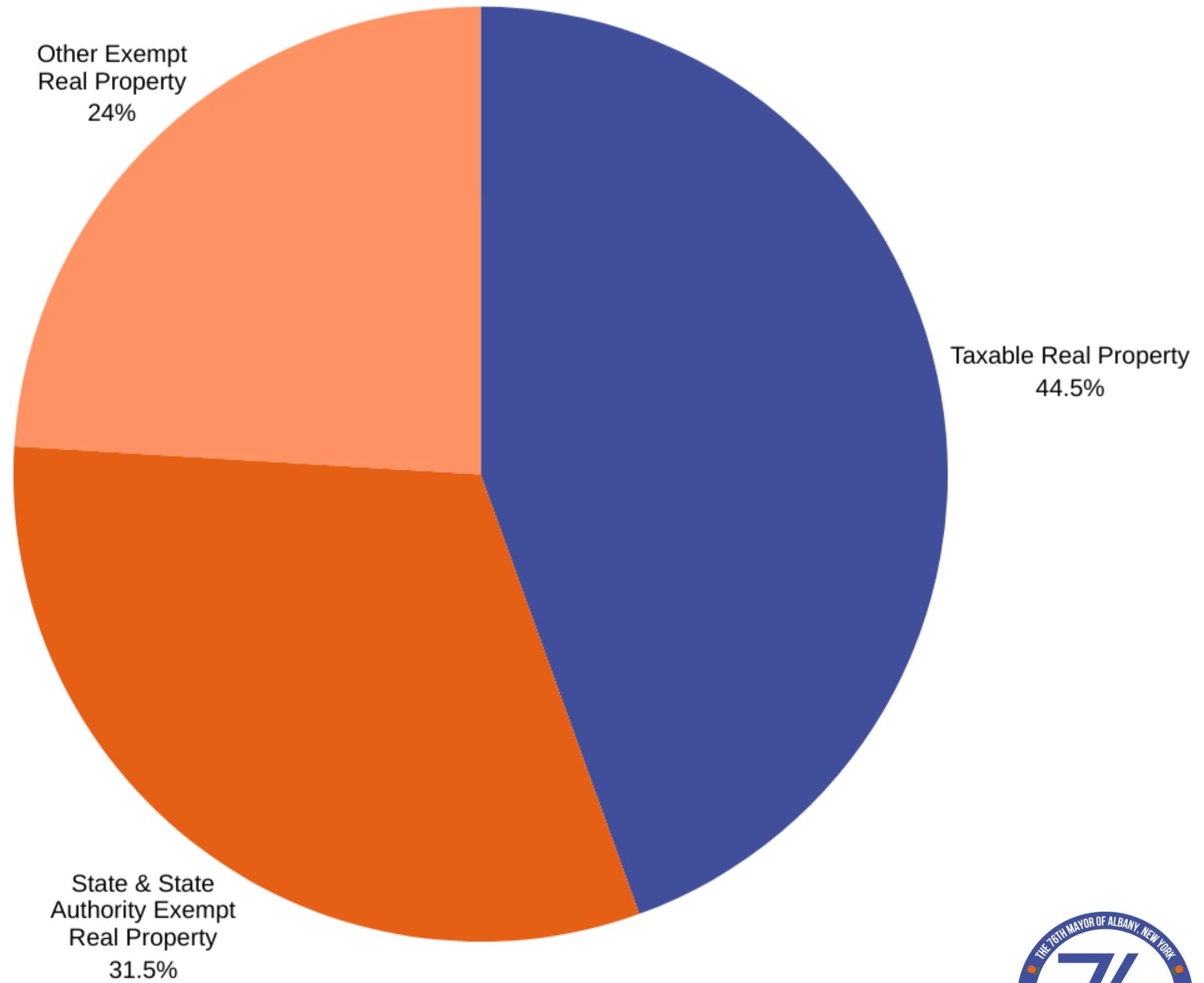


A UNIQUELY ALBANY PROBLEM

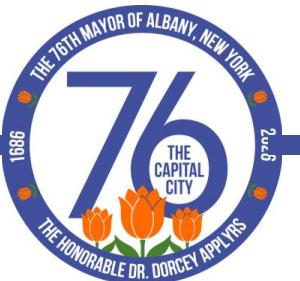


TAX EXEMPT PROPERTY IN THE CITY OF ALBANY

- 56% of all real property in the City is Tax Exempt
- The State and its Authorities own over \$5.4 billion of the City's real property



Source: City of Albany 2025 Assessment Roll



ALBANY CANNOT TAX ITS WAY OUT

City	Taxable Value	Local Tax (Muni + School)	Local Tax per \$1,000 of Value
Albany	6.9 B	177.5 M	25.75
Buffalo	16.5 B	150.3 M	9.11
New Rochelle	13.7 B	283.2 M	20.66
Rochester	9.2 B	181.2 M	19.64
Syracuse	6.4 B	114.3 M	17.76
White Plains	11.8 B	258.9 M	21.98
Yonkers	26.1 B	408.8 M	18.31

- Albany cannot afford to keep taxing our residents
- Albany's tax levy is the highest at 2.6%
- This is unsustainable if we want to retain residents and stimulate development

*Yonkers Tax Includes City Personal Income Tax

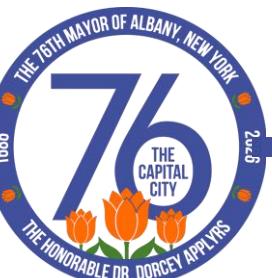
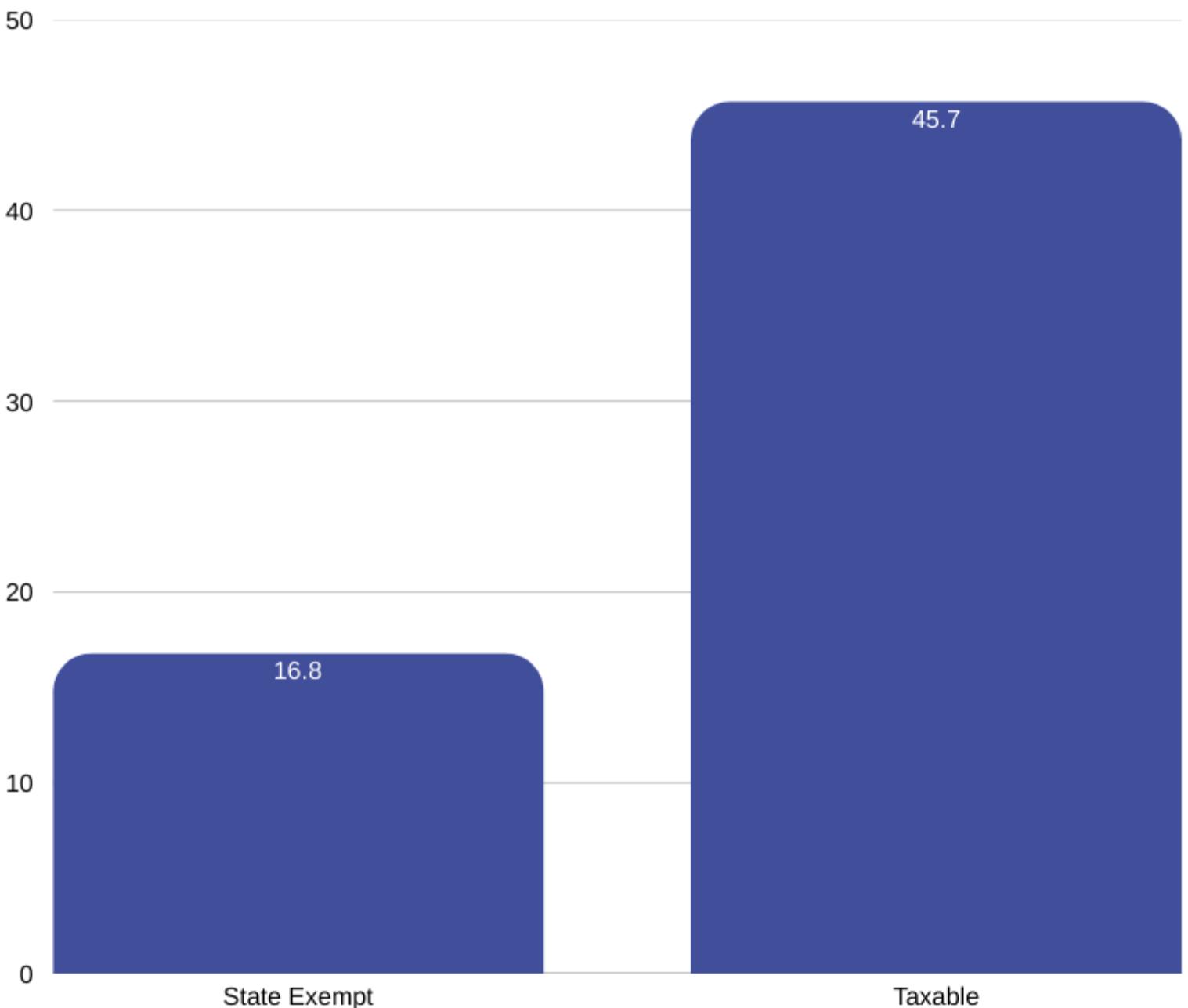
Source: Office of the State Comptroller (2024 AUD)



PILOT PAYMENTS



- 17M total in PILOT payments
 - 15M from Empire State Plaza PILOT
- There has been no adjustment for inflation since 2018
- If taxable, these properties would create 47M in funding



SETTING ALBANY UP FOR SUCCESS



- Certain and increasing non-property tax revenue for the City to maintain fiscal stability in order to provide its residents, daily commuters, and other visitors the level of services they deserve into the future:
 - Increase in AIM to address no growth for 17 years
 - Make the Empire State Plaza PILOT and Capital City payment permanent and index them to inflation
 - New PILOT for Harriman Campus





CITY OF ALBANY

MAYOR DR. DORCEY L. APPLYRS