



October 31, 2012

Honorable Members
Erie County Legislature
25 Delaware Avenue
Buffalo, NY 14202

Dear Legislators:

As the not-for-profit corporation designated by Erie County to perform Downtown special district services, Buffalo Place Inc. presents its 2013 budget to the Erie County Legislature with our advice that \$1,286,122 be raised by mall district special charges in 2013. As required by Section 4 of Erie County Local Law No. 8-1984, this amount does not exceed 80% of the aggregated service charges which could be assessed and levied.

Buffalo Place Inc. held a public hearing on the 2013 budget on October 30, 2012 at 4:00 p.m. Notice of the hearing was sent to all property owners in the Special Charge District. Enclosed are the minutes of the public hearing. The Board of Directors of Buffalo Place Inc. and Buffalo Place Foundation approved the 2013 budget at its meeting on October 31, 2012 by a 11-1 vote.

We request that the Legislature adopt, on or before November 16, 2012, the attached resolution that approves the \$1,286,122 Special Charge Levy.

Thank you for your consideration. Buffalo Place representatives welcome the opportunity to answer any questions the Legislature may have at the appropriate committee meeting.

Sincerely,

A handwritten signature in blue ink that reads "Michael T. Schmand".

Michael T. Schmand
Executive Director

Enc.

cc: Joseph L. Maciejewski
Hon. Timothy R. Hogue

Robert M. Graber
Jeremy Zellner



Proposed Resolution

WHEREAS, the Erie County Legislature approved Local Law No. 8-1984, establishing a downtown pedestrian/transit mall special district; and

WHEREAS, the Erie County Legislature approved on December 19, 1985, a resolution authorizing the County Executive to enter into agreement with Downtown Buffalo Management Corporation, now known as Buffalo Place Inc. (BPI), designating Buffalo Place Inc. as the not-for-profit corporation with which Erie County shall contract for the performance of mall special district services, for which annual contracts were executed in 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, and 2002, 2003, 2004; 2005, 2006, 2007; 2008; 2009; 2010; 2011; 2012 and

WHEREAS, the said Local Law required that the mall corporation present an annual budget to the Legislature regarding the amount to be raised by mall district special charges; and

WHEREAS, pursuant to the said Local Law, Buffalo Place Inc. held a public hearing, on due notice to property owners within the district, regarding the proposed 2013 annual budget on October 30, 2012;

NOW THEREFORE BE IT

RESOLVED, that the Erie County Legislature does hereby determine that the total amount to be raised by mall district service charges in 2013 shall be the sum of \$1,286,122 as contained in the attached budget which shall be a part of this Resolution, which amount does not exceed 80% of the service charges that could be assessed or levied against properties in the district; and be it further

RESOLVED, that the County of Erie be and hereby is authorized to enter into agreement with Buffalo Place Inc., the not-for-profit corporation described in Section 9 of Erie County Local Law No. 8-1984, providing for the performance by Buffalo Place Inc. of the mall special services set forth in Section 8 of said Local Law; the payment to Buffalo Place Inc. of the proceeds of the mall special district charges, less administrative costs, to be used by Buffalo Place Inc. in providing mall special district services; and such other terms and conditions as to the County Attorney appear necessary or appropriate for the implementation of Erie County Local Law No. 8-1984 and Chapter 673 of the Laws of 1982; and be it further

RESOLVED, that the Erie County Commissioner of Finance shall, not later than November 16, 2012, cause to be established a Mall District Special Charge Roll apportioning the amount herein above determined to be raised by mall district special charges for 2013 in conformance with the formula set forth in Section 7 of Erie County Local Law N. 8-1984 using the latest available final general or special assessment roll prepared by The City of Buffalo; and be it further

RESOLVED, that certified copies of this resolution in its final form be forwarded to the Erie County Executive, the Mayor of the City of Buffalo, the Chairman and the Executive Director of Buffalo Place Inc., and the Erie County Commissioner of Budget and Management.



Memorandum

TO: Members of the Erie County Legislature

FROM: Keith M. Belanger, Chairman *KMB*
Michael T. Schmand, Executive Director *MTS*

DATE: October 31, 2012

SUBJECT: Buffalo Place 2013 Budget

Enclosed please find the 2013 budget for Buffalo Place Inc. and Buffalo Place Foundation as approved by the Board of Directors at its meeting on October 31, 2012.

Highlights of the new budget include:

- The Special Charge Levy of \$1,286,122 includes a 3% increase.
- The Operations Department budget reflects a mature, stable crew operating in a cost-effective manner. The fourteenth year of winter operation of Rotary Rink by Buffalo Place under supplementary contract with the City is included.
- The Budget Committee and staff are committed to exploring additional opportunities to enhance revenue wherever possible.

We will be pleased to answer any questions you may have concerning this matter.

**Minutes of the Public Hearing
on the Buffalo Place Inc. and Buffalo Place Foundation
Proposed 2013 Budget
Tuesday, October 30, 2012
4:00 p.m.
671 Main Street**

Present were:

**Michael T. Schmand, Executive Director & Vice President
Debra L. Chernoff, Manager of Planning
James F. Forton, Counsel
Justin Reich, Class 1 Member, City Centre Resident
Mark D. Croce, Class 1 Member, Pearl Street Property Owner, City Centre Resident**

At 4:08 p.m. Mr. Schmand called the meeting to order and noted that the Public Hearing notice was distributed to all Class 1 members on October 24, 2012.

Mr. Schmand reviewed the proposed 2013 Buffalo Place Budget and said it includes a 3% increase in the annual Special Charge levy. The \$37,460 increase is the 3rd levy increase since 1987.

Mr. Schmand reviewed the sources of revenue for 2013 and then reviewed the breakdown of revenue and expenses for each department, including the Special Charge revenue to be applied to the Administrative, Operations, Marketing and Security Departments.

Mr. Schmand welcomed Mr. Reich, who is the new head of the City Centre Condominium Association, inviting him to attend monthly Buffalo Place Security and Board meetings. Mr. Reich requested a copy of the Buffalo Place 2012 Budget, which Ms. Chernoff agreed to send.

There being no further questions or comments, Mr. Schmand adjourned the hearing at 4:35 p.m.

Respectfully submitted,



**Debra L. Chernoff
Manager of Planning**



Secretary's Certificate

Downtown Mall Special District Public Hearing

I, Michael T. Schmand, Executive Director of Buffalo Place Inc. and Buffalo Place Foundation, certify that on October 30, 2012 at 4:00 p.m., a public hearing was held at 671 Main Street pursuant to Erie County Local Law No. 8 – 1984, Section 7, paragraph B, at which time the combined 2013 Buffalo Place Inc. and Buffalo Place Foundation budget was presented, and that the attached minutes are a true and accurate copy of the minutes of such meeting.

I further certify that notice of the public hearing was sent to all owners of property in the downtown mall special district by first class mail, postage paid, on October 24, 2012.

Michael T. Schmand
Executive Director
Buffalo Place Inc. and Buffalo Place Foundation

October 31, 2012



**BUFFALO PLACE INC.
BUFFALO PLACE FOUNDATION**

2013 BUDGET

Approved
October 31, 2012

SUMMARY OF REVENUES AND EXPENSES

REVENUES

Administration	490,716	
Operations	1,149,396	
Marketing	2,089,000	
Ranger Escort Program	228,563	
TOTAL REVENUES		3,957,675

EXPENSES

Administration	489,914	
Operations	1,149,396	
Marketing	2,089,802	
Ranger Escort Program	228,563	
TOTAL EXPENSES		3,957,675

EXCESS OF REVENUE OVER EXPENSE **0**

REVENUES		
Special charge assessment @ \$1,286,122		1,286,122
Payment-in lieu		18,000
City Contract		125,000
City contract/Fountain Plaza		28,000
BCAR grant/Ranger Escort Program		48,000
Special event revenue		111,000
Country Market (two days per week)	18,500	
Tree lighting	12,500	
Erie Canal Events	25,000	
Rotary Rink concessions	55,000	
Summer concert series revenue		1,500,000
Sponsorship	350,000	
Cash receipts	850,000	
Concert Ticket Sales	300,000	
Erie Canal Harbor Contract Revenue		798,553
NY Main Street Grant		15,000
Operations fees		30,000
TOTAL REVENUE		3,957,675

**ADMINISTRATIVE DEPARTMENT
REVENUES**

Special charge revenue (25.28%)	315,716	
NY Main Street Grant	15,000	
Erie Canal Harbor Revenue	160,000	
TOTAL ADMINISTRATIVE REVENUE		490,716

EXPENSES

Operating Expense

Payroll	320,585	
Payroll tax & benefits	72,400	
Workers' compensation	1,249	
Telephone	16,000	
Postage/mailing services	3,000	
Insurance	3,421	
Dues & subscriptions	6,000	
Business expense & travel	1,000	
Printing & copying	2,500	
Office supplies/rental of off. equipt.	20,000	
Legal services	8,500	
Payroll services	3,500	
Annual audit/cpa services	12,000	
Miscellaneous	9,000	
Meetings	3,000	
Insurance finance charges	60	
Loan interest	4,000	
Maintenance contract/office equipment	20,000	
Utilities	15,005	
Rent	76,300	
Taxes	10,000	
Special charge	1,000	
Erie Canal Harbor Misc. Expenses	160,000	
County administrative fee	7,800	
Contract services/building	6,000	
	388,086	
Total Operating Expense		782,320
Non-Cash expense: depreciation		40,000
Less Administrative allocation		(332,406)
NET ADMINISTRATIVE EXPENSE		489,914

OPERATIONS DEPARTMENT**REVENUES**

Special charge revenue (55.12%)	708,825	
Payment-in-lieu/HSBC Arena	18,000	
City Contract	125,000	
City contract/Fountain Plaza	26,000	
Operations fees	30,000	
Erie Canal Harbor Contract Revenue	241,471	
TOTAL OPERATIONS REVENUE		1,149,396

EXPENSES

<i>Operating Expense</i>		
Payroll	324,439	
Temporary part-time workers	30,000	
Payroll tax & benefits	101,941	
Workers' compensation	53,320	
Uniforms	4,500	
ECH Labor	100,000	
ECH Expenses	141,471	
Maintenance supplies	12,000	
Maintenance contracts	1,800	
Insurance	103,492	
Miscellaneous	1,000	
Sand/salt	15,000	
Small tools	1,000	
Vehicle Expenses	27,500	
Small equipment parts & supplies	2,000	
Small equipment maintenance & repair	1,500	
Shop supplies	4,000	
Equipment rental	10,000	
Holiday lights and power	5,000	
Warehouse rental	15,000	
Mall Expenses	5,377	
Landscaping/tree replacement	18,000	
Banners/Signage/Flags	1,800	
Fountain Plaza operations	26,000	
Administrative allocation	143,256	639,696
TOTAL OPERATIONS EXPENSE		1,149,396

MARKETING DEPARTMENT**REVENUE**

Special Charge (10.5%)		135,000	
Special event revenue		111,000	
Country Market (2 days per week)	18,500		
Tree lighting sponsorship	12,500		
Rotary Rink concessions	55,000		
Waterfront Events	25,000		
Summer concert series revenue		1,500,000	
Sponsorship	350,000		
Cash receipts	850,000		
Concert Ticket Sales	300,000		
Erie Canal Harbor Contract Revenue		343,000	
TOTAL MARKETING REVENUE			2,089,000

EXPENSE

Payroll		87,952	
Payroll tax & benefits		16,096	
Workers' compensation		340	
Business expense & travel		2,000	
Special Events:		79,641	
Country Market (two days per week)	18,000		
Tree lighting	13,000		
Insurance	48,641		
Rotary Rink concessions & security		30,000	
Summer concert series		1,350,000	
Harbor Expenses		343,000	
Promotions:		7,500	
Holiday decorations	7,500		
Communications:		15,000	
Buffalo Place E-Report/buffaloplace.com	2,000		
Image/Media/Publications	13,000		
Business retention		753	
Administrative allocation		157,520	
TOTAL MARKETING EXPENSE			2,089,802

SECURITY/RANGER ESCORT PROGRAM

REVENUE		
Special Charge (9.83%)	128,481	
BCAR grant/Ranger Escort Program	48,000	
Erie Canal Private Security	54,082	
TOTAL RANGER ESCORT PROGRAM REVENUE		228,563
EXPENSE		
Payroll	107,711	
Payroll tax & benefits	21,240	
Workers' compensation	2,600	
Insurance	3,700	
Uniforms	1,000	
Auto gas & lube	4,000	
Equipment maintenance & repair	2,500	
Employment Testing	100	
Erie Canal Private Security	54,082	
Administrative allocation	31,630	
TOTAL RANGER ESCORT PROGRAM EXPENSE		228,563

PROPOSED CAPITAL EXPENDITURES 2012

ADMINISTRATION

Office equipment and computers	1,600	
Office furniture	1,500	3,100

OPERATIONS

Equipment		42,000
Street furniture	2,000	
Major vehicle repair contingency	5,000	
Vehicle trade-in/replacement	35,000	

TOTAL CAPITAL EXPENDITURES		45,100
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**BUFFALO PLACE INC.
BUFFALO PLACE FOUNDATION**

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Tree lighting	12,500	
Erie Canal Events	25,000	
Rotary Rink concessions	55,000	
Summer concert series revenue		1,500,000
Sponsorship	350,000	
Cash receipts	850,000	
Concert Ticket Sales	300,000	
Erie Canal Harbor Contract Revenue		798,563
NY Main Street Grant		15,000
Operations fees		30,000
TOTAL REVENUE		3,957,676

**ADMINISTRATIVE DEPARTMENT
REVENUES**

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Erie Canal Harbor Revenue	160,000	
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Telephone	16,000	
Postage/mailling services	3,000	
Insurance	3,421	
Dues & subscriptions	6,000	
Business expense & travel	1,000	
Printing & copying	2,500	
Office supplies/rental of off. equipt.	20,000	
Legal services	8,500	
Payroll services	3,500	
Annual audit/cpa services	12,000	
Miscellaneous	9,000	
Meetings	3,000	
Insurance finance charges	60	
Loan interest	4,000	
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Utilities	15,005	
Rent	76,300	
Taxes	10,000	
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Workers' compensation	53,320	
Uniforms	4,500	
ECH Labor	100,000	
ECH Expenses	141,471	
Maintenance supplies	12,000	
Maintenance contracts	1,800	
Insurance	103,482	
Miscellaneous	1,000	
Sand/salt	15,000	
Small tools	1,000	
Vehicle Expenses	27,500	
Small equipment parts & supplies	2,000	
Small equipment maintenance & repair	1,500	
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Sponsorship	350,000		
Cash receipts	850,000		
Concert Ticket Sales	300,000		
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