ECLEG OCT 31 '13 AM 8:07

BuffaloPlace
We're Downtown!

October 30, 2013

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 2014 budget to the Erie County Legislature with our advice that $1,324,706 be raised by mall district special charges in 2014. 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 2014 budget on October 29, 2013 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 2014 budget at its meeting on October 30, 2013 by a 14-0 vote.

We request that the Legislature adopt, on or before November 21, 2013, the attached resolution that approves the $1,324,706 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,

Michael T. Schmand
Executive Director

Enc.

cc: Joseph L. Maciejewski
Hon. Timothy R. Hogues
Robert M. Graber
Jeremy Zellner

671 Main Street / Buffalo, New York 14203 / 716-856-3150 / Fax: 716-852-8490 / www.buffaloplace.com

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, 2002, 2003, 2004; 2005, 2006, 2007; 2008; 2009; 2010; 2011; 2012; and 2013; 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 2014 annual budget on October 29, 2013; and

WHEREAS, the Board of Directors of Buffalo Place Inc. approved for the HSBC Atrium Building on October 30, 2013 a resolution approving a payment in lieu of service charges and included the same as part of its proposed 2014 budget.

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 2014 shall be the sum of $1,324,706 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 Buffalo Place Inc. revenues, in addition to the special charges assessed as above set forth, include for the year 2014, $18,000 in payment in lieu of service charges for First Niagara Center (1 Seymour H. Knox III Plaza, Buffalo, NY) and $34,000 for HSBC Atrium Building (95 Washington Street, Buffalo, NY) totaling $52,000 as set forth in said budget, and be it further

RESOLVED, that the Erie County Commissioner of Finance shall, not later than November 21, 2013, cause to be established a Mall District Special Charge Roll apportioning the amount herein above determined to be raised by mall district special charges and payment in lieu of special charges for 2014 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.

BuffaloPlace
We're Downtown!

Memorandum

TO: Members of the Erie County Legislature

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

DATE: October 30, 2013

SUBJECT: Buffalo Place 2014 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 30, 2013.

Highlights of the new budget include:

- The Special Charge Levy of $1,324,706 includes a 3% increase.
- The approval of a new payment in lieu of special charge for HSBC Atrium Building of $34,000
- The Operations Department budget reflects a mature, stable crew operating in a cost-effective manner. The fifteenth 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.

671 Main Street / Buffalo, New York 14203 / 716-856-3150 / Fax: 716-852-8490 / www.buffaloplace.com

BuffaloPlace
We're Downtown!

RESOLUTION - HSBC BANK PAYMENT IN LIEU

WHEREAS, Erie County Local Law No. 8-1984, establishes a downtown pedestrian/transit mall special district; and requires that the mall corporation present an annual budget to the Legislature regarding the amount to be raised by mall district special charges,

WHEREAS, Buffalo Place Inc. held budget discussions at meetings on October 16th and 23rd, 2013, and held a public hearing, on due notice to property owners within the district, regarding the proposed 2014 annual budget on October 29, 2013;

WHEREAS, HSBC Bank will be moving offices into the HSBC Atrium Building and wishing to continue to support Buffalo Place, has indicated interest in participating in the special charge district though an annual payment in lieu of service charges.

NOW THEREFORE BE IT RESOLVED, that the 2014 Budget as presented is approved, and

BE IT FURTHER RESOLVED, that Buffalo Place Inc. approves with gratitude HSBC Bank's offer of a payment in lieu of service charges of $34,000 in 2014 and to be determined in the future through the same formula described for the .5 location zone in Erie County Local Law No. 8-1984, and

BE IT FURTHER RESOLVED, that Buffalo Place Inc. expresses appreciation to HSBC Bank for being a good neighbor in downtown Buffalo and for continuing to support the efforts of Buffalo Place Inc. and,

BE IT FURTHER RESOLVED, that this resolution be submitted to the Erie County Legislature with our annual budget so the Legislature can include the levy and payments in lieu of service charges in their request for preparation of the annual Mall District Special Charge Roll.

Keith M. Belanger, Chairman

Date: October 30, 2013

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BUFFALO PLACE INC.
BUFFALO PLACE FOUNDATION

2014 BUDGET

Final
October 23, 2013

SUMMARY OF REVENUES AND EXPENSES

REVENUES		
Administration	285,685	
Operations	990,636	
Marketing	1,549,832	
Security	174,993	
TOTAL REVENUES		3,001,146
EXPENSES		
Administration	285,685	
Operations	990,636	
Marketing	1,549,832	
Security	174,993	
TOTAL EXPENSES		3,001,146
EXCESS OF REVENUE OVER EXPENSE		**0**

REVENUES

Special Charge Assessment @ $1,286,122		1,286,122	
3% Increase in Special Charge Assessment		38,584	
Possible Uncollectible Special Charge Assessment		(88,500)	
Payment-in lieu		52,000	
City Contract		175,000	
City Contract/Fountain Plaza		26,000	
BCAR grant/Ranger Escort Program		100,000	
Special event revenue		116,000	
Country Market (two days per week)	18,500		
Tree lighting	12,500		
Waterfront Events	25,000		
Rotary Rink concessions	60,000		
Summer concert series revenue		1,245,940	
Sponsorship	307,000		
Concessions	730,940		
Admissions	208,000		
NY Main Street Grant		25,000	
Operations fees		25,000	
TOTAL REVENUE			**3,001,146**

ADMINISTRATIVE DEPARTMENT

REVENUES			
Special charge revenue (21.09%)		260,685	
NY Main Street Grant		25,000	
TOTAL ADMINISTRATIVE REVENUE			285,685
EXPENSES			
Operating Expense			
Payroll		306,777	
Payroll tax & benefits		65,532	
Workers' compensation		1,106	
Telephone	16,000		
Postage/mailing services	3,000		
Insurance	4,000		
Dues & subscriptions	6,000		
Business expense & travel	1,000		
Printing & copying	2,000		
Office supplies/maintenance & rental of off.	26,000		
Legal services	7,500		
Payroll services	3,500		
Annual audit/cpa services	15,000		
Miscellaneous	9,000		
Meetings	2,500		
Insurance finance charges	60		
Loan interest	5,000		
Utilities	14,005		
Rent	76,300		
Taxes	10,000		
Special charge	1,011		
County administrative fee	7,800		
Contract services/building	6,000		
		215,676	
Total Operating Expense			589,091
Non-Cash expense: depreciation			29,000
Less Administrative allocation			(332,406)
NET ADMINISTRATIVE EXPENSE			285,685

OPERATIONS DEPARTMENT

REVENUES			
Special charge revenue (57.65%)		712,636	
Payment-in-lieu		52,000	
City Contract		175,000	
City contract/Fountain Plaza		26,000	
Operations fees		25,000	
TOTAL OPERATIONS REVENUE			990,636
EXPENSES			
Operating Expense			
Payroll		406,391	
Temporary part-time workers		30,000	
Payroll tax & benefits		103,610	
Workers' compensation		40,000	
Uniforms	4,250		
Maintenance supplies	9,750		
Maintenance contracts	1,800		
Insurance	129,000		
Miscellaneous	1,000		
Sand/salt	15,000		
Small tools	500		
Vehicle Expenses	27,500		
Small equipment parts & supplies	1,750		
Small equipment maintenance & repair	800		
Shop supplies	3,500		
Equipment rental	8,900		
Holiday lights and power	2,750		
Warehouse rental	18,000		
Mall Expenses	3,879		
Landscaping/tree replacement	11,000		
Banners/Signage/Flags	2,000		
Fountain Plaza operations	26,000		
Administrative allocation	143,256	410,635	
TOTAL OPERATIONS EXPENSE			990,636

MARKETING DEPARTMENT

REVENUE

Special Charge (15.2%)		187,892	
Special event revenue		116,000	
Country Market (2 days per week)	18,500		
Tree lighting sponsorship	12,500		
Rotary Rink concessions	60,000		
Waterfront Events	25,000		
Summer concert series revenue		1,245,940	
Sponsorship	307,000		
Concessions	730,940		
Admissions	208,000		
TOTAL MARKETING REVENUE			1,549,832

EXPENSE

Payroll		84,832	
Payroll tax & benefits		20,787	
Workers' compensation		2,000	
Business expense & travel		0	
Special Events:		126,000	
Country Market (two days per week)	18,000		
Tree lighting	13,000		
Insurance	65,000		
Rotary Rink concessions & security	30,000		
Summer concert series		1,145,940	
Promotions:		0	
Holiday decorations	0		
Communications:		12,000	
Website Maintenance	2,000		
Image/Media/Publications	10,000		
Business retention		753	
Administrative allocation		157,520	
TOTAL MARKETING EXPENSE			1,549,832

SECURITY/RANGER ESCORT PROGRAM

REVENUE		
Special Charge (6.07%)	74,993	
BCAR grant/Ranger Escort Program	100,000	
TOTAL SECURITY REVENUE		174,993
EXPENSE		
Payroll	107,824	
Payroll tax & benefits	21,339	
Workers' compensation	2,600	
Insurance	4,000	
Uniforms	1,000	
Auto gas & lube	4,000	
Equipment maintenance & repair	2,500	
Employment Testing	100	
Administrative allocation	31,630	
TOTAL SECURITY EXPENSE		174,993

PROPOSED CAPITAL EXPENDITURES 2014

ADMINISTRATION		
Office equipment and computers	2,000	
Office furniture	1,500	3,500
OPERATIONS		
Equipment		40,000
Street furniture	0	
Major vehicle repair contingency	5,000	
Vehicle trade-in/replacement	35,000	
TOTAL CAPITAL EXPENDITURES		**43,500**

Minutes of the Public Hearing
on the Buffalo Place Inc. and Buffalo Place Foundation
Proposed 2013 Budget
Tuesday, October 29, 2013
4:00 p.m.
671 Main Street

Present were:

Michael T. Schmand, Executive Director & Vice President
W. Morgan Smith, Deputy Executive Director & Assistant Secretary
Debra L. Chernoff, Manager of Planning
James F. Forton, Forton & Forton, Counsel
Doug Dehr, The Hamister Group
Michael McCarley, Sr., Buffalo Urban League, Inc.

At 4:03 p.m. Mr. Schmand called the hearing to order and noted that the Public Hearing notice was distributed to all Class 1 members on October 18, 2013.

Mr. Schmand reviewed the proposed 2014 Buffalo Place Budget noting that this had been a particularly challenging budget process due to the need to reconsider the concert series business model, the uncertainty about special charge payments from One Seneca Tower, and the decision timeline for the ECHDC/Canalside contracts for which Buffalo Place has submitted proposals.

Mr. Schmand noted that the budget includes an increase of 3% in the Special Charge levy, which raises the levy by $38,584 to $1,324,706. This is only the 4th increase in the levy since 1987.

Mr. Schmand 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. McCarley asked how the reduction in total budget amount from 2012 would impact the organization. Mr. Schmand noted that a large portion of that decrease was related to the absence of the ECHDC/Canalside contracts, which impacted both the expense and revenue sides of the budget.

Mr. Dehr asked for clarification regarding the Buffalo Place Special District boundaries, any discussion of expanding the district, and the formula by which assessments were determined. Mr. Schmand and Ms. Chernoff addressed those questions and offered to provided maps and spreadsheets to Mr. Dehr.

There being no further questions or comments, Mr. Schmand adjourned the hearing at 4:30 p.m.

Respectfully submitted,

W. Morgan Smith
Assistant Secretary

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 29, 2013 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 2014 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 18, 2013.

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

October 30, 2013