



COUNTY OF ERIE

MARK C. POLONCARZ

COUNTY EXECUTIVE

June 16, 2014

The Honorable
Erie County Legislature
92 Franklin Street, 4th Floor
Buffalo, New York 14202

**Re: Second Year Capital Improvement Allowance
Ralph Wilson Stadium**

Dear Honorable Members:

Please find enclosed a resolution from the Division of Budget and Management seeking legislative authorization to establish a capital account and to make the second year Capital Improvement Allowance ("CIA") payment for annual capital improvements at Ralph Wilson Stadium under the 2013 Lease Agreement between the County, State of New York and the Buffalo Bills.

The Deputy County Executive and representatives from the Department of Public Works and Division of Budget and Management are available to answer questions regarding this request.

Thank you for your consideration on this matter.

Sincerely yours,

Mark C. Poloncarz, Esq.
Erie County Executive

MCP/tcc
Enclosure

cc: Robert W. Keating, Director of Budget and Management
John Loffredo, Commissioner of Public Works
Richard Tobe, Deputy County Executive

MEMORANDUM

To: Erie County Legislature
From: Division of Budget and Management
Re: Second Year Capital Improvement Allowance - Ralph Wilson Stadium
Date: June 16, 2014

SUMMARY

Legislative authorization is sought to appropriate the second year Capital Improvement Allowance ("CIA") for annual capital improvements at Ralph Wilson Stadium under the 2013 Lease Agreement between the County, State of New York and the Buffalo Bills. In addition, authorization is sought to accept the State and Buffalo Bills' shares of the second year CIA payment and to create a capital account for the second year CIA projects.

FISCAL IMPLICATIONS

As per the Lease Agreement, the second year CIA payment is determined based on the Consumer Price Index ("CPI") in effect on July 31, 2014. The Division of Budget and Management has calculated the amount currently at \$1,724,283.44, but due to the potential change in the amount based on the CPI which will be in effect on July 31, 2014, legislative authorization is requested in an amount not to exceed \$1,750,000. Funds are available in 2014 to make the payment due to the provisions of the Affordable Care Act and the adopted New York State budget, both of which provide the County with Medicaid relief in 2014.

REASONS FOR RECOMMENDATION

Under the 2013 Lease Agreement between the County, State of New York and the Buffalo Bills, each party is required to provide annual capital funds for improvements at Ralph Wilson Stadium and to place those funds into an account by August 5th annually. This request will satisfy the second year CIA payment for improvements at Ralph Wilson Stadium.

CONSEQUENCES OF NEGATIVE ACTION

The County will be in violation of the Lease Agreement.

STEPS FOLLOWING APPROVAL

Upon approval of this resolution, the County Executive will be authorized to appropriate the funds by August 5, 2014 into the appropriate account. Then, the Department of Public Works will coordinate with Empire State Development Corporation and the Buffalo Bills, each of which will also place their required funds into a stadium account for annual capital improvements.

RESOLUTION SUBMITTED BY
DIVISION OF BUDGET AND MANAGEMENT

Re: Second Year Capital Improvement
Allowance - Ralph Wilson Stadium

WHEREAS, in 2013 the County entered into a Lease Agreement with the Buffalo Bills and the Erie County Stadium Corporation, a wholly-owned subsidiary of the New York State Urban Development Corporation dba Empire State Development under which each party is required to make annual capital improvement payments for physical upgrades at Ralph Wilson Stadium known as the Capital Improvement Allowance ("CIA"); and

WHEREAS, the County has already made its first year CIA payment, and the second year CIA payment totaling no more than \$1,750,000 must be paid into a special account by August 5, 2014 as per the 2013 Lease Agreement; and

WHEREAS, while the Division of Budget and Management has calculated the second year CIA payment number, the final number is subject to slight modification based on the Consumer Price Index in effect on July 31, 2014, which is after this Honorable Body recesses for the summer; and

WHEREAS, due to the provisions of the Affordable Care Act and the adopted New York State budget, both of which provide the County with Medicaid relief in 2014, the County has available a positive variance in the Medicaid-MMIS account to facilitate the CIA payment.

NOW, THEREFORE, BE IT

RESOLVED, that the Erie County Legislature hereby authorizes the second year Capital Improvement Allowance payment for Ralph Wilson Stadium totaling an amount not to exceed \$1,750,000, and authorizes the County Executive to establish a capital project in the Department of Public Works in Business Area, 122, Fund 410 for the second year Capital Improvements Allowance Projects, including the County, State and Buffalo Bills required shares in an amount not to exceed \$4,800,000 consisting of no more than \$1,750,000 – County, \$2,200,000- State, and \$850,000 Buffalo Bills shares; and be it further

RESOLVED, that the following budgetary adjustments are hereby authorized:

Fund 110- 2014 Budget	
Department of Social Services	Decrease
Acct. 525000 - Medicaid Local Share	\$1,750,000
Countywide Interfund Accounts	Increase
Acct. 570050 Interfund Transfers Capital	\$1,750,000

and be it further

RESOLVED, that the Director of Budget and Management is hereby authorized to

adjust the final budget for the second year Capital Improvement Allowance based on the contractual formula to be finalized in August 2014; and be it further

RESOLVED, that certified copies of this resolution shall be sent to the Department of Public Works, Division of Budget and Management, Department of Law, Office of the County Executive, and Office of the Comptroller.