



October 31, 2018

Honorable Members  
Erie County Legislature  
92 Franklin Street, 4<sup>th</sup> floor  
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 2019 budget to the Erie County Legislature with our advice that \$1,762,675 be raised by mall district special charges and payments in lieu of special charges in 2019.

Buffalo Place Inc. held a public hearing on the 2019 budget on October 30, 2018 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 2019 budget at its meeting on October 31, 2018 by a vote of 14 - 0.

We request that the Legislature adopt, on or before November 15, 2018, the attached resolution that approves the \$1,710,000 Special Charge Levy. 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. Additional payments in lieu of special charge are included in the budget in the amount of \$52,675.

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  
Chairman Peter J. Savage

Hon. Barbara Miller-Williams  
Robert M Graber

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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., 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, 2013, 2014, 2015, 2016, 2017, 2018 and

WHEREAS, the said Local Law requires 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 2019 annual budget on October 30, 2018; and

WHEREAS, on October 30, 2013 the Board of Directors of Buffalo Place Inc. approved a resolution approving a payment in lieu of service charges for the HSBC Atrium Building and have included the same as part of its proposed 2019 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 2019 shall be the sum of \$1,710,000 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 2019, \$18,000 in payment in lieu of service charges for KeyBank Center (1 Seymour H. Knox III Plaza, Buffalo, NY) and \$34,675 for HSBC Atrium Building (95 Washington Street, Buffalo, NY) totaling \$52,675 as set forth in said budget, and be it further

RESOLVED, that the Erie County Commissioner of Finance shall, not later than November 15, 2018, 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 2019 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.

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## Memorandum

TO: Members of the Erie County Legislature

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

DATE: October 31, 2018

SUBJECT: Buffalo Place 2019 Budget

Enclosed please find the 2019 budget for Buffalo Place Inc. and Buffalo Place Foundation as approved by the Buffalo Place Board of Directors at its meeting on October 31, 2018.

Highlights of the new budget include:

- The Special Charge Levy is set at \$1,710,000, with an additional \$52,675.00 in payments in lieu of special charges. These levels are unchanged from 2018.
- The budget reflects an increase in staffing levels in the Security Department to make more personnel available to address quality of life issues in the Buffalo Place District, as well as support of our Operations, Marketing and Planning efforts.
- The 21<sup>st</sup> year of winter operation of Rotary Rink by Buffalo Place under supplementary contract with the City is also included.

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

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**BUFFALO PLACE INC.  
BUFFALO PLACE FOUNDATION**

**2019  
BUDGET**

*Approved  
October 31, 2018*

**SUMMARY OF REVENUES AND EXPENSES**

**REVENUES**

Administration	291,444	
Operations	1,350,297	
Marketing	460,334	
Ranger Escort Program	446,969	
<b>TOTAL REVENUES</b>		<b>2,549,044</b>

**EXPENSES**

Administration	291,444	
Operations	1,350,297	
Marketing	460,334	
Ranger Escort Program	446,969	
<b>TOTAL EXPENSES</b>		<b>2,549,044</b>

**EXCESS OF REVENUE OVER EXPENSE** **0**

**REVENUES**

Special charge assessment @ \$1,710,000		1,710,000
Payment-in lieu		52,675
City contract/Fountain Plaza		201,000
BCAR grant/Ranger Escort Program		97,369
Special event revenue		73,000
Country Market (two days per week)	10,500	
Tree lighting	12,500	
Rotary Rink concessions	30,000	
Queen City Social	20,000	
Sponsorship		150,000
Canalside/Operations fees		265,000
<b>TOTAL REVENUE</b>		<b>2,549,044</b>

**ADMINISTRATIVE DEPARTMENT  
REVENUES**

Special charge revenue (17%)	291,444	
<b>TOTAL ADMINISTRATIVE REVENUE</b>		<b>291,444</b>

**EXPENSES**

*Operating Expense*

Payroll	390,565	
Payroll tax & benefits	59,824	
Workers' compensation	300	
Telephone	15,000	
Postage/mailing services	2,000	
Insurance	10,635	
Dues & subscriptions	7,000	
Business expense & travel	4,000	
Printing & copying	2,000	
Office supplies/rental of off. equipt.	20,000	
Legal services	6,000	
Payroll services	3,200	
Annual audit/cpa services	13,000	
Miscellaneous	3,000	
Meetings	3,000	
Insurance finance charges	90	
Loan interest	2,000	
Utilities	10,665	
Rent	77,030	
Taxes	9,000	
Special charge	1,200	
County administrative fee	7,800	
Contract services/building	2,500	
<b>Total Operating Expense</b>	<b>199,120</b>	<b>649,809</b>
Non-Cash expense: depreciation		44,000
Less Administrative allocation		(402,365)
<b>NET ADMINISTRATIVE EXPENSE</b>		<b>291,444</b>

**OPERATIONS DEPARTMENT**

**REVENUES**

Special charge revenue (49.60%)	831,622	
Payment-in-lieu/HSBC Arena	52,675	
City contract/Fountain Plaza	201,000	
Canalside/Operations fees	265,000	
<b>TOTAL OPERATIONS REVENUE</b>		<b>1,350,297</b>

**EXPENSES**

*Operating Expense*

Payroll	729,119	
Payroll tax & benefits	116,437	
Workers' compensation	29,767	
Uniforms	7,500	
Maintenance supplies	13,000	
Maintenance contracts	1,000	
Insurance	89,000	
Miscellaneous	1,500	
Sand/salt	15,000	
Small tools	1,500	
Vehicle Expenses	30,000	
Small equipment parts & supplies	2,500	
Small equipment maintenance & repair	2,500	
Shop supplies	6,000	
Equipment rental	11,000	
Holiday lights and Decorations	6,000	
Warehouse rental	21,000	
Mall Expenses	12,710	
Landscaping/tree replacement	28,000	
Banners/Signage/Flags	4,000	
Fountain Plaza operations	26,000	
Administrative allocation	196,764	
	474,974	
<b>TOTAL OPERATIONS EXPENSE</b>		<b>1,350,297</b>



**MARKETING DEPARTMENT**

**REVENUE**

Special Charge (14.45% )		262,334	
Special event revenue		73,000	
Country Market (2 days per week)	10,500		
Tree lighting sponsorship	12,500		
Rotary Rink concessions	30,000		
Queen City Social	20,000		
Marketing Sponsorships		125,000	
<b>TOTAL MARKETING REVENUE</b>			<b>460,334</b>

**EXPENSE**

Payroll		83,059	
Payroll tax & benefits		16,552	
Workers' compensation		200	
Business expense & travel		750	
Special Events:		161,000	
Country Market (two days per week)	8,500		
Tree lighting	10,000		
Queen City Social	80,000		
Rotary Rink Mkt Expenses	12,500		
Buffalo Ball Drop	50,000		
Insurance		30,000	
Promotions:		1,000	
Holiday decorations	1,000		
Communications:		8,000	
Website Maintenance	5,000		
Small Bus. Saturday/Retail/Media/Publication:	3,000		
Business retention		500	
Administrative allocation		159,273	
<b>TOTAL MARKETING EXPENSE</b>			<b>460,334</b>

**SECURITY/RANGER ESCORT PROGRAM**

REVENUE		
Special Charge (18.94%)	324,600	
M&T Grant revenue	25,000	
BCAR grant/Ranger Escort Program	97,369	
<b>TOTAL RANGER ESCORT PROGRAM REVENUE</b>		<b>446,969</b>
EXPENSE		
Payroll	305,006	
Payroll tax & benefits	68,135	
Workers' compensation	3,500	
Insurance	9,000	
Uniforms	7,000	
Auto gas & lube	5,000	
Security Guard Licenses & Employment Testing	1,000	
Equipment maintenance & repair	2,000	
Administrative allocation	46,328	
<b>TOTAL RANGER ESCORT PROGRAM EXPENSE</b>		<b>446,969</b>

**PROPOSED CAPITAL EXPENDITURES 2019**

**ADMINISTRATION**

Office equipment and computers		0
Office furniture		0

**OPERATIONS**

Equipment		8,000
Street furniture	3,000	
Major vehicle repair contingency	5,000	
Vehicle trade-in/replacement		100,000
Gators	20,000	
Bobcats	80,000	
<b>TOTAL CAPITAL EXPENDITURES</b>		<b>108,000</b>

Minutes of the Public Hearing  
on the Buffalo Place Inc. and Buffalo Place Foundation  
Proposed 2019 Budget

Tuesday, October 30, 2018 4:00 p.m.  
671 Main Street, Buffalo, NY

Present were:

Michael T. Schmand, Executive Director  
Debra L. Chernoff, Manager of Planning  
Steven J. Carmina, Buffalo Place Class One Member, district property owner, downtown resident and  
Buffalo Place Vice President

At 4:05 p.m. Mr. Schmand called the hearing to order.

Mr. Schmand reviewed the proposed 2019 Buffalo Place Budget. He said that the Buffalo Place officers determined in August that the current \$1,710,000 special charge levy would be sufficient for the 2019 year and will allow Buffalo Place to increase levels of service, build equity and make necessary equipment replacements.

The 2019 Budget totals \$2,549,044 and includes a 6% increase in the Operation Department and a 7% increase in the Security Department.

Mr. Carmina supported the 2019 budget and said that he would favor future increases in the special charge levy when additional development projects are completed downtown, to allow further increase in services.

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

Respectfully submitted,

  
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Michael T. Schmand  
Executive Director



## 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, 2018 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 2019 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 19, 2018.

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

October 31, 2018