



October 30, 2019

Honorable Members
 Erie County Legislature
 92 Franklin Street, 4th 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 2020 budget to the Erie County Legislature with our advice that \$1,796,875 be raised by mall district special charges and payments in lieu of special charges in 2020.

Buffalo Place Inc. held a public hearing on the 2020 budget on October 29, 2019 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 2020 budget at its meeting on October 30, 2019 by a vote of 11-0.

We request that the Legislature adopt, on or before November 21, 2019, the attached resolution that approves the \$1,744,200 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: Hon. April N.M. Baskin
 Robert M Graber

Hon. Howard Johnson Jr
 Nancy M. Snyder

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, 2019 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 2020 annual budget on October 29, 2019; 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 2020 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 2020 shall be the sum of \$1,744,200 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 2020, \$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

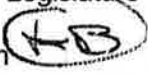

RESOLVED, that the Erie County Commissioner of Finance shall, not later than November 21, 2019, cause to be established a Mall District Special Charge Roll apportioning the amount herein above determined to be raised by mall district special charges and payment in lieu of special charges for 2020 in 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 
Michael T. Schmand, Executive Director 

DATE: October 30, 2019

SUBJECT: Buffalo Place 2020 Budget

Enclosed please find the 2020 budget for Buffalo Place Inc. and Buffalo Place Foundation as approved by the Buffalo Place Board of Directors at its meeting on October 30, 2019.

Highlights of the new budget include:

- The Special Charge Levy is set at \$1,744,200, with an additional \$52,675.00 in payments in lieu of special charges. This represents a 2% increase in the Special Charge Levy. The payments in lieu are unchanged.
- The budget reflects an increase in staffing levels in the Operation Department to make more personnel available at times they currently are not scheduled as well as support of our Security, Marketing and Planning efforts.
- The 22nd 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.

**BUFFALO PLACE INC.
BUFFALO PLACE FOUNDATION**

**2020
BUDGET**

*Approved
October 30, 2019*

SUMMARY OF REVENUES AND EXPENSES

REVENUES

| | | |
|-----------------------|-----------|------------------|
| Administration | 324,768 | |
| Operations | 1,375,852 | |
| Marketing | 458,977 | |
| Ranger Escort Program | 474,147 | |
| TOTAL REVENUES | | 2,633,744 |

EXPENSES

| | | |
|-----------------------|-----------|------------------|
| Administration | 324,768 | |
| Operations | 1,375,852 | |
| Marketing | 458,977 | |
| Ranger Escort Program | 474,147 | |
| TOTAL EXPENSES | | 2,633,744 |

EXCESS OF REVENUE OVER EXPENSE **0**

REVENUES

| | | |
|---|--------|------------------|
| Special charge assessment @ \$1,744,200 | | 1,744,200 |
| Payment-in lieu | | 52,675 |
| City contract/Fountain Plaza | | 201,000 |
| BCAR grant/Ranger Escort Program | | 97,369 |
| NYMS Grant Revenue | | 37,500 |
| Special event revenue | | 79,000 |
| Country Market (one day per week) | 5,000 | |
| Tree lighting | 14,000 | |
| Rotary Rink concessions | 30,000 | |
| Thursday & Main | 30,000 | |
| Sponsorship | | 157,000 |
| Canalside/Operations fees | | 265,000 |
| TOTAL REVENUE | | 2,633,744 |

ADMINISTRATIVE DEPARTMENT**REVENUES**

| | | |
|-------------------------------------|---------|----------------|
| Special charge revenue (16.47%) | 287,268 | |
| NYMS Grant Revenue | 37,500 | |
| TOTAL ADMINISTRATIVE REVENUE | | 324,768 |

EXPENSES*Operating Expense*

| | | |
|--|----------------|----------------|
| Payroll | 406,975 | |
| Payroll tax & benefits | 63,438 | |
| Workers' compensation | 692 | |
| Telephone | 15,000 | |
| Postage/mailing services | 2,000 | |
| Insurance | 11,000 | |
| Dues & subscriptions | 7,500 | |
| Business expense & travel | 4,000 | |
| Printing & copying | 2,000 | |
| Office supplies/rental of off. equipt. | 21,000 | |
| Legal services | 6,000 | |
| Payroll services | 3,500 | |
| Annual audit/cpa services | 13,000 | |
| Miscellaneous | 5,166 | |
| Meetings | 3,000 | |
| Insurance finance charges | 90 | |
| Loan interest | 2,000 | |
| Utilities | 10,000 | |
| Rent | 77,030 | |
| Taxes | 10,000 | |
| Special charge | 1,200 | |
| County administrative fee | 7,800 | |
| Contract services/building | 2,500 | |
| | 203,786 | |
| Total Operating Expense | | 674,891 |
| Non-Cash expense: depreciation | | 58,000 |
| Less Administrative allocation | | (408,123) |
| NET ADMINISTRATIVE EXPENSE | | 324,768 |

OPERATIONS DEPARTMENT

REVENUES

| | | |
|---------------------------------|---------|------------------|
| Special charge revenue (49.14%) | 857,177 | |
| Payment-in-lieu/HSBC Arena | 52,675 | |
| City contract/Fountain Plaza | 201,000 | |
| Canalside/Operations fees | 265,000 | |
| TOTAL OPERATIONS REVENUE | | 1,375,852 |

EXPENSES

Operating Expense

| | | |
|--------------------------------------|---------|------------------|
| Payroll | 733,047 | |
| Payroll tax & benefits | 119,486 | |
| Workers' compensation | 21,113 | |
| Uniforms | 7,500 | |
| Maintenance supplies | 13,000 | |
| Maintenance contracts | 1,000 | |
| Insurance | 102,350 | |
| Miscellaneous | 1,500 | |
| Sand/salt | 15,000 | |
| Small tools | 1,500 | |
| Vehicle Expenses | 30,000 | |
| 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 | 30,000 | |
| Banners/Signage/Flags | 10,600 | |
| Fountain Plaza operations | 26,000 | |
| Administrative allocation | 204,546 | |
| | 502,206 | |
| TOTAL OPERATIONS EXPENSE | | 1,375,852 |

MARKETING DEPARTMENT

REVENUE

| | | | |
|----------------------------------|--------|---------|---------|
| Special Charge (14.22%) | | 247,977 | |
| Special event revenue | | 79,000 | |
| Country Market (1 days per week) | 5,000 | | |
| Tree lighting sponsorship | 14,000 | | |
| Rotary Rink concessions | 30,000 | | |
| Thursday & Main | 30,000 | | |
| Marketing Sponsorships | | 132,000 | |
| TOTAL MARKETING REVENUE | | | 458,977 |

EXPENSE

| | | | |
|---|--------|---------|---------|
| Payroll | | 86,984 | |
| Payroll tax & benefits | | 16,860 | |
| Workers' compensation | | 200 | |
| Business expense & travel | | 500 | |
| Special Events: | | 155,000 | |
| Country Market (one day per week) | 5,000 | | |
| Tree lighting | 10,000 | | |
| Thursday & Main | 82,500 | | |
| Rotary Rink Mkt Expenses | 7,500 | | |
| Buffalo Ball Drop | 50,000 | | |
| Insurance | | 30,000 | |
| Promotions: | | 700 | |
| Holiday decorations | 700 | | |
| Communications: | | 6,417 | |
| Website Maintenance | 3,417 | | |
| Small Bus. Saturday/Retail/Media/Publication: | 3,000 | | |
| Business retention | | 500 | |
| Administrative allocation | | 161,816 | |
| TOTAL MARKETING EXPENSE | | | 458,977 |

SECURITY/RANGER ESCORT PROGRAM

| REVENUE | | |
|--|---------|----------------|
| Special Charge (20.17%) | 351,778 | |
| M&T Grant revenue | 25,000 | |
| BCAR grant/Ranger Escort Program | 97,369 | |
| TOTAL RANGER ESCORT PROGRAM REVENUE | | 474,147 |
| EXPENSE | | |
| Payroll | 319,793 | |
| Payroll tax & benefits | 75,892 | |
| Workers' compensation | 6,200 | |
| Insurance | 11,000 | |
| Uniforms | 6,000 | |
| Auto gas & lube | 4,000 | |
| Security Guard Licenses & Employment Testing | 1,000 | |
| Equipment maintenance & repair | 2,500 | |
| Administrative allocation | 47,762 | |
| TOTAL RANGER ESCORT PROGRAM EXPENSE | | 474,147 |

PROPOSED CAPITAL EXPENDITURES 2020

ADMINISTRATION

| | | |
|--------------------------------|--|---|
| Office equipment and computers | | 0 |
| Office furniture | | 0 |

OPERATIONS

| | | | |
|-----------------------------------|--------|---------|----------------|
| Equipment | | 6,000 | |
| Street furniture | 1,000 | | |
| Major vehicle repair contingency | 5,000 | | |
| Vehicle trade-in/replacement | | 65,000 | |
| Pick-Up Truck & Plow | 35,000 | | |
| Gators (2) | 5,000 | | |
| Bobcat | 25,000 | | |
| Non-CDL Packer Truck | | 130,000 | |
| F350 Dump Truck | | 50,000 | |
| TOTAL CAPITAL EXPENDITURES | | | 251,000 |

Minutes of the Public Hearing
on the Buffalo Place Inc. and Buffalo Place Foundation
Proposed 2020 Budget

Tuesday, October 29, 2019 4:00 p.m.
671 Main Street, Buffalo, NY

Present were:

Steven J. Carmina, Class One Member, Property Owner, Board Member, Resident
Michael T. Schmand, Executive Director
W. Morgan Smith, Deputy Executive Director

At 4:00 p.m. Mr. Schmand called the hearing to order.

Mr. Schmand detailed the budget process and the changes and initiatives included in the budget to be voted on at the board meeting to be held, October 30, 2019.

A discussion followed on the importance of understanding what role the 2% cap on increases to Erie County's tax rate would play with respect to potential expansion of the Buffalo Place District and/or mandate.

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

Respectfully submitted,



W. Morgan Smith
Deputy Executive Director



Secretary's Certificate

Downtown Mall Special District
Public Hearing

I, W. Morgan Smith, Deputy Executive Director of Buffalo Place Inc. and Buffalo Place Foundation, certify that on October 29, 2019 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 2020 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, 2019.

W. Morgan Smith
Deputy Executive Director and Assistant Secretary
Buffalo Place Inc. and Buffalo Place Foundation

October 30, 2019