

# Buffalo



*Reinventing  
a City*



**BUFFALO COMPTROLLER  
MARK J.F. SCHROEDER**

# Buffalo's Story



- **Stabilization of the City's Finances**
- **Revitalization of the Economy**

# City Finances

## 2003

- **Fund Balance: \$36 million**
- **88% of Constitutional Tax Limit exhausted**
- **\$435 million debt burden**
- **State-imposed Hard Control Board, Buffalo Fiscal Stability Authority (BFSA)**
- **Ratings= Moody's: Baa3, S&P: BBB-**

# City Finances

## 2013

- **Fund Balance: \$166 million**
- **68% of Constitutional Tax Limit exhausted**
- **\$288 million debt burden**
- **Buffalo Fiscal Stability Authority (BFSA) currently in advisory status**
- **Ratings= Moody's: A1, S&P: A+, Fitch: A+**

# City Finances

## Recent Initiatives

- **Amend City Charter to require 4-year financial plan**
- **Debt policy to issue less debt than is retired each year**
- **Debt refinancing yielded \$62 million in savings since 2012**
- **Establishment of Emergency Stabilization (Rainy Day) Fund for unanticipated, non-recurring expenses**
- **Investment of Idle Funds**
- **Published Popular Annual Financial Report (PAFR)**

# Economic Rebirth

## Highlights

- **Buffalo Niagara Medical Campus**
- **Higher Education**
- **High-Tech Industry**
- **Waterfront Development**
- **Improved Housing Market**



**HARBORCenter construction**

# Buffalo Niagara Medical Campus



Buffalo Niagara  
Medical Campus

- **120-acre site adjacent to downtown**
- **Consortium of region's top health care, education, and research institutions**
- **7,000 employees in 2002**
- **12,000 employees currently**
- **17,000 employees by 2016**



# Buffalo Niagara Medical Campus

## Major Projects

- **Gates Vascular Institute - \$292 million (Completed)**
- **University at Buffalo Medical School - \$375 million (Under construction – completed by 2016)**
- **Kaleida 's Children's Hospital - \$250 million (Groundbreaking this spring – completed by 2016)**
- **Conventus medical offices - \$100 million (Under construction – completed by 2015)**
- **Genomic Medicine & Supercomputing Center - \$105 million (Announced in January)**



**University at Buffalo Medical School**



**Kaleida's Children's Hospital**

# Higher Education

## Buffalo Area

- **21 Colleges and Universities**
- **113,000 students**
- **32,000 employees**
- **\$ 4 billion economic impact**
- **10 percent of local economy**

# University at Buffalo

- **Largest public university in NYS**
- **28,000 students across 3 campuses**
- **UB2020 - Comprehensive plan to increase jobs, enrollment, and research funding**
- **Expected to create nearly 5,000 jobs**

**UB 2020**  
ACHIEVING OUR VISION



# High Tech

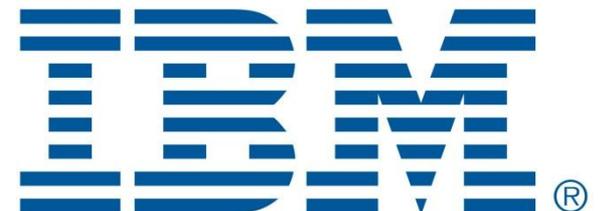
## Advanced Manufacturing

- **Buffalo High-Tech Manufacturing Innovation Hub @ RiverBend**
- **\$ 1.7 billion clean energy campus**
- **850 jobs within 3 years (5,000 in later years)**
- **Soraa & Silevo each investing \$750 million**
- **NYS investing \$225 million**

# High Tech

## Information Technology

- **IBM to bring 500 jobs to Downtown Buffalo**
- **100,000 square-foot computer information technology center**
- **Will create cutting-edge software for energy, health, defense and other industries**
- **Expected to open in 2015**



# Waterfront Development



- **Canalside**
- **HARBORCenter**
- **Outer Harbor**
- **Buffalo River**

# Waterfront Development



canalside

- **Blends public access with private development**
- **Replica canals, wharf, restaurant, museum, pedestrian bridges**
- **\$30 renovation of former state office building**
- **Already has leveraged \$250 million in private development**

# Waterfront Development



canalside



# Waterfront Development

## HARBORCenter

- **\$172 million project by Buffalo Sabres**
- **Adjacent to Canalside, connects to FNC**
- **Two ice rinks, 200-room hotel, retail, and sports bar & grill**
- **Opens in fall 2014, Hotel in Spring 2015**



# Waterfront Development

## Outer Harbor

- **Transfer from NFTA to Erie Canal Harbor Development(Canalside) and NYS Parks**
- **Wilkeson Pointe Park**
- **Gallagher Pier State Park**
- **Small Boat Harbor**

# Waterfront Development

## Buffalo River

- **Riverfest Park**
- **Mutuals Park**
- **Riverworks**
- **Hydraulics (Larkinville)**
- **\$11 million Ohio Street Parkway (Connects to Canalside & Outer Harbor)**



**Riverfest Park**

# Housing

## Buffalo Area

- **16% increase in home prices since 2006**
- **Highest increase among top 100 metros**
- **Some neighborhoods increased up to 43%**
- **7% increase in home prices in 2013**

Source: Clear Capital (1/14 issue of Kiplinger's Personal Finance)

# Demographics

## City of Buffalo

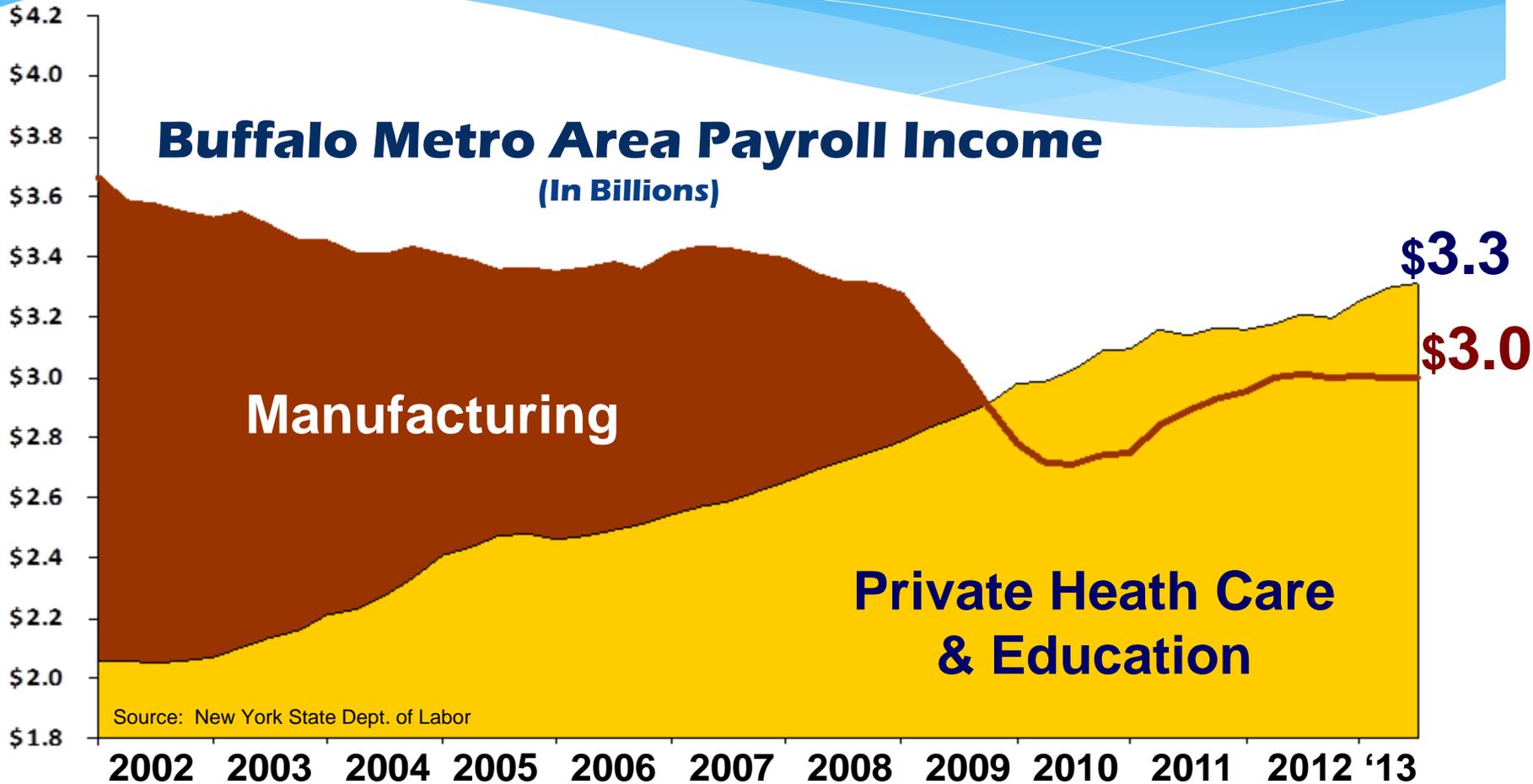
- **Private sector jobs grew by .8% in 2013 (approx. 4,400 jobs)**
- **Unemployment down from 11.1% in 2012 to 9.9% in 2013**
- **Median Household Income increased 4.6% from 2011-2012**

# Economic Rebirth

## **Economic Diversification**

- **Transition from manufacturing based economy**
- **Growth of other sectors**
  - **High Tech**
  - **Medical**
  - **Education**

# Economic Rebirth



Courtesy M&T Bank

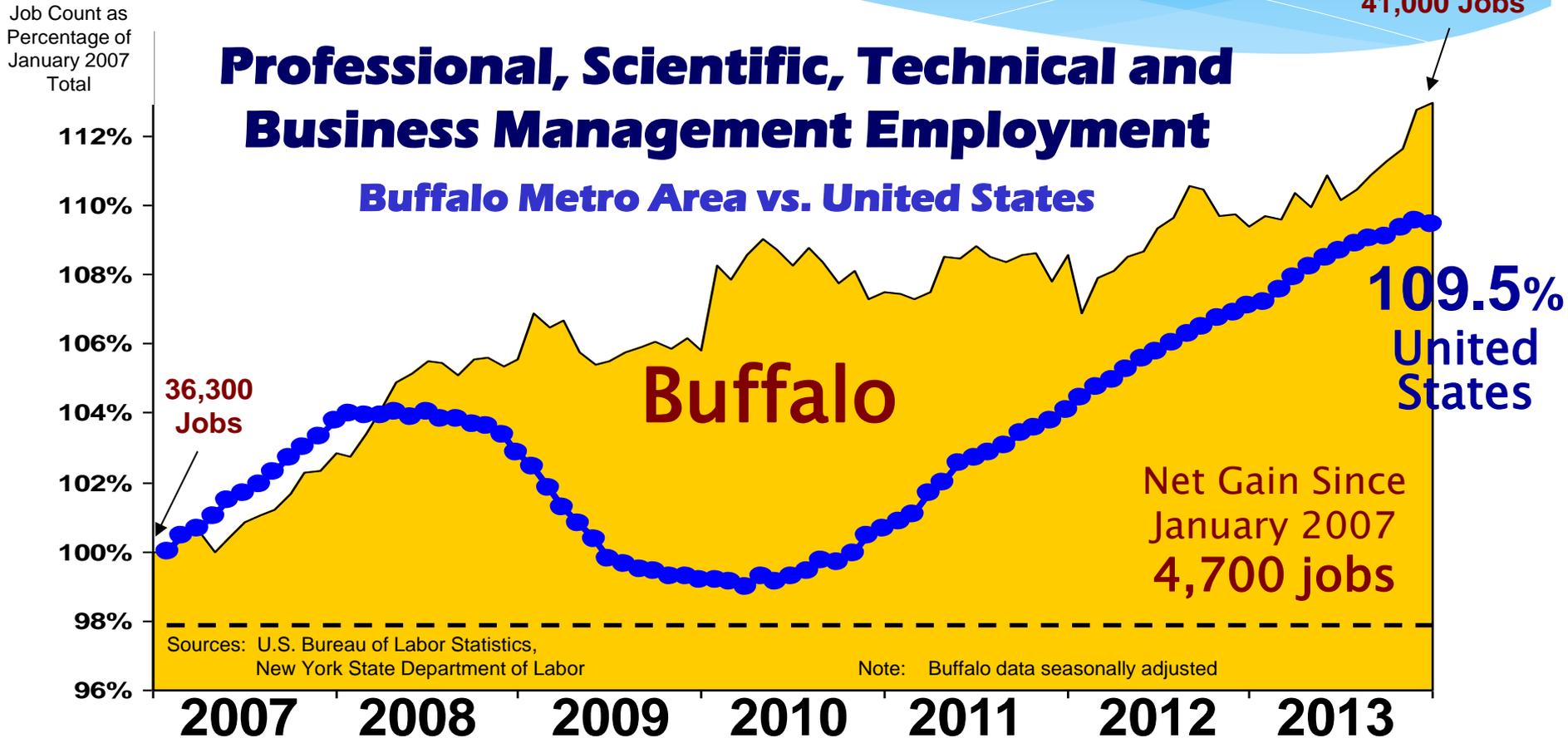
# Economic Rebirth

**Buffalo**  
**113.0%**

Dec 2013  
41,000 Jobs

## Professional, Scientific, Technical and Business Management Employment

Buffalo Metro Area vs. United States



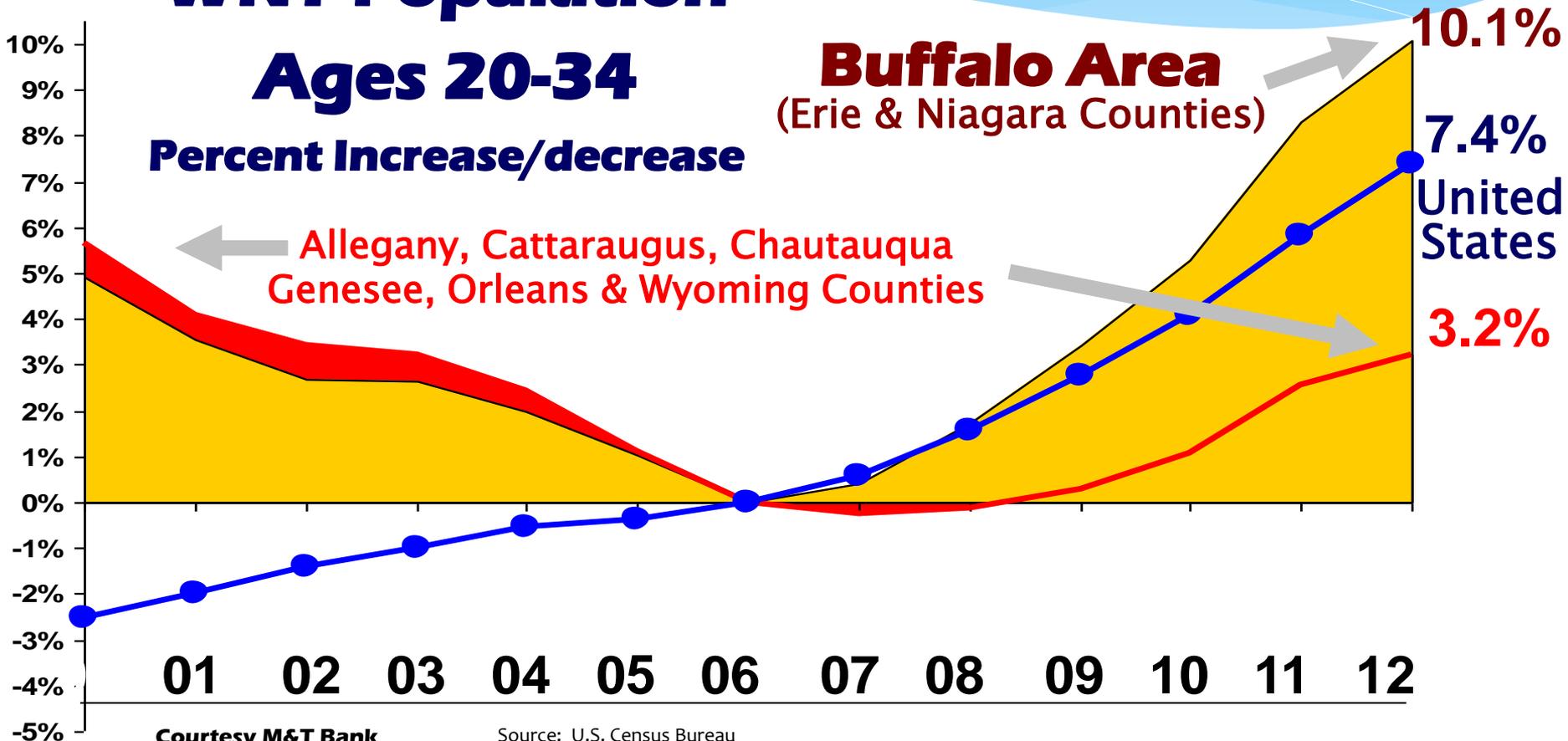
Courtesy M&T Bank

# Economic Rebirth

## WNY Population

### Ages 20-34

Percent Increase/decrease



Courtesy M&T Bank

Source: U.S. Census Bureau

# Economic Rebirth

## Path Forward

- **Continued Fiscal Discipline by City**
- **Continued Investment in Technology, Medical, and Higher Education**
- **Smart Growth, Reduce Sprawl**
- **Leverage City's Natural Assets (Waterfront, Educated Workforce, Infrastructure, Cultural Attractions, Proximity to Canada)**

# Buffalo: A Smart Investment

- **\$33 million issuance**
  - **\$25.6 million General Improvement Serial Bonds**
  - **\$7.4 million Bond Anticipation Notes (BAN)**
  - **Moody's: A1, S&P: A+, Fitch: A+**
  - **Issuances expected to price via competitive sale on April 16th**