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## Achieving a Greater Buffalo

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## Achieving a Greater Buffalo

### Abstract

This policy report argues that improving the quality of life for residents of all backgrounds living in Buffalo's urban neighborhoods should be a central objective of any economic revitalization plan for the region. In the process of strengthening housing and employment opportunities in the urban core, Buffalo should strive to become a premiere destination for innovators, artists, and entrepreneurs seeking a low-cost, culturally vibrant place in which to live and work. The priorities outlined below are drawn from successful revitalization strategies employed by cities such as Minneapolis, MN, Portland, OR and Toronto, ON. These and other regions have been revitalized not by constructing commercial waterfront attractions, or by envisioning Disney-esque developments to attract tourists, or even by heavily subsidizing corporations to site temporary operations in their respective regions, but by concerted and coordinated efforts to stabilize neighborhoods, improve schools, strengthen immigrant communities, cultivate and protect natural resources, address the crisis of inner-city unemployment, elevate the arts, support small business development, create integrated transportation networks, and break down barriers separating wealthy suburban populations from poor urban communities.

### Keywords

Buffalo, Economic Development, Government, General, Report, PPG, PDF



# ACHIEVING A GREATER BUFFALO

PARTNERSHIP FOR THE PUBLIC GOOD  
A POLICY REPORT

APRIL 2007

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# INTRODUCTION

This policy report argues that improving the quality of life for residents of all backgrounds living in Buffalo's urban neighborhoods should be a central objective of any economic revitalization plan for the region. In the process of strengthening housing and employment opportunities in the urban core, Buffalo should strive to become a premiere destination for innovators, artists and entrepreneurs seeking a low-cost, culturally vibrant place in which to live and work.

The priorities outlined below are drawn from successful revitalization strategies employed by cities such as Minneapolis, MN, Portland, OR and Toronto, ON. These and other regions have been revitalized not by constructing commercial waterfront attractions, or by envisioning Disney-esque developments to attract tourists, or even by heavily subsidizing corporations to site temporary operations in their respective regions, but by concerted and coordinated efforts to stabilize neighborhoods, improve schools, strengthen immigrant communities, cultivate and protect natural resources, address the crisis of inner-city unemployment, elevate the arts, support small business development, create integrated transportation networks, and break down barriers separating wealthy suburban populations from poor urban communities.

Buffalo is the sixth most impoverished city in the United States. Its population and employment losses over the past thirty years are staggering. Its schools are failing an entire generation of low-income students. Yet those who remain in the city are doggedly committed to its rebirth. Many have already begun the process. Buffalo's arts and cultural programming is unrivaled among cities its size and the social networks that underlie its artistic movement are vital. Neighborhood business districts are beginning to rebound on all sides of the city. The city's residential architecture is of astounding quality and character.

There is hope for renewal, especially if new leaders at every level are committed to increasing employment opportunities for the urban poor, addressing the crisis of housing abandonment, and rebuilding the infrastructure needed to capitalize on Buffalo's assets: its alternative arts culture, low-cost housing, major universities, and proximity to Toronto, one of the world's fastest growing cities.

**Partnership for the Public Good (PPG)** is collaborative forming to promote civic engagement and to research and advocate for public policies that promote the public good in Greater Buffalo. Valuing governmental transparency and accountability, equal opportunity, environmental responsibility, and cultural vibrancy, PPG aims to enrich the public conversation about revitalizing Greater Buffalo with research about what our governments do now, what other cities and states do, and how we can best address our problems while capitalizing on our strengths. PPG is developing a "People's Chamber" of individuals and organizations committed to a high-road vision for Greater Buffalo.

PPG is being formed by a steering committee made up of the following individuals:\*

- Aaron Bartley, Executive Director, People United for Sustainable Housing (PUSH Buffalo)
- Allison Duwe, Executive Director, Coalition for Economic Justice
- Lou Jean Fleron, Director, Workforce Industry & Economic Development, Cornell University ILR
- Nancy Freeland, Executive Director, VOICE Buffalo
- Mark Goldman, Business Owner, Author
- Sam Magavern, Instructor, University at Buffalo Law School
- William O'Connell, Executive Director, Homeless Alliance of Western New York
- Susan Swarts, Administrator, Cornell University ILR
- Eric Walker, Organizer, People United for Sustainable Housing (PUSH Buffalo)

\*Organizations are listed for identification purposes only



## A. Saving Our Neighborhoods

### 1. SUPPORT “BLUEPRINT BUFFALO”, A COMPREHENSIVE STRATEGY FOR ADDRESSING BUFFALO’S ABANDONED HOUSING CRISIS

Census 2000 reported that 15.7% of housing units in the City of Buffalo were vacant, 43.7% of which were classified as “other” – neither for sale, lease, nor seasonal residence – essentially indicating abandonment. This translates into a 7% abandonment rate throughout the city. Throughout the 1990s Buffalo had the largest percentage increase of vacant structures nationwide – a leap that took the city from #55 in the country to #3 in percentage of vacancies in cities of more than 250,000. As of 2000, Buffalo trailed only St. Louis, MO, and Mesa, AZ – a rapidly expanding city that experiences many seasonal second home vacancies – and by all accounts the situation has gotten much worse since then. In fact, different Census Bureau estimates place Buffalo’s population loss between 13,000 and 34,000 residents during the ensuing five years.

In light of this epidemic, the National Vacant Properties Campaign recently released *Blueprint Buffalo* in November 2006, a policy document and action strategy for combating the problems of rampant property vacancy and abandonment within the city and, increasingly, the inner-ring suburbs. Produced in conjunction with the Buffalo office of the Local Initiatives Support Corporation (LISC – Buffalo), UB Regional Institute, and the Amherst IDA, the report outlines four key leadership actions (a city-wide vacant property initiative; a first-tier suburban agenda; an Erie-Buffalo vacant property coordinating council; and an initiative to make the region a “Living Laboratory” of vacant property reclamation), and four key strategies (development of a regional real property information system; a focus on comprehensive code enforcement; right-sizing and greening the City; and escalating greyfields and brownfields redevelopment) to make significant progress towards reclamation and reuse.

The state can play many roles in these tasks, including special programs and legislation directed at making land acquisition, assembly, title clearance, and remediation more achievable and less time onerous. Creation of a land bank with powers similar to that established in Genesee County (Flint), under authorization from the State of Michigan, should be pursued.

Several progressive greening initiatives are well underway in Buffalo. For example, the Massachusetts Avenue Project has developed an urban farm on the city’s West Side which is operated by low-income neighborhood youth. To support local food system development, similar efforts should be promoted across the city, and other innovative and non-conventional incarnations of greening should be encouraged and supported.

The state has shown its acknowledgment of the vacancy problem through the Restore NY funding and more recently through the release of liens on hundreds of properties controlled by the state’s Municipal Bond Banking Agency (MBBA). However, the City of Buffalo cannot realistically expect to renovate each of these houses returned by MBBA or the thousands of others that sit vacant for myriad reasons. Nor can the rehabilitations that do take place be allowed to occur in a scattershot fashion. There must be a coordinated effort to identify strategic clusters of properties within investment-ready communities that will not just provide housing in the short term, but that will include other important amenities to help make these areas desirable neighborhoods in which residents are proud to live. Productive reuse of vacant land is a key part of the process to build sustainability. This will require administrative and regulatory changes as well as financial resources distinct from and of greater magnitude than the current \$2 million earmark from the Affordable Housing Corporation (AHC).



## **ACTION STEPS**

- Empower and fund a land bank for Buffalo and Erie County which will be granted special powers of vacant land acquisition and disposition.
- Identify funding enabling the land bank to triage Buffalo's 19,000 abandoned properties: unsalvageable properties should be demolished at once; salvageable properties should be immediately stabilized and protected for future rehabilitation.
- Fund Regional Real Property Information Systems coordination and a "Living Laboratory" of revitalization through the UB Regional Institute.
- Promote urban food system development by encouraging progressive greening initiatives that return vacant land to productive use.
- Immediately take action to return to productive use the 1,400+ properties controlled by MBBA, including funds for assessment, rehab, and demolition.

## **2. INVEST IN URBAN HOUSING AND STRENGTHEN PATHWAYS TO HOMEOWNERSHIP FOR LOW INCOME RESIDENTS**

With the abandoned housing crisis reaching epidemic proportions and an overall decline in the quality of housing throughout the region, we need our new governor to take immediate action that is decisive and comprehensive to develop a fundamental strategy to provide safe, affordable, accessible, and decent housing for all. Policies must recognize that what works in the downstate housing market does not work in weak housing markets like Buffalo, Rochester, or Syracuse. On the "supply-side" non-profits should be granted greater flexibility to carry out projects specific to neighborhood conditions. On the "demand-side," opportunities for asset building on the path homeownership should also be highlighted and increased, including favorable taxing structures for Individual Development Account (IDA) participants, and a state matching fund for those shut out of the Federal Home Loan Banks' Home Club (80 - 120% Area Median Income [AMI]).

## **ACTION STEPS**

- Develop a housing plan and appoint key personnel with the authority, expertise, and resources to coordinate the activities of all the agencies involved in housing in NYS and to ensure that programs are transparent, accountable, and efficient.
- Increase the financial investment – capital and operating – for existing housing programs, refining the purpose and administration of those programs to reduce and/or eliminate barriers to accessing funds for certain types of development and ensuring that funding includes adequate resources to support the capacity of nonprofits.
- Reduce/eliminate non-profit fiefdoms by reconfiguring operational funding to Community Housing Development Organizations (CHDOs). Funding should be contingent on production through a competitive process, and activity should not be restricted through a pre-determined geographic footprint, which penalizes communities containing an underperforming CHDO.
- Dedicate revenue to support additional investment in affordable and accessible housing production and preservation (a "true" housing trust fund) particularly for housing sectors that are currently under served.
- Mandate inclusionary (mixed-income) zoning in projects receiving state funding or carried out by state agencies (e.g., Inner and Outer Harbor Development).
- Create a state pool for homeownership IDAs for families below 120% of AMI.



#### **ACTION STEPS** (continued)

- Promote regional planning initiatives that support sustainable, affordable, mixed-income neighborhoods through prioritization of state infrastructure funds, especially transportation funding.
- Direct all state housing investment within MSAs to walkable or transit-oriented areas, incentivize mixed-income and mixed-unit size (square footage) developments.
- Add state resources to fully fund the Weatherization Assistance Program, which currently has very long wait lists in urban areas. WAP increases energy efficiency while stabilizing the urban housing stock.

### **3. PROMOTE REGIONAL PLANNING**

Stopping urban sprawl in upstate cities is a critical element of revitalizing Buffalo's economy and social landscape. Despite being a home rule state, New York can facilitate smarter land use decisions by providing the right financial incentives and discontinuing state policies and projects that contribute to sprawl, including changes in economic development, transportation, education, and recreation policy. The new administration should review, re-design, and strengthen the Quality Communities Act. As it stands right now, the Act has no overall vision and the projects funded through this program often work at cross-purposes. In addition to items listed in other sections of this report, the following action items can greatly reduce incentives to sprawl and focus growth in logical, sustainable corridors and centers, consistent in Western New York with the Framework for Regional Growth. (See Section B below.)

#### **ACTION STEPS**

- Promote regional planning initiatives that support sustainable, affordable, mixed-income neighborhoods through prioritization of state infrastructure funds, especially transportation funding.
- Increase capital and administrative funding for brownfield remediation.
- Decrease loss of agricultural land through increased state support of local farms by funding farm-to-school programs. Introduce other farm-to-institution programs for large scale projects which receive state funding (i.e., universities, prisons, hospitals, and nursing homes). Also create administrative funding for Community Supported Agriculture.
- Incentivize SmartCode (form based) zoning through provision of technical assistance dollars for rewriting municipal codes in line with the transect concept.
- Fund administration of Regional Planning boards.
- Follow up increased aid to city schools with major incentives to consolidation of school districts.
- Earmark SUNY capital investments to developments that enhance urban cores and promote transit usage by students. Set aside funds for universal transit passes for SUNY students.
- Fund state parks in urban areas, i.e., large brownfield remediation and stewardship in cities falling below state percentages of land area dedicated to parkland.
- Increase funding for rails-to-trails and greenway construction in urban centers.
- Create state funding pool or bond allocation for purchase and preservation of open space in areas facing development pressure.
- Enact a state surcharge on mortgage recording tax outside of designated growth areas dedicated to air quality mitigation measures, to help relieve environmental pressures disproportionately affecting low-income urban communities.

#### **ACTION STEPS (continued)**

- Introduce scaled utility delivery charges through the Public Service Commission, which reflect the true cost of creating additional infrastructure rather than having it born by all users.
- Incentivize regional tax-base sharing by matching contributions made by participating municipalities with state funds.

#### **4. BREAK DOWN THE URBAN/SUBURBAN DIVIDE THROUGH REGIONAL REDISTRIBUTION OF SUBSIDIZED HOUSING AND AFFORDABLE HOUSING RESOURCES**

State Programs (such as State Low Income Housing Tax Credits) which currently offer higher scoring for providing housing for the lowest-income earners within already impoverished neighborhoods should be revisited to encourage economic diversity and a dissipation of concentrated poverty. The creation of affordable housing units in middle- and upper-income communities should be encouraged and incentivized. Wealthier communities provide economic and educational opportunities as well as role models for individuals and families seeking routes out of poverty. When low-income developments are sited in suburban locations, they should be integrated within or adjacent to job centers and transit-friendly corridors and nodes, so that decreased living costs are truly beneficial to residents and are not simply offset by an increase in transportation-related outlays.

Revised policies cannot, however, be allowed to promote disinvestment in city centers or the “skimming” of the most upwardly mobile residents of poor communities. Rather, they should be implemented in conjunction with improved resources and programs (including social services, education programs, affordable homeownership incentives, and infrastructure enhancements) to simultaneously increase the quality of life for underserved communities, decrease the stigma of inner-city communities, and spur new investment.

#### **ACTION STEPS**

- Realign scoring for NYS housing funds to prioritize income integration.
- Concentrate state expenditures, not just tax breaks, in low-income neighborhoods to create attractive and sustainable communities.

#### **5. WORK TO OVERCOME THE PHYSICAL, ECONOMIC, AND SOCIAL DIVIDES BETWEEN SUNY BUFFALO AMHERST CAMPUS AND THE CITY OF BUFFALO**

SUNY Buffalo is the second largest employer in Greater Buffalo, behind only the State of New York. The university is the second largest in New York State by student population and is the only public school in the state offering degrees in every professional field.

About 80% of SUNY Buffalo’s students are isolated on a suburban campus five miles from the city limits and twelve miles from downtown Buffalo. The isolation of the SUNY campus has prevented cultural, economic, and social integration between the city and the university. Many town-gown synergies that have been critical to regional growth and resurgence in other postindustrial areas – e.g., Boston, Pittsburgh, and Chicago – have been sorely lacking in Buffalo.

Since the late 1970s, efforts have been made to better integrate the university into the life of the city, but they have shown limited results. A more robust partnership could yield enormous benefits for urban residents, students, and the university as a whole.

Greater Buffalo's light rail system, which now consists of a \$500-million single subway-line running only from downtown to UB's Main Street (South) campus, was designed to extend into suburban populations in each direction, but was directly linked to the decision to build the SUNY campus in Amherst to connect the investment and student population definitively with downtown. The subway was never completed for a variety of reasons, but in no small part due to opposition from suburban political forces in the early 1980s. Increased traffic congestion and a now-diversified inner-ring population have helped to increase calls for expansion and decrease the fears of previous residents. Completion of the six-mile campus-to-campus spur is the leading example of a major capital improvement capable of overcoming the university-urban divide.

Current efforts to integrate the university with the urban core include substantial university investment in the Buffalo Niagara Medical Campus in downtown Buffalo; dormitory construction and physical improvements to the South Campus in North Buffalo; and public advocacy by SUNY Buffalo President John Simpson and Congressman Brian Higgins for an extension of the Buffalo light-rail system to the SUNY North Campus.

#### **ACTION STEPS**

- Support the current university-led effort to plan for a subway or light-rail connector to the SUNY North Campus, which would connect all three SUNY Buffalo campuses with downtown Buffalo.
- Support expansion of SUNY Buffalo's research facilities at the Buffalo Niagara Medical Campus, located on the edge of downtown Buffalo.
- Incentivize construction of SUNY Buffalo dormitories on the SUNY South Campus and in proximity to the Buffalo Niagara Medical Campus, both located within city limits.
- Support creation of reliable transportation links between SUNY North Campus and the Buffalo State College/Elmwood Avenue district.

## **6. CRACK DOWN ON ALL FORMS OF PREDATORY LENDING**

With large numbers of people with low incomes, seniors, immigrants, and people with disabilities, and a highly segregated housing market, Buffalo has proven to be a fertile ground for a wide array of predatory lending practices in areas such as home equity loans, check cashing, refund anticipation loans, and rent-to-own stores. These practices and their social costs were well documented in *The Buffalo News* series, "The High Cost of Being Poor." Not just individuals but whole neighborhoods are devastated when hard earned income and assets are stripped away by lenders charging exorbitant rates and often using misleading and high-pressure techniques. Predatory home lending leads to high foreclosure rates and adds to Greater Buffalo's plague of abandoned housing. Cracking down on predatory lending and offering alternative sources of credit and asset building are important not just as matters of law enforcement and social justice, but also as matters of community economic development. Recently, the public costs of the under-regulated sub-prime lending market have been put in high relief as they have threatened to trigger a world-wide economic downturn.

#### **ACTION STEPS**

- Pass state legislation requiring that before agreeing to a high-cost home loan, a borrower must receive counseling from an independent, non-profit, HUD-certified housing counseling agency to review all the terms of the proposed deal and explore less expensive sources of credit.
- Pass stronger legislation capping the interest rates charged by rent-to-own stores.
- Strengthen consumer protections against misleading, high-interest tax refund anticipation loans.

#### **ACTION STEPS (continued)**

- Ask the Attorney General to devote more resources to prosecuting predatory lending violations.
- Devote more funding to free income tax preparation services and to promoting the use of the earned income tax credit.
- Use the Community Reinvestment Act and other means to promote access to affordable credit for people with low incomes.

### **7. RESTRUCTURE STATE TRANSPORTATION PROGRAMS TO REFLECT THE NEED TO INVEST IN MULTI-MODAL ACCESS IN EXISTING COMMUNITIES**

State and federal transportation policies have had a continuing negative effect on our cities by pulling a critical mass of investment away from our core towns and cities, increasing ongoing operating and infrastructure expense at all levels of government. More than tweaking, major changes are now necessary to establish a completely new direction for state and local transportation policy that is efficient, environmentally conscious, and creates sustainability by adding value, not just traffic, to communities. DOT policy must no longer be fixated on increasing speeds and decreasing travel times but must reflect reinvestment in quality, multi-modal communities, pedestrian safety, and smart transportation initiatives. As the Baby Boom generation ages, compounding the already disproportionate share that is Buffalo's elder population, extended public transportation options will become increasingly more important. An emphasis on reliable and convenient transit options which link targeted growth centers and as well as upstate cities with New York City, Toronto, and other Northeast, Mid-Atlantic, and Midwestern hubs will be crucial to righting the upstate economy.

#### **ACTION STEPS**

- Shift additional capital resources to transit expansion (new starts) and defund highway expansion and widening projects that contribute to further sprawl.
- Create and fund a transit-oriented development program within DOT. Prioritize projects based on their ability to meet these criteria. Increase percentage of state transportation funding earmarked for alternate modes and ramp up further over next five years.
- Use the New Jersey DOT reforms as a model for roadway design initiatives.
- Increase funding for existing track beds and implementing high-speed rail in New York. Shift the timeline of phasing so that improvements to Upstate occur concurrent with, not after, improvements to the NYC-Albany corridor.
- Introduce dedicated funding for new and improved rail stations within downtown cores.
- Reconfigure transportation revenue streams so that funding is returned to investments in public transportation options for people and for freight, overcoming the NYS Thruway Authority's exclusive mission to expand a singular transportation option which fosters a cycle of continuous expansion at the expense of other modes.
- Dedicate operational funding for Buffalo's Metro Rail completion, focusing initially on the Airport Corridor and UB Amherst spurs.
- Extend a portion of the Gasoline Sales Tax to upstate transit authorities to gain parity with MTA.



## B. A New Vision of Economic Development

### 1. **OVERHAUL THE SYSTEM OF ECONOMIC DEVELOPMENT INCENTIVES TO ENSURE THE CREATION OF PROJECTS WITH LASTING AND SUSTAINABLE BENEFITS TO THE REGION**

The state should consolidate and streamline existing economic development programs, policies, and agencies to be consistent with The Framework for Regional Growth. The Framework is a bi-county plan developed with leadership from public and private sectors in both Erie and Niagara counties which stresses infill development and better utilization of existing infrastructure above creating new infrastructure and associated increases in capital outlays and operating expense. As land use decisions are largely determined at the local level due to New York's home rule provisions, municipal comprehensive plans and zoning revisions promoting these goals should be incentivized, including state prioritization of transportation and infrastructure funding to curb Upstate's costly sprawl without growth.

To eliminate the horse-trading and favoritism that has greatly contributed to the stagnancy of Western New York's economic condition, policies must be adopted to increase the transparency and accountability of our current economic development programs, most notably our Industrial Development Agencies and the Empire Zone Program. An objective scoring system must be implemented for economic development incentives in order to ensure that the public benefit outweighs the cost before incentives are granted. This scoring system does not need to be a "yes or no" threshold, but could be a sliding scale of incentives, assistance, and opportunities depending on the level and extent to which each proposal meets the state's goals for sustainable high-road economic growth.

Claw-back provisions should be mandated for all projects and companies receiving economic development incentives. Failure to meet employment and investment targets within an agreed upon timeline, or project changes which deviate from the state's high-road goals, should be grounds for revocation of tax breaks and benefits.

Incentives should also be created specifically to assist population retention and community revitalization, which will, in turn, reduce infrastructure costs associated with sprawling new development and promote economic opportunity for less mobile residents. For instance, state tax credits and/or low-interest or subsidized loans (interest percentage write-downs) could be offered for improvements and renovations to all pre-war homestead, residential rental, and commercial buildings, with enhanced incentives on a sliding scale to target priority redevelopment neighborhoods.

We have an opportunity to improve NYS's 115 Industrial Development Agencies in the 2007 legislative session and should take full advantage of this opportunity. In 2006, Industrial Development Agency reform legislation (S7391/A10787) was introduced by Senator George Maziarz and Assemblymember Robert Sweeney. The Senate and Assembly were actively considering the legislation at the end of session and the Assembly passed A10787. The Senate took no action on the reforms, but both houses ultimately passed a one-year extender. This short-term extender provides a strategic window to promote reform.

IDAs are an important economic development tool and are the main source of subsidies at the county and local level. However, when abused, IDAs waste taxpayer dollars and do not provide a good return on our public investment. The NYS Comptroller's audit from 2006 studied six IDAs in New York State, including the Erie County and Amherst IDAs. The Comptroller found that one third of IDA supported projects did not meet their job creation goals, and another full third actually reduced employment. Our IDAs must be

reformed to assure that the public good is protected and promoted. Reforms should include: prevailing-wage and living-wage standards for construction jobs and permanent employees; local hiring provisions, green building and anti-sprawl environmental measures; broader representation on IDA boards; improved and uniform reporting; anti-raiding provisions; and claw-back requirements.

### **ACTION STEPS**

- Incentivize Smart Growth through state infrastructure prioritization.
- Revamp the existing economic development system to ensure accountability and direct all incentives towards development that:
  - reclaims and reuses brownfields and greyfields
  - provides mixed-use and mixed income development
  - encourages density
  - utilizes existing transit hubs and future light rail expansion corridors (primarily airport and UB Amherst)
  - increases opportunity in low-income neighborhoods
  - creates living-wage jobs, so that employees will not need to be subsidized through the state's existing social supports
  - provides “high-road” jobs with opportunities for employee development
  - does not require major new infrastructure or upgrades (i.e., utilizes existing sewer, water, highway, and transit capacity)
  - minimizes long-term governmental costs
- Reduce regulatory barriers for reinvesting in traditional urban-scaled communities.
- Pass IDA reform legislation proposed by the New York State Initiative for Development Accountability, a coalition of labor, environmental, and community groups across NYS.

## **2. FOCUS WATERFRONT DEVELOPMENT EFFORTS ON EXPANDING PUBLIC ACCESS AND GREENSPACE; DE-EMPHASIZE “SILVER BULLET” SCHEMES**

Efforts to develop Buffalo’s waterfront have been plagued by political infighting, inter-agency conflicts, and delusions of grandeur for more than thirty years. At least eight development plans have been drafted, unveiled, and later discarded due to control disputes and the lack of adequate financing. Unrealized visions include a convention center, an aquarium, a football stadium, a zoo, an indoor amusement park, an enormous fishing goods store, luxury condominium buildings, and several hotels.

The various development plans, including to some extent the current plan advanced by the Erie Canal Harbor Development Corp., privilege grandiosity and big box “signature” developments over more organic – and far less expensive – efforts to connect Buffalo’s eleven miles of waterfront with existing neighborhoods. The overriding consensus among urban planners is that cities that lack real tourism potential are revitalized by creating attractive places to live that integrate healthy neighborhoods with recreational activities in close proximity, not by building attractions for outsiders. Buffalo’s waterfront planning, on the other hand, has been driven by a desire to mimic Baltimore-style commercial development. Besides the need for enormous public subsidies to realize such a vision, a large-scale commercial complex on the Buffalo waterfront would face challenges not seen in Baltimore, a city along the Boston-Washington corridor with a more temperate climate.

Furthermore, recent studies have highlighted the extent to which Baltimore-style developments perpetuate poverty and urban decline. A study by the Good Jobs First coalition, “Subsidizing the Low Road: Economic Development in Baltimore” (2002), points out that tourism and corporate center service worker jobs generally do not pay a living wage and hence may not do much to address urban poverty and all its related problems. This problem is also illustrated by Cleveland, where poverty rates have risen substantially –



Cleveland is now the nation's third poorest city – despite a highly touted waterfront “resurgence,” which was subsidized heavily by taxpayers.

Given the failure of more ambitious and costly plans, it is time to move towards a progressive perspective on waterfront development that emphasizes the need 1) to improve waterfront access for residents of the city's West Side, Old First Ward, and emerging downtown residential neighborhoods and 2) to create an integrated network of parks, beaches, green space, and bike trails at the water's edge.

The Niagara River Greenway Commission and Buffalo Niagara Riverkeeper have advanced viable plans for improving waterfront access and creating an integrated network of parks.

#### **ACTION STEPS**

- Support implementation of the Niagara River Greenway Commission plan for the Niagara River portion of the waterfront. Planning efforts for Buffalo's Inner and Outer Harbor should be informed by principles underlying the Greenway Commission plan, which include accessibility for residents and linked parkways.
- De-emphasize over-ambitious “silver bullet” plans for the waterfront, which treat the success of Baltimore's harbor development as a touchstone. Support some commercial development on the Inner and Outer Harbor, but do not let grandiose retail developments designed for prospective tourists drive the overall development of Greater Buffalo's most precious resource.

### **3. REVITALIZE SMALL BUSINESS INFRASTRUCTURE AND NEIGHBORHOOD BUSINESS STRIPS**

While Buffalo's Hertel and Elmwood Avenues have been experiencing steady improvements in activity and appearance in recent years, efforts to strengthen small business infrastructure and to focus state support on Buffalo's six main neighborhood business districts of Jefferson Avenue, Grant Street, Seneca Street, Connecticut Street, Bailey Avenue, and Niagara Street will be crucial for economic redevelopment. Though the state offers funding through the Main Street Program, the narrow uses and low dollar amounts available as well as the lack of administrative support for organizations employing these programs are serious barriers to be overcome. Due to disastrous state, federal, and local policies these streets have lost their character and livability in the rush to facilitate automobile traffic. Specifically targeting quality-of-life concerns, alternative transportation, and pedestrian amenities (i.e., bulb-outs at intersections and mid-block cross walks, adequate sidewalks, abundant street trees, dedicated bike lanes, bus shelters, benches, etc.) will also be crucial to creating attractive and successful neighborhood business districts.

New York State should also review state banking policy and incentives to increase the availability of mixed-use loan products. The state should create programs which ensure beneficial interest rates and terms or a targeted state loan pool (similar to the funds for energy efficient home improvements that are now available for homeowners) for building owners whose residence is co-located with their workspace. State incentives that provide residential or blended interest rates (based on percentage of space used for residence and percentage of space used for business) for live/work properties will help eliminate some of the barriers to redevelopment of neighborhood commercial strips, thereby creating new opportunities for small business owners. Repopulating residential units above commercial storefronts, especially with entrepreneurial occupants, will be a major boon not only in wealth creation for entrepreneurs, but in an increased range of products and services to disadvantaged markets.

Corollary to physical infrastructure and capital access is the need for increased direct services to entrepreneurs. Particularly helpful will be funding for community-based micro-business development. Many entrepreneurs – particularly those targeted by community organizations that are looking to utilize micro-



enterprise as a poverty alleviation and immigrant integration strategy – are reluctant to engage in direct services from governmental providers. Micro-entrepreneurial Development Organization (MDO) coalitions, such as MicroBiz Buffalo, which serve as a single non-threatening entry point for wrap-around small-business development services, should receive administrative support and micro-loan pool capitalization as part of an economic development strategy in disadvantaged communities.

The state should also provide MDOs with matching capital and administrative funding for oversight of Individual Development Accounts for low-income entrepreneurs. Ideally these matching funds could fulfill the matching requirement of the federal Assets for Independence Program (which requires additional dollars on at least a 1:1 basis that can then be used to match individuals' personal contributions), but the program should also be able to function independently of this federal allocation.

#### **ACTION STEPS**

- Revamp NYS Main Street Program to provide administrative dollars and greater resources for capital reinvestment.
- Provide targeted state assistance for infrastructure improvements, as part of a comprehensive overhaul of the state DOT policy, to emphasize quality communities over traffic counts and speed.
- To promote access to markets for Greater Buffalo's growing immigrant and refugee population, establish a Global Marketplace with distinctive food items and crafts representing Greater Buffalo's diversity.
- To increase population density, encourage rehabilitation of residential structures in close proximity to Buffalo's leading pedestrian-friendly commercial strips.
- Encourage investment in mixed-use and owner-occupied structures in neighborhood commercial strips.
- Provide operating support and IDA matching funds for community based Micro-entrepreneurial Development Organizations (MDOs).

#### **4. REPLACE THE EMPIRE ZONE PROGRAM WITH A PROGRAM SUPPLEMENTING EARNED INCOME TAX CREDITS FOR PEOPLE LIVING IN AREAS OF CONCENTRATED POVERTY**

The Empire Zone is a failed program based on a faulty premise: that government can help impoverished areas by paying businesses to move there or stay there. The Empire State Development Corporation recently reported that nearly one third of the jobs promised by companies receiving incentives had not materialized. *The Buffalo News* has reported “widespread failures in the program, including overstated job claims, lower wages for workers in the zones and benefits going to politically connected companies.”

Meanwhile, earned income tax credits are widely hailed as one of the most efficient, effective anti-poverty programs ever created. Tax-relief for workers with low incomes is much more targeted and efficient than tax relief for businesses who promise to create or retain jobs. Areas of concentrated poverty need investment in their housing stock and their neighborhood businesses; the most efficient way to deliver it is to put money in the hands of the residents. Concentrated poverty and racial/economic segregation create an additional “tax” on residents in terms of higher prices for goods and services, worse environmental/health factors, crime, inferior schools, etc. Earned income tax relief helps offset that unofficial set of “taxes.”

People concerned with concentrated poverty often debate between mobility plans and in-place remedies. Mobility plans can help the small number of individuals that use them to move to better places, but mobility plans write off the neediest neighborhoods. In-place remedies can improve neighborhoods, but if they focus on buildings instead of people, then all they do is create gentrification and displacement. Providing tax relief

to residents living in concentrated poverty offers the best of both worlds: it helps the individuals and the neighborhood. It improves the neighborhood, not by displacing the people with low incomes in it, but by raising their incomes.

By defining the target zones in terms of their poverty rates, this program will have a fair, non-political focus that adjusts to changing conditions automatically. As new census tracts tip into poverty, they will become eligible. As census tracts emerge from poverty, they will become ineligible.

The EITC supplement gives working individuals an incentive to stay in neighborhoods that need them, rather than moving to higher income neighborhoods. Poor neighborhoods desperately need to retain and attract working residents, even if they are working at relatively low paying jobs, to avoid creating zones of despair. Imagine if the \$470 million spent on benefits to companies in 2006 had gone instead to workers living in poverty. Imagine what it would have done for our poorest neighborhoods if 470,000 workers had each received \$1,000 in tax relief last year.

#### **ACTION STEPS**

- Replace Empire Zone incentives with an added earned income tax credit for people living in areas of concentrated poverty.
- Explore replacing other forms of business subsidies with tax relief for workers.
- Support organizations providing services to low-income tax payers to assure access to EITC entitlements.



## C. Re-Branding Buffalo: Green, Cultured and International

### 1. **CREATE A COMPREHENSIVE PLAN FOR LINKING GREATER BUFFALO WITH GREATER TORONTO'S BURGEONING ECONOMY**

Buffalo lies just 90 miles south of downtown Toronto, Canada's financial capital and one of the largest and fastest growing metropolises in the Western Hemisphere. Suburbs and satellite cities to the south of Toronto – including the cities of Hamilton, St. Catherine, and Burlington, each with a population comparable to that of Buffalo – are sprawling rapidly in Buffalo's direction.

At present, there is no comprehensive effort to identify areas of synergy between Greater Buffalo and Greater Toronto. Although many bi-national economic and cultural relationships have come into existence organically – such as the recently announced downtown Buffalo headquarters of Labatt USA as well as the University of Toronto Press, headquartered in Toronto with distribution facilities in Buffalo – there has been no comprehensive effort to identify strategic partnerships that could yield much needed economic growth for Greater Buffalo. Strategic cooperation in the promotion of the arts and cultural tourism could solidify the reputations of both Greater Buffalo and Greater Toronto as leading cultural centers.

#### **ACTION STEPS**

- Under the auspices of the Empire State Development Corporation, create a strategic action plan for linking Buffalo's viable industry sectors –including biomedical research, banking and finance, and cultural tourism –with their far larger counterparts in Greater Toronto. The plan would prioritize expanding industry sectors in Toronto in need of inexpensive Class A office space, experienced back-office workers, and/or inexpensive warehousing facilities, all of which are in abundance in Greater Buffalo.
- Appoint a full-time emissary to Toronto under Empire State Development to build strategic relationships with leading Toronto business executives in industry sectors with potential for bi-national growth. Personal networks with executives in charge of expanding Toronto industries are now sorely lacking.
- Support efforts to promote and “brand” Greater Buffalo as a destination for cultural tourists from Toronto, highlighting Buffalo's stock of architectural gems designed by Frank Lloyd Wright, Louis Sullivan, and H. H. Richardson and the city's world-class art museums.
- Develop the H.H. Richardson complex as a key cultural and architectural tourism site, including architectural museum, world-class hotel, etc.

### 2. **STRENGTHEN BUFFALO'S ARTS INFRASTRUCTURE AND BRAND THE CITY AS A PRIME LOCATION FOR INNOVATORS, ARTISTS, AND EMERGING ENTREPRENEURS SEEKING A HIGH QUALITY OF LIFE AND AN IDEAL SETTING FOR EXPERIMENTATION AND PRODUCTION**

Greater Buffalo is recognized nationally as a vibrant center of art and music production. Buffalo has especially strong clusters of experimental writers, avant-garde musicians, and theater performance troupes. In addition to established institutions such as the Albright-Knox, important nodes of activity on the Buffalo arts scene include Hallwalls Contemporary Arts Center, the SUNY Buffalo Poetics program, the Infringement Festival, the Big Orbit Gallery, Soundlab, and many others.

Artists and musicians are attracted to Buffalo because of its inexpensive, livable, and attractive

neighborhoods, unique and historic architecture, the rich history of cutting-edge artistic production, and the strong underground arts scene already in place.

Buffalo, like Portland, OR, could reverse its fortunes by gaining popularity as a prime destination for young, progressive artists and activists who have been priced out of coastal cities. Among cities in the Northeast, none has lower rents and housing prices than Buffalo.

#### **ACTION STEPS**

- Fully fund Buffalo's experimental arts institutions, including Hallwalls, Big Orbit, Sound Lab, the Langston Hughes Center and the emerging Buffalo Urban Arts Center.
- Fund a position within the Empire State Development Corporation (or another entity) dedicated to marketing Buffalo's arts culture and housing opportunities to emerging artists in major East Coast cities where rents make artistic lifestyles impractical. Possible marketing targets include art and music school graduates, creative writers, and non-profit entrepreneurs.
- As part of this marketing effort, create a comprehensive, frequently updated database of housing opportunities.
- Support arts and entertainment industry studies and university action research to identify opportunities for regional growth of the creative sector.
- Support emerging enterprises in the growing for-profit arts sector of the WNY economy.

### **3. MAKE THE QUEEN CITY A GREEN CITY**

In the past year, three private-sector developments have hinted at the region's potential as a center of alternative energy production and research. At the site of the former Bethlehem Steel Plant, Steel Winds Corp. is constructing one the nation's largest urban wind farms for electricity production. The Wind Action Group, a local non-profit, has done extensive research highlighting Buffalo's potential for wind energy production. The construction of wind turbines is a great source of jobs for steel workers and other skilled blue-collar workers.

Also in the past year, two Buffalo entrepreneurs founded an ethanol production company along the Buffalo River. The company proposes to re-use several of Buffalo's historic grain elevators to store grain for ethanol production. Utilizing federal incentives to promote the development of "clean coal," NRG Energy has also announced a \$1.4 billion planned investment in the Huntley Steam Station in Tonawanda. These latter two examples raise legitimate environmental concerns about the best long-term energy strategies for the region and the nation.

In fact, as conversion to clean and renewable energy sources becomes an increasingly urgent economic, political and environmental imperative, this region has competitive advantage in its natural, technological and human resources. With a coordinated effort to link area research universities to emerging industries, Greater Buffalo could become a leader in the alternative energy sector. Investing in alternative energy would help to build Buffalo's identity as a mecca for young progressive artists, inventors and entrepreneurs.

While Buffalo's Comprehensive Plan includes extensive language about environmental priorities (cleaning up waterways, remediating of brownfields, promoting green housing, etc.), little of the Plan has been implemented or even seriously attempted. Although Buffalo is a signatory to the U.S. Mayors' Climate Protection Agreement, it appears that the City has done nothing to fulfill its promise to lower its greenhouse gas emissions. Meanwhile, other cities around the country have implemented a large number of greening strategies, many of which save taxpayers money by lowering energy costs. Control board "efficiency grant" money for Buffalo and Erie County is going unspent; it should be used for energy efficiency measures that produce long-term savings as well as environmental benefits.

## **ACTION STEPS**

- Identify federal and create additional state-level funding opportunities for wind and alternative energy research.
- Establish an institute for alternative energy research at SUNY-Buffalo.
- Provide competitive grants and low-interest loans for start-up green energy firms in Greater Buffalo.
- Develop an action plan for “greening” Erie County and Buffalo and meeting Buffalo’s Climate Protection Agreement commitments.
- Release county and city control board efficiency grant money for energy efficiency improvements to municipal buildings, vehicles, traffic signals, etc.

## **4. CREATE AN OFFICE OF NEW BUFFALONIANS OFFERING COMPREHENSIVE ASSISTANCE TO REFUGEES AND IMMIGRANTS SEEKING TO ESTABLISH PERMANENT ROOTS IN THE BUFFALO AREA**

Buffalo is one of the world’s leading sites for refugee resettlement. Four non-profit agencies in the Buffalo area – Catholic Charities, the International Institute, Jewish Family Services, and Journey’s End – have resettled thousands of refugees from countries such as Burma, Sudan, Liberia, Ethiopia, and Somalia. The 2000 census counted 1,180 school children and 5,574 adults who speak English not well or not at all in Buffalo. The Census is well known for undercounting immigrants, and substantial numbers have arrived since 2000.

Despite the heroic efforts of the non-profit agencies, there has been no coordinated effort at the city, region, or state level to ensure that Buffalo’s growing refugee communities establish stable and permanent roots in the area. In fact, many refugees, after a brief stay in Buffalo, move to areas in the Midwest deemed to provide greater housing and employment opportunities.

As a city with a dwindling population base, Buffalo, with funding from the state, should develop a comprehensive effort to retain and support refugee communities. Cities such as Utica, NY, Chicago, IL, and Boston, MA, have implemented coordinated efforts to link refugees and immigrants with housing, education and employment opportunities. It also appears that few if any local governments and other recipients of federal funds have completed Limited English Proficiency (LEP) plans, as required by federal law, detailing how they will provide free translations, interpreting, and other meaningful access to government programs and activities.

## **ACTION STEPS**

- With state funding support, create an Office of New Buffalonians charged with linking refugee and immigrant communities with housing, education and employment opportunities in the Buffalo region.
- Ensure that all recipients of federal funds, including the city, county, Municipal Housing Authority, and others, have Limited English Proficiency (LEP) Plans, as required by federal law.
- Help local governments and non-profits develop language and workforce diversity plans to ensure that immigrants and refugees can meaningfully access services. Those plans should include a triage/referral mechanism that can be used to facilitate ease of enrollment/awareness in available services and training.
- Market Buffalo’s low-cost home ownership opportunities to immigrant communities in over-priced real estate markets along the East Coast.
- Strengthen partnerships with community organizations that work with immigrants and refugees, particularly in emerging immigrant communities, and help to build their capacity.



## **D. Investing in Our People: Children, Youth, and Workers**

### **1. ADDRESS THE CRISIS OF INNER-CITY UNEMPLOYMENT AND GANG VIOLENCE BY BOLSTERING YOUTH EMPLOYMENT OPPORTUNITIES**

Buffalo and other upstate cities have seen a recent surge in violence involving low-income youth. In 2006, even with a shrinking population, the city suffered one of the highest murder totals in its history with 73 homicides, a 30% increase over 2005. In the first eight days of 2007, there were three murder victims under the age of 21. This appalling trend corresponds with the elimination or curtailment of many youth employment and training opportunities.

By creating safer streets and building work experience for those at risk of incarceration, youth employment programs pay dividends long beyond the time of the initial programmatic investment.

#### **ACTION STEPS**

- In order to stabilize neighborhoods, reduce inner-city violence, and increase employment growth over time, the state should lead the way in creating a comprehensive plan for youth employment and training. Many non-profit organizations and quasi-public agencies in the Buffalo area are ready, willing, and able to employ and train inner-city youth in a variety of fields, but have been weakened by funding cutbacks at the federal, state and local levels.

### **2. FULLY FUND BUFFALO'S PUBLIC SCHOOLS; REDUCE REGIONAL INEQUITIES IN PUBLIC EDUCATION BY ADDRESSING PER PUPIL FUNDING DISPARITIES**

Due to structural inequities and institutionalized racism, Buffalo's schools are failing an entire generation of students. State scores released in 2006 indicate that literacy among Buffalo's students dropped dramatically over just two years. Several regions, including Raleigh, NC, have undertaken efforts to reduce the disparities between suburban and urban school districts. Raleigh enables many urban students to attend suburban high schools.

As Governor Spitzer noted on January 3, 2007, following a decade of struggle, the Alliance for Quality Education won a landmark court case requiring state-level reinvestment in urban school districts. Other reforms advocated by the AQE are relevant in the context of Buffalo's school crisis.

#### **ACTION STEPS**

- Fully implement AQE's proposal for substantial funding increases to the Buffalo Public Schools along with accountability reforms.
- Reform the state's practice of ad hoc, year-to-year, unpredictable increases of financial assistance to cities and their school districts and enact a rational, equitable, and reliable revenue sharing formula, indexed to criteria of need.
- Support and fund the recently announced partnership between SUNY Buffalo and the Buffalo Public Schools.
- Advocate for the passage of Schools for New York's Future Act in the Assembly and Senate.

### **3. STRENGTHEN EXISTING HEALTHCARE OPTIONS AND MOVE TOWARDS UNIVERSAL ACCESS TO STEM THE LOSS OF MANUFACTURING JOBS**

The national health care crisis contributes to the erosion of the industrial economy in the Buffalo region. As Paul Krugman has noted in the New York Times regarding Toyota's decision to site a new auto plant in Ontario, "Education is only one reason Toyota chose Ontario. Canada's other big selling point is its national health insurance system, which saves auto manufacturers large sums in benefit payments compared with their costs in the United States." While industrial plants have been sited by major corporations just miles across the Canadian border in Ontario due to Canada's single-payer healthcare system, industrial operations in Buffalo face rapidly escalating healthcare costs.

In order to prevent further loss of manufacturing jobs, New York should take the lead in creating a universal health plan that frees employers from the rising costs associated with employer-based plans.

#### **ACTION STEPS**

- Create a commission to study state-based universal health care delivery alternatives, including the Massachusetts and California plans as well as more efficient single-payer plans. A universal access plan could relieve industrial employers of the burdensome costs associated with employer-based healthcare and make the state an attractive site for manufacturing.

### **4. IMPROVE SYSTEM OF CHILD CARE AND EARLY EDUCATION**

Employers and parents alike recognize the impact of child care issues on the performance and the careers of their employees. With the local cost of full-time infant care ranging from \$160 to \$200 per week, that service is often out of the range of possibilities for low- and moderate-income families. Women make up more than half of the downtown Buffalo's 60,000-employee workforce. This demographic fact serves to underline the importance of quality, reliable, and affordable child care for downtown workers.

According to the Buffalo Child Care Means Business study, 8 out of 10 economic development professionals agree that quality child care boosts worker productivity and think affordable child care should be a part of economic development policy and planning. Federal Reserve Bank economists have found that investment in early childhood development yields a financial return "far exceeding the return on most investments, private or public."

Guaranteed quality child care and early education could become the Buffalo Promise, attracting younger workers to the city, improving educational performance, assuring a qualified workforce for the future, and breaking down barriers to quality jobs.

#### **ACTION STEPS**

- Support employer-employee education for maximizing available supports for child care.
- Encourage/support legislation that provides employer tax credits for money invested in child care.
- Change industrial development agencies' designation of child care facilities from retail establishments to an enterprise eligible for economic development funds by all IDAs in Greater Buffalo.
- Identify funding to strengthen the child care infrastructure in Downtown Buffalo.



## 5. STRENGTHEN LIVING-WAGE JOB OPPORTUNITIES

Millions of Americans in cities, counties, and states around the country have endorsed the simple proposition that full-time workers should not be asked to live in poverty. There are few tools as effective in fighting poverty as jobs that pay a living wage: i.e., a wage sufficient to keep a family of four above the federal poverty line. Buffalo, with a poverty level of 26.9%, urgently needs living-wage jobs. New York State's minimum wage, now \$7.15 per hour, is well below a living wage. In addition, it is not indexed to inflation, so it stands to be eroded every year.

The social and economic consequences of deindustrialization have weakened Buffalo's social fabric as too often poverty-level wages replaced jobs that sustained urban families, built thriving neighborhoods, provided security and hope for the future. Buffalo's revitalization must recapture its historical triumph as a middle-class city with a strong work ethic, a place where innovation and hard work pay off. The economic development implications of such a strategy are to invest in activities that produce quality jobs, a prepared and productive workforce, and widespread opportunities for asset building. Public investment funding and workforce development programs require more effective linkages in order to create a dynamic regional economy. If these public policies are built on the principle of living wages, they provide a baseline for shared prosperity, promoting personal investment and upward mobility.

### ACTION STEPS

- Increase New York State's minimum wage and index it to inflation.
- Enact a state living wage policy: a policy that New York State, its authorities and local governments will make service contracts and grant subsidies only to employers who pay a living wage.
- Endorse community-based programs to advance self-sufficiency and asset building.
- Support labor market research and analysis to better link economic development investments with workforce development.

## 6. RESTORE TAX PROGRESSIVITY

The shifting tax burden, from federal to state and local, and from wealthy individuals and businesses to the middle class and poor, continues to have a damaging impact in upstate cities like Buffalo.

In Erie County we have recently witnessed a fiscal meltdown, with subsequent reductions in county services and layoffs of county employees. Although property taxes could be restored to year 2000 levels in order to deliver greater revenue to county coffers, reform at the state level is a more progressive approach.

State fiscal policy choices of the last 30 years have placed great pressure on local property and sales tax bases. New York State has cut its top personal income tax rate by more than 50%, from 15.375% to 6.85%, while also eliminating the bottom two and three percent brackets. This has made the income tax much less progressive than it used to be, while greatly reducing the revenue that the state would otherwise be collecting.

Meanwhile, changes in tax policy have also reduced the amount of revenue collected from corporate income taxes relative to the size of the economy. Revenues from state corporate income taxes have declined from 5.8% of all state-local tax revenues in 1977 to 2.0% in 2004.

Due to the loss of revenue from personal and corporate income taxes, New York has substantially reduced state revenue-sharing with counties, cities, towns, and villages and has reduced the share of school district budgets covered by state aid. The result, as felt sharply in upstate New York, is a greater pressure on local property and sales tax bases.

The STAR program, designed to offset this result, does not do enough. It gives a little bit of tax relief to all homeowners, whether or not their property taxes are high relative to their incomes, and under the program state aid is provided to school districts not on the basis of need. What has happened under STAR is that city school districts with a high percentage of renters receive very little school aid per pupil compared to the state average.

#### **ACTION STEPS**

- Restore progressivity to the state personal income tax system and give localities greater flexibility in how they collect taxes.
- Increase and peg to inflation state revenue sharing.
- Re-evaluate the STAR program and New York's circuit breaker program.
- Continue to close corporate loopholes that allow large, profitable corporations to avoid paying their fair share of state and local taxes. Require combined reporting for multi-state corporations.
- Reform NYS's Industrial Development Agencies and the Empire Zone program.

### **7. REFORM THE CITY AND COUNTY CONTROL BOARDS**

The City and County control boards suffer from a similar set of problems:

- **Lack of balance.** Both boards are dominated by the interests of private business and do not adequately represent ordinary residents and the public good.
- **Overreaching.** Both boards have attempted to exert more authority than their authorizing statutes give them. The County control board chose to "go hard" even in the absence of the statutory triggering conditions. The City control board has attempted to freeze all wage increases, even though the statute expressly limits the wage freeze to increases made pursuant to collective bargaining agreements or analogous contracts. Both control boards have attempted to micromanage governmental finances in ways beyond their statutory powers.
- **Misplaced emphasis and rhetoric.** Both control boards have, by their words and actions, obscured the real problems and real solutions facing Buffalo and Erie County. Both have encouraged the myth of "bloated government," while Buffalo, for example, shrank its payroll from 6,665 employees in 1972 to under 3,000 employees in 2003. Both have encouraged certain myths about high local taxes, while Erie County has one of the lowest tax rates in New York State. Both have painted government and governmental employees as problems rather than as partners in finding solutions. In reality, no amount of governmental cost-cutting can solve the basic problems facing city and county government: suburbanization and sprawl, lack of regionalism, declining tax base, loss of manufacturing jobs, concentrated poverty, increases in non-discretionary costs, and an inadequate and ad hoc system of state aid. From 1960 to 2001 state aid rose steadily, from \$4 million to \$113 million, to compensate the City for its increased costs and declining tax base. But from 2001 to 2004, general purpose state aid was frozen at \$103 million: at the very same time that the City experienced a reduction in its constitutional real property tax limit and huge growth in its retirement, health insurance, and fringe benefit costs.
- **Inattention to poverty.** The Buffalo control board would not approve a 25 cent raise for public school food service workers unless the workers gave back enough benefits so that the school district would save money. The food service workers make less than a living wage and receive no health benefits; trying to wring concessions from them was at best misguided. Paying municipal workers less than a living wage does not save the taxpayers money in the long run; it only compounds the problems of the sixth poorest city in the nation.

## ACTION STEPS

- **New members.** Four of the Buffalo control board members have terms that expire June 30, 2007. It is vital that they be replaced with members that represent the interests of working people, ordinary citizens, and the public good.
- **Amended legislation.** The control board statutes should be amended to make it clear that the County control board is not entitled to be “hard” under current conditions and that wage freezes may not be applied to any worker earning less than a living wage as defined by Buffalo’s Living Wage Ordinance (as of March 24, 2007, \$9.59 per hour with health benefits or \$10.77 without). The amended legislation also needs to remove the ability, or perceived ability, of the control boards to micromanage governmental decision-making and budgeting.
- **Reformed revenue sharing and regionalism.** State aid to Buffalo and Erie County needs to be dramatically greater, and it needs to be based on a consistent, need-based formula that allows for fairness and for rational planning. Increased regionalism and revenue-sharing, rather than an added, non-elected level of government, are the kind of real reforms that Buffalo and Erie County need.