

60



TESTIMONY

Mayor Lovely A. Warren - Rochester, New York

Joint Legislative Hearings

*2015-16 New York State
Executive Budget Proposal*

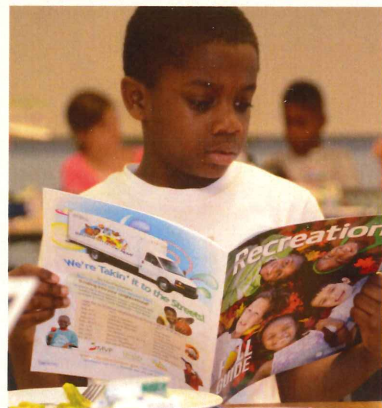
February 25, 2015

Blieve.



City of Rochester, NY
Lovely A. Warren, Mayor
Rochester City Council

More jobs. Safer neighborhoods. Better schools.



*Good afternoon Chairman DeFrancisco; Chairman Farrell;
members of the Ways and Means and Finance Committees;
other members of the Senate and Assembly:*

Thank you for the opportunity to address this panel on behalf of the people of Rochester – a proud and resilient people whose opportunities – unfortunately – are increasingly tied to the paradigm of the zip code in they live.

I have made it my mission to improve the outlook for all of Rochester residents, some who are locked in a world where there are few job opportunities, unsafe neighborhoods and failing schools.

Therein lie my priorities. More jobs. Safer neighborhoods and better schools.

In order to accomplish those priorities, we need and appreciate the State's help.



2015-16 New York State Legislative and Funding Priorities

AIM ASSISTANCE

Aid and Incentives to Municipalities (AIM) Increase - \$30.9 Million

The City of Rochester is seeking \$119.1 million in Aid and Incentives to Municipalities (AIM) aid—a \$30.9 million increase above the 2014-15 funding level. The 2014-15 AIM funding to the City of Rochester was \$88.2 million.

AIM aid is vital to the financial bottom line for cities throughout the State. Upstate cities — which have been especially hard hit by the recession and a slow recovery — perhaps rely even more heavily on AIM aid. The City of Rochester faces a projected \$34.8 million 2015-16 general fund gap. We have taken significant steps to close the budget gap. Still, like other cities, we find that we need an increase in AIM aid for the 2015-16 fiscal year. To put the City of Rochester's 2014-15 AIM aid level in perspective, consider this:

Rochester's AIM aid is:

- \$73 million **less than Buffalo** in total dollars
- \$25.7 million **less per capita than the City of Yonkers** receives
- \$16.1 million **less per capita than the City of Syracuse** receives

According to the 2013 Census, the City of Rochester's population exceeds the City of Yonkers' by more than 10,500 residents while Yonkers AIM 2014-15 aid was almost \$20 million more than Rochester's.

AIM aid for Buffalo and Syracuse exceeded their maintenance of efforts (MOE) requirements by \$90 million and \$7 million, respectively. In stark contrast, the gap between the City of Rochester's AIM funding level and its mandated MOE is \$30.9 million. Rather than receiving more AIM aid than it is required to pay to meet MOE requirements like Buffalo and Syracuse, the City of Rochester received less AIM funding than its required MOE amount.

I understand that this issue and request is not unique to Rochester. All cities are seeking additional AIM funding. Noting such, let's use the state's improved financial position to improve the lot of all cities in New York by taking a small portion of the multi-billion bank settlement funds and increasing AIM aid across the board. Take \$350 million of the \$850 million set aside in reserves from the bank settlement and increase AIM funding by almost 50% for this year's budget. We can then use this year to sit down and finally commit to changing the formula to allocate AIM aid where it is most needed: in those cities with high poverty rates.

We are requesting \$30.9 million to match the AIM funding level with the MOE requirement.



CAPITAL ASSISTANCE

The City requests \$138.5 million for capital funding for renewal and revitalization of its community and infrastructure needs. The goal is to revitalize the city's downtown and local neighborhoods through economic development projects, improved infrastructure and increased health, safety and quality of life benefits for city residents. The requested capital funding will foster redevelopment of the city's housing stock by addressing the problem of abandoned and nuisance properties, improving streets and sidewalks, and upgrading the City's recycling program to single stream recycling. In addition, the funding of the *J.O.B.S. Initiative* (Job Opportunities Bring Success) will be invested in strengthening its arts and tourism district, which will create jobs and help transform Rochester into Upstate's "City of the Arts."

Rochester J.O.B.S. Initiative - \$138.5 Million; 1,380 Jobs Created

The City of Rochester and Monroe County collaboration known as the Rochester J.O.B.S. (Job Opportunities Bring Success) Initiative focuses on the tourism industry as a way to revitalize the economy, support job growth and retain young talent. This Initiative focuses on municipal infrastructure, including: the Joseph A. Floreano Rochester Riverside Convention Center modernization and expansion, Blue Cross Arena at the Community War Memorial renovation, Broad Street aqueduct interior conversion into retail space, Frontier Field modernization and a Seneca Park Zoo tropical exhibit and main entry plaza. The Rochester J.O.B.S. Initiative is endorsed and supported by the Rochester Business Alliance.

City of Rochester Infrastructure Projects

- **Joseph A. Floreano Rochester Riverside Convention Center – \$76M**
 - 1,000 full time jobs
- **Blue Cross Arena @ War Memorial – \$37.5M**
 - 200 construction jobs; 60 full time jobs
- **Broad Street Aqueduct – \$25M**
 - 120 construction jobs

Fight the Problem of Abandoned and Nuisance Properties - \$9 Million

The City of Rochester continues to fight the problem of abandoned and nuisance properties, a problem exacerbated by the foreclosure crisis. Abandoned properties pose a threat to the health and safety of our residents due to fires, crimes, unstable or otherwise unsafe building and property conditions. In addition, these properties drain city resources, decrease property values and hinder the economic vitality of our local neighborhoods.

To help the City turn around communities and spur the revitalization of its neighborhoods and local economy, the City requests \$9 million in State funding. A \$9 million investment by the State will allow the City to address abandoned and nuisance properties, making the way for revitalization benefits which can include new homes and businesses, playgrounds and community gardens, increased property values and, most importantly, safer and healthier neighborhoods.

ROCHESTER'S CHECKLIST

- AIM Aid
- "JOBS" Initiative
- Environmental Remediation

*Vital Investments that will reap
real benefits in the future.*

Neighborhood Streets and Hazardous Sidewalks Programs - \$14 Million

Through the Neighborhood Streets and the Hazardous Sidewalk programs the City of Rochester makes investments to repair and improve local roads and sidewalks. The City is pairing these programs in its request for \$14 million. The funding will support improvements to more than 40 center-lane-miles of streets in various neighborhoods throughout the city.

Single Stream Recycling Conversion - \$5.2 Million

The City's recycling program currently uses a multi-stream recycling approach. The City will convert its current program to single stream recycling, which will increase participation in recycling. For this program, the City will purchase eight new recycling trucks and 55,000 containers and invest more than \$10 million to replace its refuse fleet.

Market Driven Community Co-op Corporation - \$1 million

This \$1 million dollar investment will fund a comprehensive citywide effort to provide technical, legal and financial assistance for the start-up of five new worker cooperatives and create hundreds of jobs.

SUPPORT FOR NYS PROGRAMS IMPACTING ROCHESTER

Child Care Funding

The City supports the request to allocate an additional \$100 million in child care funding in the 2015-16 State Budget, with a local allocation of \$3 million for Monroe County. This funding will add 13,000 eligible children. The New York State Office of Children and Family Services estimates that 300,000 children in working families lives under 200% of the federal poverty level and critically need a subsidy. Currently, New York is investing \$960 million and serving about 130,000 children at any one time. The increased investment is a first step toward achieving the goal of universal access by 2020.

In Rochester, we know that the majority of four year olds entering Pre-K are already behind. Rochester has the 2nd highest concentration of poverty and the 5th highest child poverty rate in the nation. And this is not just an urban problem: 41,000 residents in Monroe County suburbs are living in poverty. In Monroe County, an increase of \$3 million over the 2014-15 allocation will service another 400 children. The return on the investment in working families is significant.

- Child Success – because 75% of brain growth occurs before a child reaches kindergarten
- Jobs – because parents will be more reliable workers and the early child care sector (which employs 7,500 people now in Monroe County) will stop shrinking
- Lower Taxes – because there will be fewer demands on public assistance and other tax funded programs

The State's valuable investments in Pre-K can be best capitalized on by ensuring that the children are better prepared, thanks to high-quality child care during those critical first years of life. Let's take action to care for New York's youngest and most vulnerable members.

Environmental Restoration Program (NYSDEC)

The Environmental Restoration Program needs to be funded at a level and regularity that would once again allow new grant applications for municipalities. The City of Rochester has successfully used Environmental Restoration Program (ERP) grants to address some of our most challenging brownfield sites, and we have additional new sites that would be well suited to the ERP once funding becomes available. In addition, although the NYSDEC has established a mechanism to perform ERP projects on behalf of municipalities, the City of Rochester wants to retain the option to directly perform ERP projects under a state assistance contract.

Brownfield Cleanup Program (NYSDEC)

Extension of the Brownfield Cleanup Program (BCP) Tax Credits is needed to continue to encourage private investment in brownfield sites, especially those sites in areas where property values are poor and investment interest is weak. The lack of certainty regarding the tax credits has become a concern for those contemplating entering the BCP. Extension of the tax credits will provide stability to the BCP and encourage businesses, developers, and communities that undertake the long and complex process of brownfield cleanup and redevelopment.

Brownfield Opportunity Area Program (NYSDOS)

This year for the first time since its enactment the Brownfield Opportunity Area program, which provides brownfield area-wide planning and implementation grant funding, was not funded by the State. Refunding of the program in the next state budget is essential for the City to continue the progress made in several of our existing BOAs as well as to allow newly identified BOAs to begin. Rochester's BOAs cover over 1,800 acres of some of the most challenged neighborhoods in New York State. Each of these neighborhoods face brownfield legacies that will require continued BOA funding in order to set the stage for private investment, cleanup and redevelopment.

6



TESTIMONY

Mayor Lovely A. Warren - Rochester, New York

Joint Legislative Hearings

*2015-16 New York State
Executive Budget Proposal*

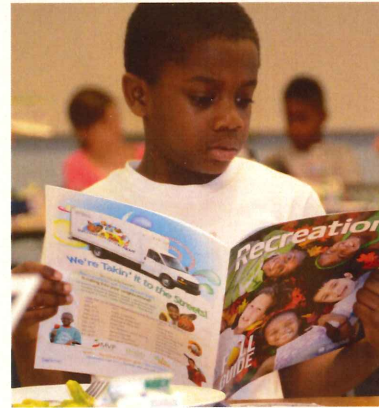
February 25, 2015

Believe.



City of Rochester, NY
Lovely A. Warren, Mayor
Rochester City Council

More jobs. Safer neighborhoods. Better schools.



*Good afternoon Chairman DeFrancisco; Chairman Farrell;
members of the Ways and Means and Finance Committees;
other members of the Senate and Assembly:*

Thank you for the opportunity to address this panel on behalf of the people of Rochester – a proud and resilient people whose opportunities – unfortunately – are increasingly tied to the paradigm of the zip code in they live.

I have made it my mission to improve the outlook for all of Rochester residents, some who are locked in a world where there are few job opportunities, unsafe neighborhoods and failing schools.

Therein lie my priorities. More jobs. Safer neighborhoods and better schools.

In order to accomplish those priorities, we need and appreciate the State's help.



2015-16 New York State Legislative and Funding Priorities

AIM ASSISTANCE

Aid and Incentives to Municipalities (AIM) Increase - \$30.9 Million

The City of Rochester is seeking \$119.1 million in Aid and Incentives to Municipalities (AIM) aid—a \$30.9 million increase above the 2014-15 funding level. The 2014-15 AIM funding to the City of Rochester was \$88.2 million.

AIM aid is vital to the financial bottom line for cities throughout the State. Upstate cities — which have been especially hard hit by the recession and a slow recovery — perhaps rely even more heavily on AIM aid. The City of Rochester faces a projected \$34.8 million 2015-16 general fund gap. We have taken significant steps to close the budget gap. Still, like other cities, we find that we need an increase in AIM aid for the 2015-16 fiscal year. To put the City of Rochester's 2014-15 AIM aid level in perspective, consider this:

Rochester's AIM aid is:

- \$73 million **less than Buffalo** in total dollars
- \$25.7 million **less per capita than the City of Yonkers** receives
- \$16.1 million **less per capita than the City of Syracuse** receives

According to the 2013 Census, the City of Rochester's population exceeds the City of Yonkers' by more than 10,500 residents while Yonkers AIM 2014-15 aid was almost \$20 million more than Rochester's.

AIM aid for Buffalo and Syracuse exceeded their maintenance of efforts (MOE) requirements by \$90 million and \$7 million, respectively. In stark contrast, the gap between the City of Rochester's AIM funding level and its mandated MOE is \$30.9 million. Rather than receiving more AIM aid than it is required to pay to meet MOE requirements like Buffalo and Syracuse, the City of Rochester received less AIM funding than its required MOE amount.

I understand that this issue and request is not unique to Rochester. All cities are seeking additional AIM funding. Noting such, let's use the state's improved financial position to improve the lot of all cities in New York by taking a small portion of the multi-billion bank settlement funds and increasing AIM aid across the board. Take \$350 million of the \$850 million set aside in reserves from the bank settlement and increase AIM funding by almost 50% for this year's budget. We can then use this year to sit down and finally commit to changing the formula to allocate AIM aid where it is most needed: in those cities with high poverty rates.

We are requesting \$30.9 million to match the AIM funding level with the MOE requirement.



CAPITAL ASSISTANCE

The City requests \$138.5 million for capital funding for renewal and revitalization of its community and infrastructure needs. The goal is to revitalize the city's downtown and local neighborhoods through economic development projects, improved infrastructure and increased health, safety and quality of life benefits for city residents. The requested capital funding will foster redevelopment of the city's housing stock by addressing the problem of abandoned and nuisance properties, improving streets and sidewalks, and upgrading the City's recycling program to single stream recycling. In addition, the funding of the *J.O.B.S. Initiative* (Job Opportunities Bring Success) will be invested in strengthening its arts and tourism district, which will create jobs and help transform Rochester into Upstate's "City of the Arts."

Rochester J.O.B.S. Initiative - \$138.5 Million; 1,380 Jobs Created

The City of Rochester and Monroe County collaboration known as the Rochester J.O.B.S. (Job Opportunities Bring Success) Initiative focuses on the tourism industry as a way to revitalize the economy, support job growth and retain young talent. This Initiative focuses on municipal infrastructure, including: the Joseph A. Floreano Rochester Riverside Convention Center modernization and expansion, Blue Cross Arena at the Community War Memorial renovation, Broad Street aqueduct interior conversion into retail space, Frontier Field modernization and a Seneca Park Zoo tropical exhibit and main entry plaza. The Rochester J.O.B.S. Initiative is endorsed and supported by the Rochester Business Alliance.

City of Rochester Infrastructure Projects

- **Joseph A. Floreano Rochester Riverside Convention Center – \$76M**
 - 1,000 full time jobs
- **Blue Cross Arena @ War Memorial – \$37.5M**
 - 200 construction jobs; 60 full time jobs
- **Broad Street Aqueduct – \$25M**
 - 120 construction jobs

Fight the Problem of Abandoned and Nuisance Properties - \$9 Million

The City of Rochester continues to fight the problem of abandoned and nuisance properties, a problem exacerbated by the foreclosure crisis. Abandoned properties pose a threat to the health and safety of our residents due to fires, crimes, unstable or otherwise unsafe building and property conditions. In addition, these properties drain city resources, decrease property values and hinder the economic vitality of our local neighborhoods.

To help the City turn around communities and spur the revitalization of its neighborhoods and local economy, the City requests \$9 million in State funding. A \$9 million investment by the State will allow the City to address abandoned and nuisance properties, making the way for revitalization benefits which can include new homes and businesses, playgrounds and community gardens, increased property values and, most importantly, safer and healthier neighborhoods.

ROCHESTER'S CHECKLIST

- AIM Aid
- "JOBS" Initiative
- Environmental Remediation

*Vital Investments that will reap
real benefits in the future.*

Environmental Restoration Program (NYSDEC)

The Environmental Restoration Program needs to be funded at a level and regularity that would once again allow new grant applications for municipalities. The City of Rochester has successfully used Environmental Restoration Program (ERP) grants to address some of our most challenging brownfield sites, and we have additional new sites that would be well suited to the ERP once funding becomes available. In addition, although the NYSDEC has established a mechanism to perform ERP projects on behalf of municipalities, the City of Rochester wants to retain the option to directly perform ERP projects under a state assistance contract.

Brownfield Cleanup Program (NYSDEC)

Extension of the Brownfield Cleanup Program (BCP) Tax Credits is needed to continue to encourage private investment in brownfield sites, especially those sites in areas where property values are poor and investment interest is weak. The lack of certainty regarding the tax credits has become a concern for those contemplating entering the BCP. Extension of the tax credits will provide stability to the BCP and encourage businesses, developers, and communities that undertake the long and complex process of brownfield cleanup and redevelopment.

Brownfield Opportunity Area Program (NYSDOS)

This year for the first time since its enactment the Brownfield Opportunity Area program, which provides brownfield area-wide planning and implementation grant funding, was not funded by the State. Refunding of the program in the next state budget is essential for the City to continue the progress made in several of our existing BOAs as well as to allow newly identified BOAs to begin. Rochester's BOAs cover over 1,800 acres of some of the most challenged neighborhoods in New York State. Each of these neighborhoods face brownfield legacies that will require continued BOA funding in order to set the stage for private investment, cleanup and redevelopment.

Neighborhood Streets and Hazardous Sidewalks Programs - \$14 Million

Through the Neighborhood Streets and the Hazardous Sidewalk programs the City of Rochester makes investments to repair and improve local roads and sidewalks. The City is pairing these programs in its request for \$14 million. The funding will support improvements to more than 40 center-lane-miles of streets in various neighborhoods throughout the city.

Single Stream Recycling Conversion - \$5.2 Million

The City's recycling program currently uses a multi-stream recycling approach. The City will convert its current program to single stream recycling, which will increase participation in recycling. For this program, the City will purchase eight new recycling trucks and 55,000 containers and invest more than \$10 million to replace its refuse fleet.

Market Driven Community Co-op Corporation - \$1 million

This \$1 million dollar investment will fund a comprehensive citywide effort to provide technical, legal and financial assistance for the start-up of five new worker cooperatives and create hundreds of jobs.

SUPPORT FOR NYS PROGRAMS IMPACTING ROCHESTER

Child Care Funding

The City supports the request to allocate an additional \$100 million in child care funding in the 2015-16 State Budget, with a local allocation of \$3 million for Monroe County. This funding will add 13,000 eligible children. The New York State Office of Children and Family Services estimates that 300,000 children in working families lives under 200% of the federal poverty level and critically need a subsidy. Currently, New York is investing \$960 million and serving about 130,000 children at any one time. The increased investment is a first step toward achieving the goal of universal access by 2020.

In Rochester, we know that the majority of four year olds entering Pre-K are already behind. Rochester has the 2nd highest concentration of poverty and the 5th highest child poverty rate in the nation. And this is not just an urban problem: 41,000 residents in Monroe County suburbs are living in poverty. In Monroe County, an increase of \$3 million over the 2014-15 allocation will service another 400 children. The return on the investment in working families is significant.

- Child Success – because 75% of brain growth occurs before a child reaches kindergarten
- Jobs – because parents will be more reliable workers and the early child care sector (which employs 7,500 people now in Monroe County) will stop shrinking
- Lower Taxes – because there will be fewer demands on public assistance and other tax funded programs

The State's valuable investments in Pre-K can be best capitalized on by ensuring that the children are better prepared, thanks to high-quality child care during those critical first years of life. Let's take action to care for New York's youngest and most vulnerable members.

The independent and strong Rochester that you all know and think of – the Rochester of Kodak; the Rochester of Xerox; the Rochester of Bausch and Lomb – is not the Rochester that we see today and it is not the Rochester that we see in the future.

Ours is not a unique story. We see the same story playing out all over the country. Cities with strong industrial bases experiencing population decline as jobs disappear. We endure rising concentrations of poverty and declining neighborhoods. We see generations of children condemned to underperforming schools – and these problems continue to become worse, not better.

Rochester's poverty rate is almost **33 percent**, the fifth highest in the country.

Our child poverty rate in Rochester is **50.1 percent**.

The poverty rate for women is **34.9 percent**.

And, Rochester is **number one** in people living below half the federal poverty level.

So what do we do about this? I suggest we take a different approach.

I have decided that I am not going sit here and give lengthy testimony about topics you already know about and ask you for things that many Mayors before me have already asked for.

I am simply asking the State Legislature to do three things to help our city.





***One:** Increase the aid to municipalities for Rochester. Last year, you gave us an additional \$6 million in unrestricted aid and we thank you for that. It is my goal to get Rochester to a position where our need for help from the State becomes less and less.*

However, we are not there yet.

Specifically, we are asking for a total AIM allotment in the amount of \$119.1 million. This includes a one-time, large increase of \$31 million. This amount would match our statutory mandated Maintenance of Effort payment to the school district.

If that is not possible, we urge you to develop a uniform approach to AIM aid. It is imperative that unrestricted aid to municipalities be allocated equitably on a per-capita basis and it must take into consideration such factors as poverty, population and unemployment.

If you increase our AIM aid THIS year and maintain it at the \$119.1 million level, I can assure that next year the City of Rochester's financial position will be stronger and my testimony to you very different.

Two: *I am proposing a JOBS Initiative. JOBS stands for “Job Opportunities Bring Success.” This Initiative invests in improvement of existing municipal infrastructure to increase tourism as well as the creation of Market-Driven Community Co-ops, an innovative model from Cleveland that is producing jobs and changing neighborhoods.*

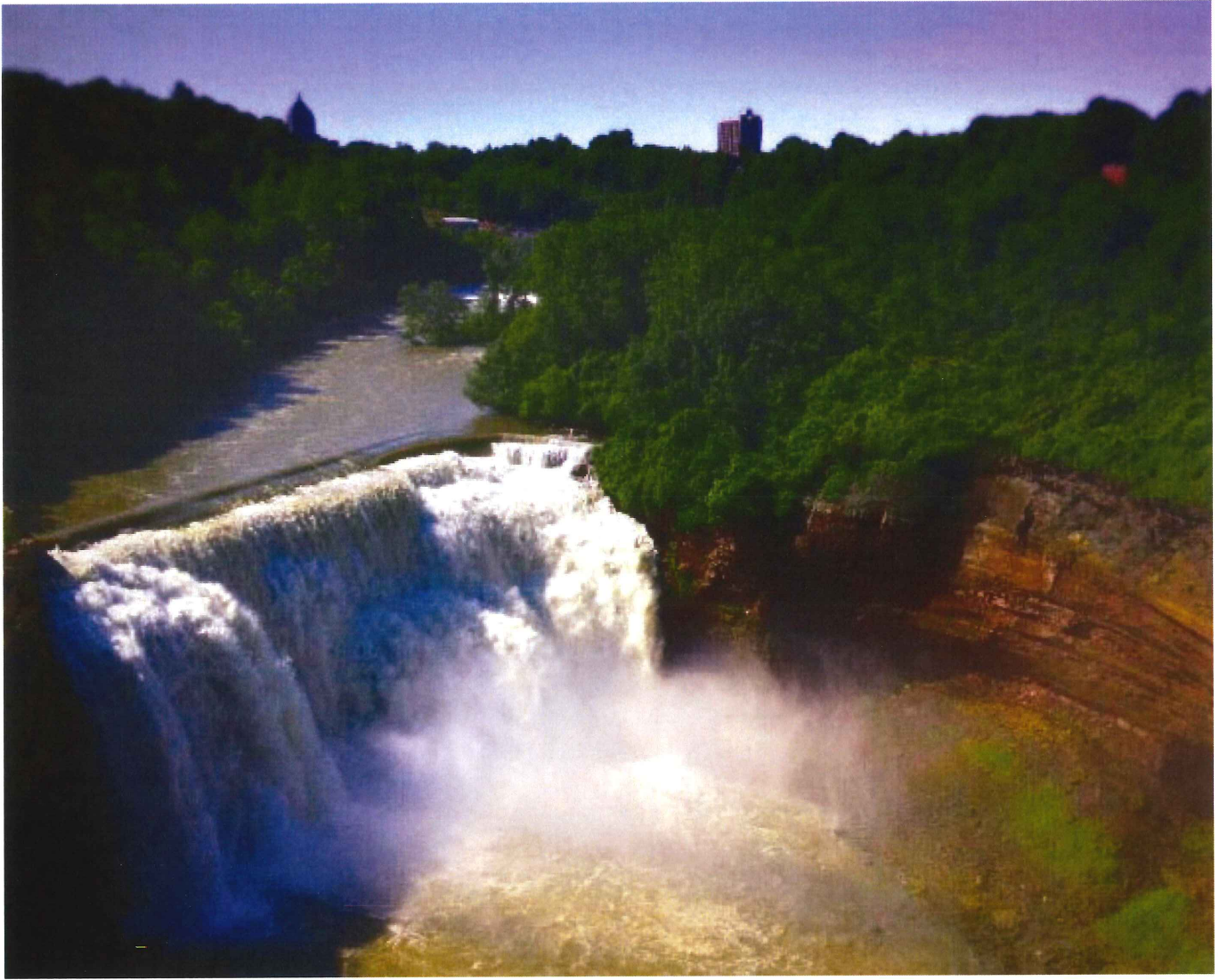
We are seeking \$138.5 million to fund capital improvements in municipal infrastructure that would grow our arts and tourism industry. As you can see in your packets, this investment will result the creation of 1,380 permanent and construction jobs. And, as I said in my State of the City Address, it just takes one living wage job to break the cycle of poverty for a family.

But we can't address our age-old problems without 21st century solutions. As part of my JOBS Initiative, I am proposing the creation of a Market Driven Community Co-Op Corporation, which would leverage our local anchor institutions such as universities, hospitals and large employers to transfer some of their existing value-added service contracts to the Corporation's subsidiaries that are located in distressed neighborhoods of Rochester.

The \$1 million investment will fund a comprehensive citywide effort to provide technical, legal and financial assistance for the start-up of five new worker cooperatives and create hundreds of jobs.

This model does not just create jobs; it improves neighborhoods.





Three: I am asking you as members of the State Legislature to make a commitment to re-invest in New York's environmental health.

Rochester has successfully used Environmental Restoration Program (ERP) grants to address some of our most challenging brownfield sites. With your help we can address challenges on new sites that would allow us to improve our neighborhoods.

Further we ask the State to again fund the Brownfield Opportunity Area Program (BOA). The refunding of this program in this year's budget is essential for the Rochester to continue its successes in this area.

Our neighborhoods face brownfield legacies that will require continued BOA funding in order to set the stage for private investment, cleanup and redevelopment.

*I assure this Legislature that if you do the following three things THIS year, you can be the catalyst that changes our city for the future. AIM Aid. The JOBS Initiative and Environmental Remediation. **All three are within your power.***

And although those three things are specific to Rochester, I also want it to be noted that I support the Governor's Opportunity agenda as it pertains to his creation of a Rochester Anti-Poverty Task Force, education reform, public safety efforts and economic development strategies. As I stated earlier, Rochester is third in the nation for childhood poverty and first in this State. The Governor's proposed Anti-Poverty Task Force and Upstate Revitalization Fund will help us execute the systematic and institutional changes needed to place our families on a stairway out of poverty.

I am pleased that the Governor has proposed a number of educational reforms including increased child care funding that will benefit early education programs. Rochester has a number of failing schools and I am committed to working with the Governor to provide high-quality educational opportunities to Rochester families, regardless of what neighborhood they live in.

And equally important, I ask that you support increasing the minimum wage, raising the age of juveniles that can be held in state prisons, improve the Brownfield program to serve areas of economic distress, support business development and increase dollars for affordable housing initiatives.

It is no secret that New York State is uniquely positioned this year to save its Upstate cities. The \$5.4 billion settlement that you will divide as an organization can be used to put Rochester on a trajectory of success. I recognize that this amount of money is not something that is re-occurring and that is why I am asking you to make this investment now. Out of that \$5.4 billion, I am requesting that you invest less than 3 percent of that in Rochester, New York on these three initiatives.

It is my sincere belief that the Rochester checklist along with the Governor's proposed Opportunity Agenda are vital investments that will reap real benefits in the future.

Thank you for this opportunity and I would be pleased to answer any questions you have at this time.



B*o*lieve.



For more information call 311.
Outside the city call (585) 428-5990.
Or contact Lovely A. Warren,
Mayor of Rochester
585-428-7045

www.cityofrochester.gov