FACTORS IMPACTING THE AUTHORITY'S FUTURE

Surface Transportation

Historically, approximately 25% of Metro's revenues are derived from fare collection and advertising, while 75% are from outside government assistance. New York State is the Authority's largest investor, usually providing almost 50% of total assistance while approximately 30% comes from local sources and 20% from the federal government. Any changes in these funding sources can have a significant impact on Authority operations.

The impact of efforts to minimize the spread of COVID-19 resulted in an approximately 50% erosion in ridership during 2021. Ridership continues to be impacted by societal changes following the pandemic such as remote work. Metro ridership is 64.3% of pre-pandemic levels. All COVID relief funds provided by the federal government to support operations during the pandemic have been spent.

As part of the Authority's 2023-2033 Roadmap, Metro is focused on revenue generation, cost control, increasing organizational liquidity, technological improvements, operational changes such as implementation of a new fare box collection system, providing more flexible fare structures, and continuing to engage with the public regularly through social media, the Citizens Advisory Committee, Accessibility Advisory Committee, workforce development, and many other means.

Metro-owned property along the Metro Rail corridor and property adjacent to Metro Rail has seen significant development in the recent years, including the Metro Rail Allen-Medical Campus Station which is located on the Buffalo Niagara Medical Campus (BNMC). The Allen-Medical Campus Metro Rail Station is now the second busiest Metro Rail stop as it meets the needs of BNMC employees, patients, visitors, and neighborhood residents. The City of Buffalo, in partnership with the NFTA, are in the process of selecting a development team to realize residential and commercial equitable transit-oriented development at and around the NFTA-Metro Rail Lasalle Station. The NFTA and the City of Buffalo own adjoining parcels at the site.

In February 2018, the Authority started the environmental review process for extending Metro Rail from its current terminus at the University Station along the preferred Niagara Falls Boulevard route alternative through the University at Buffalo North Campus in the Town of Amherst as approved by the Authority Board of Commissioners and recommended by our Alternatives Analysis Study. The Amherst-Buffalo Metro Rail Corridor contains 20% of all regional jobs and more than 10% of all regional residents. The proposed project would more than double ridership, link all three University at Buffalo Campuses with a one-seat Metro Rail ride, provide a seamless connection between the region's largest concentration of housing to significant employment, health care, education, and recreation destinations, and generate billions in direct, indirect, and induced economic impact throughout the Corridor. The Authority has $31 million under contract with New York State Department of Transportation to complete the environmental process for the project, project development, and some preliminary engineering. The order of magnitude estimate of project construction is approximately $1.5 billion, with up to 50% of project costs planned to come from the Federal Capital Investment Grant (CIG) Program and the remainder from a mix of state, local, and/or private sector sources.

In 2019, the Authority started construction on an extension of NFTA-Metro Rail revenue service into the former DL&W train shed which is owned by the Authority. The project, which is scheduled to be complete in 2025, involves construction of a new Metro Rail Station on the first floor of the facility and will open up development opportunities on the first and second floor. In April 2022, New York State announced an appropriation of $30 million to rehabilitate the core and shell of the train shed in order to facilitate private sector development. Design of those improvements is complete and the NFTA plans to start construction of the first phase of the improvements in 2025.

Aviation

Together, BNIA and NFIA historically have served approximately 5 million passengers per year as the only commercial service airports serving Erie and Niagara counties. Additionally, the airports have been a convenient and less costly option for nearby Canadian travelers. As approximately 30% of BNIA and 88% of NFIA passenger traffic originates from Canada, any closure of the United States and Canada border, such as the COVID-19 closure in 2021 and 2022, has a significant negative impact on enplanements. Also, fluctuations in the exchange rate of the Canadian dollar have an impact on enplanements. During 2025, approximately 5.2 million passengers were served by the two airports.

In 2024, an overall aviation strategic plan identified critical issues relating to the two airports and established goals to enhance air cargo development, enhance and maintain air service to Canadian travelers, maintain the quality of overall customer service, and improve the financial sustainability of BNIA and NFIA.

In 2025, NFTA completed Phase 1 of the rehabilitation of the main runway at BNIA. Phase 1 of the project rehabilitated the 23 end of the main runway at a cost of approximately $34.3 million. Phase 2 is nearing completion, which rehabilitated the 05 end of the main runway at an approximate cost of $53.0 million. Phase 3 of this project is ongoing and will rehabilitate taxiway A at an approximate cost of $14.7 million.