

*Open*  
**FOR  
BUSINESS**





*A New Vision for*  
**Western New York's**  
**Economy**

Regional Economic  
Development Councils  
*Putting New York Back to Work*



Governor Andrew M. Cuomo  
Lieutenant Governor Robert J. Duffy

# Table of Contents

- *Section 1:*  
**Physical and Built Environment**
- *Section 2:*  
**Economic Environment**
- *Section 3:*  
**Policy Environment**

- 
- A large, wide waterfall cascades over a rocky ledge, creating a misty spray of water. In the foreground, a paved walkway with a metal railing runs along the edge of the waterfall. Several people are visible on the walkway, looking towards the waterfall. The background shows a hazy, wooded area.
- Environmental Overview
  - Infrastructure
  - Real Estate
  - Culture, Tourism, and Quality of Life

## Environmental Overview

### Water

Three State-owned boat launches are on 35 miles of Lake Erie shoreline. DEC has eight launches on rivers and creeks.

### Fishing

The Upper Niagara River offers 25 miles of smallmouth bass and muskellunge fishing. There are seven miles of public fishing rights on steelhead tributaries.

### Open Land

There are nearly 2,000 acres of DEC-managed land in Erie County.

### Water

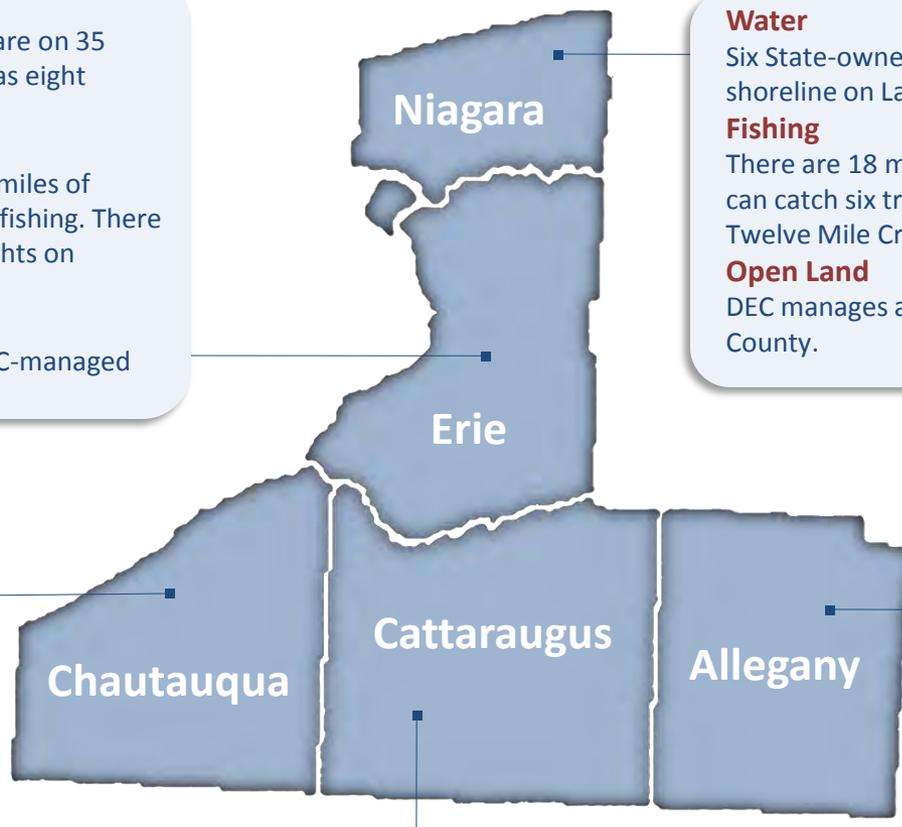
Some 40 miles on Lake Erie offer four public boat launches. Chautauqua Lake has three DEC boat launches with ramps at Bear, Cassadaga and Findley Lakes.

### Fishing

Combined 25 miles of public fishing rights on stocked, wild and steelhead streams that include these creeks: Cassadaga, Chautauqua, Clear and Goose. DEC has a fish hatchery in Mayville.

### Open Land

DEC manages over 22,000 acres of land in Chautauqua County.



### Water

Six State-owned boat launches offer access to 30 miles of shoreline on Lake Ontario.

### Fishing

There are 18 miles of public fishing rights where anglers can catch six trout and salmon species. The access is on Twelve Mile Creek and East Branch.

### Open Land

DEC manages about 3,300 acres of land in Niagara County.

### Water

State boat launches on several lakes and creeks.

### Fishing

60 miles of public fishing rights

### Open Land

Nearly 35,000 acres of DEC-owned land in Cattaraugus County

### Water

DEC offers State boat launches at Allen and Cuba Lakes and Alma Pond.

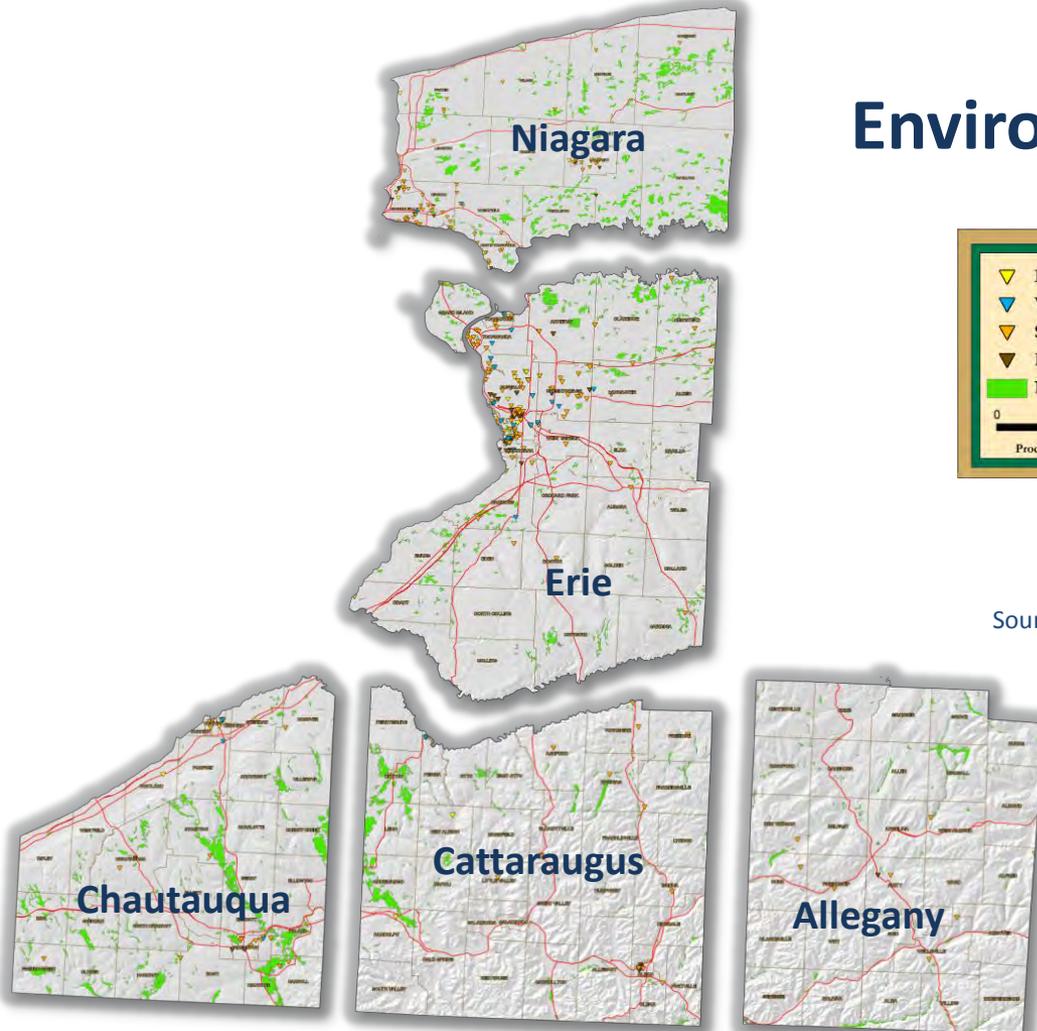
### Fishing

There are 30 miles of public fishing rights on the Genesee River, California Hollow Brook, and Cryder, Little Genesee, and Root Creeks. Species include trout and black bass.

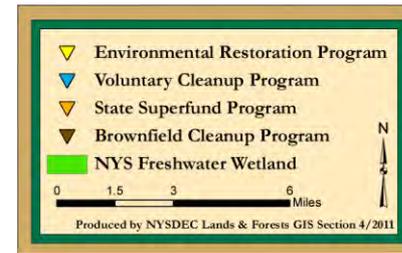
### Open Land

DEC manages over 54,000 acres of open space. Camp Rushford offers environmental education to young people.

# Environmental Overview

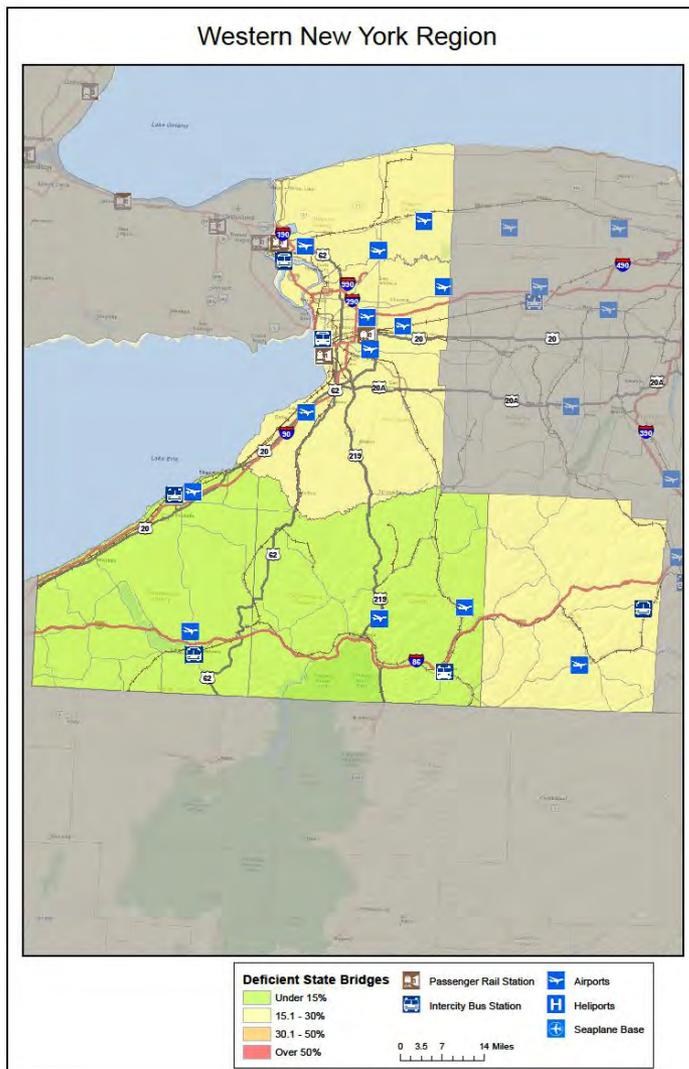


## Environmental Map



Source: NYS Department of Environmental Conservation

# Infrastructure



## Transportation Indicators

Source: NYS Department of Transportation

# Infrastructure



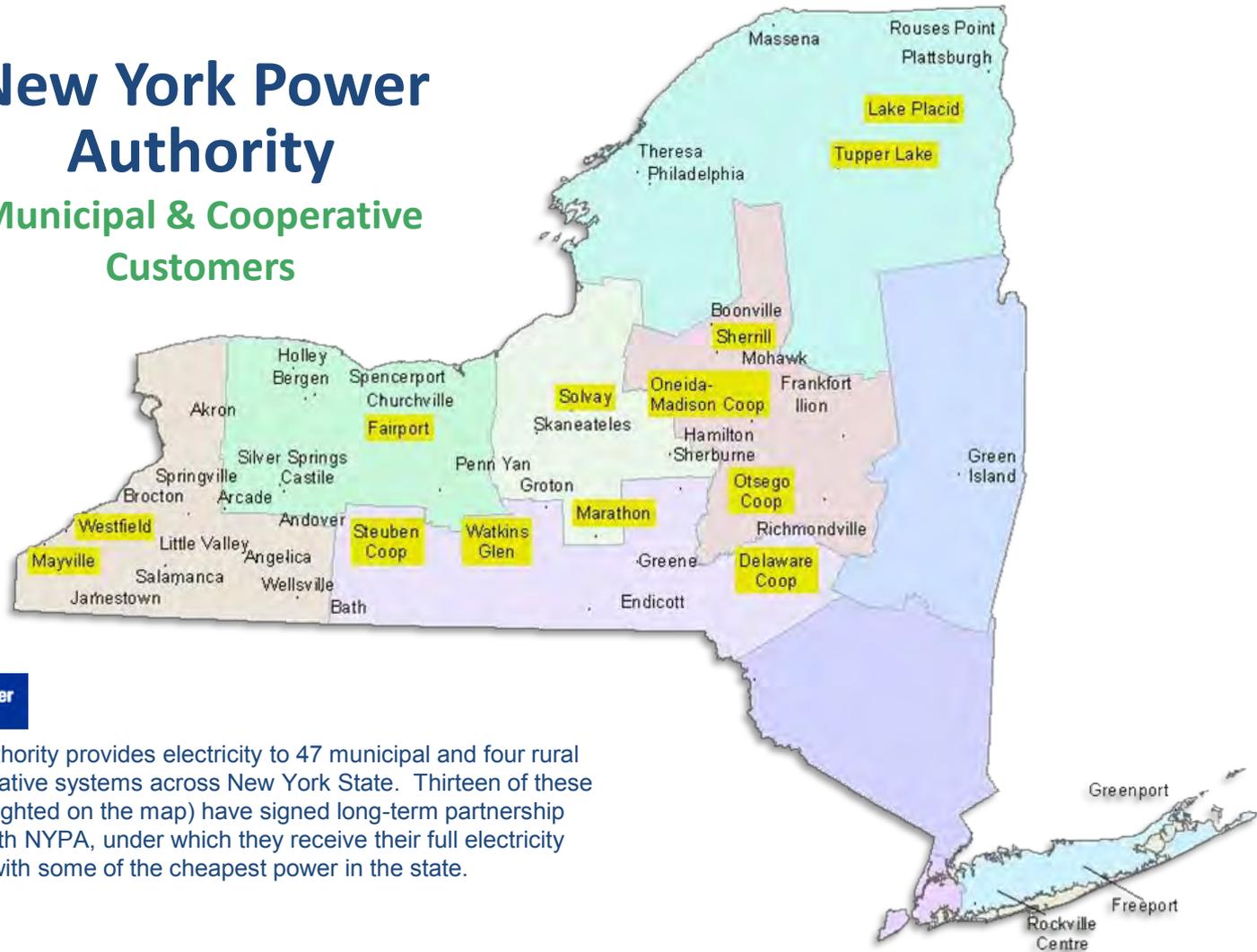
## Western NY 2008 Clean Water and Sewer Infrastructure Needs Survey

County	Amount
Allegany	\$46,670,584
Cattaraugus	\$80,737,932
Chautauqua	\$115,227,236
Erie	\$598,779,655
Niagara	\$403,909,603
<b>Total</b>	<b>\$1,245,325,010</b>

Source: NYS Environmental Facilities Corporation; Community-reported data.

# Infrastructure

## New York Power Authority Municipal & Cooperative Customers



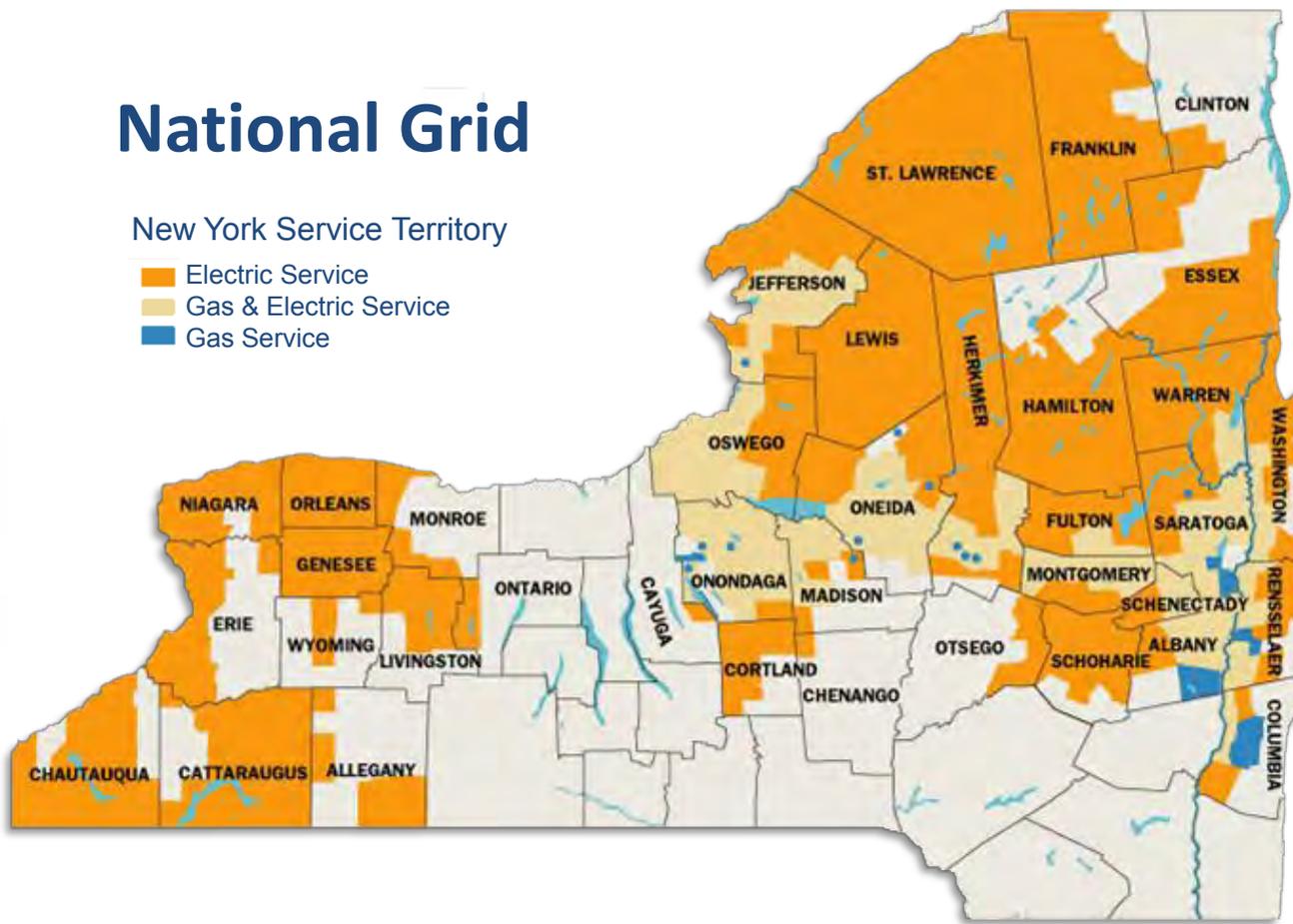
The Power Authority provides electricity to 47 municipal and four rural electric cooperative systems across New York State. Thirteen of these systems (highlighted on the map) have signed long-term partnership agreements with NYPA, under which they receive their full electricity requirements with some of the cheapest power in the state.

# Infrastructure

## National Grid

New York Service Territory

- Electric Service
- Gas & Electric Service
- Gas Service







# Real Estate

## Median Sales Price of Existing Single-Family Homes

Fourth Quarter 2010 compared to Fourth Quarter 2008

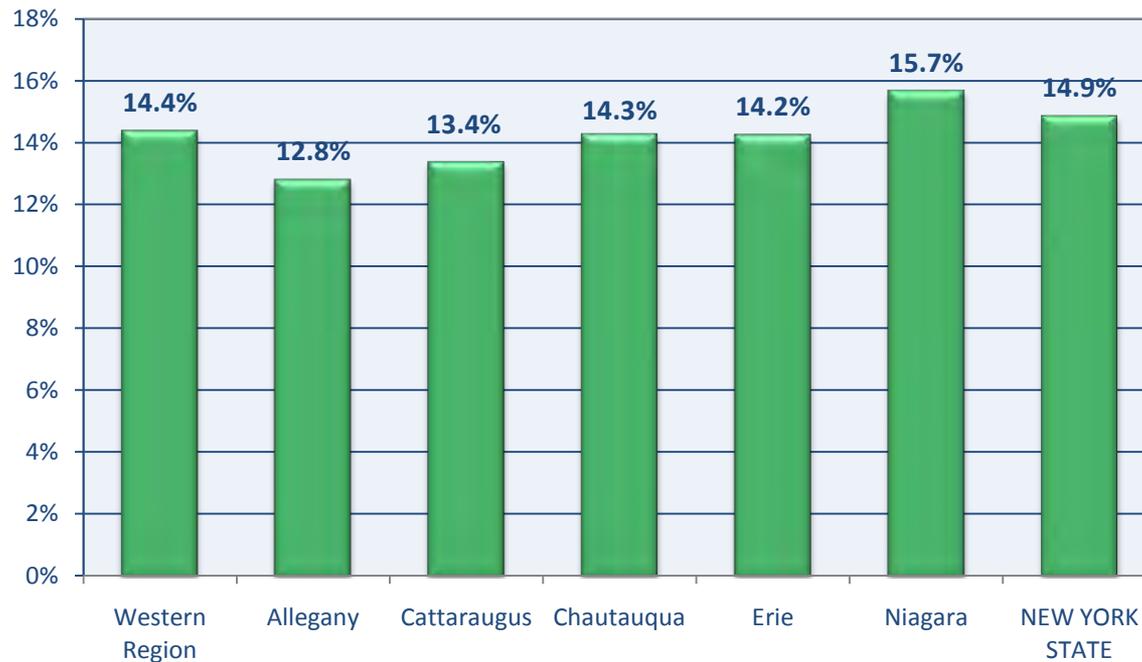
County	4th Quarter 2010p	Percent Change 4Q 2008 to 4Q 2010
Allegany	\$ 55,000	-8.3%
Cattaraugus	\$ 79,950	11.0%
Chautauqua	\$ 83,250	14.1%
Erie	\$128,850	13.0%
Niagara	\$ 93,178	9.6%

Source: NYS Homes & Community Renewal



# Real Estate

## Pre-foreclosure Filings in 2010 as Percent of Loans Originated (2004-2009)



Source: NYS Homes & Community Renewal

## Real Estate

## Housing Report Card (2006 – 2010)

County	Rental Preservation Units	New Construction of Rental Units	Homeowner Improvement Units	Homebuyer Assistance Units
Allegany	258	0	770	23
Cattaraugus	288	47	683	85
Chautauqua	307	116	886	239
Erie	2,794	527	3,332	1,767
Niagara	906	418	978	467
<b>Total</b>	<b>4,553</b>	<b>1,108</b>	<b>6,649</b>	<b>2,581</b>

*Note:* NYS Homes and Community Renewal records the affordable housing units assisted by programs administered by HCR, the New York State Office of Temporary Disability Assistance and the New York State Office of Mental Health.

*Rental Preservation Units* – HCR-supported units that have either had their affordability period extended for existing and future tenants or assistance for moderate to gut rehabilitation of existing, aging affordable housing which also extends the affordability period.

*Source:* NYS Homes & Community Renewal.



# Real Estate

## Affordable Housing Coverage Rate

County	# of Renters at 50% or Below of AMI	Renter Coverage Rate	# of Owners at 50% or Below of AMI	Homeowner Coverage Rate
Allegany	2,455	10.5%	2,320	34.2%
Cattaraugus	4,240	7.9%	4,090	18.8%
Chautauqua	8,720	4.9%	5,575	20.2%
Erie	63,390	5.2%	38,065	13.4%
Niagara	12,810	10.3%	9,645	15.0%
<b>Total</b>	<b>91,615</b>	<b>6.2%</b>	<b>59,695</b>	<b>15.5%</b>

*Notes:* The HCR Affordable Housing Renter and Homeowner Coverage Rate is a way of measuring the proportion of low-income residents in a county impacted by HCR programs funded 2006-2010.

*AMI* – Area Median Income is the midpoint family income for a metropolitan area or a non-metropolitan county calculated each year by the US Department of Housing and Urban Development for use in determining eligibility for housing programs.

*Source:* NYS Homes & Community Renewal, 2009 HUD Comprehensive Housing Affordability Strategy (CHAS) Data Book.



# Real Estate

## Housing and Affordability Indicators

County	Percent of Units that are Renter Occupied	Percent of Housing Units Built Before 1940	Percent of Renters with 'Severe Cost Burden'	Percent of Owners with 'Severe Cost Burden'	Percent of Residential Addresses that are Vacant
Allegany	25.1%	37.5%	23.2%	7.9%	1.7%
Cattaraugus	26.5%	39.8%	20.9%	8.1%	3.4%
Chautauqua	30.0%	47.1%	25.4%	7.2%	4.7%
Erie	33.5%	35.3%	24.6%	8.8%	4.7%
Niagara	28.6%	32.8%	21.6%	7.9%	5.4%

'Severe cost burden' is spending more than 50% of their gross income on housing costs.

Source: NYS Homes & Community Renewal, Quarter 3 2010 HUD Aggregated United States Postal Service Data, 2009 HUD CHAS Data Book.



# Culture, Tourism and Quality of Life

## Western New York Economic Impact of Visitor Spending in 2009

County	Amount
Allegany	\$51 m
Cattaraugus	\$176 m
Chautauqua	\$228 m
Erie	\$1,300 m
Niagara	\$450 m

Source: Tourism Economics, 2009

# Culture, Tourism and Quality of Life



## Western New York State Parks and Historic Sites 2009 Annual Attendance

Allegany	1,436,097
Niagara Falls	8,274,942
Ft. Niagara	275,917
Artpark	194,175
Beaver Island	291,014
Whirlpool	221,223
Darwin Martin House	21,058

**Total attendance at the region's 24 parks:  
11.9 million**

Source: NYS Office of Parks, Recreation & Historic Preservation

# Culture, Tourism and Quality of Life



## Western New York State Parks

### Economic Impact

An economic impact study showed that in 2008-09, more than 5,500 jobs were created and more than \$600 million in local economic activity was generated by State Parks activity in the region.

### Quality of Life

The recreational and natural resources created by the area's parks and historic sites benefit this region by:

- Maintaining the state's ecosystem and biodiversity
- Providing opportunities for recreation
- Reducing the negative effects from pollution
- Improving health outcomes
- Preserving areas of historic importance
- Influencing business location decisions by making the community a better place to live.

# Culture, Tourism and Quality of Life



## Highlights of Western New York State Parks

### Niagara Falls State Park

This famous state park is the nation's oldest state park and welcomes over 8 million visitors annually – more than Yosemite and Yellowstone National Parks combined!

### Allegany State Park

This state park is the largest with 65,000 acres.

### Old Fort Niagara

This is a popular historic tourist destination on Lake Ontario, and it is the oldest structure in the multi-state Great Lakes region.

# Culture, Tourism and Quality of Life



## Western New York State Parks Regional Capital Needs

The backlog of capital projects is estimated to exceed \$218 million.

### High Impact Projects:

- **Niagara Falls State Park**  
Replace Goat Island Pedestrian Bridge \$25 million
- **Allegany Quaker Area**  
Replace drinking water system \$6.5 million
- **Fort Niagara State Park**  
Reconstruct pool and bathhouse complex \$5.5 million
- **Allegany Red House Area**  
Rehabilitate heavily used bikeway \$1.5 million

Source: NYS Office of Parks, Recreation & Historic Preservation

- 
- A blurred background image showing a busy street scene with several pedestrians walking. The image is faded and serves as a backdrop for the text.
- Regional Overview
  - Globalization
  - Changing Demographics
  - Workforce and Education
  - Industry Structure and Concentration

## Regional Overview



## Key Regional Assets

The two Great Lakes waterfronts – Lake Ontario and Lake Erie – make the region a shipping and logistics hub, providing a market that no other city in the U.S. or Canada can match. Eight international ports of entry (auto, rail, and water) facilitate roughly \$80 billion in annual trade between Canada and the U.S.

- International border location
- Niagara Falls, top tourist destination
- Low-cost NYPA power generation
- Waterfronts for development
- Colleges and universities
- Diverse economic base

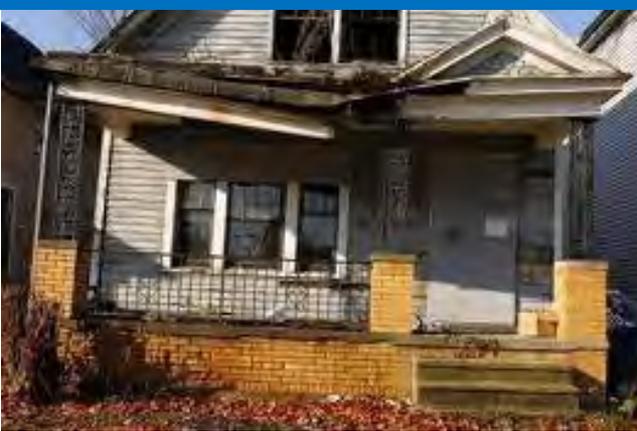
# Regional Overview



## Major Economic Development Projects

- Buffalo inner & outer harbor development
- UB 2020
- Niagara Falls tourism development as a hub for region
- Buffalo Niagara Medical Campus
- Ripley Visitor Center
- Brownfield reclamations in Riverbend, Highland, Dunkirk, and Olean

## Regional Overview



## Regional Issues/Challenges

- Population loss, especially in urban areas
- High commercial vacancy rates in urban centers/  
housing vacancy
- Aging infrastructure and reduced tax base
- Research not translating into entrepreneurship
- Brownfields

# Globalization

## Buffalo-Niagara Falls MSA at a Glance



Notes: The Buffalo-Niagara Falls MSA is Erie County and Niagara County.  
The rankings are out of the top 100 exporting MSAs in the U.S.  
GMP = Gross Metropolitan Product  
Source: Brookings Institution

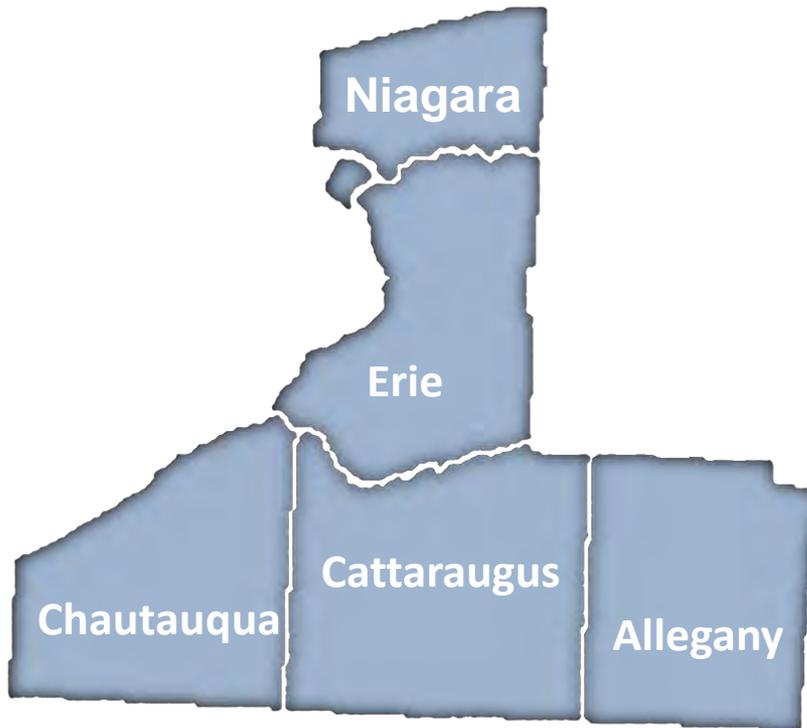
## Globalization

## Buffalo-Niagara Falls MSA Key Export Indicators for 2008

	Metro	Metro Rank	100 Largest Metro Areas	United States
Exports (\$ billions)	\$7.2	40	\$1,037	\$1,609
Exports as a share of GMP	11.6%	38	10.3%	11.4%
Number of export-related jobs	47,962	45	7,688,744	11,854,390
Annual real growth rate of exports, 2003-2008	7.5%	64	8.7%	9.2%
Average wages in leading export industry	\$56,614	68	\$66,449	\$45,563
Number of export clusters	6	49	6.7	N/A
Percentage of exports sold to Brazil, India and China	9.2%	18	8.6%	8.8%

Source: Brookings Institution

# Changing Demographics

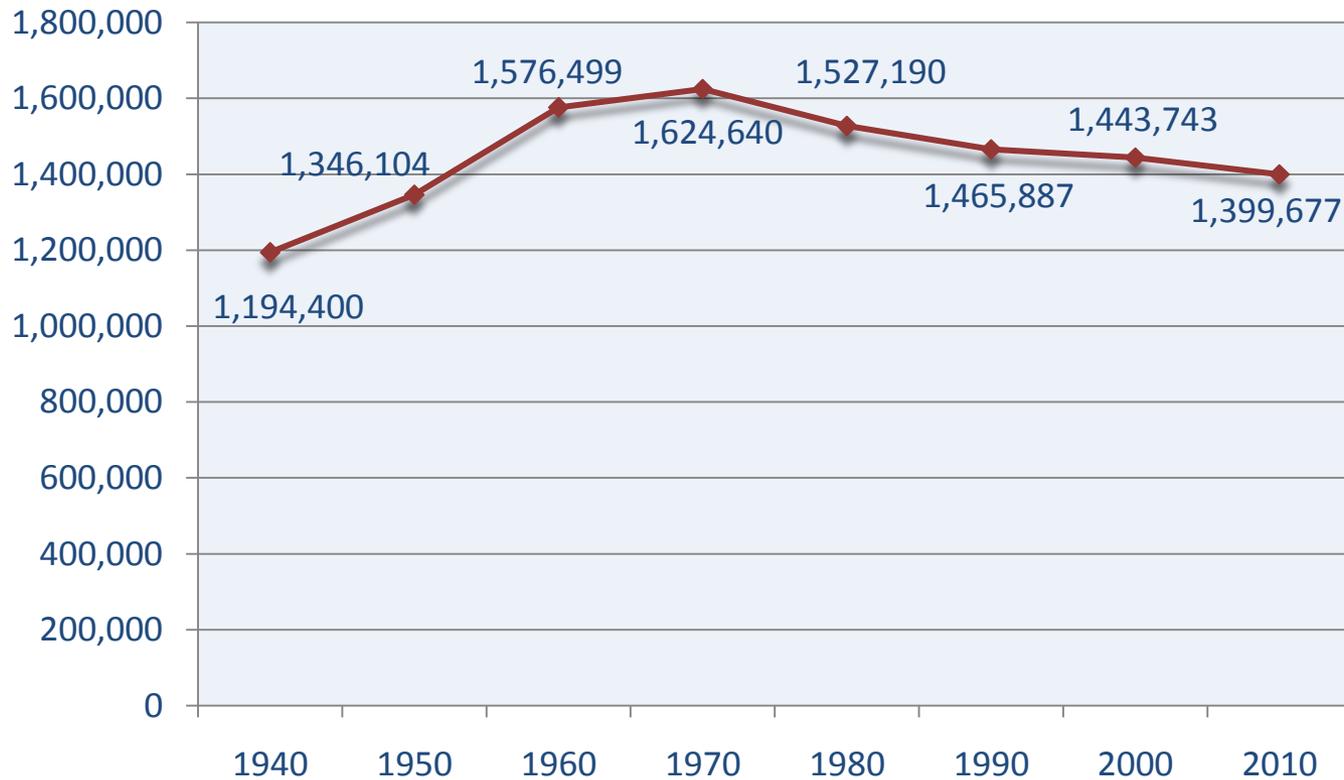


- The five-county Western New York Region is the only one of New York State's 10 regions that declined between 2000 and 2010: its population decreased by 3.1% to 1.4 million residents.
- All five counties declined: Erie (-3.3%), Niagara (-1.5%), Chautauqua (-3.5%), Cattaraugus (-4.3%), and Allegany (-2.0%).
- The total population loss from these five counties is 44,061. This is nearly equal to the 49,286 increase in the Capital Region.
- All 10 Western New York cities lost population. Buffalo and Niagara Falls lost the most (10.7% and 9.8%, respectively). The others, in order: Tonawanda (-6.2%), Olean (-5.8%), North Tonawanda (-5.1%), Lockport (-5.0%), Lackawanna (-4.8%), Salamanca (-4.6%), Dunkirk (-4.3%), and Jamestown (-2.6%).
- The Western New York regional ethnic composition is 81.7% white, 9.9% black, 4.0% Hispanic, and 1.9% Asian.



# Changing Demographics

## Population of Western New York, 1940-2010

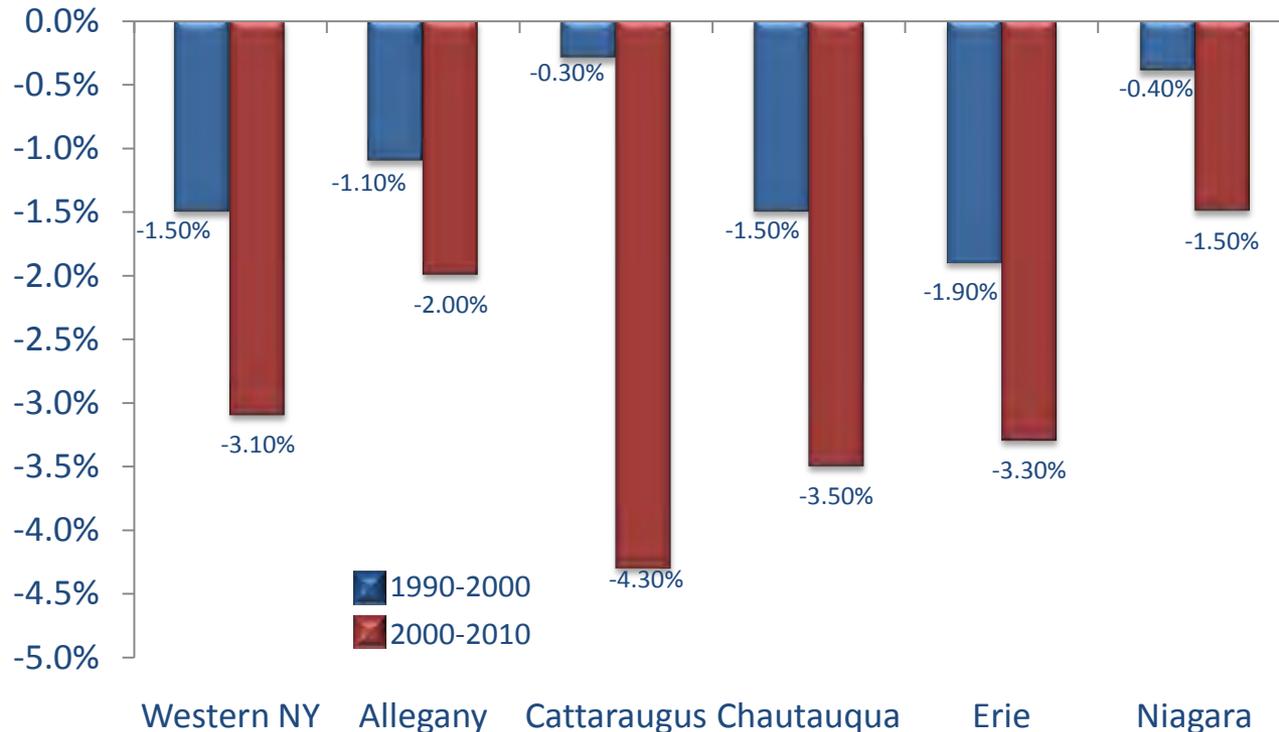


Source: Empire State Development, State Data Center

# Changing Demographics

## Population Change 1990-2000 compared to 2000-2010

### Western New York, by County



Source: Empire State Development, State Data Center

# Changing Demographics

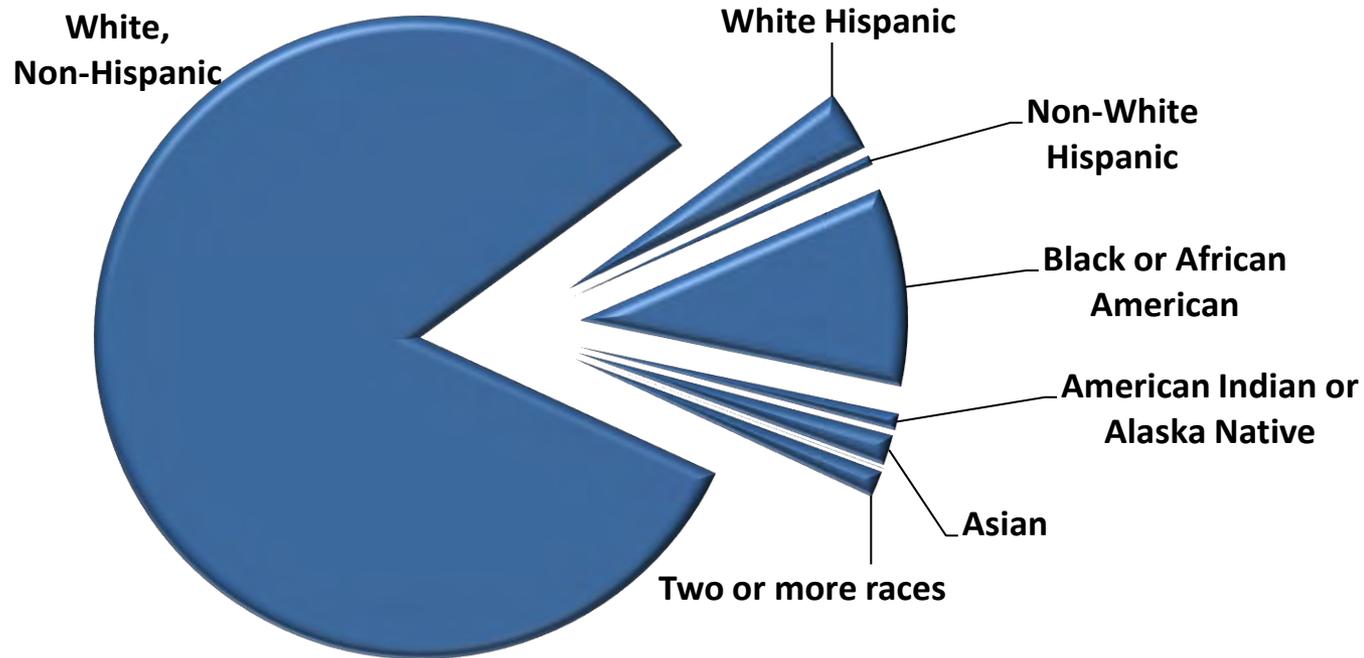
## Western New York Socioeconomic Profile

	Percent of Population Above 61 Years Old	Poverty Rate	Median Household Income
United States	16.2%	13.5%	\$51,425
New York State	16.7%	13.8%	\$55,233
<b>Western NY Region</b>	<b>19.2%</b>	<b>14.0%</b>	<b>\$45,141</b>
Allegany County	18.7%	16.8%	\$40,917
Cattaraugus County	19.0%	15.7%	\$41,482
Chautauqua County	20.1%	16.3%	\$40,179
Erie County	19.0%	13.9%	\$46,609
Niagara County	19.4%	12.3%	\$45,749

Source: Empire State Development, State Data Center. Age data is from 2010; poverty and income are from 2009.

# Changing Demographics

## Western New York Race/Ethnicity Demographics



Source: Empire State Development, State Data Center

# Changing Demographics

## Western New York Hispanic/Latino Population

Western NY	2000	2010	% Change
<b>Allegany County</b>			
Hispanic/Latino	454	670	47.6%
Non-Hispanic/Non-Latino	49,473	48,276	-2.4%
<b>Cattaraugus County</b>			
Hispanic/Latino	791	1,345	70.0%
Non-Hispanic/Non-Latino	83,164	78,972	-5.0%
<b>Chautauqua County</b>			
Hispanic/Latino	5,901	8,241	39.7%
Non-Hispanic/Non-Latino	133,849	126,664	-5.4%
<b>Erie County</b>			
Hispanic/Latino	31,054	41,731	34.4%
Non-Hispanic/Non-Latino	919,211	877,309	-4.6%
<b>Niagara County</b>			
Hispanic/Latino	2,913	4,694	61.1%
Non-Hispanic/Non-Latino	216,933	211,775	-2.4%

Source: Empire State Development, State Data Center

# Changing Demographics

## In-Migration (to Western New York)

Year	In-Migration	Percent of Population
2008	20,947	1.5%

Top Migratory Regions	In-Migrants
Monroe County	1,004
Foreign - Other	831
Wyoming County	618
Genesee County	421
Orleans County	344

## Out-Migration (from Western New York)

Year	Out-Migration	Percent of Population
2008	24,892	1.8%

Top Migratory Regions	Out-Migrants
Monroe County	1,030
Wyoming County	591
Mecklenburg, NC	473
Genesee County	426
Maricopa, AZ	424

Source: EMSI Strategic Advantage Model.



# Changing Demographics

## Educational Attainment in the Western NY Region

Area	Percent of Adults with At Least a Bachelor's Degree	Percent of Adults with a Graduate Degree
<b>Western NY</b>	<b>25.3%</b>	<b>11.1%</b>
State	31.8%	13.6%
Nation	27.5%	10.1%

Source: Empire State Development, State Data Center; American Community Survey 2005-2009.  
Note: 'Adults' are at least 25 years old.



# Workforce & Education

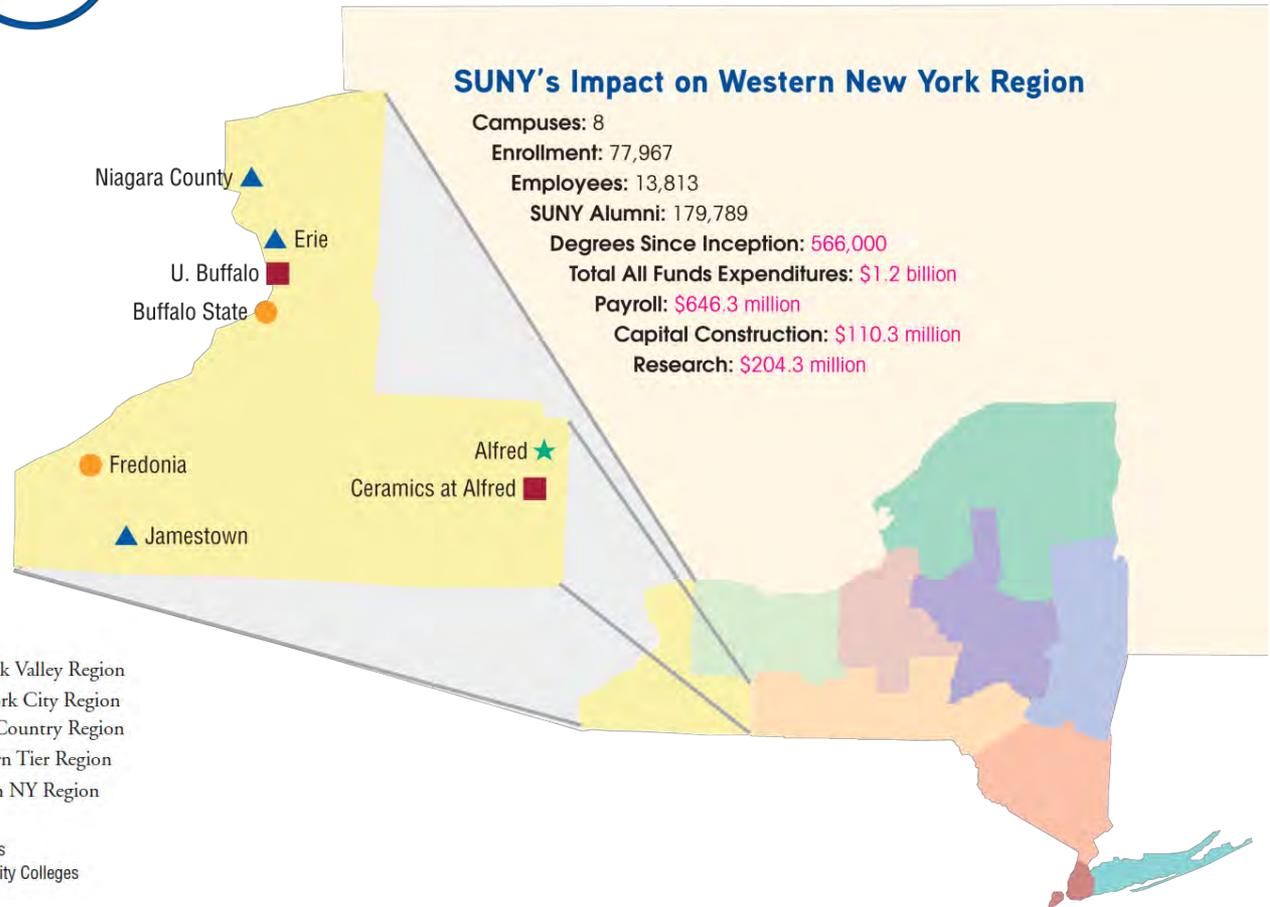


The State University of New York



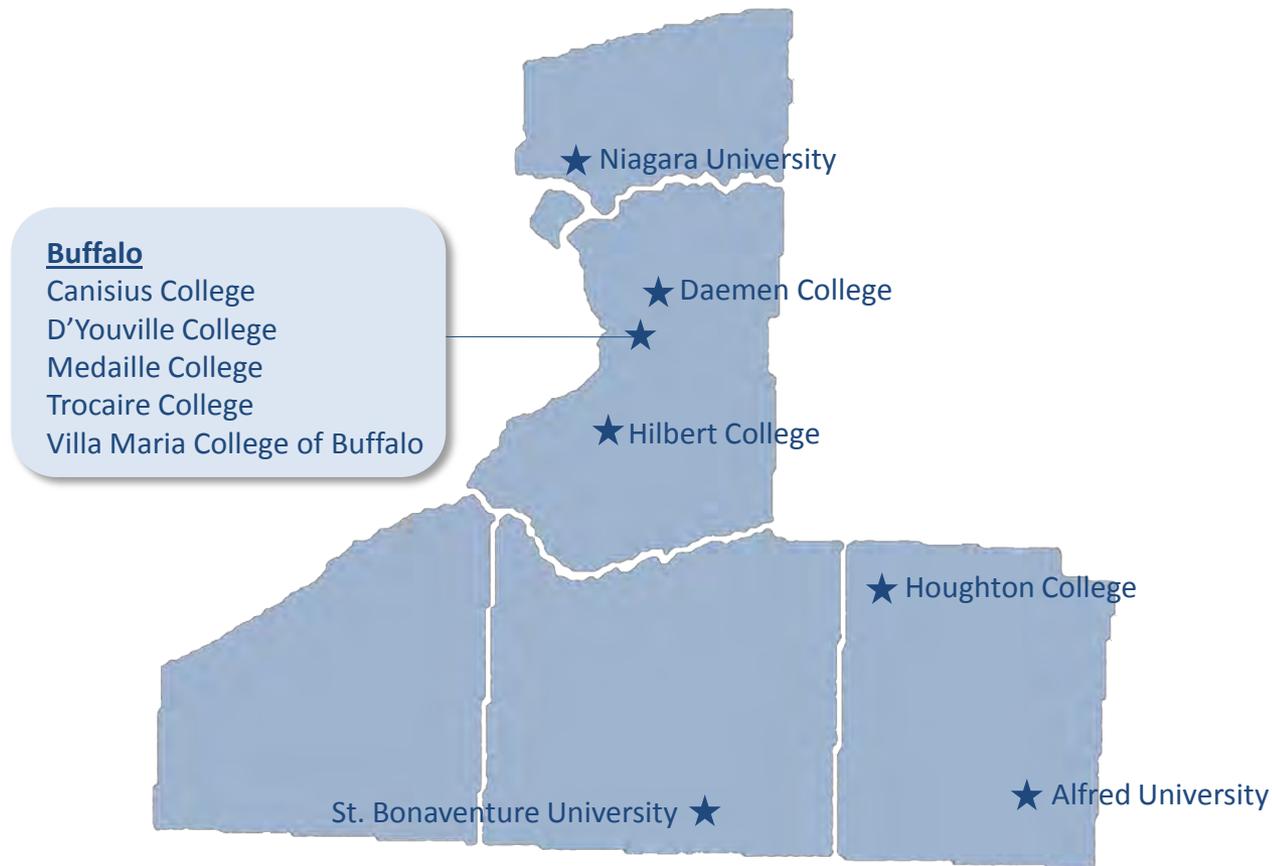
\* Empire State College has 34 locations in seven regions throughout New York state.

# Workforce and Education



# Workforce and Education

## Western New York Private, Not-for-Profit Colleges and Universities



# Workforce and Education

## Western New York Labor Market

### Local Area Unemployment Statistics

Western New York	May 2011	April 2011	May 2010
Labor Force	699,700	693,500	706,500
Unemployment	52,800	53,300	58,100
<b>Local Unemployment Rate</b>	<b>7.6%</b>	<b>7.7%</b>	<b>8.2%</b>
NY State Unemployment Rate	7.8%	7.6%	8.3%
U.S. Unemployment Rate	8.7%	8.7%	9.3%

*Note:* Data not seasonally adjusted.

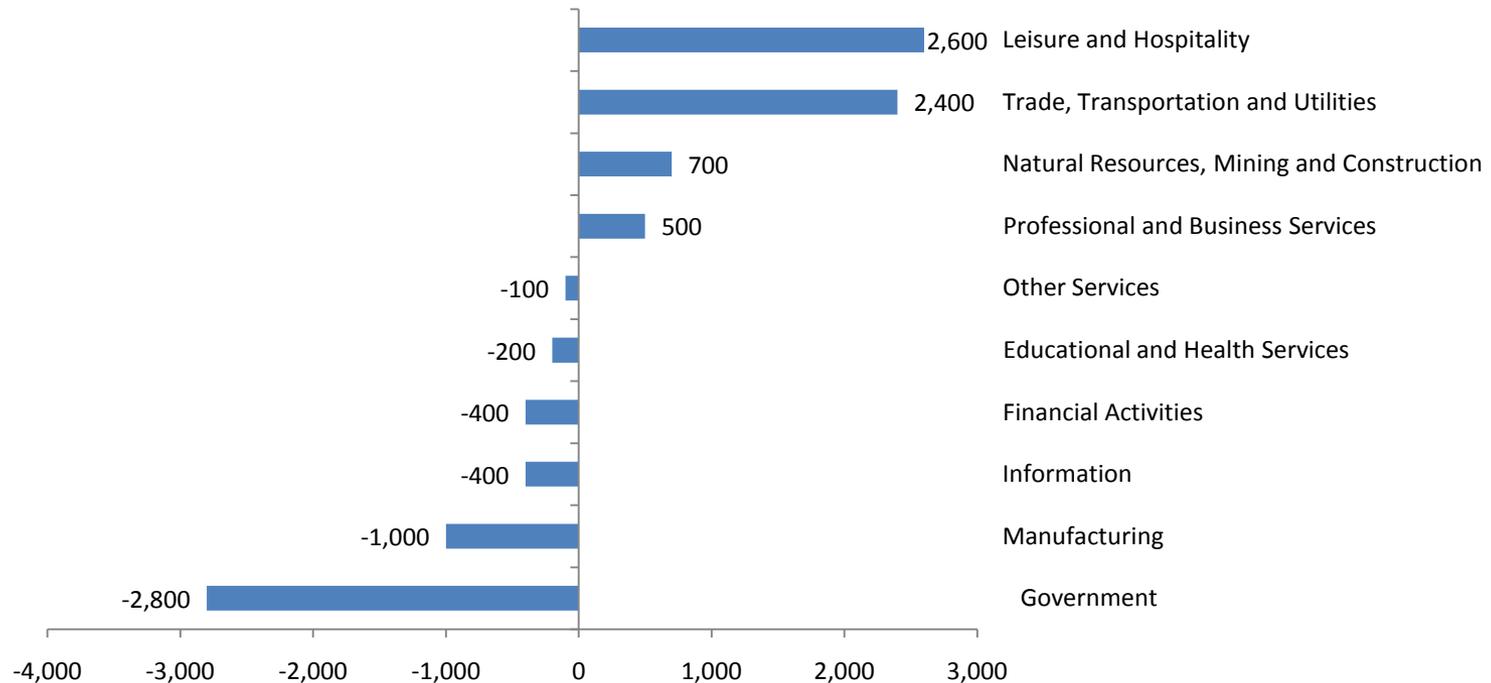
*Source:* NYS Department of Labor.



# Workforce and Education

## Western New York Labor Market

### Change in Jobs, May 2010 to May 2011



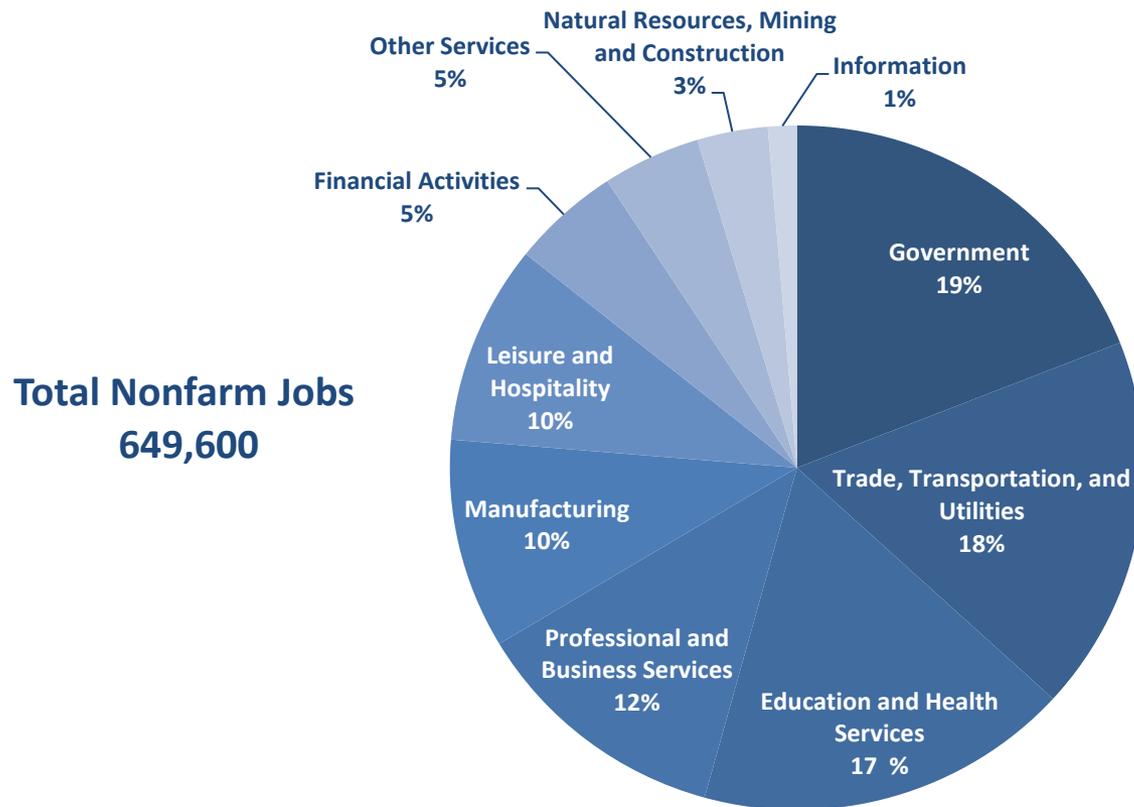
Source: NYS Department of Labor.



# Workforce and Education

## Western New York Labor Market

### Distribution of Nonfarm Jobs – May 2011



Source: NYS Department of Labor.

# Workforce and Education



## Unionization Rate

City	Share of Employed Workers
<b>Buffalo-Niagara Falls MSA</b>	<b>25.0%</b>
New York State	24.2%
United States	11.9%

Source: Current Population Survey, calculations by unionstats.com, 2010.

# Industry Structure and Concentration

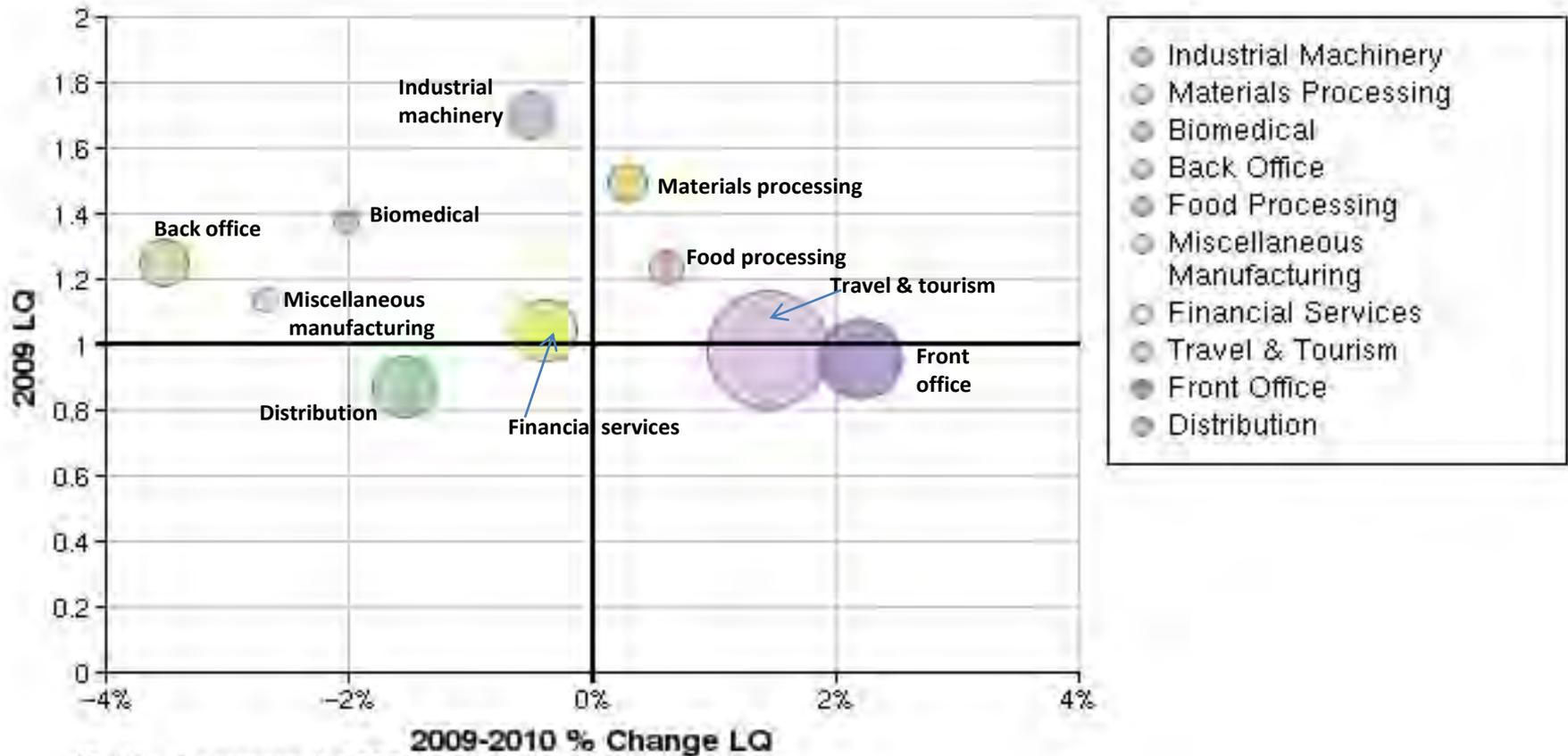
## Growth in Western NY Industry Sectors

	Jobs in 2010	Growth since 2006	Average weekly wage 2010	Projected growth, 2008 to 2018
Specialty Trade Contractors	14,335	-5.7%	\$898	-4.9%
Professional and Technical Services	28,556	11.5%	\$1,025	11.2%
Management of Companies and Enterprises	12,090	22.6%	\$1,305	3.5%
Administrative and Support Services	31,580	-4.7%	\$574	0.9%
Educational Services	65,193	2.0%	\$779	7.3%
Ambulatory Health Care Services	28,241	9.6%	\$888	26.3%
Hospitals	27,348	0.5%	\$932	3.1%
Nursing and Residential Care Facilities	26,837	5.6%	\$545	24.5%

Source: NYS Department of Labor.

# Industry Structure and Concentration

## Location Quotients of Western NY Clusters



\*Bubble size represents 2009 jobs in each industry.

# Industry Structure and Concentration



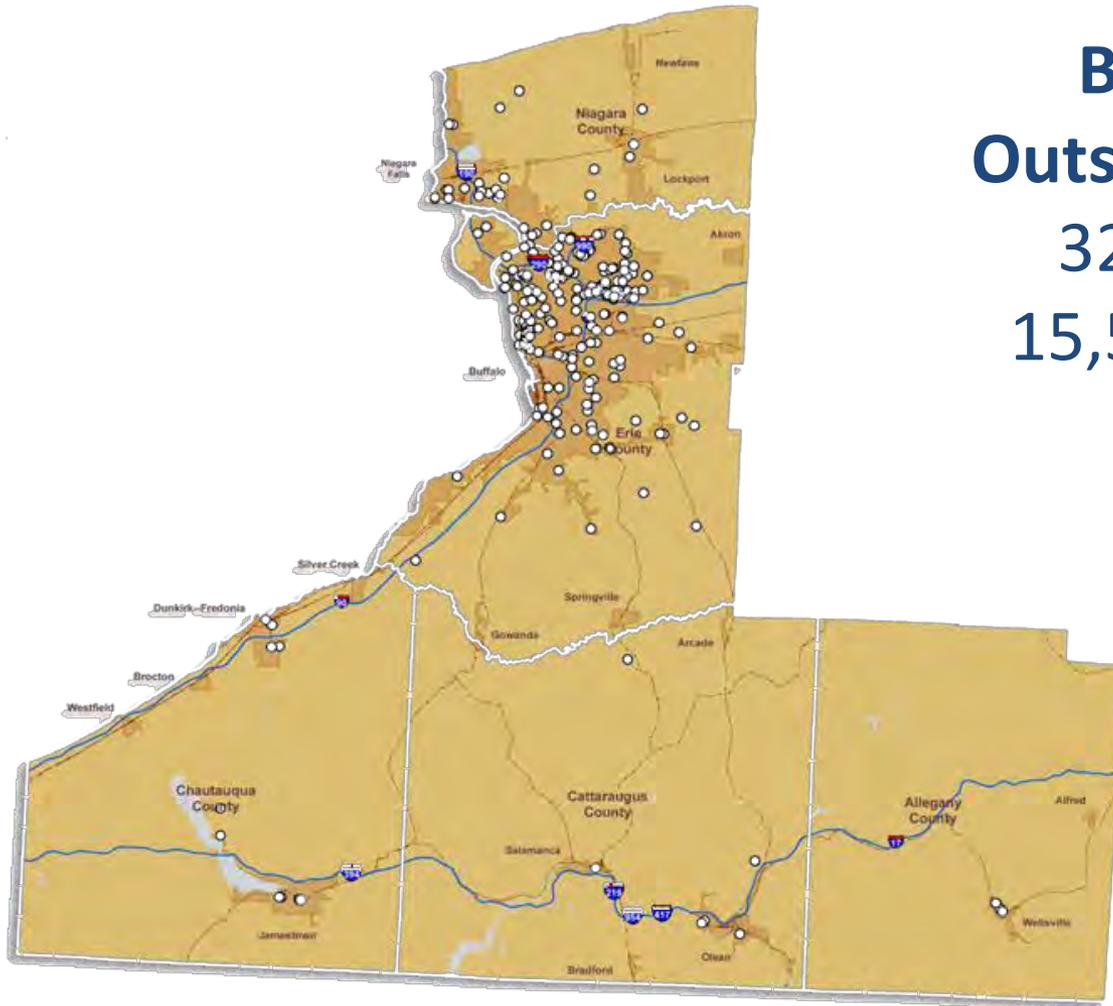
## New Manufacturing Activity in Western NY January 2010 to April 2011

Number of New Manufacturers: **157** (6.7% of state total)

Number of New Manufacturing Jobs: **2,634** (27.6% of state total)

Source: D&B Market Insight

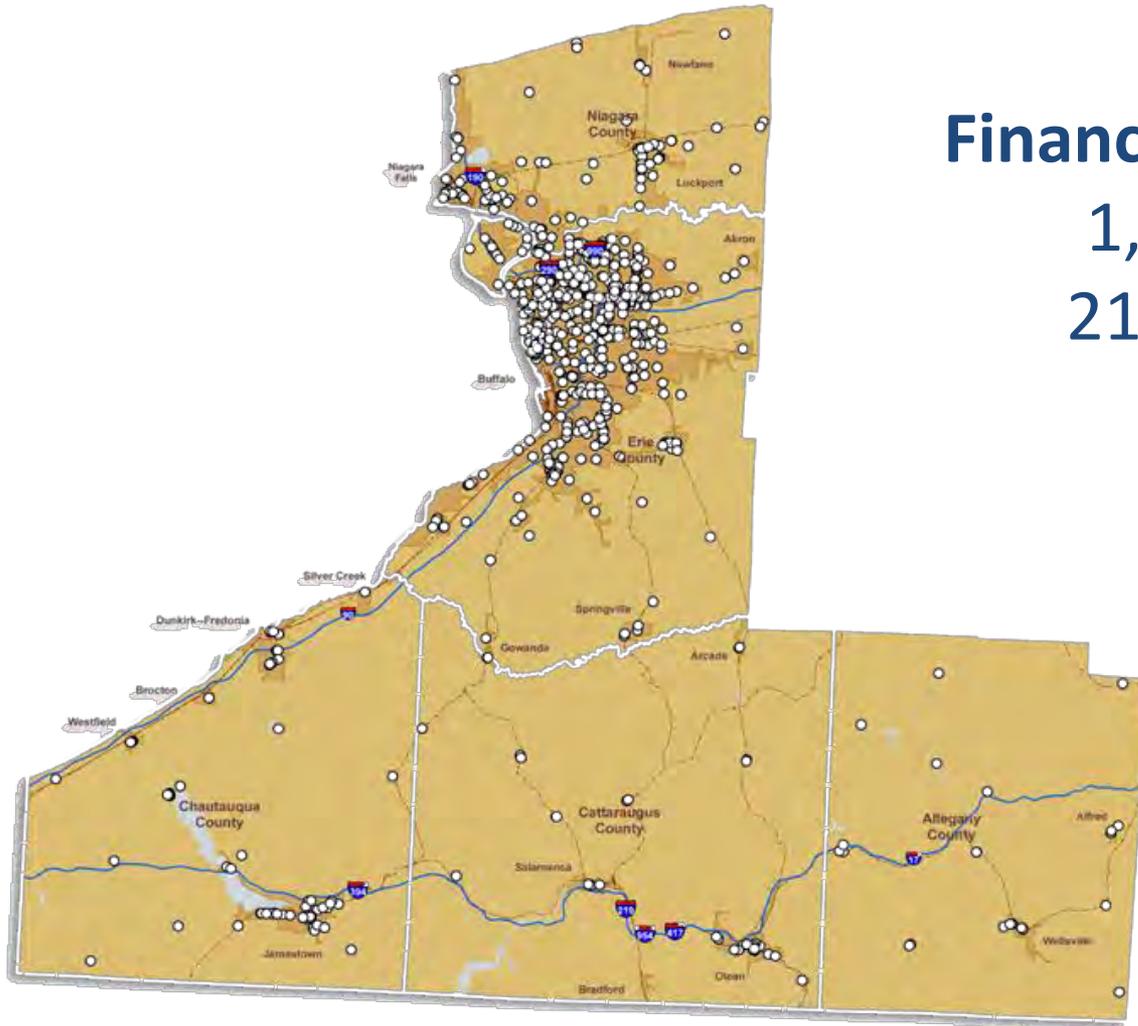
# Industry Structure and Concentration



**Back Office & Outsourcing Cluster:**  
320 companies  
15,500 employees

Source: Empire State Development analysis of NYS Department of Labor data, 2008.

# Industry Structure and Concentration

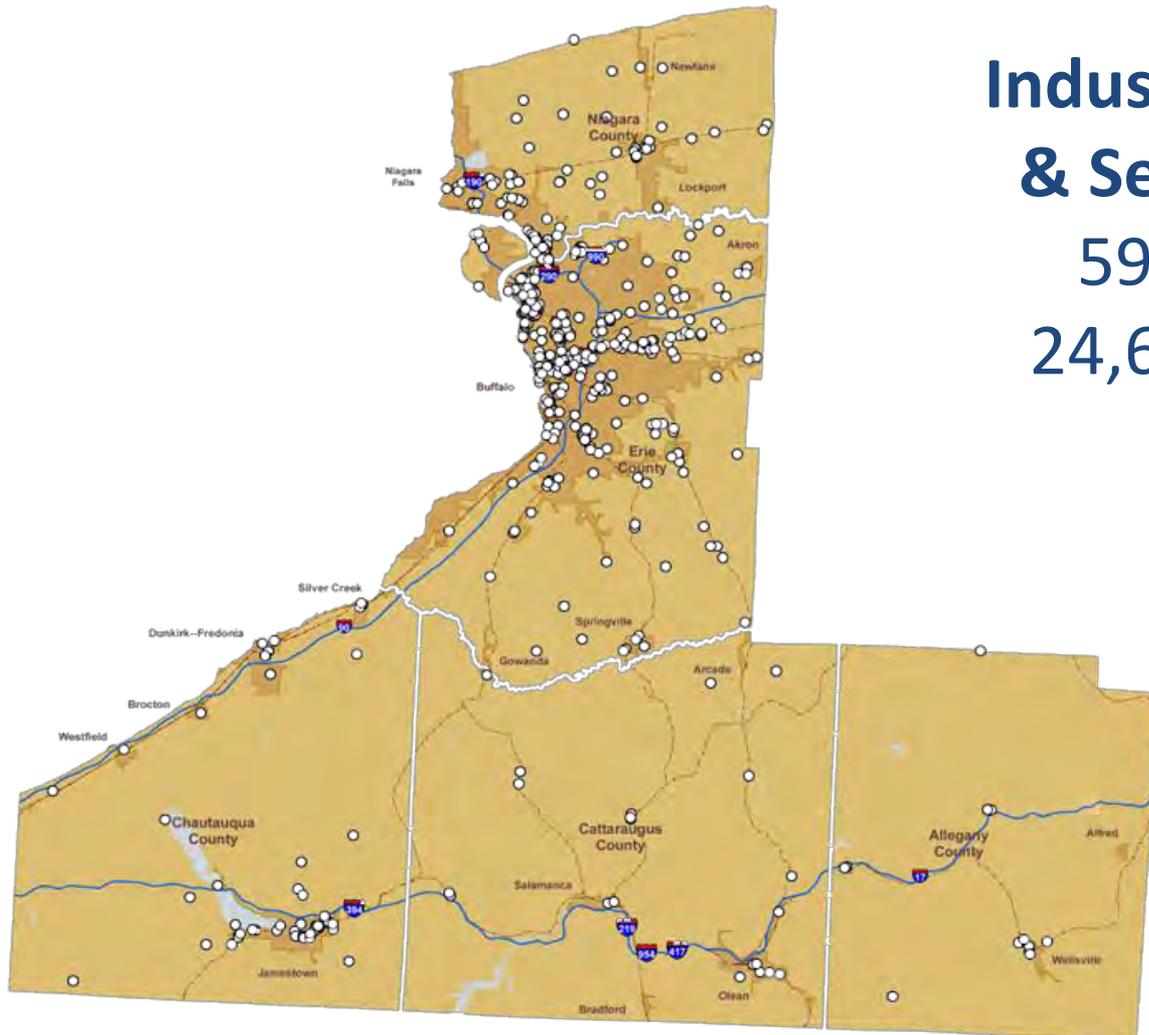


**Financial Services Cluster:**  
1,140 companies  
21,800 employees

Source: Empire State Development analysis of NYS Department of Labor data, 2008.



# Industry Structure and Concentration

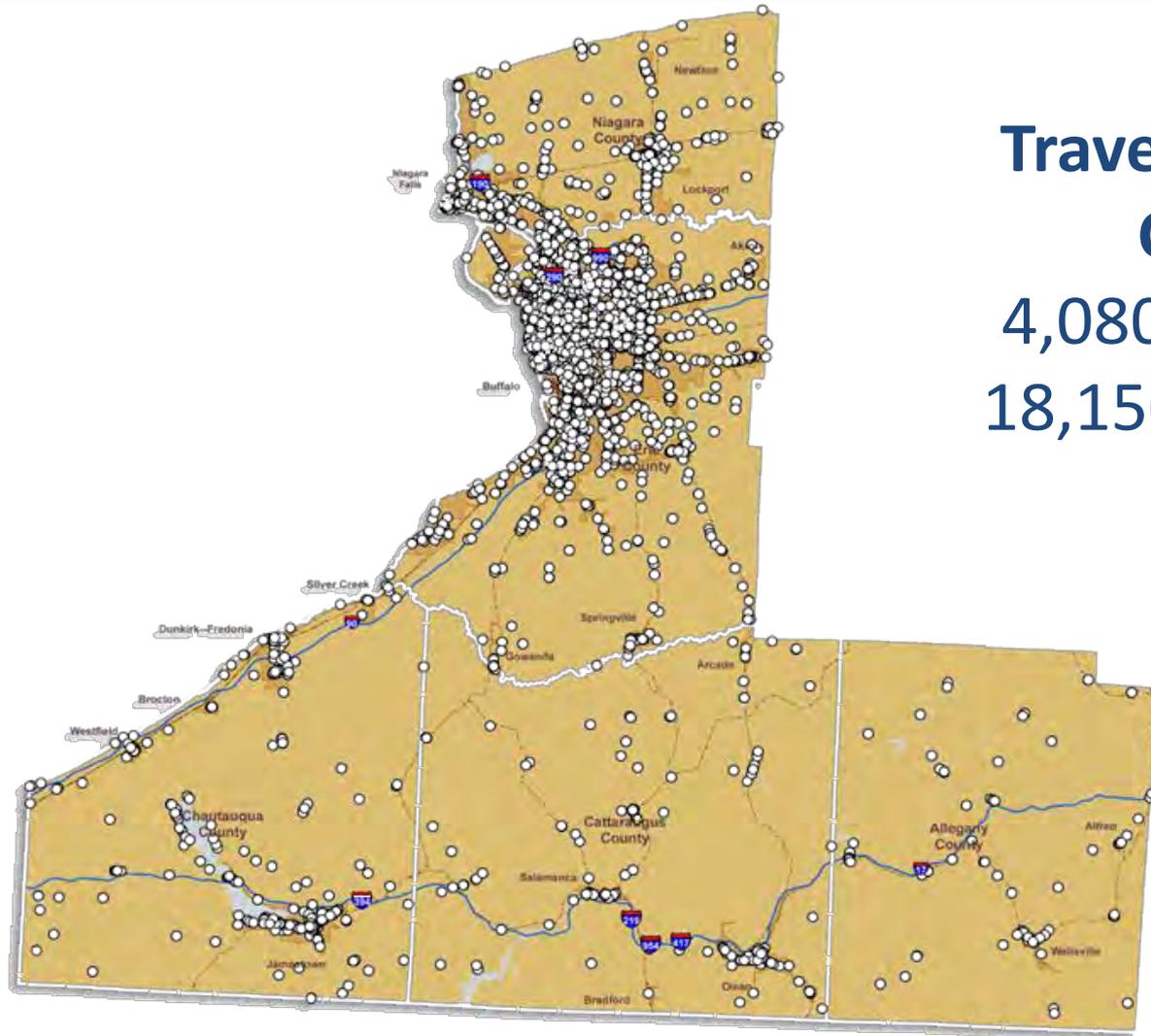


**Industrial Machinery  
& Services Cluster:**  
590 companies  
24,650 employees

Source: Empire State Development analysis of NYS Department of Labor data, 2008.



# Industry Structure and Concentration

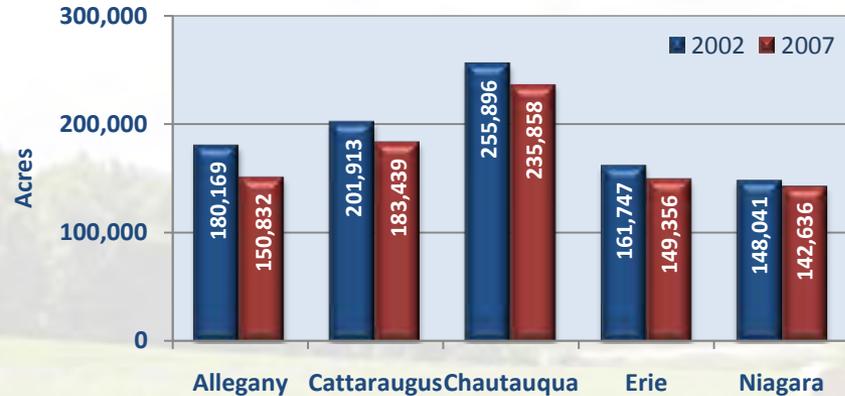


**Travel & Tourism  
Cluster:**  
4,080 companies  
18,150 employees

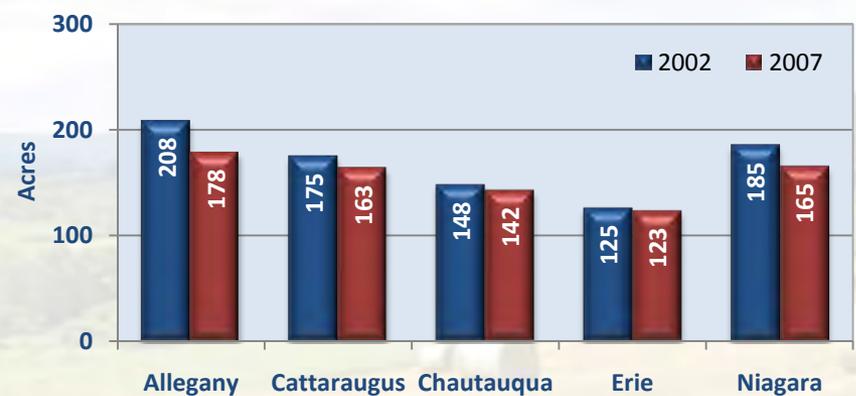
Source: Empire State Development analysis of  
NYS Department of Labor data, 2008.

# Industry Structure and Concentration

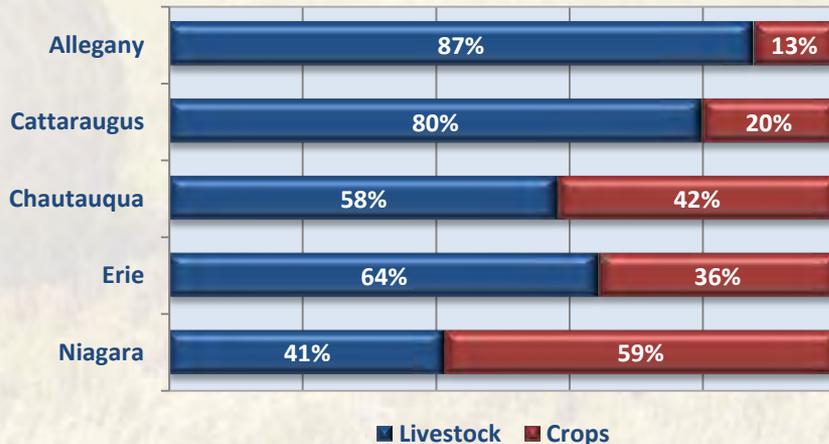
Acres of Farmland 2002/2007



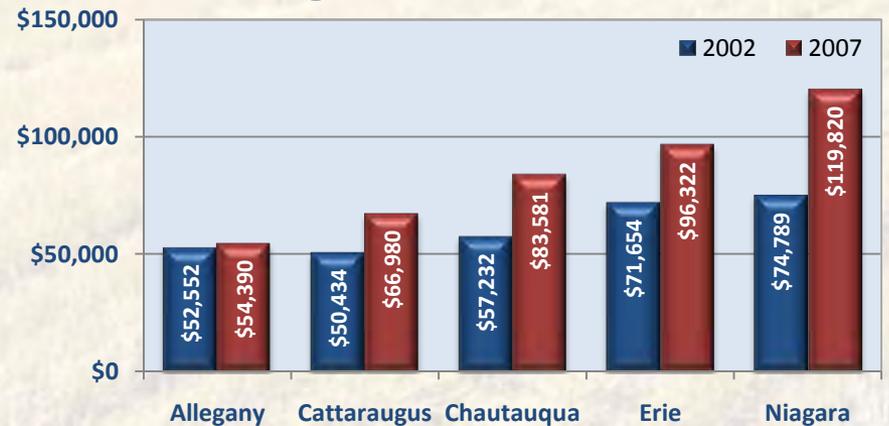
Average Farm Size 2002/2007



Distribution of Farm Sales 2007



Average Farm Sales 2002/2007



- 
- A photograph of a row of classical white columns with fluted shafts and papyrus capitals, receding into the distance. The columns are set on a series of steps.
- Governance
  - Statewide Business Costs and Tax Structure
  - Entrepreneurialism, Innovation and Risk-taking



# Governance

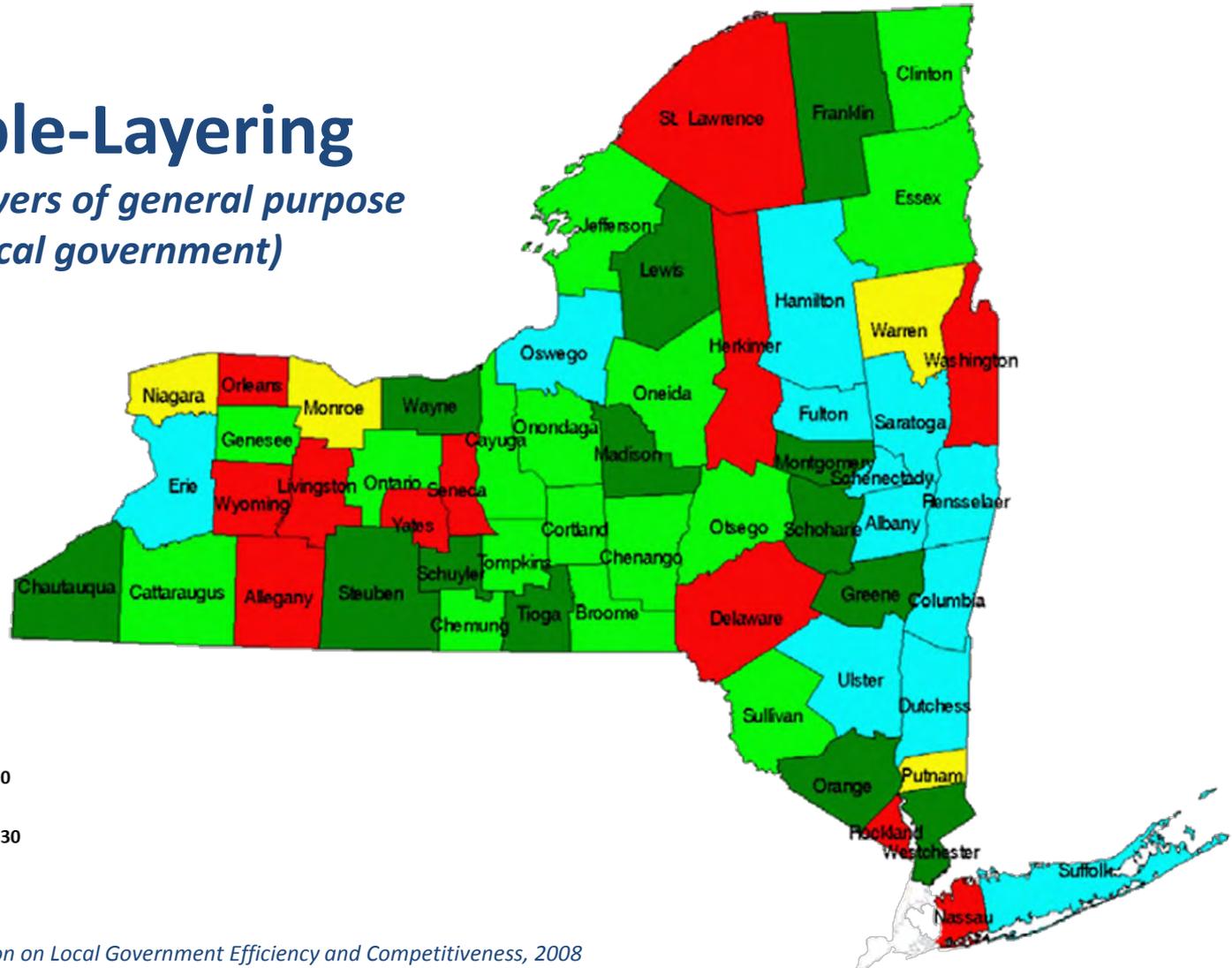
## State and Local Government Expenditures Per Capita

Category	Ranking (1 = Highest Spending, 50 = Lowest Spending)
State Corrections	17
State Social Insurance Administration	10
State Health Administration	35
State Hospitals	8
State Public Welfare Administration	45
Local Corrections	1
Local Health Administration	11
Local Hospitals	11
Local Public Welfare	1
Local Police Protection	1
Local Housing and Community Development	1
Local Fire Protection	10
Local Police Protection	1
K-12 Instructional Employees	13
K-12 Non-Instructional Employees	21

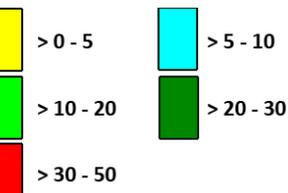
Source: U.S. Census Bureau "Census of Governments 2007."

# Governance

## Triple-Layering *(three layers of general purpose local government)*



Percent of Population in Triple-layered Communities



Source: NYS Commission on Local Government Efficiency and Competitiveness, 2008

# Governance



## Villages in Western New York with a Population Below 500

Almond (Allegany)	466
Richburg (Allegany)	458
Ellicottville (Cattaraugus)	376
Limestone (Cattaraugus)	389
Perrysburg (Cattaraugus)	401
Bemus Point (Chautauqua)	364
Cherry Creek (Chautauqua)	461
Panama (Chautauqua)	479
Farnham (Erie)	382

Source: Empire State Development, State Data Center

# Governance



## Local Fiscal Capacity: Municipalities with Financial Stress

	Unreserved Fund Balances Less Than 1.5 % of Gross Expenditures	Municipalities with Total Debt as a Percentage of Full Value Assessment in Greater Than 3.25%	Municipalities with Total Debt Per Capita in Top 10% of State	Municipalities with Operating Deficits as a Percent of Gross Expenditures in the Top 10% of State
Western New York	7.6%	9.6%	5.1%	9.1%
NY State	5.7%	10.0%	10.0%	10.0%

Source: NYS Environmental Facilities Corporation.



# Statewide Business Costs and Tax Structure

## Western New York Cost of Doing Business & Cost of Living

Metro Area	Cost of Doing Business Index (US = 100)	Cost of Living Index (US = 100)
Buffalo-Niagara Falls MSA	95	85

Source: Moody's Analytics, May 2011



# Entrepreneurialism, Innovation and Risk-taking

Indicator	New York's Ranking (1 = Best, 50 = Worst)
High-Wage Traded Services	3
E-Government	4
Managerial, Professional, Technical Jobs	6
Broadband Telecommunications	6
Overall	10
Foreign Direct Investment	10
IPOs	10
Entrepreneurial Activity	10
Patents	10
Workforce Education	12
Migration of U.S. Knowledge Workers	12
Fastest-Growing Firms	12
Alternative Energy Use	12
IT Professionals	13
Export Focus of Manufacturing & Services	14
Venture Capital	14
Online Agriculture	17
Job Churning	19
Investor Patents	21
Immigration of Knowledge Workers	24
Manufacturing Value-Added	24
High-Tech Jobs	25
Scientists and Engineers	25
Industry Investment in R&D	26
Non-Industry Investment in R&D	31
Online Population	34
Health IT	39

Source: Kauffman Foundation

## New York State Innovation Rankings 2010



*A New Vision for*  
**Western New York's**  
**Economy**

Regional Economic  
Development Councils  
*Putting New York Back to Work*



Governor Andrew M. Cuomo  
Lieutenant Governor Robert J. Duffy