

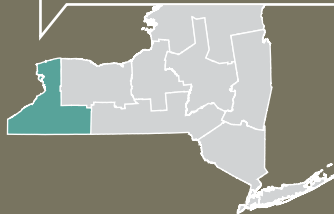
A strategy for

prosperity

in Western New York

WNY Regional
Economic Development
Strategic Plan

November 2011



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Western New York Regional Economic Development Strategic Plan

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A Letter from the Co-chairs

Vision Statement

Fellow citizens:

As co-chairs of the Western New York Regional Economic Development Council, we are proud to present “A Strategy for Prosperity” – a comprehensive plan to create a more dynamic and sustainable economy for our region and all its citizens.

The strategy is the product of an aggressive and broadly inclusive process involving stakeholders from five counties, representatives of a wide array of private, public, and not-for-profit organizations, and leaders from important industry sectors. The work has also engaged the broader public in a series of interactive forums and through the Regional Council website.

It is a truly home-grown plan that reflects the values, perspectives, and aspirations of the people of Allegany, Cattaraugus, Chautauqua, Erie, and Niagara counties. And it is the product of literally thousands of hours of work from hundreds of volunteers – all of whom care deeply about the future of the communities of Western New York.

The plan is submitted in response to Governor Cuomo’s challenge to chart a fresh course for sustainable economic growth in New York State and to compete for grants and tax credits from a special billion dollar fund for development projects that can be transformative for our communities.

We are confident we have developed a highly competitive plan with great potential for success. But the work we have done together to create a shared strategy for the continuing restructuring of the WNY economy is just as important -- and its potential to transform our region is just as great. We are all on the same page and we are working together as never before.

The plan is, above all, practical. In order to have been included, strategies and more specific initiatives must be both impactful and feasible. We asked of each proposal, “can it move the needle?” in creating jobs and long-term prosperity in our region and “can we get it done”? For each and every item in the plan these answers were “yes.”

Now that we have a plan, of course, much more hard work remains to be done to translate it into action. We are ready.

Sincerely,

Satish K. Tripathi

Howard A. Zemsky

Western New Yorkers aspire to create a sustainable prosperity by utilizing and enhancing the **strengths of our people**, by continuing **our rich tradition of human innovation**; by leveraging our region’s **natural beauty and abundant natural resources**; and by taking full advantage of **our unique and strategic location** in the world. **We will** create a region that is **admired** worldwide, that **attracts** more people to live, learn, work and visit; where entrepreneurs and businesses want to **invest** their time and capital, and where all our institutions **reflect** a culture of inclusion, continuous improvement, adaptation and **excellence**.

What Went into the Plan

Regional Council



WESTERN
REGIONAL
COUNCIL

A Regional Economic Development Council led the creation of the plan, working with stakeholders to set WNY’s economic development priorities to build realistic, comprehensive, regional strategies for achieving our vision of a robust and sustainable economic prosperity.

Work Groups



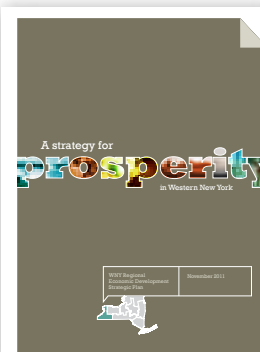
11
Work
Groups

More than 200 stakeholders from across WNY volunteered their time in topic and sector focused work groups to develop the details of the plan. They brought important expertise and experience to the work of analyzing existing conditions, formulating strategies for action, and transforming strategies into specific and doable projects and programs.

Public Participation



The community was an integral part of the planning process. The public was kept informed through the media, stakeholder networks, and up-to-date content. They gave input online and through paper surveys and comment forms. Seven public forums gave citizens an opportunity to speak directly to the Council. Overall, more than 1,000 citizens added their voices to the planning process.



A strategy for prosperity

“A Strategy for Prosperity” aims to make fundamental improvement in the WNY economy, to ensure sustainable and long-term growth in jobs and income in our five-county region, and to contribute to the resurgence of the broader economy of New York State.

The basic strategy is two-fold. It addresses systemic issues fundamental to the success of our entire economy -- like workforce, infrastructure, and an entrepreneurial culture.

At the same time, it responds to the needs of key industry sectors where our region has strength and can capitalize on comparative advantages.

And it sharpens basic tools -- marketing and promotion and regulatory reform -- to move all industry sectors ahead.

The strategy justifies WNY REDC priority projects for special state funding. Just as important, it provides a plan for us to work together in the coming years to achieve a truly sustainable prosperity.

A Participatory Process

The strategy was developed through a broad-based, participatory process engaging more than a thousand citizens.

More than 200 community and business leaders volunteered long hours in work groups to develop the details of a plan.

Many others participated in public forums, submitted comments by e-mail or online, or sent letters with their views.

Because of all these efforts, the work before you is driven by the collective intelligence of our region and the shared commitment to follow through in the months and years to come. [See pages 12-13 for more detail on participation in our planning].



Where are we now?

The bad news in our region is well-known. Job growth here was sluggish when the national economy was booming. A slow but long-term loss of population has yet to abate. Our physical infrastructure - private and public - is too big and too old for our current needs. Businesses are burdened with taxes and regulation.

Our good news is underreported. We have made great strides in our economic restructuring, creating new jobs in health and life sciences, education, professional services, and tourism.

We are more confident in taking advantage of our natural assets -- land, water, location, infrastructure, as well as strong institutions of higher education and a wealth of great architecture, history, and culture that make WNY truly special.

We are determined to continue the transition toward a more balanced economy, a more stable prosperity, and to meet our opportunities and challenges. [See pages 14-15 for an overview of Assets and Challenges.]

Where do we want to be?

Strengthen fundamentals

The strategy focuses on three fundamental issues that -- if we address them appropriately -- can create the right environment for job growth and wealth creation. With a stronger work force, more efficient infrastructure, and a vibrant culture of entrepreneurship, we can turn our economy around.



Job readiness. Jobs cannot be created unless they can be filled. Employers across WNY and in all industry sectors say it is hard to find people who can do the jobs needed. The strategy includes an array of initiatives aimed at improving the match between education and training and jobs in the region and strengthening the connections between the “P-12” system, higher education, and business.



Smart growth. While sprawling patterns of development have made every city in America more costly and less efficient, the impact has been doubly destructive in WNY where sprawl has occurred without growth. The strategy specifies how we can reinvest in our urban centers, neighborhoods, and rural villages to conserve energy and make great places; transform brownfields from liabilities into assets; and reduce the cost structure of local government by following smart growth principles in infrastructure planning.



Entrepreneurship. People who want to start businesses in our region consider New York State and WNY hostile territory. The strategy calls for a new “ecosystem” that will nurture innovation and risk taking by providing

better access to venture capital, granting relief from regulations that can sink a new enterprise, and offering a range of practical services new businesses need.


Build target industry sectors


The strategy also puts forward ways to capitalize on opportunities in eight industry sectors where WNY is strongest. These are industries where we already enjoy high concentrations of employment, potential growth in jobs and wages is greatest, and we possess some kind of unique asset or advantage.

Advanced manufacturing.


While old style mass production manufacturing has largely gone “off shore” the region retains significant strength in manufacturing -- industries that produce high technology goods or use advanced technologies to produce goods.


The strategy proposes initiatives to connect manufacturers to the research and expertise they need to keep their edge and to maintain a highly skilled and well educated workforce.


 **Agriculture.** Production of food and agricultural products is a leading industry sector in the region as well as New York State. However, the full potential remains unrealized and concern about local food systems provides a new opportunity. The plan calls for programs to spur innovation in products, processes, and market links through applied research; to improve marketing and communicate the value of local food; and to join in efforts to reform regulatory processes for more effective and efficient regulation.

 **Bi-national logistics.** The region occupies a strategic position on the US-Canada border and on the southern edge of a bi-national region of nearly 9 million people. There are almost 48,000 export related jobs in WNY producing roughly 12 percent of the region’s annual output. The potential to grow is substantial.

The plan proposes a bi-national logistics hub, development of manufacturing and distribution centers, and investment in multi-modal infrastructure. Building relationships with Canadian partners and working to remove regulatory barriers to cross-border trade will spur the effort.

 **Energy.** WNY is already an important center of renewable energy production by virtue of the hydropower facility in Niagara County. Our natural potential to participate in a development of a broader range of renewables -- solar, wind, biomass, and geo-thermal -- combined with strengths in research and manufacturing make it possible to imagine our region as a global hub for renewable energy.

 **Health and life sciences.** The region has invested heavily in both health care and life sciences, especially in the Buffalo Niagara Medical Campus (BNMC). Buffalo Niagara Medical Campus currently has over 8,000 employees that will grow to more than 12,000 with the move of the UB School of Medicine, Millard Fillmore and Children’s Hospital creating a critical mass of health science service, research and commercialization.

 **Higher education.** Higher education is a driver of the regional economy because of the knowledge

created at our universities and colleges and it is also an important industry sector in its own right and a supplier of skilled labor.

Our 21 institutions of higher learning produce a valuable service. Their customers -- students -- spend money in our community, and so do faculty and staff. Initiatives to grow enrollment and to market the region as a “college town” can help increase the \$3.2 billion estimated economic impact from this sector.

 **Professional services.** This is “white collar” employment including legal, financial, information technology, and administrative support fields. Competitively priced space and our highly-qualified workforce gives WNY an advantage in this field. The plan targets attraction of firms in high-cost US and Canadian markets, promoting an inventory of available sites and buildings, and using regional expatriates as ambassadors for the region. A “coordinating council” will help organize work to build on recent successes in this industry sector.

 **Tourism.** Visitors contribute more than \$2.2 billion to the regional economy each year. Nearly 12 million people visit WNY parks -- including our leading attraction, Niagara Falls -- each year. Tourism is one of our biggest industry sectors yet it remains an underachievement with average spending at only \$50 per day.

The strategy encompasses initiatives to invest in the quality of tourism venues and the visitor infrastructure (hotels, transportation, wayfinding), and to ensure that trained workers are available in the field.

A strategy for prosperity

Sharpen tools for growth

Two other factors can also help grow our regional economy. Consider them tools for promoting growth. One makes sure the world knows what we have to offer. The other improves the conditions for all businesses to thrive.

TOOLS



Marketing. The region suffers from both a negative national image and low self-esteem. While regional marketing is understood as central to development of the tourism industry, the issue of image cuts across all sectors making it hard to attract companies, skilled workers, and university faculty and students as well as tourists.

The strategy calls for a comprehensive and coordinated approach to regional marketing and promotion.



Reform. Businesses large and small complain that high taxes and burdensome regulations inhibit job creation and establishment of new firms. Indeed, they encourage companies and people to seek easier circumstances in other states.

The regulatory picture, however, is complicated. There are many different rules and they have different effects. Some affect just one industry, others cut across the whole economy. Some are unnecessary, others are just unnecessarily time consuming.

The regulatory environment must be simplified. Conflicts and contradictions must be resolved. Just as important, the delivery system for regulation must be made more efficient and more transparent to protect the public without harming business.

How will we get there?

Making Smart Decisions: Setting Priorities

With more than 1,000 voices contributing to the planning process, the WNY Regional Economic Development Council focused on strategies to reflect the unique opportunities and needs in our community by developing criteria to determine what initiatives will have the greatest impact on economic growth in the region.

Criteria for Projects

The Council had three threshold questions for any project:

Does it create, retain or fill jobs?

Will it maximize return on investment?

Is the project ready for implementation?

Beyond these vital factors, projects need to reflect the priorities that are most important to address Western New York's opportunities and challenges:

Inclusive.

A project should promote diversity and reduce disparities within the region.

Promotes Smart Growth.

A project should adhere to smart growth principles to integrate economic development and job creation with community quality-of-life by preserving and enhancing the built and natural environments.

Oriented to Young Adults.

A project should try to attract and retain young adults (ages 18 to 35) to counteract a lack of in-migration to the region.

Builds Upon Strengths.

A project should enhance the region's existing strengths to achieve the largest impact with limited resources.

Regional Impact.

The Strategic Plan is intended to be regional in scope. A project that has an impact (jobs, investment or visitors) in three or more counties would be directly aligned with this criterion.

Improves Region's Image.

A project should enhance the perception of the region to grow businesses and attract and retain workers.

How will we measure success?



Five counties, but one region

Charting our progress

The plan establishes a framework for measuring the impact of the plan and the region's specific strategies and goals.

It proposes measures and benchmarks for quantifiable results in terms of educational attainment, job training completed, and workers placed in employment.

Likewise, the Council measures dollars invested, earned by workers, and spent by visitors. Most of all, it will measure firms created or attracted and jobs created or retained.

The performance measurements are designed, above all, to track results. They measure outcomes not inputs -- because while it may be important to measure our investment, it is much more important to track the return.

Prepare Our Workforce	Performance Measure
Increase diversity in labor force	Degree to which the distribution of the unemployed population matches the distribution of the regional population by race, ethnicity and gender. Monitor trends of underrepresented groups in the workforce.
Develop and cultivate the WNY talent pool that includes workers with advancement potential, underemployed, unemployed, and special populations	High school graduation 2 – 4 year college graduation Local high school graduates attending local colleges Out-of-state students at local colleges Programs for non-English proficient job seekers
Align education and skills training to a competency based job market for current, new and future business/employers to increase productivity, labor force capacity and job growth	Placement in training programs (Completion and placement in employment) Wages of incumbent trainees Wages of new entrants
Engage students, parents, educators and businesses in the P-12 system to build awareness and promote the connection between schooling, career & college readiness to increase timely high school and post-secondary completions	Number of students retained Number of students going to higher education
Implement Smart Growth	Performance Measure
Invest in infrastructure on “smart growth” principles	Energy retrofits
Invest in downtowns, villages, neighborhoods, brownfields	New businesses in developed areas of the region; Brownfields remediated
Protect water resources, waterfronts and habitat	Miles/feet/acres of protected and enhanced through Local Waterfront Revitalization Program (LWRP)
Entrepreneurship	Performance Measure
Foster and support entrepreneurs	Business start-ups Strategic partnerships
Fund entrepreneurs	New firms Angel investors Venture capital funds in the region
WNY Industry Sectors	Performance Measure
Increase employment	Jobs
Increase income	Wages
Increase investment	Firms
WNY Industry Sector: Tourism	Performance Measure
Facilitate growth of quality tourism product	Visitors Visitor spending

A strategy for prosperity

Priority Projects and their Impact

The Western New York Regional Economic Development Council identified priority projects that it recommends for immediate state support. The projects represent critical opportunities to build upon the region's strengths and competitive advantages, and immediately accelerate job creation and economic growth. The projects encompass a regional approach, as there are some projects with a regional impact, and at least one project in each county. The projects collectively support direct creation/retention of more than 1,500 jobs with nearly \$285 million in capital investment and \$74 million in state investment.

Western New York's priority projects support our regional capacity to drive innovation and commercialization as a key driver of economic development; train and prepare our workforce; attract and retain more visitors; support smart growth with investments in central business districts in Buffalo, Olean and Chautauqua County; and help renewable energy, advanced manufacturing and life sciences companies grow with Excelsior Jobs Program tax credits.

20 Projects and their Impact on Western New York

Total Impact

1,524	Jobs Created/Retained
\$284,706,642	Capital Investment
1,700	Trained for Jobs
\$74,445,154	Total State Assistance

FOCUS

Preparing the region's workforce for key industry sectors

Urban Automotive Center of Excellence

The Urban Automotive Center of Excellence will be a facility to provide training in the field of auto body repair and auto-service technicians and mechanics. Students will also receive GED and mentorship assistance.

Economic Impact

Buffalo is experiencing a staggering black male jobless rate upwards of 51%. This program will target those underserved and provide them training to place over 100 individuals in auto tech jobs within 5 years.

Buffalo Arts and Technology Center

Two co-located programs: health care industry training for unemployed and underemployed adults and an after-school arts and technology program that will provide at-risk teens with the tools needed to succeed in school and graduate.

Economic Impact

Fills a critical need in the health sciences fields of electronic medical records, medical assistants and pharmacy technicians. Increase the current 4-year 47.4% graduation rate from Buffalo Public Schools.

Investing in smart growth infrastructure to pave the way for private investment

Olean East State Street Re-construction

Reconstruct E. State St. (NYS Route 417) to include replacement of the water line, sanitary sewer line, installation of new storm sewer and complete road base to enhance access to downtown Olean.

Economic Impact

East State Street is home to and a major entrance to several of the City's largest employers including CUTCO Cutlery, DalTile, Olean Advanced Products and Cooper Industries. Renovating the key road infrastructure will enhance access to jobs, services and downtown.

Olean Central Business District

Redevelop several properties on N. Union and West Street along with the redesign of Union Street and adjoining streetscape improvements in order to advance downtown revitalization and to encourage private investment at the site.

The City of Olean seeks to redevelop the former Manufactures Hanover Building at 101 North Union, 107 North Union, 110 West State Street and 116 West State Street properties along with the redesign of Union Street and adjoining streetscape improvements.

Economic Impact

Enhanced streetscaping and public

infrastructure investments in targeted, often distressed Central Business Districts generate a significant return on investment. It is followed by decreased vacancy rates, increased assessment values and private investments.

Buffalo Central Business District

Reestablish high quality multi-modal transportation corridors that link Main Street, the Genesee Gateway and the Buffalo Niagara Medical Campus located in Downtown Buffalo – the regional hub for business, culture, entertainment, government and education - to strategically connect the Downtown Districts through investment in streetscape and infrastructure development. The project will support the investment of more than \$1 billion in projects currently proposed or planned for Downtown. The goal of the project is to seamlessly connect these regionally significant investments and create a vibrant, walkable, mixed-use environment that retains 65,000 jobs, and attracts 21st century businesses and talented human capital that will drive the regional economy.

Small Business Green Retrofit Initiative

Provide incentive grants to small businesses and non-profit organizations throughout the region for pre-retrofit repairs on commercial properties to help businesses increase energy efficiency and stabilize central business districts.

Economic Impact

With an initial investment of less than a \$1 million, 60 businesses assisted with repairs and energy retro-fits which is expected to leverage \$4 million in private investment. This will create at least 35 new green jobs accessible to low income residents. By the third year it is expected that 1,200 net new residential and commercial energy efficiency retrofits will be completed in targeted areas throughout the region.

FOCUS

Leveraging Western New York's research capacity to drive innovation and commercialization

Roswell Park Cancer Institute Genome Consortium

Build a robust approach to personalized medicine based on detailed definition and study of genetic sequences, the health information data associated with individuals, genetic sequences and a powerful informatics approach to enable analysis and discovery to inform more personalized medicine.

Hauptman Woodward Crystallization Laboratory

Expand the high throughput crystallization laboratory biotech services at this research institution to expand services and offer competitive, revenue-generating and sustainable research.

Center for Innovation in Medicine

This will be a center for innovation and entrepreneurship, which will include a cutting-edge, state-of-the-art medical device prototyping facility. It will be the only U.S. center for entrepreneurship in the heart of a clinical facility and will include a fabrication center, machine shop, and clean room, to create new devices and techniques and a training center for physicians to test them.

High-Temp Materials Characterization Laboratory

Alfred University will purchase equipment and renovate facilities for testing applications of high-temperature materials, including laboratories in: wind energy/fluid mechanics; thermal science/solar energy; photovoltaic solar energy; alternative fuels; and power conversion.

Economic Impact

Buffalo Niagara Medical Campus (BNMC) currently

has more than 8,000 employees that will grow to more than 12,000 with the move of the UB School of Medicine, Millard Fillmore and Children's Hospital creating a critical mass of health science service, research and commercialization. These projects build on that momentum to enhance the research and commercialization capacity all driving to better health outcomes.

Economic Impact

Alfred's high temperature lab currently provides critical research support to many New York State companies including Delphi, Tam Ceramics, Corning, GE, Saint Gobain, Lockheed Martin and many small fuel cell technology development companies. This expansion will increase their support of private sectors companies in NYS leading in fuel cell storage technology development, a key to renewable energy growth.

Attracting and retaining more visitors

Hospitality and Tourism Center

Renovate nearly 90,000 square feet of the former Rainbow Centre for the Hospitality and Tourism Center. NCCC will train students for employment in the growing field of hospitality and leisure in a facility that will include 8 teaching kitchens / classrooms, student restaurant, culinary theatre, Barnes & Noble college bookstore and retail center, bakery, deli, wine boutique and exhibition space.

Economic Impact

Focused on training underserved with 54% economically disadvantaged students. Assistant to entrepreneurs through extension of the Small Business Development Center at the Center and an estimated 206,780 extended visits in Niagara Falls.

Niagara Experience Center

The plan calls for an 80,000-square-foot, state-of-the-art “experiential museum” utilizing masterful story-telling techniques to present the true story of Niagara—its importance to nature, history, technology, the development of two nations and more—all using the best of technology and showmanship to create a setting that is enlightening to the scholar and the six-year-old alike. At the same time the Center will inform visitors about the many other cultural destinations throughout the region encouraging visits to those locations.

Economic Impact

Attract over 500,000 annual visitors and generate \$10 million in annual gross revenues. NEC would induce an estimated \$177 million in private development; create 1,900 direct, indirect, and induced jobs during construction and 1,570 direct, indirect and induced permanent jobs. In turn, as a half-day attraction, the NEC is anticipated to extend visitors’ stay by about three hours, inducing additional room nights and associated visitor expenditures.

COMPANIES

Ascion
Calspan
Computer Task Group
DuPont
Hebeler Expansion Project
Immco Diagnostics, Inc
Sentient
WATT Fuel Cell Corporation

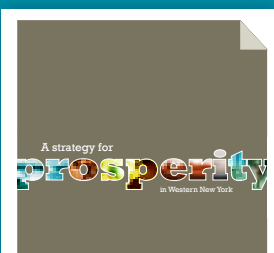
Excelsior Tax Credits

The Excelsior Jobs Program provides job creation and investment incentives to firms in such targeted industries as biotechnology, pharmaceutical, high-tech, clean-technology, green technology, financial services, agriculture and manufacturing. The Program encourages businesses to expand in and relocate to New York while maintaining strict accountability standards to guarantee that businesses deliver on job and investment commitments.

The Program is limited to firms making a substantial commitment to growth, either in employment or investing significant capital. Several of the WNY strategic industry sectors including health | life sciences, advanced manufacturing and renewable energy are priorities for Excelsior tax credits.

Working together

The plan is just the beginning.



The regional planning process was initiated with a participatory process and will continue to be inclusive by keeping the key stakeholders, the Regional Council, Work Groups, and the public engaged going forward.

Producing the plan together has been a catalyst for an integrated approach, and the Council is prepared to capitalize on this collective energy to build a better future in our region. Community volunteers have already invested

thousands of hours in the planning and will be pivotal to move the region forward into implementation, continued priority setting and evaluation.

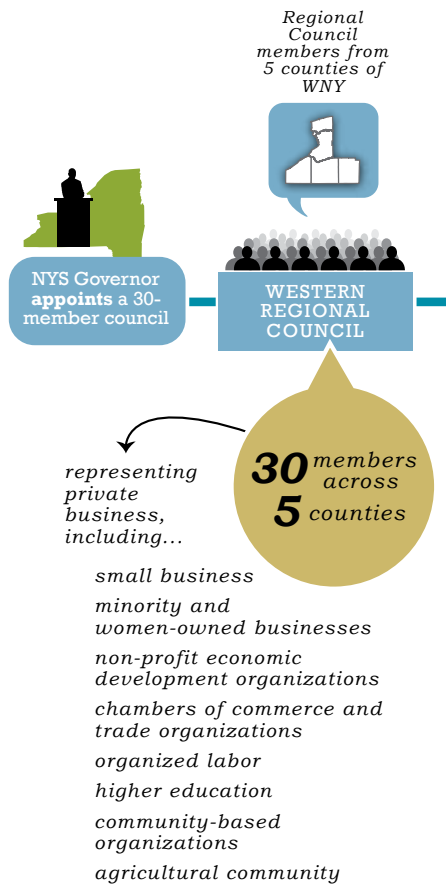
The work going forward will involve a robust process of consensus-building, collaboration, not only among levels of government, but between public and private and within industry sectors.

But if we continue to work together and make smart decisions, we can, indeed, “get it done” and “move the needle.”

A Collaborative, Community Driven Process

Public and Stakeholder Engagement

The stakeholder engagement included the Regional Economic Development Council, strategic work groups and ongoing public engagement through multiple communications outlets.



Western New York's strategic plan was created through a collaborative, community-based engagement with the region's public and private partners. The process provided the region an opportunity for stakeholders and citizens to specify community values, describe our situation, and prioritize our shared goals.

Ways the Public Got Involved...

The community was an integral part of the decision making process. The public was informed through the media, communications through stakeholder networks and up-to-date website resources through nyworks.ny.gov. The public was able to fully participate through online surveys, public forums and by commenting through email, mail and phone.



...Getting Informed through:

- Use of existing networks
- Articles in newsletters
- Interviews with key media



What the Council Does...

The Council partners with stakeholders to align funding with WNY's economic development priorities by building realistic, collaborative strategies, eliminating barriers, and maximizing the efficiencies of service and programmatic delivery in concert with the State.

Council Creates the 11 Work Groups...

Work groups are made up of strategic members of the public who augment Council knowledge and expertise. With guidance from the Council, the work groups made recommendations and contributed content for the strategic plan.

Each group addresses a distinct focus area of the region



Job Readiness



Smart Growth



**Entrepreneur/
Business Development**



Advanced Mfg.



Agriculture

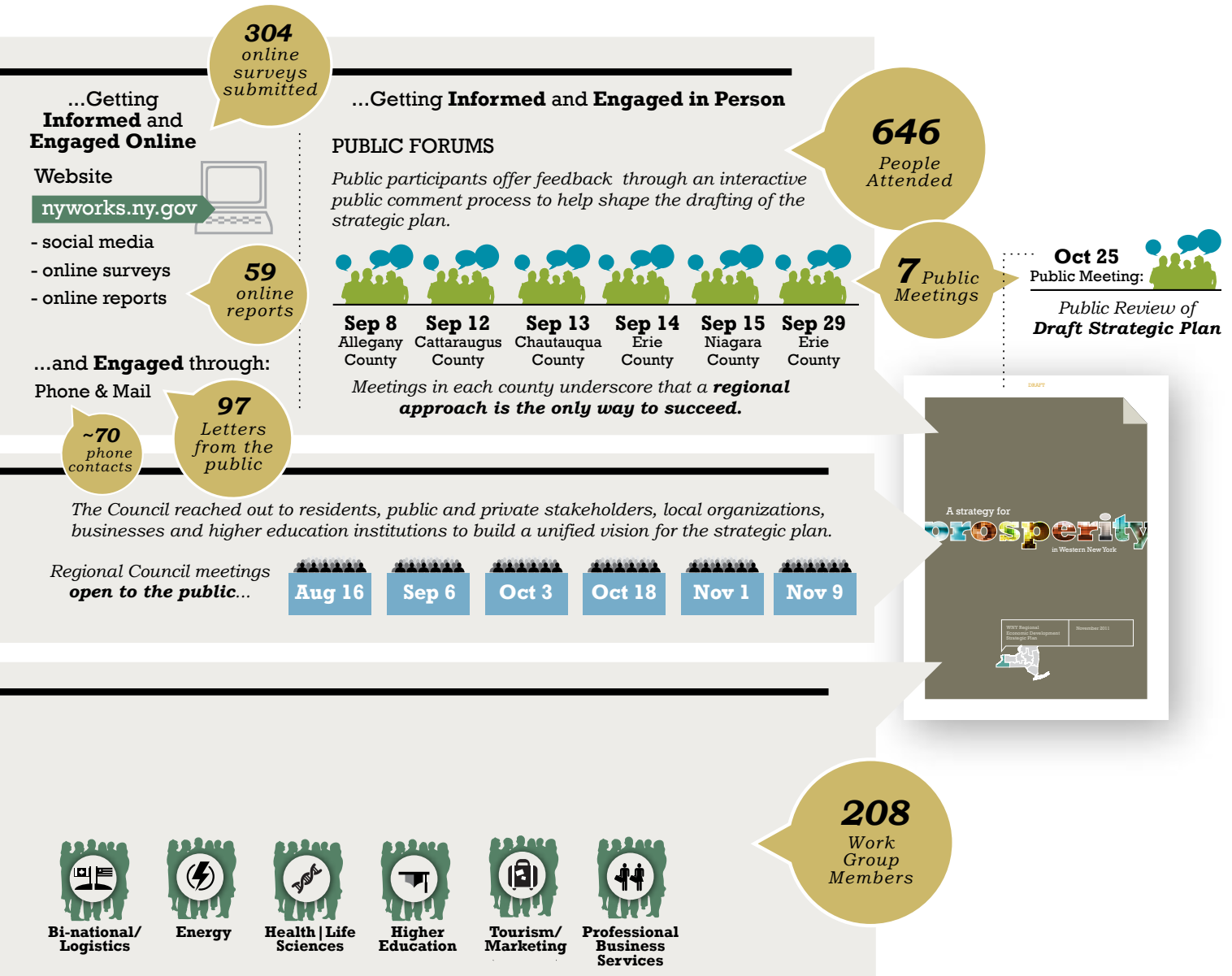
Road to the Strategic Plan

Develop a baseline of existing conditions, critical issues that must be overcome and the principal regional economic drivers to advance growth.



Develop strategies to capitalize on the identified drivers and address issues impeding economic growth.

The Council, work groups and the community worked together to coordinate strategies to achieve Western New York's collective goals. The plan represents a culmination of thousands of hours of dedicated service by stakeholders through months of decision making and public engagement. The inclusive process was also designed to develop realistic economic development strategies with clear identification of actions, roles and metrics to measure progress over time. The result will inform public policy and regional program initiatives, target investment in effective collaborative strategies, leverage current assets and build regional capacity for implementation.



Identify priority projects and develop ways to measure and monitor the effectiveness of the strategic plan.

Generate a **regional implementation agenda** to ensure timely progress implementing the strategies. **Draft strategic plan.**

Incorporate Council and public feedback into final draft of strategic plan.

WNY Assets

STRENGTHS & OPPORTUNITIES

Our Strategic Location

Our strategic location – with the natural power and attraction of Niagara Falls, an abundance of fresh water from the Great Lakes, our border location, and geographic proximity to markets in the Midwest and Northeast – was repeatedly cited by stakeholders and citizens as a strength and opportunity for growth.

Our Historic Assets

Many in our work groups pointed to our historic assets – unique cultural heritage, building stock and architecture, natural environments and prime agricultural opportunities, cultural sites and industrial heritage – as attributes that contribute to our quality of life and economic competitiveness.

Collective Brain Power

The collective brain power in the region – represented by the 21 universities and colleges and an increasingly educated workforce – is also a strength the region believes we need to continue building upon to advance economic prosperity.

Our region's economy is blessed with a wealth of assets, natural and human-made, including Niagara Falls, celebrated architecture and border location. Great colleges and universities provide a foundation for a thriving knowledge economy. Affordability makes the region an attractive place to run a business and raise a family.

Located
500 miles
from 41% of the
U.S. population
and 59% of
Canada's.

If regions are defined, in part, by their geographic location, then the story of

Western New York is one of opportunity.

Notwithstanding the fact

that this region continues to

undergo significant economic

and demographic transformation,

one constant remains -- its

strategic location. From the 1825

completion of the Erie Canal to the

international border with Canada to

current connectors such as major railroads,

international bridges, state and federal highways,

international airports and ports, the region continues to play a critical role in moving

goods, expanding global trade and creating prosperity. Access to key population

centers also is important to the region's success. Located 500 miles from 41 percent

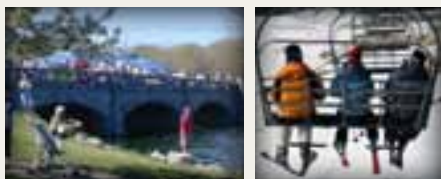
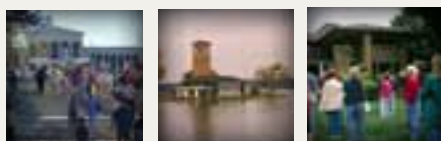
of the US population and 59 percent of Canada's with access to 25 percent of the

world's fresh water, Western New York is poised to take advantage of its many

assets and strengths – such as a tourism sector with international acclaim; relatively

low costs of living and doing business; an educated and skilled workforce; and

strong aggregate household income.



The region boasts an extraordinary array of cultural assets.

With a wide array of galleries, museums and cultural institutions, Buffalo ranks as the

#1 Arts Destination for mid-sized cities in the U.S.

Niagara Falls, one of the world's wonders, attracts **12 million** visitors each year.

Ellicottville, NY, renowned as the "Aspen of the East," is home to NYS's largest ski resort.

Chautauqua Institution

has been named one of the most livable small communities in the world by the International Awards for Livable Communities.

WNY includes
six { Frank Lloyd Wright designed homes the highest concentration outside of Illinois
&
acres { of public parks designed by renowned landscape architect Frederick Law Olmsted

WNY Challenges

WEAKNESSES & THREATS

The Region's Battered Image and Population Decline

Many of the working groups cited the region's battered image and decline in population as a weakness that makes it harder to attract firms, skilled workers, students and visitors, and discourages our own residents.

Coordination and Collaboration

Coordination and collaboration are keys to the knowledge-driven economy. The region needs to foster a culture that supports working together. One example is our failure to embrace regional planning, leading often to uncoordinated development and decision-making.

Business Climate

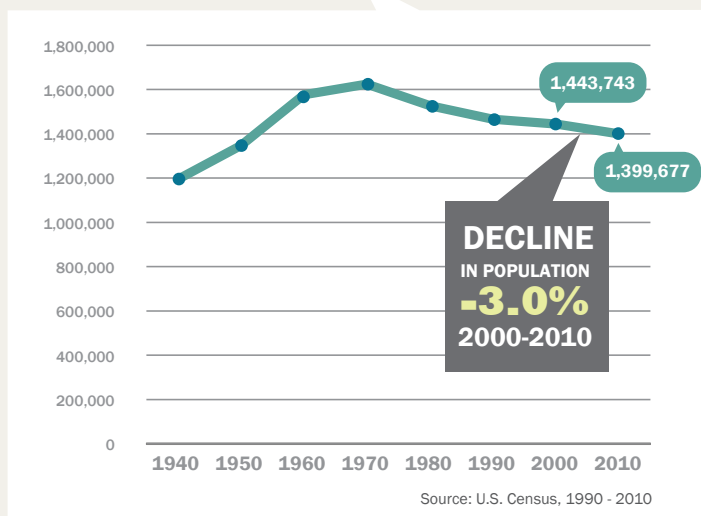
Stakeholders across the working groups say high taxes and burdensome regulations make the state and regional business climate distinctly unfriendly.

The long-term decline in population is the result of Western New York's ongoing economic restructuring. If the region is to reverse that trend, repair its image, and draw new businesses and residents, it will have to improve the business climate, build on its assets, and create a culture of collaboration.

The five-county WNY region is the only one in NYS to decline over the past 10 years.

WNY Population Trends, 1940-2010

The five county **WNY Region** has been gradually shedding population since 1970



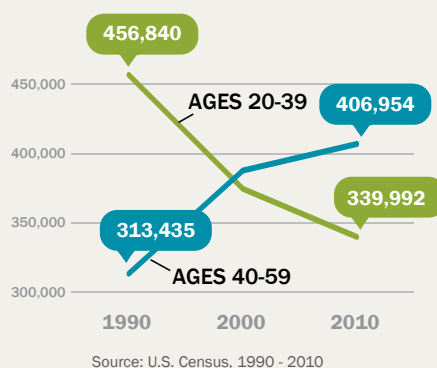
WNY has experienced a slow steady decline of its population base since 1970, taking a toll on the region's tax base, talented labor force, external image and collective psyche. Population growth is not a means for improving the region's economy but it will be a measure of success. Strategies that help the region retain and attract individuals will be important to the region's future economic prosperity.

POPULATION, 2010
1,399,677

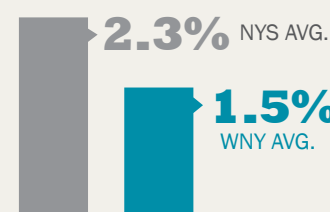
WNY's population loss has been driven by a decline in residents in their 20s and 30s. All regions experience an out-migration of young people; our region has declined because of a failure to attract other young in-migrants. Meanwhile, the rest of the population ages in place. We need to create opportunities and build a quality of life that is most desired by youth drawn to creative and knowledge-based sectors. Migration trends suggest our inability to attract new residents to WNY is core to our population struggles. Strategies must seek to not only keep skilled WNY'ers in the region, but also attract new talent to the region across WNY's industry sectors.

WNY is losing its young people and not attracting new people.

WNY Population Change Ages 20-39 and 40-59, 1990-2010



In-Migration Rates as a Percent of the Population, 2008



Making Smart Decisions

Building the Strategic Goals for WNY

With more than 1,000 voices contributing to the planning process, the WNY Regional Economic Development Council built the Strategy for Prosperity by focusing on actions based on priorities that are regionally specific and unique. The Council developed a criteria to determine what will have the greatest impact to stimulate economic growth and vitality in Western New York.

DECIDING ON THE STRATEGIES & PROJECTS

Criteria for Projects

As the region assessed opportunities and challenges, the Council developed a set of criteria to make informed decisions specific to the needs of WNY.

Creates/Retains/Fills Jobs

The project should result in new jobs being created, existing jobs being retained or unemployed/underemployed being placed in jobs. The number of jobs created, retained or filled as the result of a project should be considered within the context of the size of the business and the amount of funding required. Ideally, the project should create, retain or fill jobs that pay wages above the median average wage for the region. Also, the project should have a high "multiplier effect" through indirect job creation. Or a project should result in placing a number of unemployed or underemployed residents in jobs.

Maximizes Return on Investment

All projects are expected to leverage private investment and/or non-state public investment. A ratio of 4:1 is generally accepted by the State. The more leverage of non-state dollars, the better. Other factors that might improve a project's score include leverage of non-state public funds, the value of products and services exported from the region, the value of purchases within the region.

And finally, is the project ready for implementation?

Jobs, investment and implementation criteria are considered "deal breakers" whose impact must be met in order to qualify for funding.

Inclusive. A project should promote diversity and reduce disparities within the region. A project with a goal or objective of increasing the participation of members of underserved populations in the workforce would have a significant impact. A project that conforms to established State diversity practices by utilizing certified minority- or women-owned business enterprises (MWBs) would fulfill this criterion. A project with no commitment to diversity would not meet the criterion.

Promotes Smart Growth. A project should adhere to smart growth principles to integrate economic development and job creation with community quality-of-life by preserving and enhancing the built and natural environments. Smart growth principles include "infill" development, preservation of natural and cultural resources, reuse of buildings and brownfields and energy sustainability. A project that meets one or more smart growth principles would fulfill the criterion, while a project that encourages sprawl would not.

Oriented to Young Adults. A project should try to attract and retain young adults (ages 18 to 35 years) to counteract a lack of in-migration to the region by people in that age cohort.

Builds Upon Strengths. A project should enhance the region's existing strengths to achieve the largest impact with limited resources. A project that involves one or more of the eight target industries identified by the Council would be aligned with this criterion. Similarly, a project that builds on natural resource assets, such as fresh water and renewable energy, would be aligned. A project in an industry unrelated to a target industry or that does not build upon a natural resource asset would not be aligned.

Regional Impact. The Strategic Plan is intended to be regional in scope. A project that has an impact (jobs, investment or visitors) in three or more counties would be directly aligned with this criterion. Projects impacting two counties would be aligned with the criteria, while a project within a single county would be only somewhat aligned. A project that has only local impact does not meet the criterion.

Improves Region's Image. A project should enhance public perception of the region to grow businesses and attract and retain workers. A project with a goal of improving regional image would have a significant impact. A project not likely to change regional image does not meet the criterion.




The strategy employs two interrelated approaches to achieve our vision:

1. Strengthen fundamentals by building on the assets of human capital through workforce development and promoting entrepreneurship and placemaking by applying smart growth principles
2. Acknowledging these core fundamentals will set the stage for business growth and development across all WNY's strategic industries. In addition to these core strategies, two tools for change emerged as key elements to bring these goals to fruition: reform which encourages business growth and marketing to promote the region's assets.









HOW WE ORGANIZED THE STRATEGIES

An integrated approach...

Strengthen fundamentals...

-  Prepare Our Workforce
-  Implement Smart Growth
-  Foster a Culture of Entrepreneurship

... to build target industry sectors.

-  Advanced Manufacturing
-  Agriculture
-  Bi-national Logistics
-  Energy
-  Health | Life Sciences
-  Higher Education
-  Professional Services
-  Tourism

...to determine regional strategies existing conditions, strategies and performance measures.

Where are we now?

Describes assets, economic development opportunities and critical issues through an overview of existing conditions.


Where do we want to be and how will we get there?

Includes the strategies and goal setting for the regional agenda with specific projects and programs with an eye toward how best to use assets, capitalize on opportunities and address issues.

How will we measure success?

To address the question "How are we doing?," the plan includes performance measurements by strategy to provide an assessment tool of progress over time.

Sharpen tools for growth

-  Promote the Region's Assets
-  Reforms to Allow Businesses to Thrive

Prepare Our Workforce



Prepare our workforce for jobs in regional strategic sectors and emerging markets through curriculum and resource alignment, skills development, partnerships and promoting career and related opportunities.

Where are we now?

Western New York industry and educational leaders agree that the region is at a crossroads with regard to development of the labor force.

A changing economy has placed new demands on the labor market, requiring an adjustment in skills development at all levels, and stronger partnerships among educators and with industries and employers. Yet this transition also presents the region with an opportunity to expand the supply of human capital, build sustainable career paths for disadvantaged populations and fuel emerging industries.

At the same time, greater awareness of job opportunities in growing industries can help the region retain and recruit top-notch talent and further enhance the diversity and competitiveness of the WNY knowledge workforce.

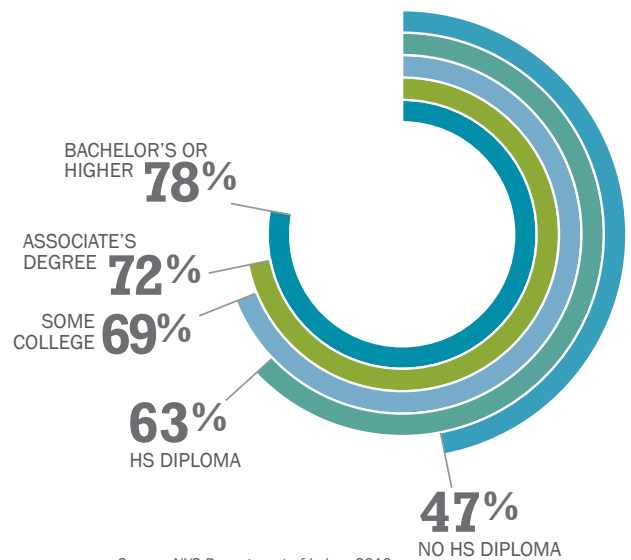
The region can “move the economy through people” by improving the P-12 pipeline, reforming struggling urban schools, expanding access to scholarships, and realigning secondary and higher education with industry needs for skills and knowledge. The region needs to foster a flexible and entrepreneurial workforce by cultivating these values in high school and continuing through college and professional development.

Industry leaders in many sectors identify a strategic need to promote awareness of career opportunities in emerging industries in the region. For instance, the region still offers promising careers in manufacturing. They build upon traditional trades and skills and add innovations in technology and processes. Western New York also needs new ways

8 of 10 WNYers with at least a 4-yr college degree are in the workforce while fewer than half without a HS diploma are employed.

Participation in the Workforce by Educational Attainment of Population, Age 25+, 2010

An educated workforce is crucial for individuals as well as for industry. Labor force participation rates vary dramatically by level of educational attainment. More education is consistently better than less. Those who hold bachelor's degrees are far more likely to be in the labor force than those who never finished high school.



Source: NYS Department of Labor, 2010

708,100 Labor Force
(2010 annual average)

to expose students to potential careers in agriculture where the future viability of the sector depends on recruiting a new generation of farmers. Continued growth of the region's health/life sciences will require a constant supply of talent from both within and beyond the region's borders.

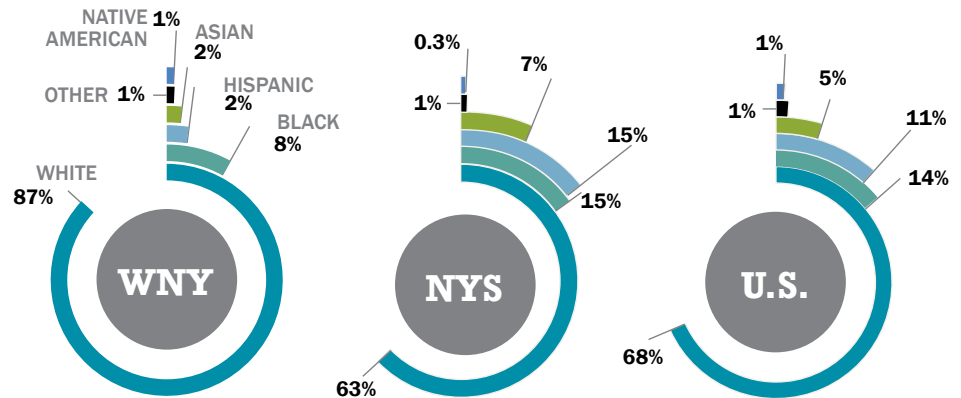
Several industries point to the need to forge links between higher education and industry to ensure graduates are career-ready. These include the

diverse professional services (financial services, business support services and IT operations) and an emerging clean energy industry. Transportation and logistics requires educational partnerships that span the region's international border. And the region's tourism industry depends upon improved training of front-line staff capable of making WNY venues truly visitor-ready.

WNY's workforce is relatively homogeneous.

*Regional Labor Force by Race/
Ethnic Composition, 2009*

While the region's central cities tend to be racially and ethnically diverse, WNY's workforce remains relatively homogenous compared to the state and nation. As demonstrated in the work group process, WNY recognizes that a diverse workforce can advance our economic competitiveness and reduce inequality in the region.



Source: American Community Survey 2005-2009; includes civilian labor force, age 16+; White cohort represents non-Hispanic white population; 'Other' refers to all other races and persons identified as more than one race

Where do we want to be and how will we get there?

Develop and Cultivate the WNY Talent Pool that Includes Workers with Advancement Potential, Underemployed, Unemployed, and Special Populations

AGENDA

1. Expand apprenticeship models in organizational settings.

Apprenticeship and pre-apprenticeship programs provide a bridge to employment for many special populations. Expand models like *Helmets to Hard Hats*, which serves returning veterans in construction trades, to new settings such as arts, health care, manufacturing and agriculture.

2. Establish a sourcing portal for job and training opportunities.

Enhance existing one-stop centers (with web-based access or kiosks in non-traditional locations) for unemployed and underemployed workers where they can find assessment, career planning, job listings and training opportunities. Improvements like "Interpretalk" can help overcome language barriers for non-English speaking foreign-born populations.

3. Increase support and accessibility for on-the-job training.

Continuous on-the-job training funds will reimburse training expenses by businesses that hire and train minorities, women, low-income individuals, ex-offenders and veterans. The funds can also support apprenticeship programs and help businesses establish career ladders for incumbent or dislocated workers.

PROJECT/PROGRAM Urban Automotive Center of Excellence

As part of the Fruit Belt Eastside Redevelopment Project, the St. John Fruit Belt Community Development Corporation, Erie Community College (ECC), General Motors and the Niagara Frontier Auto Dealers Association have entered into partnership for the planning, design, development, construction and operation of a new, modern, state-of-the-art, fully-equipped Urban Automotive Center of Excellence (UACOE). This showcase facility will be situated on an eight-acre site at 490 Broadway intersecting Spring Street in the heart of downtown Buffalo in close proximity to the Fruit Belt and East Side communities and Erie Community College's downtown campus.

The job outlook in automotive technology and auto body repair is promising throughout NYS and locally in the Buffalo-Niagara areas of Western New York. Starting salaries for graduates could be between \$17,000 and \$21,000 and onwards to \$50,000 as they gain experience. The NYS Department of Labor anticipates in 2012 the number of auto technology-related jobs will number 47,820 with an annual increase of 435 new positions and an additional 1,591 openings due to employee turnover. Similarly, the number of auto body repair-related jobs will number 10,570 with an annual increase of 126 new positions and an additional 315 openings due to employee turnover. In WNY, the job outlook for autoservice technicians and mechanics is designated "favorable" by the NYSDOL with 90 openings projected annually with a workforce of 4,570.

Features of the proposed facility include a vehicle display area replicating a sales/showroom, a conference center, bay entrances, an automotive paint and body shop, a compressors area, a welding lab, a painting lab, a machining area, an auto body lab, general education and technology course classrooms, equipment storage rooms and a cafeteria. Students will also receive GED and mentorship assistance.

ECC is committed to establish satellite SUNY/NYSED-approved, one-year academic credit certificate programs in Automotive Technologies and Auto Body Repair to provide credit-bearing education, training and support services for students in the new facility. Students/trainees will be recruited through partnering faith-based organizations in Buffalo and feeder high schools including Burgard in collaboration with ECC's recruitment staff. ECC will also offer a comprehensive compendium of student support services. ECC will work specifically towards job placement of students/trainees who earn certificates through the college's Career Resources Center staff. It is anticipated that these programs will jointly prove capable of serving an initial cohort of 72 full-time matriculated students/trainees when the building is ready for operations, anticipated for Fall 2014.

4. Focus job and training opportunities on local workers.

All publicly funded projects should submit a Workforce Impact Statement that will identify workforce skills needed for the project, provide a skills inventory of available workers within a 50 mile radius, and establish a strategy – including roles for strategic partners – for hiring or retraining workers to meet the demands of the project.

Align Education and Skills Training to a Competency Based Job Market for Current, New & Future Business/Employers to Increase Productivity, Labor Force Capacity and Job Growth

AGENDA

1. Create transferable skill training programs.

Create transferable skills training programs that address current and future needs of target industry sectors that can be delivered with flexible, staffable and alternative delivery methods. Specific activities within this initiative are:

- (i) Create multi-skills-set training programs that address current and future employment opportunities and develop “soft skills.”
- (ii) Institute flexible models for delivery of post secondary education (compress post-secondary training into shorter timeframes and/or develop other out-of-classroom models to develop competencies in alternate settings).
- (iii) Job-related use of technology to facilitate training, increase productivity on the job and increase skills.

Engage Students, Parents, Educators and Business in the P-12 System to Build Awareness to Promote the Connection Between Schooling, Career & College Readiness to Increase Timely High School and Post-secondary Completions

AGENDA

1. Invest in career talent pipeline initiatives.

Invest in career talent pipeline initiatives in the strategic industry sectors such as *Dream It Do It* for the manufacturing industry and *iSciWNY*, a program designed for career readiness in the health care industry.

Develop internship and training career pathways to expand training opportunities for high school and college students throughout the five county region.

Engage business and industry representatives in the school district (such as to work with teachers and add rigor and practicality to programs; this is the goal of STEM (Science, Technology, Engineering & Mathematics) and BOCES (Board of Cooperative Educational Services).

PROJECT/PROGRAM

Say Yes Buffalo

Say Yes Buffalo is a proven education-based economic revitalization initiative that will create a racially diverse and job-ready talent pool for the Western New York Region. Catalyzed by a universal scholarship program and bolstered by a successful national model that includes district-wide community and public support services, Say Yes Buffalo will increase educational attainment and support smart growth, reversing the tide of outmigration from the urban core. To accomplish the goal of increasing post-secondary completion rates (including trade, vocational/technical, 2-year and 4-year education), Say Yes Buffalo will remove financial, academic and social barriers to educational attainment, upgrading the skills in our job pool. The Say Yes Buffalo initiative will be an engine for long-term economic revitalization, radically altering the life course of an estimated 100,000 students over 20 years in the Buffalo Public School District, currently the largest, most diverse and lowest performing school district in the region.

1. Invest in career talent pipeline initiatives, cont'd.

PROJECT/PROGRAM

Dream It Do It

Dream It Do It (DIDI) is a national initiative to promote careers in advanced manufacturing. DIDI was developed by the Manufacturing Institute in Washington, DC, in response to manufacturers throughout the U.S. reporting a shortage of skilled workforce. DIDI was launched in Chautauqua County in 2009 and in Cattaraugus and Allegany Counties in 2011.

Dream It Do It is based on four principles:

- **Align Resources:** Bringing together key stakeholders within a system that is results-driven as well as sustainable, and meets the needs of the employer.
- **Identify Program Development Needs:** Through primary school systems and technical schools the initiative identifies and advises the development of necessary training and education opportunities that help sustain manufacturing.
- **Implement a Comprehensive Communication Strategy:** Dream It Do It will spread its message throughout the region promoting a clear understanding of high-value, advanced, hi-tech manufacturing and its enormous contribution to innovation, productivity, economic growth, wealth-building and high-quality jobs.
- **Coordinate Activities:** Implement grassroots activities including: industry tours, manufacturing camps and outreach to school systems. These functions will be structured as learning activities that expose young people to the world of manufacturing.

This project seeks to expand DIDI to Erie and Niagara Counties to form Dream It Do It Western New York (DIDWNY); build capacity to support the initiative in the WNY region; implement a marketing communications plan to promote advanced manufacturing careers; provide internships and expand apprenticeship programs; and develop a tuition reimbursement program for students who want to stay in WNY to pursue careers in advanced manufacturing.

PROJECT/PROGRAM

Buffalo Arts & Technology Center

Planning and capital build-out of the Buffalo Arts and Technology Center (BATC) will be modeled on the Manchester Bidwell Corporation (MBC), directed by Bill Strickland, in Pittsburgh, PA. The proposed project includes two co-located programs: industry-determined training for unemployed and underemployed adults that over three years of implementation will lead to local employment for 160-200 persons and an after-school arts and technology program that will provide about 400 at-risk teens with the tools needed to succeed in school and graduate. Grant funds will be matched with up to \$5 million, in cash, over four years.

In 2010, The John R. Oishei Foundation commissioned the National Center for Arts and Technology to conduct a feasibility study to determine if the Manchester Bidwell Corporation model could be successfully replicated in the City of Buffalo. Study respondents included 100+ leaders, from among the city's business/financial communities, private medical practitioners, health service agencies, social service organizations and career training providers as well as youth and arts organizations. The study found that career training programs based on the MBC design would positively impact the regional job market by building the local workforce and helping citizens become contributing members of the community. The feasibility study also determined that skills-based arts and technology classes would encourage at-risk youth to graduate on-time from high school and consider post-secondary education. Armed with study results, The John R. Oishei Foundation, with the support of First Niagara Bank, the Community Foundation for Greater Buffalo, Kaleida Health and the Buffalo City School District, resolved to establish the Buffalo Arts and Technology Center. After exploring various venues that might be economically feasible, accessible to target populations, and of required size, in consultation with the National Center for Arts and Technology, it was determined that "Artspace Buffalo Lofts," with sufficient planning and build-out, would be an appropriate home for the Buffalo Arts and Technology Center.

How will we measure success?

Prepare Our Workforce	Performance Measure	Benchmark	Source
Increase diversity in labor force	Degree to which the distribution of the unemployed population matches the distribution of the regional population by race, ethnicity and gender. Monitor trends of underrepresented groups in the workforce.	Currently, minorities represent 14% of the overall population, but 25% of unemployed population	American Community Survey WIBs
Develop and cultivate the WNY talent pool that includes workers with advancement potential, underemployed, unemployed, and special populations	High school graduation 2 – 4 year college graduation Local high school graduates attending local colleges Out-of-state students at local colleges Programs for non-English proficient job seekers	80%, 2010 To be determined 66% (SUNY) 11% (SUNY) 180 "Seniors" with ELL status	NYSED, SUNY
Align education and skills training to a competency based job market for current, new and future business/employers to increase productivity, labor force capacity and job growth	Placement in training programs (completion and placement in employment) Wages of incumbent trainees Wages of new entrants	Baseline data to be generated during first year of training programs	NYS DOL One Stop Operating System
Engage students, parents, educators and businesses in the P-12 system to build awareness and promote the connection between schooling, career & college readiness to increase timely high school and post-secondary completions	Number of students retained Number of students going to higher education	Baseline data to be determined	NYSED

Implement Smart Growth



Implement smart growth by creating infrastructure conducive to sustainable, healthy and attractive development and enhanced quality of life to grow opportunities and bring in new visitors, residents and business to the region.

Where are we now?

The region is endowed with a wealth of indigenous assets -- its people, natural resources, strategic location and historic buildings and neighborhoods. At the same time, the region is challenged by the legacies of sprawl and population decline, including poverty, urban decay, inefficient infrastructure and related health and environmental challenges.

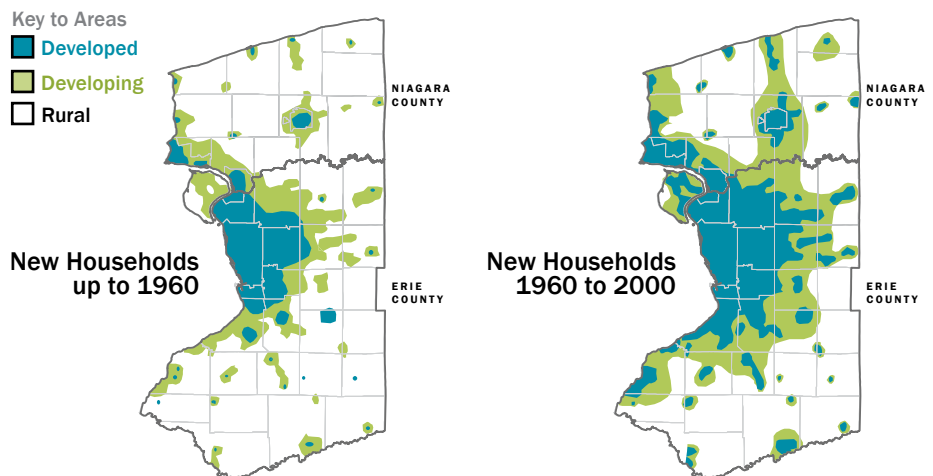
Western New York leaders believe, however, that by building on its existing resources and pursuing the principles of smart growth and sustainable development, the region has the opportunity to reverse these trends, grow the overall economy, attract residents, businesses and visitors, and enhance the health and quality of life of the community.

Smart growth encompasses a focused approach to development that concentrates investments in areas where infrastructure already exists. This involves preserving historic buildings and districts, reviving downtowns and main streets and reinvesting in established neighborhoods and former industrial lands. For new infrastructure investments, smart growth advocates projects that enhance walkability and multiple modes of transportation, connect disadvantaged communities with employment clusters and foster mixed use private investment. It also supports protection of existing open space, natural resources and water

Even as the population declined, the region has been sprawling in a way that burdens taxpayers.

History of Developed Areas up to 1960 and up to 2000

Trends over a 40 year time period...



Between 1960 and 2000, Erie and Niagara counties shed 10.5 percent of its population but more than doubled its developed footprint. Sprawl without growth has resulted in too much infrastructure, with local governments and taxpayers bearing the cost. According to the *Framework for Regional Growth*, if we can locate at least 70 percent of future households in areas where infrastructure currently exists (developed areas on the maps to the left), the two counties can save \$800 million in costs of new roads, sewer/septic systems, schools and other infrastructure. Expanding this model across five counties will create further cost savings.

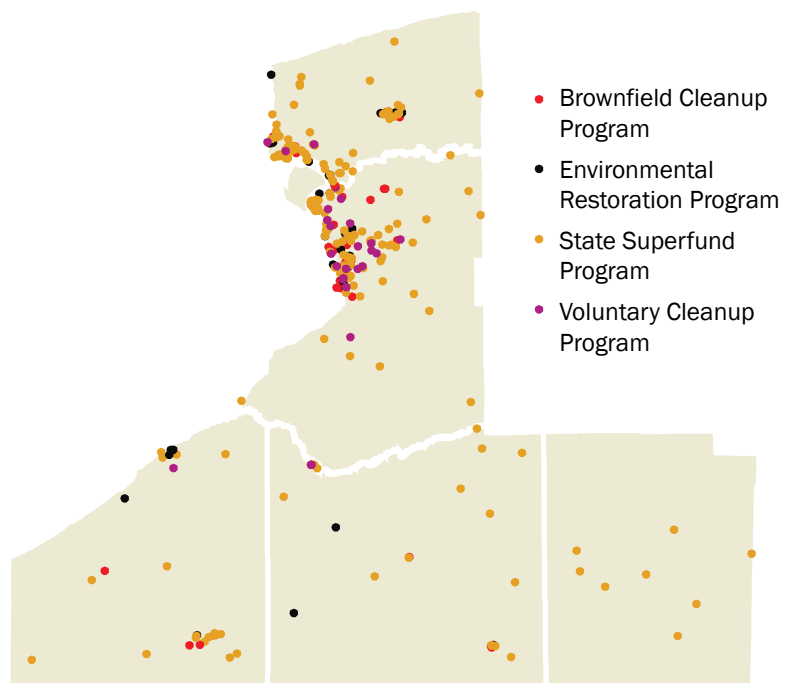
Source: Based on projections and scenario-modeling performed in the *Erie-Niagara Framework for Regional Growth*. Population projections conducted by the GBNRTC predict a 12.5 percent increase in the number of households over the next 20 years. If these new households are sited according to existing development trends, only 25 percent will be located in developed areas and the overall cost in new infrastructure is projected at \$911 million. If we can temper development patterns and locate 70 percent of new households in developed areas, costs for new infrastructure will total \$112, yielding a savings of nearly \$800 million.

supplies while building on the unique opportunities they present for economic development and quality of life.

Making smart growth a strategic approach to development will require regional stakeholders to adopt and remain committed to a regional vision on how and where we grow in the future. Through our planning process, a series of strategies were devised that lay the groundwork for a Western New York vision for smart growth. These strategies will allow us to greatly reduce costs of building new infrastructure, make development decisions predictable, invest in our greatest resources and establish communities across the five counties to attract creative talent driving today's economy.

WNY has the second highest concentration of remediation sites among the ten regions of the state.

Remediation sites in WNY, 2011



Source: New York State Department of Environmental Conservation, 2011

Over 300 sites in WNY experience some form of contamination as defined by the state Department of Environmental Conservation. Reinvestment in these sites in alignment with smart growth principles can revitalize distressed areas, create jobs, attract investment and reverse urban blight and decline. Currently, the costs and regulatory burdens associated with remediation present serious barriers to redevelopment.

Invest in Infrastructure on “Smart Growth” Principles

AGENDA

1. Create a Regional Smart Growth Coordinating Council.

With representation from all five counties, the coordinating council will work to embrace best practices, guide development and coordinate projects of regional importance that drive sustainable development in transportation, housing and land use. The council would work to: regionally implement the NYS Smart Growth Public Infrastructure Policy Act and guide the development of a WNY Regional Sustainability Plan; develop project prioritization criteria to advance smart growth principles; advance transportation investments that offer multi-modal options for regional travelers; create data-based innovative tools that assist local communities with managing vacant properties and reinvesting along smart growth principles; offer educational modules on smart growth zoning and planning to local municipalities; and monitor the performance of the region in creating a more sustainable WNY.

2. Establish the region as a center of green innovation.

Establish the region as a center of innovation by establishing select neighborhoods and anchor institutions as sustainability demonstration sites, setting world-class standards for energy efficiency, renewable energy production and green transportation. This initiative will integrate sustainability efforts in mixed-used districts and anchor institutions throughout the region that create jobs accessible to a broad range of skill levels in sectors including green building retrofits, solar, geothermal and green infrastructure.

PROJECT/PROGRAM

Small Business Green Retrofit Initiative

Green Jobs/Green NY (GJGNY), NYSEDA's new energy efficiency retrofit program, has the potential to transform economic conditions in communities across New York State by reducing costs for businesses and non-profits and creating hundreds of green jobs in the retrofit sector. The Green Retrofit Initiative will provide incentive grants to small businesses and non-profit organizations throughout Erie, Niagara and Chautauqua counties for pre-retrofit repairs, thereby reducing barriers to program participation. By assisting with pre-retrofit expenses such as roof, foundation and building shell repairs, the Initiative will enable small businesses and non-profits to undertake green upgrades on their buildings, including insulation, furnace and window replacement and weather sealing, thereby leveraging approximately \$4 million in private investment in the sector and creating at least 35 new green jobs accessible to low-income residents. By offering incentive grants to approximately 60 small businesses and non-profits for pre-retrofit work such as roof repairs, hazard abatement as well as complementary investments such as green and living roofs, the Initiative will drive demand and private investment in NYSEDA's GJ/GNY, placing WNY at the forefront of the national retrofit industry. Through a training program, the Initiative will also create a pipeline to high-quality jobs for out-of-work and under-represented individuals. Finally, by working with a network of small contractors with strong MWBE representation, the Initiative will foster the growth of nine building contractor firms operating in WNY.

The NYS Green Jobs/Green NY program provides the state with a unique opportunity for economic growth, job creation and reducing business overhead costs. The Initiative will allow WNY to seize this opportunity by addressing basic repairs such as roof leaks, moisture penetration and hazard abatement that prevent small businesses from accessing private financing under the program.

Invest in Downtowns, Villages, Neighborhoods and Brownfields

AGENDA

1. Develop more sustainable neighborhoods.

WNY proposes to establish programming and a dedicated funding source to support comprehensive investments in select neighborhood districts. Modeled after national best practices in community development, the initiative provides comprehensive assistance in housing and commercial building rehabilitation, green building retrofit activities and infrastructure development to spur sustained private investment in neighborhoods challenged by poverty and urban decay.

Under this program, at least one neighborhood would be selected from each of the five counties of WNY. Expected results include an increase in private investment, a reduction of tax burdens and costs associated with vacancy, job creation and a culture of entrepreneurship targeted at neighborhood residents and an improved quality of life in communities across the region.

2. Accelerate brownfield redevelopment.

Accelerating the redevelopment of brownfields sites (that have historically taken 5-8+ years to get ready) will provide more shovel-ready sites in areas already served by infrastructure. Promoting this type of focused redevelopment can enhance smart growth rather than continued greenfield development that contributes to sprawl.

To this end, we are developing a regional brownfield development fund that can augment existing programs like the Brownfield Opportunity Area (BOA) to expand our ability to acquire and remediate contaminated sites and buildings. We are designing how that fund would function and identifying the key brownfield sites that will be prioritized throughout the region.

3. Encourage redevelopment of downtowns and main streets.

WNY seeks to establish a fund aimed at reinvesting in our central business districts, village centers and main streets in accordance with local comprehensive plans. This initiative will build off the NYS Main Street Program to promote reinvestment in public spaces and the reuse of vacant or underutilized buildings, historic preservation, walkability, energy efficiency, transit-oriented development, and mixed use, live/work development. The fund should encourage residential uses and assist in attracting emerging entrepreneurs to locate in these areas. There will be at least one project selected from each of the five counties in the region.

This initiative will enhance the competitiveness and long-term sustainability of these central areas by creating environments that:

- Encourage private investment
- Employers and employees find appealing
- People want to live in and visit
- Leverage urban strengths
- Create a sustainable “24/7 sense of vibrancy and economic vitality”

PROJECT/PROGRAM

Buffalo Central Business District

The project will be located in Downtown Buffalo – the regional hub for business, culture, entertainment, government, and education to strategically connect the Downtown Districts through investment in streetscape and infrastructure development in accordance with the City of Buffalo’s national award winning plan for Downtown – the Queen City Hub Plan. The Queen City Hub recognizes five separate districts in downtown. They include the Erie Canal Harbor and Waterfront District, Downtown Education and Public Safety Campus, Financial District and Government Center, Theatre District and the Buffalo Niagara Campus. The focus of this project will be reestablishing high quality multi-modal transportation corridors that link Main Street, the Genesee Gateway and the Buffalo Niagara Medical Campus.

The project builds upon a match of \$18 million in infrastructure investment that will be expended over the next two years. Projects included are: Cars on Main Street – 600 Block, Pearl Street Conversion and Chippewa Street Improvements, Genesee Gateway Project, Buffalo Niagara Medical Campus Phase I, Buffalo Niagara Medical Campus Phase II and Elmwood Avenue – Chippewa-Church streetscape and pedestrian enhancements. Funds requested will also be used towards the Main Street Revitalization North of Goodell Project. In addition there has been \$1 billion in private and public investment that has occurred in Downtown over the past 5 years. The project will support the investment of more than \$1 billion in projects currently proposed or planned for Downtown. The goal of the project is to seamlessly connect these regionally significant investments and create a vibrant, walkable, mixed-use environment that retains 65,000 jobs, and attracts 21st century businesses and talented human capital that will drive the regional economy. Infrastructure investment and improvement along critical gateways and corridors will improve connections between districts downtown with adjoining distressed neighborhoods in order to improve equitable job access, workforce connections, and recreational and shopping opportunities.

The outcomes will be the retention of existing jobs and businesses in the regional core; increased vibrancy, tax base and image; growth, investment and development in sustainable and regionally accessible areas; equitable access and direct connections to regional job growth and economic opportunities; the reuse of existing infrastructure; increased transportation choice; the reinvigoration of regionally significant assets and landmarks; expanding Complete Streets in Downtown; and a more connected and dynamic urban core that attracts talented human capital, and fosters regionally significant business growth and development. The project will effectively leverage and bolster Downtown Buffalo.

3. Encourage redevelopment of downtowns and main streets, cont'd.

PROJECT/PROGRAM

Olean Central Business District

The overall redevelopment project proposed for the North Union/West State Street corner properties located in the core of the City's Central Business District aligns with local and regional smart growth strategies and principles. Failure to execute this project will result in further sprawl west of the City of Olean and a reduction in investment in the Central Business District. Failure to recover the under developed land and existing buildings that are currently vacant will contribute to slum and blight, and discourage the mixed use development that can create small-scale employment opportunities.

The City of Olean seeks to redevelop the former Manufactures Hanover Building at 101 North Union, 107 North Union, 110 West State Street and 116 West State Street properties along with the redesign of Union Street and adjoining streetscape improvements.

PROJECT/PROGRAM

Olean East State Street Reconstruction

Reconstruction of E. State Street (NYS Route 417) from Front Street to King Street, 0.5 miles, to include replacement of the water line, sanitary sewer line, installation of new storm sewer and complete road base to include new curb and gutter. The existing street is in deplorable condition due to a lack of storm drainage and improper sub-base. The proposed project would fix the street in a permanent manner instead of putting on a Band-Aid, as done in the past. Reconstruction of this section of East State Street, with flow related improvements, is a "fix it" investment strategy that not only addresses a public safety concern, but also increases capacity, thus spurring development in this concentrated area and bringing jobs and increased incomes to a distressed neighborhood.

The project is located three blocks east of the City's downtown business district and less than one mile west of four local industries that collectively employ more than 1,500 workers. West of the project along the north side of East State Street is a municipally owned park/recreation complex and on the south side, Bradner Stadium. East State Street has an average volume of 17,000 vehicles per day and currently a portion of the street has been reduced from 3 lanes to 2 because of the extremely dangerous conditions. Due to improper drainage, the curb lane is now beyond repair and pedestrians have been injured due to flying road debris. Therefore, the City was obligated to close the curb lane for not only vehicular traffic safety but pedestrian safety as well. This action was not a situation of deferred maintenance. Along with repaving the Street numerous times, the City continues to invest in this Street, taking care to seal cracks, patch potholes and keep drains open over the year to the best of it ability with limited resources. However, the City is unable to adequately respond to this pressing need because its resources are already allocated to other infrastructure projects including work necessitated by a consent order on a new pump station project in this same general area (Phase I of that project.) Further, in April of 2011, the City requested assistance from the Office of Community Renewal for Phase II to replace undersized storm water infrastructure and repair/reline sanitary sewer lines in the neighborhood abutting the proposed East State Street reconstruction project.

Where do we want to be and how will we get there?

Protect Water Resources, Waterfronts and Habitat

AGENDA

1. Restore and protect water resources, open spaces and habitat.

Prioritizing projects that provide for the direct and long term restoration and protection of water quality and quantity, and preservation of open spaces and habitat can create sustained economic benefits for the region.

WNY has access to 25 percent of the world's fresh water. In a global climate that is rapidly changing and where the scarcity of water will only increase, protecting and conserving our water resources can be an economic development strategy that prepares the region for sustained growth over the 21st century. Natural habitat and open space preservation can provide economic benefits as well by enhancing quality of life, advancing our agriculture industry and increasing property values of existing developed lands.

2. Enhance public access to waterfront areas.

Providing, protecting and improving public access to waterfront areas can enhance quality of life for residents of the region while expanding our nature-based tourism industry. Greenway trails throughout the five-county region and infrastructure investments that allow the public to easily access the water's edge using a variety of transportation modes can advance this agenda.

How will we measure success?

Implement Smart Growth	Performance Measure	Benchmark	Source
Invest in infrastructure on "smart growth" principles	Energy retrofits	3,855 retrofits (11/10 - 11/11)	NYSERDA
Invest in downtowns, villages, neighborhoods and brownfields	New businesses in developed areas of the region Brownfields remediated	Percent of current businesses in developed areas to be measured through 2012 Regional Sustainability Plan	NYS DOL Quarterly Census of Employment and Earnings NYSDEC
Protect water resources, waterfronts and habitat	Miles/feet/acres of protected and enhanced through Local Waterfront Revitalization Program (LWRP)	26 waterfront revitalization plans in the region	NYS DOS

Foster a Culture of Entrepreneurship



Foster a culture of entrepreneurship to grow from within and leverage the region's research & industry strengths by reducing burdens on small business & creating an ecosystem that supports entrepreneurs.

Where are we now?

Entrepreneurs create jobs and, by doing so, create the future. Today, Western New York is poised to leverage its capacity to create new ideas, connect these ideas with people and industry, and spur economic growth. Our leaders believe that by fostering a culture of entrepreneurship, partnering with higher education institutions to better bring technologies to the marketplace, and enacting regulatory reform, the region has the opportunity to grow the overall economy and thrive in the 21st century economy.

The regional capacity to develop entrepreneurialism is vast. Leveraging regional advantages like low-cost energy will lead to the development

and commercialization of businesses in all industry sectors – including energy-related businesses. In the advanced manufacturing sector, leaders can develop and fund research centers focused on our particular strengths. The life sciences industry, too, is poised to stimulate business creation and job growth. The long-term viability of one of the most critical regional economic sectors -- agriculture -- depends on generating new ideas and attracting new people to the industry, with incubators serving as a mechanism

for applying new research on agricultural production and supporting business development.

Research & Commercialization

Buffalo-Niagara Falls MSA...

*...ranks **in the top 15 MSAs** in **Academic Research & Development** funding.*

*...ranks **7th** in **National Institutes of Health** funding dollars and **4th** in **Science & Engineering** graduates.*

*...rates **last** in **net firm creation** per 100,000 inhabitants and ranks **37th** in **venture capital** invested as a share of gross metropolitan product.*

Where do we want to be and how will we get there?

Foster and Support Entrepreneurs

AGENDA

1. Create an Entrepreneur Academy.

An adjunct to the University at Buffalo's Center for Entrepreneurial Leadership:(CEL) create an intensive, leadership-oriented, full-time curriculum to include finance, compliance, leadership, technology and marketing modules – targeted toward pre-entrepreneurs. CEL Core would remain targeted toward working entrepreneurs.

2. Establish a Business Advocate in the Office of the Executive.

Establish a Business Advocate in the Office of the Executive who will assist all New York State businesses in complying with regulation and taxation in New York. The role model is the IRS Tax Advocate, who has the power to suspend action and provide time for compliance or adjudication. The Business Advocate should be able to suspend regulatory action for 30 days if there is no immediate threat to health, environment or property.

3. Develop best practice incubators throughout WNY.

Incubators to include:

1. Entrepreneur-in-residence for mentoring (in collaboration with JumpStart NY Project)
2. Shared services and common areas to promote cross-pollination of ideas
3. Specialized space/facilities to lower fixed costs of startups

PROJECT/PROGRAM

Jump Start WNY

Launch New York is a new 501c3 created to a) accelerate formation of new high-growth businesses and b) create an entrepreneurial environment or ecosystem that will drive entrepreneurship and high-potential start-up companies in the region. Launch New York represents the implementation of a business plan developed through the JumpStart NY Project, which is a planning project funded in 2010 by a grant from the Economic Development Administration to Erie County Industrial Development Agency in collaboration with nationally-recognized JumpStart Inc, in Cleveland, Ohio. In addition to driving new businesses, Launch New York will measure the performance and economic impact of these businesses. Programming also encompasses an inclusion focus to reach underrepresented populations.

4. Support Jump Start for WNY.

5. Establish a Certified Startup status for new businesses formed in New York State.

Certified Startups would be permitted to “learn their way into compliance” with grace periods, training and assistance from experts – beginning at the date of formation with the Secretary of State:
1-year grace period to participate in Unemployment Insurance and Workers Comp Insurance
2-year status as eligible for deductible, pro-bono professional services
Required online training & testing for tax and regulatory compliance plus basic business skills training (accounting, forecasting, hiring & supervision)

6. Support success of Women & Minority Business Enterprises.

Accelerate the development and increase the success rate of WMBE by monitoring compliance and ensuring prompt pay. Studies show that WMBEs remain underrepresented in the marketplace, including State procurements, earn less and are more likely to be denied credit than other businesses. Regional stakeholders have developed a working group focused on these issues and remain committed to developing strategies to enhance the growth and success rates of regional MWBEs.

Fund Entrepreneurs

AGENDA

1. Establish a “Forgivable Loan for Jobs” working capital loan fund for small businesses.

The role model is the Cattaraugus County Casino Loan Fund. Western New York entrepreneurs are starving. There are very low rates of investment in start-ups and although our banks top the list of SBA lenders, this is largely symptomatic of their unwillingness to loan without government guarantees.

Business owners will file a three-year plan to create jobs and borrow \$20,000 per new FTE up to a maximum of \$100,000. After three years they would report net new employment using NYS-45 data. The loan would be forgiven at the rate of \$20,000 per new job. Unforgiven amounts would enter a five-year repayment plan. The loan would be subordinate to bank lending but personally guaranteed. Funds could be used for any working capital need. Transaction cost and time is minimized. Public acceptance is maximized because these funds will either create jobs or they will be recovered from the entrepreneurs.

2. Angel Investor Tax Credit.

Early stage investments are very risky, often taking years to either pay off or fail utterly. Patterned after a program run by the State of Arkansas, our proposed program will provide an immediate tax credit to prompt potential Angel Investors to place money now.

Given the current poor performance of traditional investments, there may be pent-up interest in angel investing which could be inspired by the announcement of this tax credit. The WNY Venture Association, together with incubators, will perform the marketing of this credit by providing events where potential Angel Investors will meet entrepreneurs and other investors.

How will we measure success?

Entrepreneurship	Performance Measure	Benchmark	Source
Foster and support entrepreneurs	Business start-ups	3,200 new reporting units (2010)	Research Organizations
	Strategic partnerships	To be measured	
Fund entrepreneurs	New firms Angel investors Venture capital (VC) funds in the region	3,200 in 2010 Baseline data on angel investors and VC funds yet to be calculated	NYS DOL Quarterly Census of Employment and Earnings

WNY Industry Sectors

WNY stakeholders identify eight distinct industry sectors that will be key to our future growth. Strongholds of our industrial past like manufacturing remain important, but so are knowledge-based sectors like higher education and health & life sciences. Fields that capitalize on regional assets like tourism, agriculture and energy also remain critical throughout

the five-county region. This diversity has proven to be a stabilizing force for WNY during downturns in the national and global economy.

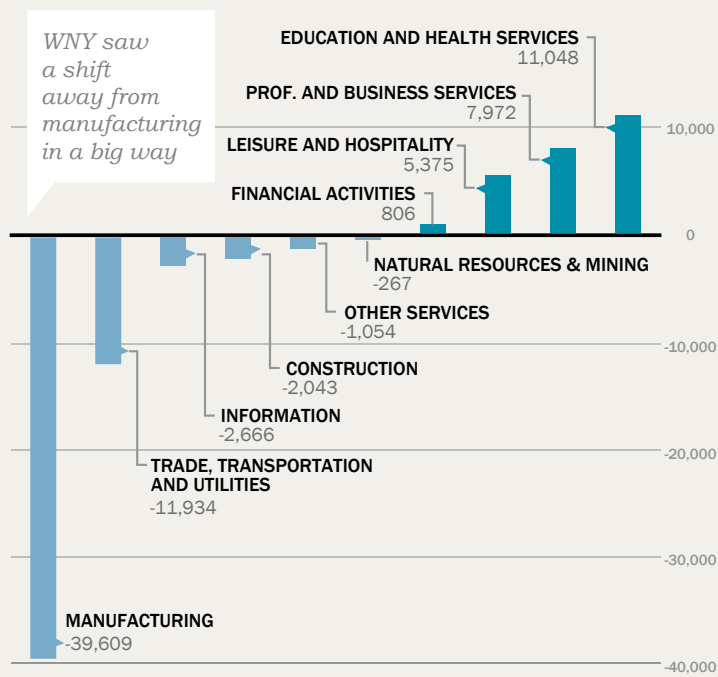


612,102

Number of Jobs
(2010 preliminary annual average)

The region's labor market is changing.

Change in Jobs, May 2001 to May 2011

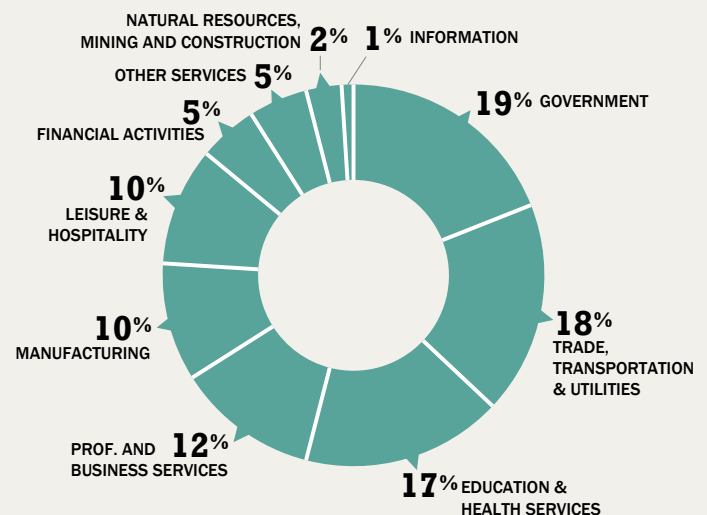


Source: NYS Department of Labor, 2001 - 2011

Contrary to the region's reputation as a Rust Belt region with a blue collar economy, most of WNY's job growth is in white collar and service-based industries. While traditional production-based industries remain important to the region's economy, WNY has placed increasing focus on education and health, professional and business services, leisure and hospitality and financial services as areas to invest in for future growth. While manufacturing has experienced significant job losses in line with national and global trends, the sector remains critical to the regional economy, with annual payrolls far outpacing other sectors.

WNY's job base is a composition that currently mirrors the nation.

Distribution of Nonfarm Jobs, May 2011



Source: NYS Department of Labor, 2011

As opposed to decades past when WNY's economy was heavily based in manufacturing,

today, the economy reflects a diverse and balanced mix of jobs similar to the composition of employment nationwide. Manufacturing remains important, providing one job in 10 in the region, but we are no longer more dependent on manufacturing than the rest of the nation. This greater balance in the WNY economy has protected the region in the face of periodic downturns in the national and global economy.

34,042

Number of Firms
(2010 preliminary annual avg.)

Eight targeted industries represent a more diverse regional economy.

Eight select industries serve as focal points for our economic future and have been targeted for an array of reasons. Some are experiencing growth and projected to expand in the future. Those not experiencing growth either rely on geographic assets unique to the region like our international border location, agricultural lands or natural resources, or represent a large concentration of jobs and employers in WNY. In total, these industries comprise over half of all jobs in WNY and reflect the diversity of the region's economy.

	High Job Concentration <i>(represents at least 10% of all jobs in region)</i>	Growth Area <i>(experienced job growth between 2000-2010)</i>	High Wages <i>(average industry wage is greater than regional average wage)</i>	Builds Off Unique Geographic Assets <i>(capitalizes on geographic or natural resources unique to the region)</i>
Advanced Manufacturing	✓		✓	
Agriculture				✓
Energy				✓
Higher Education		✓	✓	
Health Life Sciences	✓	✓	✓	
Professional Services	✓	✓	✓	
Tourism	✓	✓		✓
Transportation & Logistics				✓

Source: Based on analysis from NYS Department of Labor, Quarterly Census of Employment and Earnings, 2000 - 2010

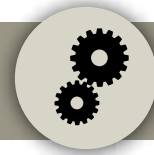
To assess change across all eight sectors, a set of performance measures will be used to gauge progress over time.

How will we measure success?

WNY Industry Sectors	Performance Measure	Benchmark	Source
Increase employment	Jobs	Change in number created or retained	NYS DOL Quarterly Census of Employment and Earnings; USDA, Ag/Mkts and Farm Bureau
Increase income	Wages	Change in number	NYS DOL Quarterly Census of Employment and Earnings
Increase investment	Firms	Change in amount	NYS DOL Quarterly Census of Employment and Earnings

WNY Industry Sectors

Advanced Manufacturing



Where are we now?

Advanced manufacturing is crucial to the future of the WNY economy. No U.S. region in decline has ever reversed its fortunes without growth in the advanced manufacturing sector. And our region has significant strength on which to build — in medical devices, precision instruments, advanced materials and energy storage, among others. But the time to take advantage of these assets is passing.

This sector doesn't include conventional mass-production manufacturing, much of which has moved away. Rather, it encompasses a wide range of high-

technology products and processes that are characterized, not by type, but by the way that research, product development, design, labor and management need to be closely integrated in a process of continuous innovation. Such jobs are difficult to "off-shore" and they depend heavily on proximity to sources of "intellectual capital."

Firms in this category, however, continue to be challenged in meeting their needs for skilled labor, research and technical expertise and access to venture capital. They are also beset by burdensome regulation and a general misunderstanding of what advanced manufacturing has to offer the regional economy.

The region's research universities provide a crucial resource for advanced manufacturing, in terms of the supply of highly skilled workers as well as access to cutting edge knowledge produced by university faculty.

The connections between industry and academia need to be strengthened. Career paths need to be illuminated. And a general awareness of the value of this sector needs to be expanded.

From January 2010 to April 2011 alone, WNY brought 157 new manufacturers, and 2,634 new manufacturing jobs to the region.

Where do we want to be and how will we get there?

Leverage Research Capacity to Attract and Accelerate the Development of Advanced Manufacturing

AGENDA

1. Make research more available to manufacturers.

Streamline the process and rationalize the incentives for translating research by university faculty into new products and processes by entrepreneurs, start-up companies and existing manufacturers. Resolve intellectual property issues and consider fee-for-research arrangements to provide incentives to grow both research and investment in companies.

2. Create or strengthen university centers for advanced manufacturing.

Authorize funding for research centers, departments and their host organizations building on the model of Centers for Advanced Technology (CATs). CATs at Alfred and UB and 13 others around the state have been among the most effective tools for economic development in New York for nearly 30 years. Consider the Brookings-Rockefeller recommendations to establish virtual advanced manufacturing centers that can build on existing R&D strengths, support research to develop relevant new technologies and educate firms throughout the supply chain to apply these technologies.

PROJECT/PROGRAM

High-Temperature Materials Characterization Laboratory

Alfred University is seeking funding to complete the High-Temperature Materials Characterization Laboratory, initially created in cooperation with Corning, Inc., but now providing a number of industries across New York State with high-temperature analytical and characterization services including Corning, General Electric, Delphi, Lockheed Martin, Saint Gobain, as well as several smaller companies. The additional funding would allow the university to complete the suites of specialized characterization equipment, as well as to purchase equipment and renovate facilities for testing applications of high-temperature materials, including a wind energy/fluid mechanics lab; a thermal science/solar energy lab; a photovoltaic solar energy lab; an alternative fuels laboratory; and a power conversion and controls laboratory.

The facilities and equipment will give Alfred University — and therefore New York State industries — unique capabilities to analyze and characterize materials that are processed or expected to function at very high temperatures, thereby enhancing their efficiency, cost-effectiveness and durability. These are particularly important considerations in the field of renewable energy, including, but not limited to, development of batteries for the storage of energy. Engineered materials, particularly ceramics, are an enabling technology, often hidden in other applications, but absolutely critical to making those applications and products function.

This proposal will allow Alfred University to:

- Expand the analytical, characterization and processing capabilities of Alfred University's High-Temperature Materials Characterization Laboratory. The facility is unique in the United States, providing researchers with the tools needed to analyze and characterize materials at very high temperatures. This is a particularly valuable resource in the development of materials for solar energy applications and battery storage.
- Build upon Alfred University's strength and therefore the capabilities of New York State industries in the development and analysis of materials that are crucial to the efficiency, cost and durability of renewable energy systems.
- Give New York State industries an edge in the renewable energy field by providing a source of future engineers and researchers, as well as a access to a high-temperature materials characterization laboratory where industries can test materials and systems. This will lead to retention of current jobs and creation of additional jobs as the industries grow.

3. Provide information on research resources.

Compile and maintain a current inventory of research strengths in the region, coordinating with efforts such as Knowledge NY and regional economic development entities but maintaining a focus on manufacturing.

Boost
Competitiveness
through Career
Awareness

AGENDA

1. Build awareness of careers in manufacturing.

Expand the implementation of "Dream It, Do It" a national program designed to introduce young people to career opportunities in advanced manufacturing. The program shows students that careers in the field can be exciting and rewarding and can help deliver a message to the broader public about the value of advanced manufacturing to the regional economy.

PROJECT/PROGRAM Dream It Do It

see pg 21

WNY Industry Sectors

STRATEGY

Agriculture



Where are we now?

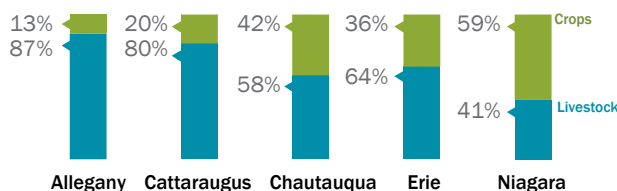
Agriculture is a vital industry sector in New York State and remains one of the region's most viable enterprises. WNY has a reputation for the highest quality fruit, vegetable and dairy products, and produces significant quantities of other products, such as grains.

It is an important contributor to WNY prosperity but it could be more so with better access to markets, new products and processes and a less burdensome regulatory regime. Because the sector is large, even modest increases in sales or reductions in cost can translate into many new jobs and additional income.

The plan calls for creation of a new marketing strategy focused on promoting

Agriculture is an important industry throughout the five counties.

Distribution of Farm Sales, 2007



Source: United States Department of Agriculture, 2007

Total WNY Farms, 2007

5,707

Farms account for...

1 in 7 WNY businesses

Total Farm Sales, 2007

\$480 million

the value of local food, such as wine, cheese and yogurt, with a goal of increasing sales across the sector. Industry leaders calculate that a focus on marketing will result in a 20% increase in sales over five years, creating more than 1,000 new agricultural production jobs in our region.

Innovation in agriculture is also key. The plan proposes a broad-based program

to connect farmers with researchers to improve techniques for growing, processing, packaging and distribution, and to introduce new products and create new market linkages to increase sector competitiveness.

Where do we want to be and how will we get there?

Make Agriculture More Competitive through Branding, Innovation and Career Awareness

AGENDA

1. Collaborate to create and promote a regional brand for local food and agriculture products.

Collaborate to create and promote a regional brand and marketing program to educate the public on the value and availability of locally produced food and agricultural products with the goal of increasing sales for local producers. Industry leaders calculate that a 20 percent increase in sales over five years can boost sales by \$100 million and create a thousand new jobs in our region.

2. Increase innovation to improve products, processes, market links.

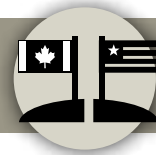
Organize an innovation council to promote connections among farm businesses and research institutions to develop and promote innovative practices to lower costs and increase the value of farm products. Increased investment in research and translation can help farmers increase product quality, reduce energy use, promote workforce quality and motivation, develop new linkages between producers and consumers, and share information across the industry and research universities.

3. Promote careers in agriculture.

Developing a new generation of farmers is crucial to sustaining agriculture as an industry sector in our region. Work with secondary education and others to promote agricultural career choices through creation of coursework, including business management as well as agriculture topics, and development of internship opportunities.

WNY Industry Sectors

Bi-national Logistics



Where are we now?

Western New York is well-positioned to develop as a primary international hub for transportation, logistics and distribution. The region enjoys a prime geographic location, robust transportation network, a strong base of professional knowledge and skilled workforce. Strategic investments in this sector are likely to produce significant returns in jobs, firms and income.

The region perches on the U.S.-Canada border within one day's drive of three-fifths of the Canadian and two-fifths of the US population. It is part of an expanding bi-national market of nearly nine million people encompassing Toronto, Buffalo and Rochester. We possess strong links and multi-modal connections for truck, rail, ship and air transport and plentiful sites for assembly, storage, processing and distribution. The region hosts a cluster of professionals in customs brokerage, international trade law, insurance,

As a global gateway, exports play an important role in the regional economy.

Buffalo-Niagara Falls MSA



In part driven by our border location and status as one of the largest foreign trade gateways in North America, exports play an important part of the region's economy. Exports from the Buffalo-Niagara Falls MSA total \$7.2 billion annually (11.6% of our GMP) and account for nearly 48,000 jobs. Building on our export base can create further economic and employment opportunities for the region.

banking and other key specializations as well as expertise in supply chain management at area universities.

With timely and concerted strategic action, WNY can capitalize on this important — but time-sensitive — opportunity to take a primary position in the global trade, transportation and logistics network. Action is needed now

Export Jobs, 2008

47,962

Exports Annually, 2008

**\$7.2
billion**

Export Share of GMP, 2008

11.6%

Source: Brookings Institution, 2010

RANKING
(Top 100 Exporting
MSA's in U.S.)

#45

#40

#38

on coordinated, cross-border planning for key investments in transportation and logistics infrastructure as well as improved operational relationships and effective promotion of WNY as an attractive locational option.

Where do we want to be and how will we get there?

**Leverage our
International Border
Location**

AGENDA

1. Create a bi-national logistics council.

Create a bi-national logistics council to coordinate planning for key investments; advocate for public policy action on taxation, regulation, and infrastructure; build operational relationships among key stakeholders; and mount a marketing and promotion strategy and program to reinforce the region as a primary hub in the global logistics network. The council could be led by an existing economic development entity and would encompass representatives from five WNY counties and southern Ontario including stakeholders from industry, government and academia.

AGENDA

1. Develop key transport and logistics facilities.

Develop key transport and logistics facilities to expand regional multi-modal capacity to move, store and process goods. Such projects would include master planning for the development of Niagara Falls International Airport and reuse of the Niagara Falls Army Reserve Center. The U.S. Department of Defense will be conveying the former Niagara Falls Army Reserve Center site to the Town of Niagara Local Redevelopment Authority for the purpose of economic development. An analysis has been conducted of the 22-acre site and accompanying buildings. The site, which is located adjacent to Niagara Falls International Airport, contains nearly 150,000 square feet of leasable space including a 65,000 square feet of airplane hangar. A reuse plan has been prepared for the site recommending a mix of light industrial uses for the property with an emphasis on aviation and aerospace activities, including air cargo operations. Reuse of the site will create new jobs and private investment.

PROJECT/PROGRAM

Niagara Falls International Airport Master Plan

The NFIA is a reliever airport in Niagara County, located on a 1,006-acre footprint. It provides general aviation, military and commercial charter flight service. The NFIA has three active runways and 13 supporting taxiways. The 10,825-foot main runway is the fourth longest in New York State. This capacity, in combination with 24-hour-a-day operations, competitive landing fees and no noise curfew, makes the NFIA ideal for international travel by the world's largest aircraft. The NFIA operates under a joint-use agreement with the United States Military. The Niagara Falls Air Reserve Station is located on airport property and is home to the Air Force Reserve Command's 914th Airlift Wing. The 107th Air National Guard, Army Reserve and Military Entrance Processing Station are all stationed there, encompassing the five branches of the United States Armed Forces.

The NFIA is at a critical point on its path to becoming an economic catalyst. In 2009, the NFIA opened a \$31.5 million state-of-the-art passenger terminal as part of the \$43.9 million NFIA Improvement Project, including \$12.4 million in apron and landside improvements. The new terminal's 69,430 square feet design and dual gates triples the size of the old terminal, and can simultaneously service domestic and international flights. Consequently, the NFIA's annual passenger count increased from just 1,000 to more than 200,000 since 2009, proving that both air carriers and passengers value modern aviation facilities.

According to the 2010 New York State Department of Transportation Economic Impacts Report, the NFIA has an annual economic impact of \$158 million and an employment impact of 2,000 jobs, based on 2009 data. The report also states that one airline passenger in Upstate New York generates \$840 in economic return, and 132 passengers equal one upstate job. As described above, NFIA activity has dramatically increased since 2009, and both the annual economic and employment impacts would be even higher if the study was conducted today. Already, visible development is underway around the NFIA, with several new hotels being built in close proximity to the airport.

2. Invest in regional facilities for light manufacturing and distribution.

Invest in regional facilities for light manufacturing and distribution to establish state-of-the-art manufacturing, warehousing, motor freight and distribution facilities that maximize product flow and storage. Such projects could include development of a proposed Ripley Gateway Center on 140 acres in Chautauqua County and development of a water-rail-truck facility on 1,000 acres of the former Bethlehem Steel site with potential to create up to 10,000 jobs.

3. Convene New York State/Ontario Leaders Summit

Convene a summit between New York State Governor Cuomo and Ontario Premier McGuinty with the goal of advancing cross-border trade and tourism to highlight the substantial positive impact that our cross-border commerce has on our economies and to shine a spotlight on the vital services and infrastructure WNY has in support of this commerce.

4. Finalize the Peace Bridge plaza.

Create greater physical and operational capacity at a renovated Peace Bridge plaza, at a key international crossing, ideally building on emerging agreements for pre-inspection of commercial carriers on the Canadian plaza, while recognizing the importance of the Olmsted Park and historic Neighborhood that are adjacent to the U.S. Customs Plaza. Enhanced coordination among the five Niagara river crossings will further facilitate commerce and tourism.

WNY Industry Sectors

STRATEGY

Energy



Where are we now?

With a primary, overarching goal of making WNY a global energy hub, the region can reclaim its status as an international leader by melding its rich industrial heritage, the birthplace of electricity, Smart Growth, targeted industrial segments and the coordination of research and development to advance a consortium to capitalize on the strengths of our regional colleges and universities. A number of industries in WNY have roots to original allocations of hydropower and are energy intensive, other industries rely on reliable transmission (notably those targeted in Advanced Manufacturing and Life Sciences) of electricity to enhance

productivity (downtime, scrap, lost research, etc). Taking a holistic approach to energy captures the fully supply chain from generation to consumption and all points in between supporting the premise that each component adds to the value of the whole integrated process. The WNY Global Energy Hub will utilize the broad spectrum of industry in a living lab format seeking research that will explore the impact of grid modernization as a strategic advantage in enhancing reliability/power quality, efficiently attaching renewable sources to complement other grid connected generation, as well as, exploring the breadth and scope of defining smart grid in practical and replicable terms. As a function of Smart Growth, Smart Grid and Sustainable Communities in general, the consortium will also explore the effective integration of alternative fuel vehicles as one of many demand side

The electric power sector is the fastest growing share of the energy economy in New York, the United States, and most of the world. This growth requires considerable investment and planning by power generating companies and state agencies.



alternatives. Each component within the energy supply chain holds promise for innovation and coupling this with the strength of a coordinate educational format, future entrepreneurs will effectively tap into a student workforce that is an integral part of creating the future, here in WNY.

Where do we want to be and how will we get there?

Position WNY as a Global Energy Hub

AGENDA

1. Create the “WNY Global Energy Hub.”

A consortium to advance energy hub strategic advantage in a coordinated way. The consortium will identify and hire a world-class director whose background must include significant industry experience relative to energy generation, distribution and storage (with a Ph.D. in energy sciences or engineering preferred). This consortium will be expected to leverage and expand existing education collaboration between key partners (e.g. UB, Buffalo State, Alfred, Syracuse).

Coordinate energy education: smart grid, energy efficiency, with a focus on transmission and distribution, end use, energy storage and power quality and reliability. Develop an implementation plan with focus on coordination of research, education and commercialization efforts. Influence workforce development through regional educational institutes for programs that focus on the energy economy.

Energy Efficient Transportation Investment and Support Structure

AGENDA

1. Create a robust market driven strategy for energy efficient transportation.

Create a robust market driven strategy for energy efficient transportation and have infrastructure in place, region wide, to support alternative fuel models for personal and commercial vehicles. The project would include stakeholder education workshops and studies to create a blueprint for a public/private investment to foster pilot programs.

WNY Industry Sectors

Health | Life Sciences



Where are we now?

Investments made by the State of New York in the region's life science industry have begun paying dividends in the form of job growth, increased synergies across multiple domains and sparks of entrepreneurship around cutting-edge medical technology.

Building off these strategic investments are a series of tactics that can elevate our life sciences industry to the next level. Included are projects that provide support for bringing ideas born in the region's laboratories to the global market, recruitment tools aimed at the type of talented professionals who are magnets for additional talent and investment, and a globally unique research asset that will make the region a global destination for research and the cultivation of new medical products.

From a healthcare delivery perspective, the region proposes an approach to planning that can reduce costs, putting the region ahead of the curve in responding to national reforms in healthcare and providing measurable cost savings to the region's citizens and employers.

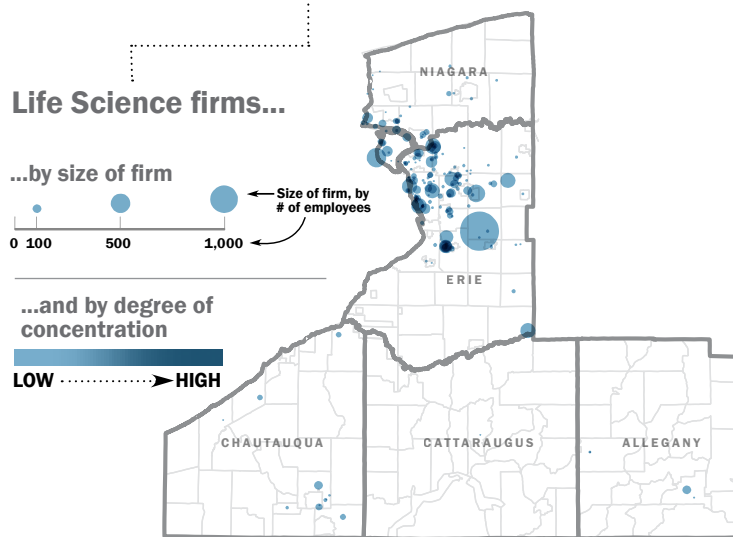
Western New York is home to a flourishing life sciences industry, encompassing hundreds of companies involved in research and development, the manufacturing of medical devices and the production of pharmaceuticals and medicines. The industry has grown over 7% in the past decade, spurring the development of close to 1,000 new jobs, primarily in research and development, between 2001 and 2008. In 2009 Western New York's life sciences industry employed about 13,000 workers and involved 263 firms.

Life sciences is a vital, growing sector of the regional economy.

Life Sciences Industry Composition, by # of Firms and # of Employees in 2009

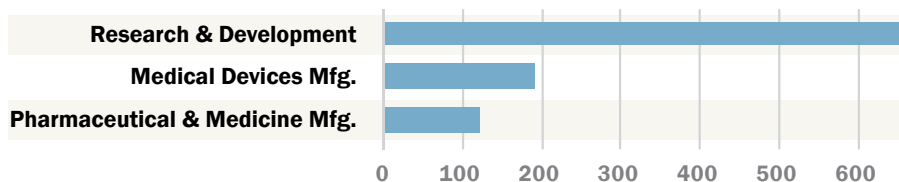
SUBSECTOR	# OF FIRMS	# OF EMPLOYEES
Research & Development	67	4,096
Medical Devices Mfg.	114	3,892
Pharmaceutical & Medicine Mfg.	82	5,000
TOTAL	263	12,988

Source: Quarterly Census of Employment and Wages, 2009; data also includes Genesee, Orleans and Wyoming counties



Source: Reference USA, 2010

Employment Change in Life Sciences Sectors, 2001-2008



Source: Quarterly Census of Employment and Wages, 2001 and 2008; data also includes Genesee, Orleans and Wyoming counties

Stimulate Business Creation and Job Growth in the Life Sciences Industry

PROJECT/PROGRAM

Hauptman Woodward Crystallization Laboratory

This project seeks to create jobs at the Hauptman Woodward Medical Research Institute (HWI) located at 700 Ellicott Street in Buffalo, New York. Funds will be used to expand the high throughput crystallization laboratory biotech services at this research institution. The project proposes updating aging laboratory equipment (\$100,000 in year 3, 4 and 5) and leveraging the \$6 million in Federal R&D funds the institute receives annually by expanding research capabilities and adding 10 jobs to satisfy ever-increasing demands for crystallization services.

Hauptman Woodward Medical Research Institute intends to expand its High Throughput Crystallization Laboratory (HTCL) by:

- Updating and replacing aging robotic laboratory equipment used to carry out crystallization
- Sharpening marketing and business development to attract targeted pharmaceutical companies, biotechnology companies, academic institutions and others interested in drug development (one marketing director)
- Adding research and technical support needed for crystallization services (seven research scientists and two lab technicians)

AGENDA

1. Establish the Center for Innovation in Medicine on the Buffalo Niagara Medical Campus.

PROJECT/PROGRAM

Center for Innovation in Medicine

The Jacob's Institute Center for Innovation in Medicine will be a full-service resource to promote innovation and entrepreneurship including a cutting-edge, state-of-the-art medical device prototyping facility. The facility will occupy 20,800 square feet of a BNMC building also housing the University at Buffalo's Clinical and Translational Research Center (CTRC) and Kaleida Health's Global Vascular Institute (GVI). This initiative will leverage an \$18.8 million grant from Toshiba, \$1.5 million donations from local private companies and nearly \$30 million from the Jacob's Institute, local foundations and other private donors.

The Center for Innovation in Medicine will be the only U.S. center for entrepreneurship located in the heart of a clinical facility. It will include: a fabrication center, machine shop and clean room to create new devices and techniques and a training center for physicians to test them; a simulation and robotics center for minimally-invasive vascular surgery; a medical education center for scientific publishing and broadcasting; a health and wellness area; collaborative spaces; and administrative offices. Ideas generated in our vascular center will be harvested through this resource and will lead to medical device and pharmacology business opportunities benefiting WNY. Anticipated results include the creation of 72 net new jobs and will spawn 1-2 new companies by Year 5.

2. Create the Western New York Genomics and Health Consortium - PILOT Project.

PROJECT/PROGRAM

Western New York Genomics and Health Consortium

Leveraging investments made in the New York State Center of Excellence (CoE) in Bioinformatics and the world class supercomputer at the University at Buffalo Center for Computational Research (CCR), this project proposes to establish the infrastructure for building a robust approach to personalized medicine based on detailed definition and study of genetic sequences, the health data associated with this information and a powerful informatics approach to enable analysis and discovery to proceed. This information will be obtained through the interaction of our citizens with healthcare providers, scientists and technical experts after obtaining detailed informed consent. Genetic sequences will be stored in a highly confidential way together with critical demographic data. These data and associated sequences will be available in a completely de-identified and pooled manner such that critical discovery and confirmatory research may be done to that will help delineate the causes of common and unusual diseases.

These genomic sequences, ideally available from a large proportion of WNY citizens once the consortium is fully developed, will provide an extraordinarily rich resource for research. Study of these gene profiles will inform with what drugs and at what doses individuals should be treated and what approaches are most appropriate in what groups of individuals for disease prevention and disease screening — cancers, diabetes, hypertension, stroke, cardiovascular disease, infections, immune diseases and essentially all other diseases. The individual sequences will be available to each person and their health care provider as information regarding the use of these sequences is developed. This consortium will require the cooperation of essentially all those involved in health care, education, biomedical research and technology development in WNY.

Attract and Retain Top-level Talent in Health & Life Sciences

AGENDA

1. Attract “game changing” talent in health and life sciences.

PROJECT/PROGRAM

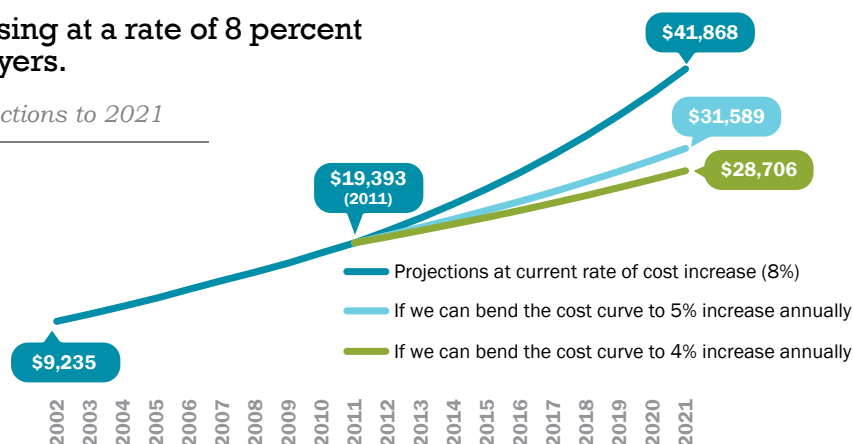
Attract “game changing” talent.

Recruiting talent to the region is a critical strategy for economic development. Academic faculty and staff form a critical mass that is magnetic for additional talented individuals, new projects and external and internal investment. These key people develop research projects, clinical care activities, intellectual property and educational activities that contribute to development in WNY while providing growth and mentoring opportunities for existing staff. Many of these activities depend on will rather than direct dollars. Recruitment of managerial talent to lead spin-off companies is also an integral strategy for economic development and must also be addressed.

Healthcare delivery costs are increasing at a rate of 8 percent annually, stifling workers and employers.

Healthcare Costs for American Families, Projections to 2021

With escalating healthcare costs, communities that find a way to bend the cost curve will emerge as economic winners, producing returns that benefit the region and the state. Building off our experience in collaboration and digitization of healthcare processes, WNY is working on healthcare planning to stem rising costs regionally through enhancing community wellness and creating efficiencies in the way we deliver healthcare services.



Source: Milliman Medical Index, 2011; data reflects national projections

Reducing the Cost Burden (Increasing Affordability) of Healthcare on Employers and Consumers

AGENDA

1. Advance the Western New York Community Health Planning Institute.

PROJECT/PROGRAM

Western New York Community Health Planning Institute

Coordinated by the P2 Collaborative of Western New York, Western New York Community Health Planning Institute (WNYCHPI) is a health planning vehicle for community stakeholders to examine our population's health status, the performance of the health care delivery system and to make recommendations that match health care resources with regional needs.

A planning process can yield on-the-ground, up-to-date information about local health needs and trends, and resources to inform Certificate of Need decisions at the state level, to promote investment in needed health care resources, and discourage investment in unnecessary or duplicative resources. WNYCHPI will help to strategically facilitate the creation of an environment in Western New York where health care costs are lower, freeing up monies for investment in more jobs, and population health and quality and access to care are improved, thereby creating a more attractive and healthy environment for all. Currently, WNYCHPI is building upon a planning capacity already in place through HEAL 9 state funding awarded to the P2 Collaborative of Western New York. Additionally, WNYCHPI will leverage NYS's investment in the HEALTHeLINK by employing its aggregated data and collaborating to formulate strategies to expand and increase its use in the region.

WNY Industry Sectors

Higher Education



Where are we now?

Higher education plays a profoundly important role in the WNY economy. It is a crucial supplier of the regional labor force, an important driver of innovation through research and a major sector of activity with an estimated \$3.2 billion in annual economic impact (2006).

With 105,000 students and 14,000 employees at 21 different institutions, higher education is one of the largest areas of economic activity in the region – and one of the most stable. Our colleges and universities are here to stay and won't be moving to the Sunbelt or Asia.

An overwhelming majority of WNY's doctors, dentists, lawyers, pharmacists, architects, managers and other professionals graduated from colleges and universities here in the region.

And, increasingly, innovation in health and life sciences, advanced materials, precision instruments and other high technology fields is driven by research produced at the region's institutions of higher learning.

In short, higher education as both fundamental economic driver and as an important sector of economic activity, occupies a keystone position in the WNY economy. Growth in the region in general depends on the success of our colleges and universities in producing well-educated and appropriately-trained workers for the 21st century economy. Growth in WNY target sectors like advanced manufacturing, logistics, agriculture and tourism also depends not only on the educated people they produce but on the new knowledge they generate through faculty research.

Unfortunately, employers increasingly report that even college graduates don't always possess the specific job skills or general work and life skills needed to succeed in the workplace. Many others never make it to – or through – college. Thus, the strategies included in this plan focus on improving the educational "pipeline" from pre-

Higher education plays a profoundly important role in the WNY economy.

Total Students, 2006

105,000

Degree Granting Institutions

21

Employees, 2006

19,500

Annual Impact, 2006

\$3.2 billion

Source: UB Regional Institute, *Better by Degrees: The Impact of Higher Education in Western New York*, 2008, prepared for the Western New York Consortium of Higher Education.

Kindergarten through college.

Meanwhile, the connections between research institutions and the community – especially businesses – are not as strong as they could or should be. The plan includes initiatives for improving awareness of and access to the knowledge resources of higher education. It also offers approaches to increasing the flow of research dollars to faculty working on issues relevant to the development of the regional economy in life and health sciences, advanced manufacturing, logistics and other regional target sectors.

Despite the region's strength in higher education, only a quarter of adults (age 25+) possess a bachelor's degree or better.

WNY lags behind both state and nation in this measure. This presents a challenge to fielding an educated workforce. So do high dropout rates in our urban secondary schools. Investing in the education "pipeline," the continuum that extends from pre-Kindergarten through post-secondary education will be critical to building a sustainable regional economy equipped to meet the demands of global competition.

Only a quarter of people in the region have a college degree.

Percent of Adults with at Least a Bachelor's Degree

Percent of Adults with a Graduate Degree, 2009

AT LEAST A BACHELOR'S DEGREE



GRADUATE DEGREE



Source: American Community Survey 2005-2009; adults include population age 25+

Bring Knowledge to the Community

AGENDA

1. Make higher education resources more available to the community.

Create a regional protocol to improve access to the expertise, facilities, research and resources of colleges and universities in support of WNY economic development for both retention and growth of existing enterprises and to create the “ecosystem” to support ongoing commercial activity.

- a) Develop an “Economic Development Portal” for the exchange of needs and interests between industry and higher education to support regional economic development initiatives. Connect with the statewide website database — Knowledge NY — currently under development by the Commission on Independent Colleges and Universities (clcu).
- b) Assess the existing support and needed support for new firm start-ups, commercialization, business planning, workforce preparation, facilities, etc. in Western New York to best deploy current higher education resources and develop the capacity to fill gaps in needed support.

2. Expand research funding.

Collaborate on opportunities to increase the amount of external funding for research, innovation and entrepreneurial initiatives to strengthen and respond to the regional economic priority areas such as clinical and translational research to improve health outcomes; entrepreneur ecosystem; and projects centered on the arts as a jobs generator.

Better Align Education with the Demands of the Labor Market

AGENDA

1. Strengthen the “P-16” educational “pipeline.”

An effective “P-16” continuum (Pre-Kindergarten through college graduation) is important for developing the human capital of the region. Higher education representatives seek to improve this continuum by collaborating with their counterparts in the P-12 system, holding regular forums to help align core requirements and curricula, while also enlisting teaching tools and methods that will improve student progress. The goal is to reduce the number of students requiring remedial programs at the college level thereby improving graduation rates while also reducing length of time to graduation. This will create a more seamless educational pipeline.

2. Align programs and support with industry needs.

Regionalize supportive services for students and parents to increase their knowledge of career growth areas, financial resources and internship opportunities. This will be done in part through a database and more information on the following topics:

- a) Job growth areas and future regional hiring needs so students and parents, P-12 and higher education organizations can make informed decisions,
- b) Student internships that could improve higher education's relationship with industry, boost student retention and result in more hiring of students upon graduation.
- c) College expenses and scholarship opportunities

Additionally, higher education institutions will collaborate regionally in advocating for continued state and federal public policies relating to tuition assistance programs, including PELL and TAP.

WNY Industry Sectors

STRATEGY

Professional Services



Where are we now?

Western New York's rapidly growing professional sector includes the diverse industries of financial services, business support services and IT operations such as data centers. The sector is distinguished by several success stories including the presence of several financial institution headquarters and administrative operations across the region, as well as the recent location of a Yahoo! data center here. The region has developed a distinct industry cluster that has the potential to build cohesion within and among industries to create jobs and spur investment.

To create a forum for strategically addressing common interests across the sector, industry leaders will form a Professional Services Council. In addition to serving as a forum for regular communication, the council will pursue priority actions such as identifying gaps in market intelligence, pursuing new research, sharing best practices and coordinating outreach and advocacy.

Another opportunity for the industry relates to new market opportunities. While global competition in the

The professional and business services sector employs more than 75,000 people. Regional employers surveyed were satisfied with the available supply of qualified labor due to a large number of two- and four-year colleges and the restructuring of regional manufacturing employers.



industry is fierce, the region has significant competitive advantages that can be leveraged to attract back office operations from higher-cost metros across the U.S. and Canada.

Where do we want to be and how will we get there?

Leveraging Existing Assets and Fostering Synergies between Industries and Education

AGENDA

1. Form a WNY Professional Services Council.

From financial services to IT operations, a diverse array of sectors make up the professional services industry in Buffalo Niagara. These sectors have common needs in terms of labor, education and training and infrastructure support. At this point, however, the region lacks a forum for industry leaders from these diverse sectors to convene and collaborate in a regular, coordinated fashion.

Industry leaders from across the professional services believe a formal council for the industry could create opportunities to share best practices, determine common workforce development needs, identify and support new business development efforts, streamline investments and coordinate research, advocacy and related outreach efforts. Ultimately, this council will help the industry create jobs and spur investment. The Professional Services Council would be formed as part of the Buffalo Niagara Partnership's current roster of sector-based councils.

WNY Industry Sectors

STRATEGY

Tourism



Where are we now?

Western New York is a unique place with offerings for visitors like nowhere else in the world. But currently, quality tourism products are underdeveloped, and as a result, WNY largely remains a hidden gem in an industry sector that is ripe for growth.

Strategies for increasing visitation to Western New York, therefore, must start with the realization that our five-county region has offerings that are competitive in a global market. Few regions can boast the arts, culture, history, architecture, natural resources and world wonders like Niagara Falls that are unique to this part of New York State.

Strategies to move tourism forward require collaboration and coordination on a new scale, with inter-county support structures to promote a culture of hospitality and tourism. Shared research, technology and communications outlets will all be required to advance this agenda.

The sector's focus on increasing visitorship and extending length of stay also requires dedicated resource commitment to quality tourism product. Western New York has outstanding world-class attractions, but lacks a consistency in quality of visitor experience. Wayfinding, enhanced gateways and capital investment in our regional assets are all fundamental to enhancing the quality of visitor experience to encourage longer stays, cultivate repeat customers and improve our image in the global tourism market.

The strategic objective to transform Niagara Falls from a visitor attraction

Visitors to WNY region generate over \$2.2 Billion per year, spending dollars at our hotels, parks, cultural and entertainment attractions, retail outlets and more. The natural wonder that is Niagara Falls may be our anchor attraction, but the region is rich with assets that draw visitors from around the globe. Capitalizing on these assets is an important part of a prosperous economic future for WNY.

to an international tourism destination requires maximum use of existing assets. A key component of successful tourism development is ease of access to international markets. Niagara Falls International Airport needs to develop an aggressive route development campaign geared to establishing the airport as a 'long haul' gateway to upstate New York. It will serve as a complimentary development to Buffalo Airport servicing the demand for 'short haul' operations.

Tourism spending exceeds \$2.2 billion annually.

Economic Impact of Visitor Spending in 2009

ERIE	\$1.3b
NIAGARA	\$450.3m
CHAUTAUQUA	\$227.7m
CATTARAUGUS	\$175.9m
ALLEGANY	\$51.3m

Source: Tourism Economics, 2009

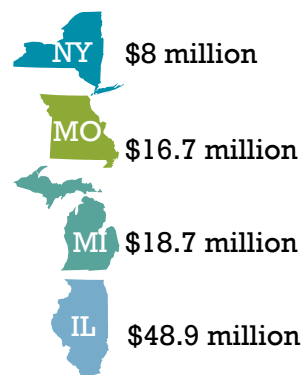
11.9 million

Total attendance at the region's 24 parks

\$50 average spending per day by visitors

Tourism spending in NYS has significantly lagged behind other states, despite the strong array of tourism assets.

State Tourism Office Budget, 2009-10



Select Metro Area Tourism Budget, 2008

	(in millions)
BUFFALO NIAGARA	\$3.25
LEXINGTON, KY	\$4.9
CINCINNATI, OH	\$6.7
MILWAUKEE, WI	\$7.1
PITTSBURGH, PA	\$11.1

Source: U.S. Travel Association.

Where do we want to be and how will we get there?

Facilitate Growth of Quality Tourism Product

PROJECT/PROGRAM

Hospitality and Tourism Center

Niagara County Community College (NCCC) in partnership with the Small Business Development Center (SBDC) is seeking funding to develop a small business incubator tailored to meet the needs of small business owners working in the food industry. This would include office space and an incubator commercial kitchen to be rented out on an hourly basis. The incubator offices and kitchen will be incorporated into the new NCCC Culinary Arts Institute planned for downtown Niagara Falls. Access to a commercial kitchen is the key component for those seeking to launch a food product or catering business. Niagara County residents will have an opportunity to make and market food products that, by law, they cannot make in their own homes. They will use the kitchen as needed and can set up predictable production schedules and ensure the quality of their products.

NCCC will include in the design of the Culinary Arts Institute four office set-ups of 250 sq ft each. A complete commercial kitchen will occupy approximately 600-700 sq ft. In addition, space for dry storage locker units and a small office for SBDC counseling will be included. Classroom space at the Institute will be utilized for periodic workshops. The development of the training programs by the SBDC will utilize NCCC faculty for advisement and facilitation on a variety of introductory and more advanced food industry topics. For the office space, a competitive application process will ensure that those businesses who would benefit the most, and are the most likely to succeed under the incubator model, are selected for participation. In addition to workspace, the incubator will provide business equipment basics and the incubator kitchen will be a fully functional commercial kitchen to be rented hourly by caterers and those making food products for resale.

How will we measure success?

AGENDA

1. Improve visitor “gateway” experience/physical sense of entry to the Nation/State/Region.

Improve visitor “gateway” experience by developing physical (hardscape/landscape, signage) standards for various types of entry gateways to the state/region (NYS Thruway, Interstates, International Bridges, airports) and add centralized 800 number and website to “welcome” signage. Projects such as the Ripley Gateway in Chautauqua County would welcome visitors at the New York/Pennsylvania border to promote tourism in the state as well as provide traveler services.

PROJECT/PROGRAM

Niagara Experience Center

The Niagara Experience Center (NEC) will serve as an international destination attraction and a major economic development catalyst project in Niagara Falls. The master plan calls for an 80,000-square-foot, state-of-the-art “experiential museum” utilizing masterful story-telling techniques to present the true story of Niagara — its importance to nature, history, technology and the development of two nations, using the best of technology and showmanship.

The projected impact would be transformative, taking some of the most underperforming lands immediately adjacent to the State Park and turning them into both a symbol of economic and environmental sustainability and progress and a major new attraction. The NEC would attract over 500,000 annual visitors and generate \$10 million in annual gross revenues. It would be self supporting — showing an annual NOI of \$2.9 million. The NEC facility would employ 130 full time employees. Additionally, the NEC would induce an estimated \$177 million in private development; create 1,900 direct, indirect, and induced jobs during construction and 1,570 direct, indirect and induced permanent jobs. In turn, as a half-day attraction, the NEC is anticipated to extend visitors’ stay by about three hours, inducing additional room nights and associated visitor expenditures. The full NEC program is projected to generate approximately 2.8 million in personal income tax, \$17.5 million in sales tax, \$1.8 million in occupancy tax, and \$8.9 million in property tax.

2. Establish a regional wayfinding sign system.

Establish a state-federal-local working committee to develop a demonstration project for a regional wayfinding sign system for cultural, recreational and other tourism-related destinations that would provide clear and effective information for roads and streets; promote an aesthetically positive and unique image for the region; and meet current standards for wayfinding signage. Standards derived from the demonstration project shall be prepared and made available to state, county, and local agencies to provide for use throughout the region. Standard system features could also facilitate a regional funding program to incrementally advance the system throughout the region.

3. Create a concession arrangement to create a new/enhanced Niagara Falls State Park attractions.

Work with private sector partners to operate a number of attractions within the park. This could be zip line tours, rappelling into the gorge, rock climbing, enhanced opportunities for hiking, trailhead improvement, etc. to engage visitors with new opportunities. This would include active programming, recreational uses, repurposing existing underutilized park buildings and selected new building on non-historic park assets. The initiative would result in increased length of stay, more return visits, better utilization of existing Park assets and engaging young people.

4. Tourism Asset Development.

Create Tourism Product Development Fund specifically earmarked for bricks and mortar tourism products that would generate significant increases in visitation, using Niagara Greenway Commission as a model.

WNY Industry Sectors	Performance Measure	Benchmark	Source
Facilitate growth of quality tourism product	Visitors Visitor spending	To be determined \$2.2 billion	U.S. Travel Association

Promote the Region's Assets



Attract and retain visitors, residents, skilled labor, business leaders and corporations by coordinating among marketing entities to better leverage and increase existing resources for enhanced marketing to recruit businesses in our strategic industries, visitors and talent to support growth in target industries.

Branding a region — much like a product — is an increasingly important element in regional planning. That is why Western New York leaders strongly believe that a coordinated marketing strategy that attracts, engages and retains companies and talent is integral to a vibrant region and economic development success.

Rich in key resources such as distinct and complementary economic sectors, incomparable art and architectural treasures, natural and cultural assets and a distinctive image and identity, Western New York leaders can strategically brand and market the region to internal and external audiences.

A region-wide campaign must celebrate our entrepreneurial heritage and draw on our rich history as a center of manufacturing; market our regional assets, like higher education institutions, affordable but highly skilled workforce and relatively inexpensive land; and highlight the uniqueness of our local food movement while distinguishing Western New York as a global region with vast energy resources situated on an international border.

In the end, people drawn from the public, private, academic and non-profit sectors are committed to a marketing strategy that results in a bright future for all Western New York residents and businesses.

Building on existing efforts, this initiative would include a comprehensive coordinated regional marketing /public relations strategy around industry clusters including advanced manufacturing, agriculture, energy, higher education, life and health sciences, professional services, tourism and logistics. This is the opportunity to develop a compelling narrative to differentiate WNY from its competitors.

Actions would include:

- Develop a centralized process and tool to share and direct information for use by all WNY destination marketing organizations.
- Cross-promote and collaborate through a digital marketing strategy to increase both tourism and business marketing attraction.
- Develop appropriate messages for different sectors, acknowledging the unique audiences and needs for each industry.
- Understand the layering of brand; reflect authenticity of the region.
- Conduct a brand assessment to determine attitudes and knowledge about WNY as a destination and business community.
- Target international markets in implementation, particularly the Canadian market, as well as regional communities to help define tourism as an industry locally.

Reforms to Allow Businesses to Thrive



Create a 21st century environment that allows businesses to compete and thrive by promulgating and implementing tax and regulatory reform, re-engineering state agencies and processes, and reducing cost burdens.

Stakeholders in the Council working groups and members of the general public alike were loud and clear about the need for easing the regulatory burdens on businesses and making NYS agencies more responsive to the constituents they serve.

But what seemed at first like a unanimous plea for help turned out to be more complicated. There are all kinds of rules and regulatory processes with a wide variety of impacts on economic activity.

Some regulations affect almost every kind of business while others impact particular industries, often with unintended effects. Sometimes federal, state, and local regulations are duplicative or even contradictory.

Other times, regulations seem to be misaligned with certain public policy goals. In still other cases, regulatory processes are necessary but unnecessarily slow or time consuming for the regulated. Sometimes regulatory issues are peculiar to a particular state-created entity with special significance for the regional economy.

In any case, most of these issues must be resolved at the State level and will be carried by the Co-chair's to the State-wide Chairman's Committee for discussion. This is Western New York's agenda for reform.

Reforms to support growth of WNY's Strategic Industries

Agriculture

Create and participate in a state-wide committee. Review existing agricultural regulations to evaluate whether they are relevant and necessary. Make regulations activity specific instead of department specific to reduce cost and burden on agricultural businesses with the end result of streamlining licensing/permitting processes and reducing the

number of agencies involved in the process.

NYS Department of Environmental Conservation. Adopt the Federal EPA regulations for agricultural materials, such as pesticides. NYS lags all other states, including California, by months to years for approval of safer materials.

Local building ordinances in agricultural districts must be superseded by state codes for farms.

As sprawl continues to eat away at farmland, farms find themselves at odds with town boards more frequently. Process delays cost time and money.

Health/Life Sciences

Roswell Park Cancer Institute. State-negotiated and mandated labor costs now consume 90 percent of diminishing State aid to Roswell Park. It is urgent that these labor obligations and legacy costs be reengineered to provide resources for improved patient care and research to sustain this internationally recognized Cancer Center.

Energy

New York Power Authority

- Allocations of low-cost Niagara hydropower are a critical factor for many of the region's largest employers and are a key factor in the future development and growth of the Western New York economy. The WNY Advisory Group to NYPA has served in an advisory capacity to NYPA regarding the allocation of Replacement and Expansion Power in the region. The role of the WNY Advisory Group should be revised and updated in the MOU with NYPA to provide a more significant, transparent role in the review and allocation of this energy resource to ensure allocations are consistent with the region's priorities.

- In addition to the current Replacement and Expansion power programs, NYPA should incentivize WNY green manufacturing and green energy parks

with an allocation (5 MW) of clean power to be allocated to companies in the region making green products in accordance with smart growth policy and existing infrastructure.

- Proceeds estimated to be at least \$8.5 million from NYPA's out-of-area sales of unallocated and unused Replacement and Expansion Power which, by law, must be used in WNY, has not been used for economic development in the region. NYPA should comply with the intent of the 2010 law, as to be amended, and release the proceeds collected (and to be collected) from temporary out-of-area sales of power, such proceeds to be used to support economic development projects in the region.

Higher Education & Job Readiness

University accreditation. Institutions of higher education and units within them are typically accredited by national specialized and regional accrediting bodies. New York State accreditation requirements are duplicative of these reviews and eliminating them is a significant potential cost savings for colleges and universities and NYSED.

Education program approval. Changing demands for high-level training and technology require that educational institutions move quickly to meet new needs. State Education Department approvals may be necessary but turnaround time is too long to keep our schools truly competitive.

Advanced Manufacturing

Intellectual property. University claims on intellectual property produced by faculty often inhibit the translation of new knowledge into job-creating products and processes. Consider a fee-for-research model to better leverage university R&D capacity.

Broaden criteria for State business

incentives. To improve access to capital, the State should revise its incentive structure to put more equal weight on job creation and retention that provide a return on investment as well as emphasis on supporting university-industry collaboration.

Bi-National Trade/Logistics

Ballast water. Discharge of ballast water by ships in the Great Lakes — an important link in the multi-modal system — is regulated to protect ecosystems from invasive species. But ships in New York waters are governed by two different standards, one state and one federal. The state should adopt the U.S. EPA standards.

Harbor maintenance tax. Levied only on imports, passengers, and domestic cargoes at U.S. ports, the HMT encourages shippers to route cargo through Canadian ports and into the U.S. by land, putting U.S. ports at a relative disadvantage. The tax should be repealed.

Ton mileage trucking tax. The tax is based on the weight of trucks and miles traveled. It was intended to offset wear and tear on roads. It has the effect, however, of encouraging trucking operations to move out of New York State to states that don't levy the tax. It should be repealed.

Supporting Entrepreneurship & Technology Development

Business Advocate. Regulatory problems can sink new businesses. The State should consider establishing a Business Advocate with the power to temporarily suspend regulatory action and give entrepreneurs time for compliance or adjudication.

Certified Startup status. Other State requirements can deter entrepreneurs just as much. A program to designate qualifying firms as “certified start-ups” would help entrepreneurs “learn their way into compliance” with regulatory practices and give temporary relief from Unemployment Insurance and Workmen’s Comp programs.

Angel investor tax credit. Start-up firms need working capital more than anything else. An up-front tax credit to seed capital investors could move those investments — which take so long to pan

out — to entrepreneurs more quickly and in greater supply.

Technology tax credits. The Qualified Emerging Technology Company (QETC) Tax Credits are set to expire. Extend the program to help small, high-tech companies leverage the tax credits to increase employment, qualified investments and qualified research expenses.

State Small Business Innovation Research. Support continuation of the SBIR Program to encourage high-tech firms to relocate to New York State and promote an increased number of in-state firms progressing from federal SBIR Phase I to Phase II and III funding. This will increase the leverage of federal and state SBIR funding to attract private equity investment.

Structural reforms – how we do business

Streamlining service delivery. Regulatory issues often are a matter of public health or safety. That doesn’t mean, however, that they need to take a long time. A more efficient delivery system for regulatory oversight should provide quicker turnaround, reliability and transparency to the process.

Single point of contact. Some small businesses — like farmers — maintain relationships with twenty or more different agencies — federal, state and local — for issues from pesticides to labor to wetlands. The State should consider a way to give small businesses like farms a single point of contact for all their regulatory obligations.

Reforms to promote smart growth

Revise IDA and other incentives. Sometimes public incentives have the perverse effect of promoting sprawl. Funding criteria for Industrial Development Agencies and others should have and enforce clear criteria for supporting smart growth policies.

Support smart growth zoning. The State should provide incentives to local governments to update and enforce zoning codes that promote smart growth principles — open space and habitat preservation, protection of appropriate waterfront uses, compact development,

and more.

Support for asbestos remediation.

Buildings with asbestos constitute vertical brownfields. The brownfield cleanup bill should include a provision to cover asbestos remediation for structures in distressed census tracts and capped at the cost of the remediation.

Expand TIF financing. Tax increment financing is based on only the municipal portion of tax revenue. But school taxes constitute 60 percent of local tax income. Senate bill 2446 would allow TIFs to leverage school taxes and provide a larger pool of resources for redevelopment projects.

Provide incentives for mixed use. One of the core principles of smart growth is to promote a mix of uses in new developments. Current State and IDA incentive programs, however, exclude residential uses from receiving subsidy. Providing incentives for rehabilitation of existing buildings in targeted, distressed areas for market rate housing will help achieve the smart growth agenda.

Expand historic tax credits. Historic preservation is a key element of implementing smart growth strategies. Current law provides tax credits for preservation projects but these resources are limited. Raising the cap on historic tax credits will make larger projects possible.

Broad reforms of statewide impact

State Environmental Quality Review. Compliance with SEQR review processes can be costly, time consuming and add little value to project results. The State should follow through on the Governor’s call for reform of the process.

Streamline permitting processes. Creation of a standardized building permit based on New York’s Uniform Fire Prevention and Building Code as well as support for municipal pre-permitting of shovel-ready sites can speed the process for job-creating developments.

Local government consolidation. Multiple layers of local government impose a cost on business that inhibits growth. Use the SAGE Commission to consider strategies to effect significant government consolidation to reduce tax burdens and improve the business climate.

How do we get there?

Prepare Our Workforce

PROJECT/ PROGRAM	WHO (Lead Organization)	RESOURCES (Needed & In-hand)	MILESTONES	SCHEDULE
Urban Automotive Center of Excellence	St. John Fruit Belt Community Development Corporation	Needed: additional capital to be raised via new market tax credit financing, bank financing, and other charitable foundation support. In-Hand: private bank financing and State support Partnership with Erie Community College, City of Buffalo, General Motors Corp., Niagara Frontier Automobile Dealers Association	Finalize formal Lease agreement with Erie Community College Finalize construction Financing Finalize Workforce Development project and resources Transfer Real Estate to CDC Building Construction and procure FFE Market Program and recruit students	2012- Finalize financing, construction planning and land acquisition 2013- Begin Construction 2014- finalize construction and equipment purchase fall of 2014- initial enrollment process 2015- Classes begin
Dream It Do It	Dream It, Do It Western New York (DIDI WNY) Initiative	Regional Manufacturers Councils & Associations (Lead Org.), Chambers of Commerce, Manufacturers, Universities, Training Institutions, Regional Industry-Education Councils	Implement comprehensive communication strategy; implement identified DIDI WNY strategies and tactics	On-going; the program was started in Chautauqua County and has spread to Cattaraugus and Allegany counties. Chautauqua now holds the state license for DIDI and plan to expand into Erie and Niagara Counties in 2012.
Buffalo Arts & Technology Center	Private sector, Buffalo Public Schools Superintendent and District, foundations, community based organizations	Approximately \$3.5 million from private sector and local foundations with additional support sought through local campaign	Unemployed and high school students in need of mentorship and motivation to remain in high school. Adults: Workforce development leading to employment in health related fields. Approximately 80 adults enrolled annually. Youth: After school/summer arts studios engaging 160 at-risk youth annually. Center will employ approximately 10 FT and 3 PT staff by year three.	Oct. 11 – Process begun to secure local funding Oct. 11 – Plan in place Jan. 2013 – Scheduled to open .
Say Yes Buffalo	Cross-sectoral Collaborative Governance Model to include: Business, City of Buffalo, Erie County, Buffalo School District, Teachers Union, Nonprofits, Parents. Community Foundation will administer scholarship. WNY Higher Ed. Consortium will house Say Yes Buffalo program.	Requested State Support: \$5,000,000 (total over 5 years) Leveraged With: \$22 million in committed private support from the region.	Years 1-5: Decrease in 9th grade dropout rates, align k-12 with local career pathways, increase test scores, increase high school graduation rates, increase post secondary enrollment, retention and completion.	Begin implementation First Quarter 2012. Ongoing through 2032.

Implement Smart Growth

PROJECT/ PROGRAM	WHO (Lead Organization)	RESOURCES (Needed & In-hand)	MILESTONES	SCHEDULE
Small Business Green Retrofit Initiative	Buffalo Neighborhood Stabilization Company, Inc.	Requested State Support: \$800,000; To be leveraged with approximately \$4 million in private investment by small businesses and non-profit organizations enrolled in NYSEDA's new Green Jobs/Green NY program	Outreach to small businesses located in CBDs, commercial retail districts and village main streets to assess energy efficiency capital needs; approval of incentive grants for pre-retrofit repairs for 60 small businesses and nonprofits receiving comprehensive energy efficiency improvements through Green Jobs/Green NY; completion of pre- retrofit repairs and energy efficiency improvements, including insulation and furnace replacement, for 60 approved small businesses and nonprofits.	Begin implementation First Quarter 2012. Ongoing through 2013
Buffalo Central Business District	City of Buffalo	City of Buffalo - \$3,270,000 State - \$1,920,000 Federal - \$12,160,000 CFA Request - \$8,000,000 City staffing commitment for project implementation	Improved connection between CBD and Buffalo Niagara Medical Campus; enhanced Genesee Gateway improvements providing better first impression of downtown; retain and create more jobs/attract more businesses within project area; better automobile circulation; improved pedestrian and cycling amenities; improved streetscape; improve image of downtown	\$2,500,000 of requested project funds be to used in the spring of 2012 and spring 2013 towards: Cars on Main Street – 600 Block Pearl Street Conversion and Chippewa Improvements Genesee Gateway BNMC Phase I BNMC Phase II Elmwood Chippewa \$5,500,000 of requested project funds to be used in 2013 – 2014 for new streetscape project slated for design and construction on Main Street North of Goodell.
Olean Central Business District	City of Olean & City of Olean Urban Renewal Agency	Requested State Support: \$1,200,000; Leveraged with: Applicant has \$300,000 committed and the developer has \$6,000,000 committed.	Eliminate the environmental risks associated with the anchor building; provide the developer with a building shell suitable for redevelopment; design of North Union Street to include Smart Growth initiatives; installation of streetscape improvements; redevelopment of 101 N. Union, 107 N. Union, 110 West State & 116 West State for retail and commercial tenants.	Environmental abatement: Begin 11/2011 – Finish 8/2012; Window & Roof Replacement: Begin 3/2012 – Finish 9/2012; Renovation/ Reconstruction: Begin 6/2012 – Finish 4/2013; Design of N. Union: Begin 11/2011 – Finish 10/2012; Reconstruction of N. Union: Begin 5/2013 – Finish 10/2013
Olean East State Street Reconstruction	City of Olean	Requested State Support: \$1,000,000; Leveraged with: Applicant to fund \$2,352,400 (Bond & Fund Balance)	Design of reconstruction; Bidding & Award; Full depth reconstruction to include installation of new storm sewers, curb and gutter, waterline, sanitary sewer line, road base, and blacktop.	Final Design Completed: 1/2012; Construction: Begin 5/2012 - Finish 10/2012

Foster a Culture of Entrepreneurship

PROJECT/ PROGRAM	WHO (Lead Organization)	RESOURCES (Needed & In-hand)	MILESTONES	SCHEDULE
Jump Start WNY	JumpStart NY Project (incorporated as LaunchNY)	Total 2.5 yr project cost = \$3.5M with \$1M requested from NYS leveraging \$2.1M of private sector grants, including Oishei Foundation, National Grid, JumpStart Inc. and others and \$400K University support	New high-growth companies, new jobs, regional investment, and established entrepreneurship program post- funding: —Yrs 1-3: 15-20 new companies employing 150-300, plus net \$30M-\$50M in non-state investment in the new firms. —Post-funding program: 2 of the original start-ups yield 350 additional jobs, plus each year of operation of the program yields 5-10 additional new companies employing 10-15 people per company in 1-3 years and 350 more jobs in 3+ years; plus original portfolio yields >\$400M in long term regional investment. These forecasts are based on the experience of similar efforts in Cleveland and Pittsburgh combined with Western New York data	Business Plan completed Nov '11; fundraising completed Q1 '12; operational Q2 '12

Industry Sector: Advanced Manufacturing

PROJECT/ PROGRAM	WHO (Lead Organization)	RESOURCES (Needed & In-hand)	MILESTONES	SCHEDULE
High-Temperature Materials Characterization Laboratory	Alfred University	Requested state support: \$6.5 million; SUNY Construction Fund commitment for New York State College of Ceramics at Alfred University facility: \$9 million; Alfred University contribution: \$675,500, includes faculty and staff time for planning, marketing and working with companies to develop research proposals	Year 1-2: Facility renovation, equipment acquisition, development of marketing plan and materials to highlight new capabilities. Year 1 and forward: Outreach with companies; Year 3 and forward: Engage more NYS materials- based companies in collaborative analytical and research projects, five or more per year; develop joint applications for federally funded research projects, e.g., SBIR, with four or more NYS companies per year.	Begin construction process, equipment selection, first quarter 2012. Completion scheduled February 2014.

Industry Sector: Bi-national Logistics

PROJECT/ PROGRAM	WHO (Lead Organization)	RESOURCES (Needed & In-hand)	MILESTONES	SCHEDULE
Niagara Falls International Airport Master Plan	Niagara Frontier Transportation Authority (NFTA)	\$1.4 million with a contribution of \$100,000 from the Niagara Falls Bridge Commission and \$210,900 from NFTA	Acquisition of funding, completion of RFP, Hiring of Consultants, Data acquisition, forecasting, public participation, strategic plan and implementation	Project completed by 12/2013

Industry Sector: Health | Life Sciences

PROJECT/ PROGRAM	WHO (Lead Organization)	RESOURCES (Needed & In-hand)	MILESTONES	SCHEDULE
Center for Innovation in Medicine	Jacobs Institute	Total Project Cost = \$60,411,900 -\$1.5 million from Local Private Companies -\$15.8 million Imaging Vendor grant -\$10 million gift from Private Donor -\$10,111,900 from Jacobs Institute -\$3 million expected from foundations	Year 1 -2: High-profile Clinical & Research Directors recruited; 26 Net new jobs created; 20-25 Physicians using training lab or simulation & robotics lab; 3 Conferences presented; 3 Live clinical broadcasts Years 2 & 3: 3 Corporate partnerships; 31 Net new jobs created; Grants totaling \$2-3 million; 40 physicians using training lab or simulation & robotics lab; 100 Articles published; 6 Conferences presented; 6 Live clinical broadcasts Years 4 & 5: 4-5 corporate partnerships; 15 Net new jobs created; Grants totaling \$4-5 million; 50 Physicians using training lab or simulation & robotics lab; 1-2 New companies started; 100 articles published; 6 Conferences presented; 6 Live clinical broadcasts	5 Years
Western New York Genomics and Health Consortium	RPCI and UB Medical School	RESOURCES Years 1 & 2 8M – personnel costs 2M – startup/operating costs 8M – equipment 18M – TOTAL Years 3-5 5.8M – personnel 2M – startup costs 7.8M – TOTAL In year 3, the constitution will require investment by industry/grants/contracts	Years 1 & 2: 90-95 jobs created; 1,000 individuals consented; 900-1000 samples sequenced. Years 3-5: 400-420 jobs created; 225,000 individuals consented; 150,000–225,000 samples sequenced; \$25 million investment by grants/contracts/industry.	Dec 2011: Develop infrastructure for consenting and collection of samples; order sequencing equipment; post jobs related to collection and sequencing April 2012: QC procedures for sequencing; hire and train personnel; finalize consenting procedures Dec 2012: Begin consenting/collection of samples and continue hiring; begin sequencing samples and develop infrastructure for database April 2013: continue consenting/collection of samples; sequence samples; maintain and analyze database
Western New York Community Health Planning Institute	P ² Collaborative of Western New York, Western New York Community Health Planning Institute, Upstate New York Health Planning Coalition, Center for Health and Social Research at Buffalo State College	Total Project Cost = \$9,000,000: \$1,800,000 annually Match provided by foundations, community, donors, project review fees, service contracts, and federal grants. Match by year: Year 1-\$600,00; Year 2-\$800,000; Year 3-\$1.2 million; Year 4-\$1.2 million; Year 5-\$1.5 million. Request to REDC Economic Development Purposes Grants by year: Year 1- \$1.2 million; Year 2- \$1 million; Year 3- \$800,000; Year 4- \$600,000; Year 5- \$300,000	Year 1: Hire 6-7 staff; engage membership and work groups; develop performance monitoring and dashboards; evaluate proposals for realignment of healthcare system; deliver at least 2 recommendations to community. Year 2: Develop scorecard to propose to other regions in state; continue reviewing proposals and recommendations; identify future training needs and recommend strategic job creation; establish website Years 3-5: Develop strategy for slowing growth of health care costs; continue reviewing proposals and providing recommendations; provide scorecards to key NYS policy makers; obtain two grants per year to fund recommended strategies	Begin implementation First Quarter 2012. Ongoing through 2032.

Hauptman Woodward Crystallization Laboratory

Hauptman Woodward Medical Research Institute

\$25,000 for expansion team salary year, 1, 2 and 3
\$6,000 year 3, 4 and 5 to acquire computers for new staff
\$100,000 in year 3, 4 and 5 to purchase updated lab equipment
\$10,000 to establish and fill Marketing Director position
\$70,000 each, year 3, 4 and 5 to post and fill research scientists as needed
\$5,000 to research and acquire target market database

Year 1: Establish expansion team; Evaluate current lab fee structure and redesign; Develop operational plan and budget; Establish reporting structure for Marketing Director; Establish and fill Marketing Director position; Post and fill new lab technician position; Evaluate and plan for laboratory service expansion; Conduct S.W.O.T. analysis; Develop strategic marketing plan; Analyze discounts and referral incentive; Research and acquire target market database; Research key networking events; Update website; Create collateral material highlighting expansion of services; Identify key influencers (e.g. scientific advisors in pharma industry); Cultivate relationships with key influencers; Implement comprehensive communications strategy; Evaluate extension of services
Year 2: Review and refine lab service revenue/protocols; Continue to cultivate relationships with key influencers;
Year 3-5: Post and fill research scientists as needed; Acquire computers for new staff; Purchase updated lab equipment; Continue to cultivate relationships with key influencers

5 Year

Industry Sector: Tourism

PROJECT/ PROGRAM

WHO
(Lead Organization)

RESOURCES
(Needed & In-hand)

MILESTONES

SCHEDULE

Hospitality and Tourism Center

Niagara County Community College, USA Niagara Development Corporation, City of Niagara Falls NY, Niagara County

Federal: \$600,000, New York State \$13,800,000, Niagara County: \$1,500,000, City of Niagara Falls: \$10,300,000, Private Foundations: \$715,000, Sponsorships: \$1,500,000. Total: \$28,500,000

Enroll 800 to 1,000 students in the Culinary Arts, Hospitality and Tourism programs. Operate full service fine dining restaurant, pastry production kitchen, Pastry Shoppe, Deli, Barnes & Noble Bookstore, Wine Boutique, Small Business Development Incubator, Tourist Kitchen Center, Culinary Theatre.

Demolition and abatement of Rainbow Centre began in August, 2011. Phase two Construction begins in December 2011. Facility completed August 2012. Public opening and classes begin September 2012.

Niagara Experience Center

Niagara Experience Center, Inc. (501 (c) (3)) with support from City of Niagara Falls and USA Niagara Development Corporation

\$8 million required for Phase I
Currently have \$3 million in hand.

6 months: procure architectural/ engineering and legal services; 1 year: acquire site; 1.5 years: complete preliminary/final design and financing package; 2 years raze/clear and prep site for development

Phase I : acquisition, design, and site preparation 2011-2014

The Work Continues

Any plan is only as good as the effort and discipline that goes into its implementation.

The good news is we have a regional economic development strategy with clear direction for taking action, a method for measuring our progress, and a mechanism for making adjustments as we go. Even more importantly, we also have a cadre of citizens committed to fulfillment of the plan.

A strategy for prosperity in Western New York

The members of the Western New York Regional Economic Development Council will continue to lead the next steps in the planning process, monitoring its implementation, measuring progress, and updating the plan as needed.

The working groups that developed the details of the plan in eleven subject-matter areas will continue to meet. Among their key responsibilities will be to monitor the implementation of specific projects within the purview of their group on a regular basis, working to ensure that each project delivers the intended results and problem-solving when they do not.

Council, work groups, and staff will work to update the plan on a continuing basis, starting next year. As projects are implemented and begin to make an impact, priorities will evolve. As State policies and programs for supporting economic development change, new opportunities will open up.

In this way, “A Strategy for Prosperity” is a truly living document, especially as the citizens of Western New York breathe life into it.

Appendix

Appendix A: Work Groups S.W.O.T.

Appendix B: Public Participation

Work Groups S.W.O.T.

Drilling down on critical issues

In assessing where we stand today, a series of critical themes emerged that shape our economy today and for the future. To drill down further on these themes, 11 distinct work groups were assembled drawing on a wide range of public and private stakeholders from across our 5 county region.

An initial charge of each group was to perform a SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis that delineated the assets or challenges to their specific focus area. Each industry or regional strategic strength has its own unique issues, yet across the groups, several common threads repeatedly emerged in the characterization of the WNY economy.

Focus Areas of 11 Work Groups



**ADVANCED
MANUFACTURING**



AGRICULTURE



**BI-NATIONAL
LOCATION/
LOGISTICS**



ENERGY



**ENTREPRENEURSHIP/
BUSINESS
DEVELOPMENT**



**HEALTH | LIFE
SCIENCES**



HIGHER EDUCATION



JOB READINESS



**PROFESSIONAL
SERVICES**



SMART GROWTH



**TOURISM/
MARKETING**



ADVANCED MANUFACTURING

WHY IT'S CRITICAL

Advanced manufacturing is essential to the state's economic recovery as it will contribute to a region which is export-oriented, innovation-fueled and opportunity-rich. The sector is defined by advanced products, technologically sophisticated manufacturing processes and by reliance on highly trained workers, innovation in design and production, and the need for proximity between research, design and labor.

Two pillars of advanced manufacturing are a skilled labor force and educational complex that contributes knowledge to manufacturing processes through technology and renewal of the labor force. There remains a connection to "almost forgotten trades and skills" that can contribute to the ongoing process of improvement and innovation in advanced manufacturing. Partnerships with colleges and universities provide a means to continuously upgrade labor skills and inform innovation

in the manufacturing process. Critical issues for the future begin with the tax structure and the overall tax burden as well as a regulatory environment seen as unnecessarily onerous. The reduction in "critical mass" in the regional manufacturing economy in which the loss of firms, vendors, entrepreneurial leadership, and people weakens the sector. A lack of vision, coordination, and tendency toward "silo thinking" make it harder to chart a path forward. The image of the region as a "rust belt" is an obstacle. Key challenges include keeping and rewarding entrepreneurial talent and attracting and retaining skilled engineers. Reducing costs through government consolidation, cutting "red tape" (including simplifying SEQR), and increasing the supply of seed capital would all help improve the picture.

From January 2010 to April 2011 alone, WNY brought 157 new manufacturers, and 2,634 new manufacturing jobs to the region.

S.W.O.T. ANALYSIS

STRENGTHS

Productive workforce
Manufacturing history
Connection to trades/skills
Low cost power
Efficient transportation corridor

OPPORTUNITIES

Incentivize innovation
Supply chain to green technologies
Campaign to get young people in advanced manf'g.
Access to international markets
Capitalize on our bi-national location

WEAKNESSES

Rust Belt image/negative perception
Consolidate duplicative programs
Not capitalizing on university research
Inability to bring in outside talent
Lack of funding opportunities/attracting outside capital
Shrinking vendor base
Regulatory constraints

THREATS

Lack of belief in the future of manufacturing
Brain drain, fleeing youth and an aging population
Unfair global trade
Falling HS,college graduation rates
Lack of interest in careers in manufacturing



AGRICULTURE

WHY IT'S CRITICAL

WNY can position agriculture as an economic driver, cultivate next-generation farms and sustain local food systems by diversifying products and markets, creating a supportive policy environment and pursuing applied research.

From vineyards and field crops to dairy, Buffalo Niagara is a rich agricultural region within one of the nation's top-producing states. Its moderate climate, fertile soils, entrepreneurial farmers and solid infrastructure give the region a competitive edge. The industry is

WNY has a strong, well-developed production base in both animal (mainly dairy, ranking 3rd in the nation in the volume of milk produced in 2007) and crop (primarily fruits and vegetables) production. The production system has developed with strong links to the specialized needs of number of local markets.

primed for diversification and expansion in food processing, value-added products, tourism and untapped local and external markets. These opportunities are particularly important with growing concerns over local food system sustainability and community health.

Meanwhile, rising costs, outdated and cumbersome state regulatory policies and global competition challenge farm sustainability, inhibit growth and threaten next-generation farming. Innovative programs can overcome these barriers and seize growth opportunities. New investment models are needed to support often risky agricultural ventures. Applied research can improve awareness of sustainable practices and new market or product opportunities. And marketing and advocacy efforts can build public awareness, develop an agricultural workforce, correct misperceptions of the industry and push policy change.

S.W.O.T. ANALYSIS

STRENGTHS

- Strategic location
- Natural resources
- Critical mass
- Human capital

WEAKNESSES

- Need to leverage market opportunities and improve consumer education
- Regulatory barriers
- Lack of funding for research and programs to support business
- Need next generation and access to agricultural labor

OPPORTUNITIES

- Integrate development into agriculture
- Expand/brand products through marketing
- Increase specialty agriculture product
- Expand food processing
- Attract more visitors
- Develop an agriculture workforce

THREATS

- Expand market
- Improve image of agriculture production
- Overcome trade issues
- Better educate regulatory agencies
- Increase profitability
- Overcome sprawl to protect agriculture and increase urban development
- Increase tax base



BI-NATIONAL LOCATION/LOGISTICS

WHY IT'S CRITICAL

Leveraging the geographic location of Buffalo-Niagara as a binational region with modern infrastructure and global supply links in close proximity to Toronto can attract investment from around the world.

Along the 5,500 mile border between the US and Canada- the world's longest common border between the world's largest bilateral trading partners-WNY's binational region is distinct. Among urban regions along the border with more than one million residents, it is the largest, with a 2009 population of 8.6 million. It also is home to five bridges spanning the two countries, three regional airports, one

The region's border location and infrastructure make the region a shipping and logistics hub. Eight international ports of entry (auto, rail, and water) facilitate roughly \$80 billion in annual trade between Canada and the U.S.

international airport and two interstate/provincial highway systems, a North American transportation corridor, and continental rail links. These assets are augmented by intellectual capital, with a concentration of trade, logistics and cross-border professionals in the legal, banking, insurance, trucking, freight forwarding and higher education.

These strengths create the opportunity to develop a multimodal transportation and global supply chain and logistics hub for the region and the world. However, antiquated border facilities and aging infrastructure are in need of updating with dwindling border infrastructure funding. The lack of attention by local and state politicians regarding the benefits of the border is a leading threat. In the meantime, stiff competition from other regions in creating logistics hubs is not just looming – it is here.

S.W.O.T. ANALYSIS

STRENGTHS

- Geographically positioned to become a global gateway
- Trade infrastructure including: intermodal capacity, knowledge base and available land
- Tourism assets

WEAKNESSES

- Antiquated customs border facilities and aging infrastructure
- Unfair fair tax structure and regulations
- Need consensus on a regional/bi-national plan

OPPORTUNITIES

- Create a bi-national regional plan
- Develop an international marketing program to promote all assets
- Overcome aging infrastructure on borders

THREATS

- Lack of focus in the community to the benefits of border location
- Aging infrastructure is becoming a liability
- Lack of long-term planning limiting investment in the region



ENERGY

WHY IT'S CRITICAL

Energy can leverage the region's natural resources as an economic driver through sustainable development.

WNY once led the nation and the world in innovation in the development and long distance transmission of electrical energy, particularly using hydropower, and in the development of oil and natural gas as energy sources, thus creating one of the strongest economies in the U.S. Re-harnessing the region's natural and human resources through the use of renewable energy, conservation, smart grid and new energy technology will spur sustainable

economic revival.

One of WNY's greatest regional strengths is in its natural and human resources. The area is poised for innovative collaborations focusing upon smart grid, renewable energy resources including, wind, solar, biomass, biofuel, and importantly hydroelectric power spurred by our abundance of clean fresh water. The area has and can create collaborations among the many research and training institutions in the area to once again become a leader in energy innovation, production, transmission and energy efficiency. The region would benefit from the creation of a sound statewide energy plan that supports smart grid and energy usage, conservation, and research and development across all sectors, all fuels, and all production types. The absence of a statewide plan that reflects regional strengths has led to disjointed decision making and a lack of unified vision.

The electric power sector is the fastest growing share of the energy economy in New York, the United States, and most of the world. This growth requires considerable investment and planning by power generating companies and state agencies.



S.W.O.T. ANALYSIS

STRENGTHS

- Low Cost Hydro Power
- Proximity to Natural Gas
- Education system/Research infrastructure
- Strong Manufacturing base & skilled workforce

WEAKNESSES

- Politicized low cost power allocation process
- Uncoordinated efforts
- Lack mechanisms to assure diverse energy sources
- Bureaucracy (state agencies)

OPPORTUNITIES

- Innovation/new ideas
- Power to businesses at low cost
- Prepare Student Curriculum -ready workforce installation
- Ability to build a diverse energy resource network for region

THREATS

- Lack of funding and prioritization
- Policies that can inhibit government-sanctioned water protection
- Others becoming experts/energy leaders
- Regulation impedes innovation



ENTREPRENEURSHIP/ BUSINESS DEVELOPMENT

WHY IT'S CRITICAL

Entrepreneurs drive job growth but it's risky. New companies are more vulnerable than established firms. Our region ranks dead-last among fifty large metros when measuring rates of business formation. This demonstrates the crucial need to foster a strong culture of entrepreneurship and provide direct assistance to those who have the courage to grow a business and create jobs.

We need to foster both start-ups and growth. When small businesses grow, they gain the capacity to export products and services, reach beyond our region and provide better jobs and satisfying careers.

We have strengths including access to nearby large markets, a huge influx of tourists and great colleges and universities. But today, these are overwhelmed by weaknesses. New York's ferocious regulatory environment, a dearth of working capital for small businesses and intolerance of business failures all hold us back.

Our strategies are clear and succinct:

1. Simply Entrepreneurship by ameliorating the regulatory burden.

2. Fund start-ups and small business with working capital – both through public programs and by leveraging policies to spur private investment.

3. Foster a strong culture of entrepreneurship through training, incubators and public awareness.

Entrepreneurship needs to become a pillar of our economy or we will fall further behind other regions.

Out of 200 companies that partner with the University at Buffalo on commercialization of research, small businesses dominate, with ¾ having less than 25 employees.



S.W.O.T. ANALYSIS

STRENGTHS

- Well-educated and hard-working people
- Market access with proximity to the east coast, Toronto & Niagara Falls
- Affordability

WEAKNESSES

- Ferocious regulatory environment
- Insufficient access to capital for start-ups & growing businesses
- Low self-confidence, intolerance of failure

OPPORTUNITIES

- Re-use of old buildings & other infrastructure
- Increase diversity in business ownership by streamlining processes encouraging more small business
- Rewrite regulations to level the playing field for business & "make it easier"

THREATS

- Failing to compete effectively with other regions
- Deteriorating national image and lack of a positive regional brand
- Lack of collaboration



HEALTH | LIFE SCIENCES

WHY IT'S CRITICAL

Technology developed in the life sciences supports efficient and effective delivery of care to patients in the health sciences, while needs/problems identified in the delivery of care can be drivers of research & design into solutions through life sciences.

Life and Health Sciences encompasses two interrelated industries - healthcare (hospitals, primary and specialized care, etc.) and life sciences (academic and clinical research, pharmaceutical and device manufacturing and commercial research). Connecting the dots across these related disciplines will provide the best opportunity for sparking innovation and creating jobs.

Building off investments NYS and the region has made at the Buffalo Niagara Medical Campus, collaboration has begun to take off among the health and life science institutions in WNY. Universities, research institutions like Roswell Park Cancer Institute and many others are working together to produce cutting edge research, human capital, and spin-off commercial enterprises to solve medical maladies facing the region and world. Seed funding and

Buffalo Niagara has the 19th highest concentration of Life Sciences jobs of the 50 largest metro areas in the U.S. About 23% of Life Sciences businesses employ more than 10 people; the medical laboratories sector includes the largest number of businesses.

shortages of talent continue to pose challenges. Healthcare stakeholders need to collaborate better, but the region's renowned advancements in healthcare IT prove the culture is changing. Continued collaboration and innovation are needed for the region to position itself as a national leader in responding to looming changes to our national healthcare system.

S.W.O.T. ANALYSIS

STRENGTHS

Academic/research institutions at the BNMC and throughout the region

Existing capacity in informatics, including the "supercomputer" at UB

Leader in employing healthcare information technology regionally

WEAKNESSES

Early stage funding including a lack of venture capital and state tax credits for R&D

Need for more collaboration and communication among healthcare stakeholders

Shortage of talent in key areas (i.e. research-to-commercialization, clinical specialties)

OPPORTUNITIES

Proximity to Canadian market for patients and biosciences collaboration

National healthcare reform

Translational research and commercialization

THREATS

Incentives offered in other states targeting biosciences

National healthcare reform

Skyrocketing cost of healthcare as a burden to employers and consumers



HIGHER EDUCATION

WHY IT'S CRITICAL

Higher Education is a driver of economic development, a stable employer, an educator of employees and citizenry, a research industry that produces innovation, and a community and culture that attracts knowledge workers.

The region's 21 colleges and universities are a driving force in the region's economy. They employ thousands of our workers, educate our youth for 21st Century jobs and attract new people into the region to attend school, and in many cases, stay beyond graduation. Western New York is committed to leveraging this key resource to strengthen our collective brain power and produce innovation to fuel all aspects of the regional economy.

Collaboration among institutions and with community partners can advance these efforts and enhance our reputation as a university region. This will allow us to attract more outside dollars, students and faculty, and harness our research to create increased opportunities for spin-off commercial development.

Regulations and a lack of resources pose obstacles to these efforts, as

do challenges we face in educating our youth prior to college. Increased competition from peer regions, distance learning and educational institutions abroad further challenge the region's higher educational institutions. To overcome these challenges, we need to continue extending our geographic reach to draw talent to the region.

The region's educational institutions produce 30,000+ labor market entrants every year, mostly college grads, which more than offset the 10,000 that retire annually.

S.W.O.T. ANALYSIS

STRENGTHS

Bringing new dollars to WNY and attracting people from outside the region

Educating our current and future workforce; providing support for K-12 pipeline

Offering many options, serving diverse student populations

WEAKNESSES

Regulations that hinder institutions in meeting marketplace demands

Insufficient resources and funding

Students ill-prepared to achieve success in higher ed

OPPORTUNITIES

Collaborating to build WNY's reputation as a university region

As an anchor industry for WNY, Higher Ed institutions could attract more talent and increase dollars coming into the region

Leveraging higher ed research and business support programs for maximum economic impact

THREATS

Keeping higher ed accessible and affordable for students

Attracting more out-of-region and international students

Competing with international institutions and those offering distance learning



JOB READINESS

WHY IT'S CRITICAL

Job readiness and the workforce development systems supporting human capital are critical for economic development, as business success is bolstered by the availability of people having the skills needed by companies to operate and be competitive nationally and globally. Job readiness is also key to reducing poverty and improving quality of life in regions.

With 21 colleges and universities, a strong environment for entrepreneurs and residents who want to work and live here, the region should be a place where most residents are employable and employers have ready access to human capital. Yet it's not happening consistently enough. At the same time as unemployment remains, employers struggle to fill good job openings, both from the regional pool and with talent from the outside. Exacerbating this misalignment are populations excluded from the region's workforce due to lack of skills and training for jobs that do exist. What's needed is greater alignment and communication between educators at all levels, businesses and job seekers. Also, the region's "pipeline to poverty" needs to be replaced with a talent and career development pipeline, starting in

grades K-12. Without strategic action, labor shortages will persist, poverty and unemployment could grow, and companies may leave for places where it's easier to find the skills and talent they need.

Analysis of vacancies at major regional employers reveals a concentration of labor shortages in knowledge economy growth areas. Employers identified 159 hard to-fill vacancies in 11 occupational fields including healthcare, management, computers, financial services and administrative support.

S.W.O.T. ANALYSIS

STRENGTHS

- 21 colleges and universities
- Support for entrepreneurs
- Strong work ethic
- Quality of life
- Businesses willing to work with organizations

WEAKNESSES

- Do not embrace change
- Lack of parent engagement in career development
- Involving more businesses to partner with schools
- Communicating jobs available to job seekers

OPPORTUNITIES

- Fully engage K-12 on careers
- Involve more businesses/employers
- Increase educational attainment
- Remove stigma of BOCES
- Develop new training opportunities

THREATS

- Government's duplication of services
- State taxes and mandates
- Convincing companies to locate in WNY
- Focus on engagement, not isolation



PROFESSIONAL SERVICES

WHY IT'S CRITICAL

Buffalo Niagara can compete globally in professional services by leveraging recent successes, low operating costs and technology infrastructure, and by tapping new markets and driving innovation in partnership with education.

The professional services industry includes a wide range of sectors involving legal, financial, information technology, administrative support and other "white collar" services. The sector depends upon a talented, specialized workforce, and is regarded for its on-the-job skills development. In supporting client success, its firms are centers of innovation and best practices. Regional success stories include the headquarters of major financial institutions like M&T Bank and First Niagara Financial Group. While global competition is fierce, WNY has qualified human capital and affordable real estate. Its sophisticated telecommunications and low-cost hydropower are attractive to data centers and professional services operations. Yet high taxes, stifling regulation and a lack of targeted incentives put the region at a competitive disadvantage. Higher

education partnerships are needed to fine-tune workforce development, particularly for disadvantaged populations, and push research-based service innovations. Successful businesses should be ambassadors.

The professional and business services sector employs more than 75,000 people. Regional employers surveyed were satisfied with the available supply of qualified labor due to a large number of two- and four-year colleges and the restructuring of regional manufacturing employers.

S.W.O.T. ANALYSIS

STRENGTHS

- Extensive higher education system
- Experienced, skilled workforce pool
- Lower cost of operations, including real estate
- Headquarters for major companies

WEAKNESSES

- High taxes/too much government
- Excessive downstate focus in NYS
- Negative image/perception of area
- Failure to align education with employer/industry needs

OPPORTUNITIES

- Higher education and business to align supply and demand in labor
- Attraction of companies from Canada/downstate
- Build on demonstrated success stories

THREATS

- Hierarchical decision-making process and political environment
- Highest taxes (state, county) compared to rest of country
- Competitive environment for clusters from other regions, globally



SMART GROWTH

WHY IT'S CRITICAL

While the symptoms of sprawl are not unique to Western New York, the cost has been particularly burdensome to the region. New development did not accompany economic or population growth, leaving the region with a shrinking tax base and a multiplication of governments and other public service entities.

As the Western New York economy has undergone profound changes over the past fifty years, so has its physical landscape. Neighborhoods and central business districts that once thrived are now plagued with vacant homes and commercial structures and weak market demand. Former industrial sites, many which sit on the shores of the region's

waterfront, struggle to find new life and contend with contamination. On what was once rural hinterland, sprawling housing developments and commercial centers have sprouted, demanding duplicative government services and costly investments in new roads, water and sewer lines and access to utilities. And unlike days when employment centers and commercial establishments could generally be reached by foot and streetcars, traversing the landscapes of Western New York today is very difficult without an automobile.

Continuing the path of uncoordinated regional development and planning will have grave consequences for the region. In just Erie and Niagara counties, tempering this trend of sprawling development can save the region an estimated \$800 million in infrastructure capital costs (roads, sewers, schools, etc.).

From 1950 to 2000, while the population of Erie & Niagara counties grew by only 7%, the urbanized area nearly tripled, from 123 square miles to 367 square miles. From 1980 until 2006, when the region's population was declining by 5.8%, the urbanized area grew 38%.



S.W.O.T. ANALYSIS

STRENGTHS

Affordable
Infrastructure and historic urban fabric
Waterfront
Schools & education

WEAKNESSES

Sprawl
Lack of regional Plans
Politically driven decision-making
Poverty and social divisions

OPPORTUNITIES

Cross border locations
Water
Growing immigrant population
Historic buildings and neighborhoods
Downtown, town center development potential

THREATS

Too many layers of government
Lack of regional thinking
Expanding infrastructure & stagnant growth
Silver bullet mentality — desperate for any development



TOURISM/MARKETING

WHY IT'S CRITICAL

Tourism creates jobs. It is an export industry based on infrastructure, product, and marketing. Tourism is a way of marketing the larger economy through image and branding to all sectors: visitors, residents, and business.

The relationship between tourism and marketing is intertwined in defining the image of the region. The major economic drivers in attracting visitors to the region could focus around the prime geographic location of Western New York as a bi-national gateway within 500 miles of 40% of the continental North American population.

The region's competitive edge beyond geography is based on a rich foundation of cultural and natural assets with unique people, food, art, architecture, historic sites and diverse opportunities to access natural beauty.

This wealth of tourism assets creates tremendous opportunities for collective marketing efforts and strategic investments to promote product development and infrastructure improvements to boost the sector.

With these all these assets, the biggest threat to successful tourism is the need for cooperation on visitor readiness and cross-promotion of our assets and destinations throughout the region.

The economic impact of visitor spending in WNY in 2009 was projected to be more than \$2.2 billion. The sector also employs more than 46,000 people.



S.W.O.T. ANALYSIS

STRENGTHS

Infrastructure/ Geography
Cultural Assets
Environment/Nature

WEAKNESSES

Need for uniform marketing and promotion
Funding for marketing and development
Infrastructure
Need attractions to be tourist-ready

OPPORTUNITIES

Growth of local economy through industry)
Improve branding / identity/attitude
Create products that support branding, educate community about value of tourism industry

THREATS

Funding & planning
Lack of positive regional brand
Collaboration (need for transcending the status-quo)
Canadian-American issues (border crossing & Homeland Security)

Listening to Our Community

Public Participation

forums with interactive discussions; online surveys; and written comments online and on paper. The Council hosted seven meetings across the counties to provide a forum for interactive discussion to listen to the community's ideas. More than 640 people came to join the discussion. Surveys were conducted online to assess the community's priorities. More than 300 people took the survey. The Council also received 59 comments online, 70 phone calls, and 97 in writing. Western New York is a community that cares about the future and with more than 1,000 people from the community, Council and work groups lending their voice to the process, the opportunity to build on the power of the collective is paramount.



PUBLIC FORUMS

The Council asked people to participate in a ranking exercise and discussion to identify the most important sector-based strategy. Across the forums, advanced manufacturing was at the top, followed by agriculture, tourism, life/health sciences and professional services at the lowest.

When asked what was the most important "enabler", across the forums, people ranked "reduce the tax burden" the highest, followed by "promoting entrepreneurship" and "advancing smart growth."

Insights across counties:

- Health | Life sciences ranked high only in Erie and Cattaraugus
- Tourism ranked #1 only in Niagara
- Advanced manufacturing was strong across all counties
- All counties see agriculture is a key industry sector
- "Global gateway" was an Erie + Niagara priority but not elsewhere
- Reducing the tax burden ranked highest in all but Erie
- Reducing gov't regulation was important in Allegany, Cattaraugus, & Chautauque
- Erie ranked smart growth highest
- Promoting entrepreneurship was a high priority in forums in Erie & Chautauque
- Developing the workforce was on the radar screen in Cattaraugus, Niagara and Chautauque

WHAT THEY SAID...

The top three by county

	...by sector			...by enabler		
	#1	#2	#3	#1	#2	#3
Allegany						
Cattaraugus						
Chautauque						
Erie						
Niagara						

Key to...

...sectors

- Advanced Manufacturing
- Agriculture
- Tourism
- Health & Life Sciences

...enablers

- Reduce Tax Burden
- Reduce Gov't. Regulation
- Make Higher Education an Economic Driver
- Promote Entrepreneurship
- Advance Smart Growth
- Develop Workforce
- Become a Global Gateway

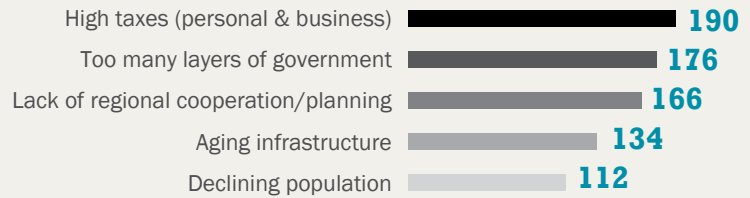
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SURVEY FEEDBACK



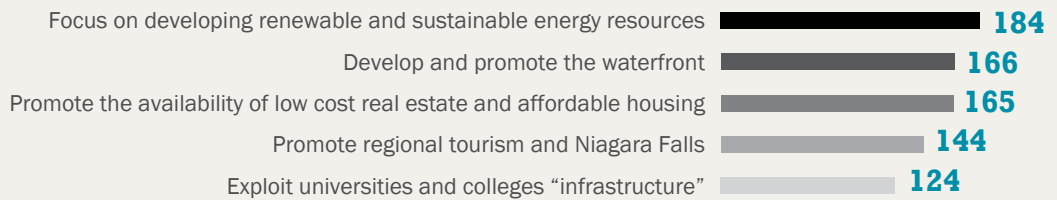
MOST VOTES FOR:

Top Five **Challenges** for Western New York



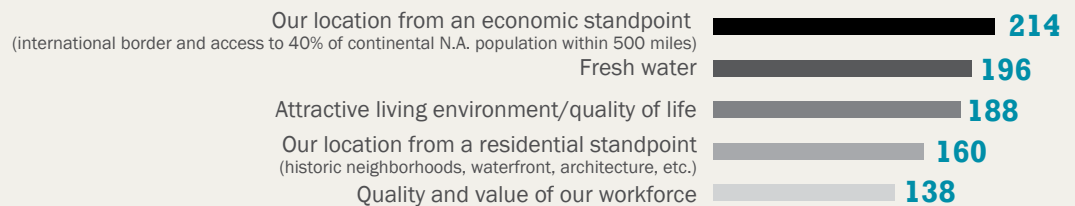
MOST VOTES FOR:

Top Five **Opportunities** for Western New York



MOST VOTES FOR:

Top Five **Assets** for Western New York



WHAT WE HEARD OVERALL



Looking across all the feedback from the community, a few key themes emerged:

We need to plan as a 5 county region.

Even as different counties may vary in priorities and assets upon which to build, our planning needs reflect the needs of the 5 county region as a whole to build on the unique, collective strength we have in Western New York.

Fix the basics.

Reforms are needed. Processes need to be simplified and streamlined. At the same time, while people want to see the government maximize efficiencies and eliminate cumbersome burdens, the community wants to ensure that reform does not remove vital protections that ensure the health, safety and quality of life that exists in the region.

How we define economic development matters.

When strategies include specific language, the public wants to know what the context is that defines the tactic. When the region says we want to bring in more jobs, do we mean any jobs? Or are we targeting something more specific like higher wage jobs? What do we mean by "renewable energy"? What is included in the category of "advanced manufacturing"? The forums provided lively discussion on these topics and it was clear that these definitions will be important to find out the levels of community support the region will provide for different initiatives.

The impact of education on workforce development is crucial and far-reaching.

The public was clear that developing our current and future workforce requires coordinated, targeted efforts from the earliest stages of education. It is not just about getting a college degree. It is about setting our children on the right path for success from the beginning and granting them every opportunity through every phase of their development so career decisions can be made with a strong foundation of support.

