



BUFFALO BILLION

An initiative of the WNY Regional Economic Development Council

Regional Economic Development Council

July 11, 2013

The Buffalo Investment Development Plan is defined by 6 Strategies that create a plan for sustainable economic and inclusive jobs growth



High potential sectors with the potential to form the foundation of Buffalo's next economy and to drive economic growth, employment, productivity and wealth

Key enablers that will support Buffalo's new economy across high priority sectors



Health & Life Sciences Update



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Matt Enstice, Executive Director, Buffalo Niagara Medical Campus

July 11, 2013

Market Analysis: Health & Life Sciences



Why is it Important

- Over **130 life science companies** across medical devices, research and biotech in the region
- WNY is home to 28 hospitals; the region employs ~3,600 doctors, ~20,500 nurses and ~16,700 other medical personnel



Buffalo's Assets

- **Buffalo Niagara Medical Campus** – new precinct offering co-location of high quality facilities (e.g., Global Vascular Institute, Roswell Park), students and new companies
- High concentration of **medical device** and **pharmaceutical** companies
- Life sciences **R&D** brings in approximately two thirds of the \$350 million in region's research funding



Barriers

- Industry frequently cites that **translating research** into businesses is a challenge
- Attracting **VC funding** to the region has proven challenging
- **Few medium and large** companies present to help support and provide workforce mobility and mentorship

Strategy

Buffalo Niagara will accelerate health and life sciences commercialization in the region by leveraging its unique areas of excellence. This new level of commercialization will be achieved by creating an environment conducive for small, medium, and large health and life sciences companies to start, grow, and invest in Buffalo Niagara

Tourism Update



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An initiative of the WNY Regional Economic Development Council

Chris Schoepflin, President, USA Niagara Development Corporation
John Percy, President, Niagara Tourism & Convention Corporation

July 11, 2013

Market Analysis: Tourism



Why is it important

- Tourism a significant job creator (15 jobs per \$1M tourist spend) and is **growing faster than the economy** (5% p.a.)
- Buffalo's natural and cultural assets match the needs of the largest, fastest growing customer segment (outdoor adventure/ heritage)



Buffalo's assets

- **Niagara Falls attracts more visitors annually than most national parks** (8M vs. 4.4 M in the Grand Canyon)
- Multiple **cultural assets** exist in Buffalo from the museum district to the historic Michigan Street Corridor



Barriers

- Few tourists stay overnight (21% in Niagara vs. 28% in Grand Canyon) and **spend less** (US Niagara: ~\$159/day; Ontario Niagara: ~\$225/ day)
- High returns to marketing spend (5:1), but current spend is low (a third of Pittsburgh)
- Limited tourist amenities exist near the Falls

Strategy

Buffalo Niagara will generate significant near-term economic growth by enticing tourists to stay longer and spend more while experiencing the natural, cultural, heritage, architectural, and retail offerings throughout the entire region in addition to the natural wonder of Niagara Falls

TOURISM VISION: The Buffalo Niagara region will realize its potential as a top U.S. tourist destination by leveraging an unparalleled base of natural and cultural assets in a more systematic, creative and collaborative manner.

Wave 1: Four complementary tourism initiatives



A

Niagara Falls Waterfront



B

Downtown Niagara Falls



C

Regional Marketing & Research



D

Tourism Asset Development

Niagara Falls Waterfront Robert Moses Parkway (RMP) – South Segment: “Riverway”



RMP South Segment – Existing Conditions



Proposed "Riverway": Olmsted Inspired Roadway



Proposed “Riverway”: Four New Hotels

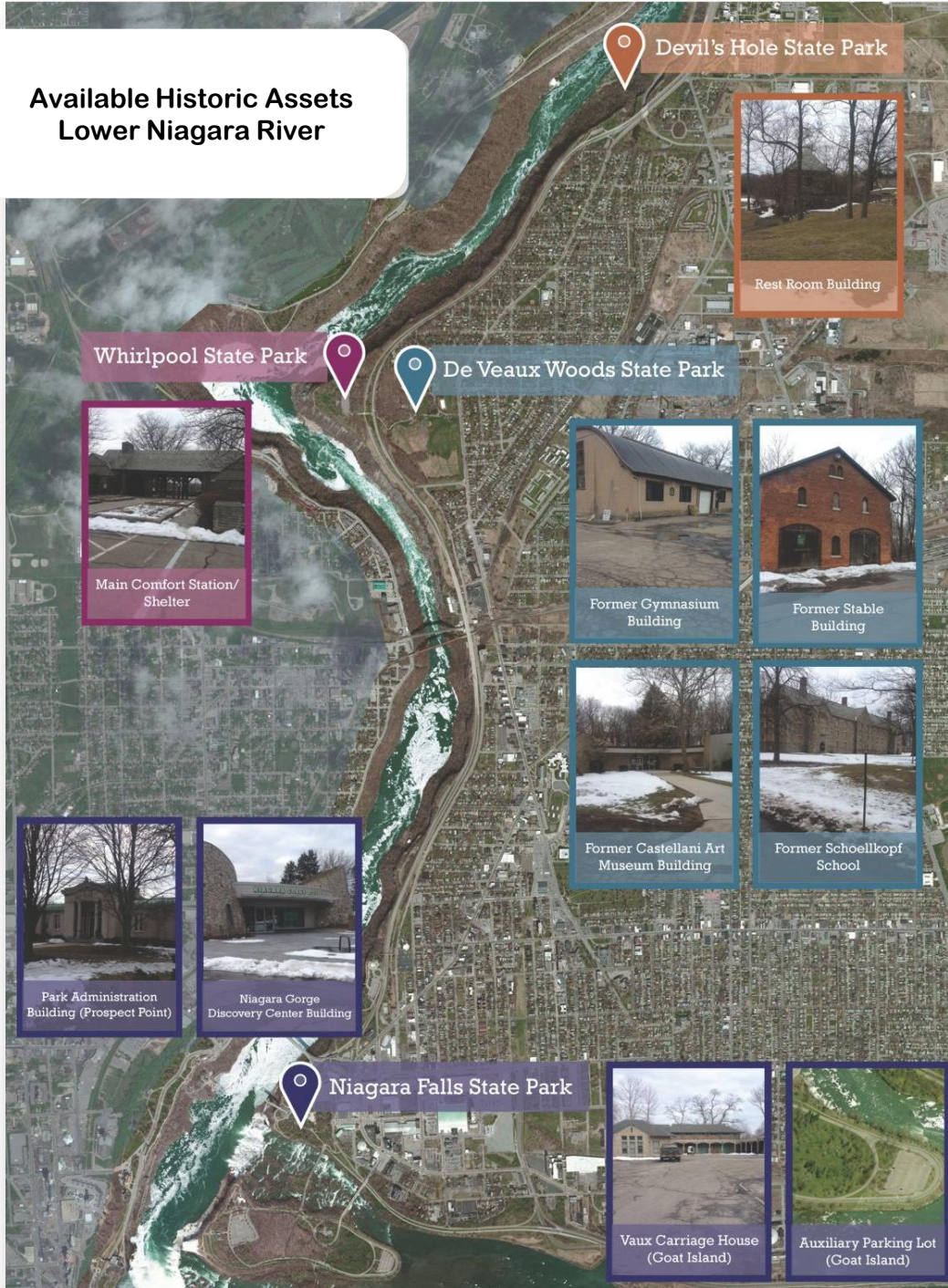
500 rooms, \$50M investment



Niagara Falls Waterfront Capitalizing on World-Class Outdoor Recreation Assets



**Available Historic Assets
Lower Niagara River**



Niagara River State Parks

Request for Expressions of Interest (RFEI)

Outdoor Recreation Programming & Support Facilities

Available Historic Assets Upper Niagara River



NYPA Spoils Pile Area



NYPA Water Intakes/Rest Stop



City Waterfront Park & Four Points Hotel

Upper Rapids

Multi-Purpose Trail

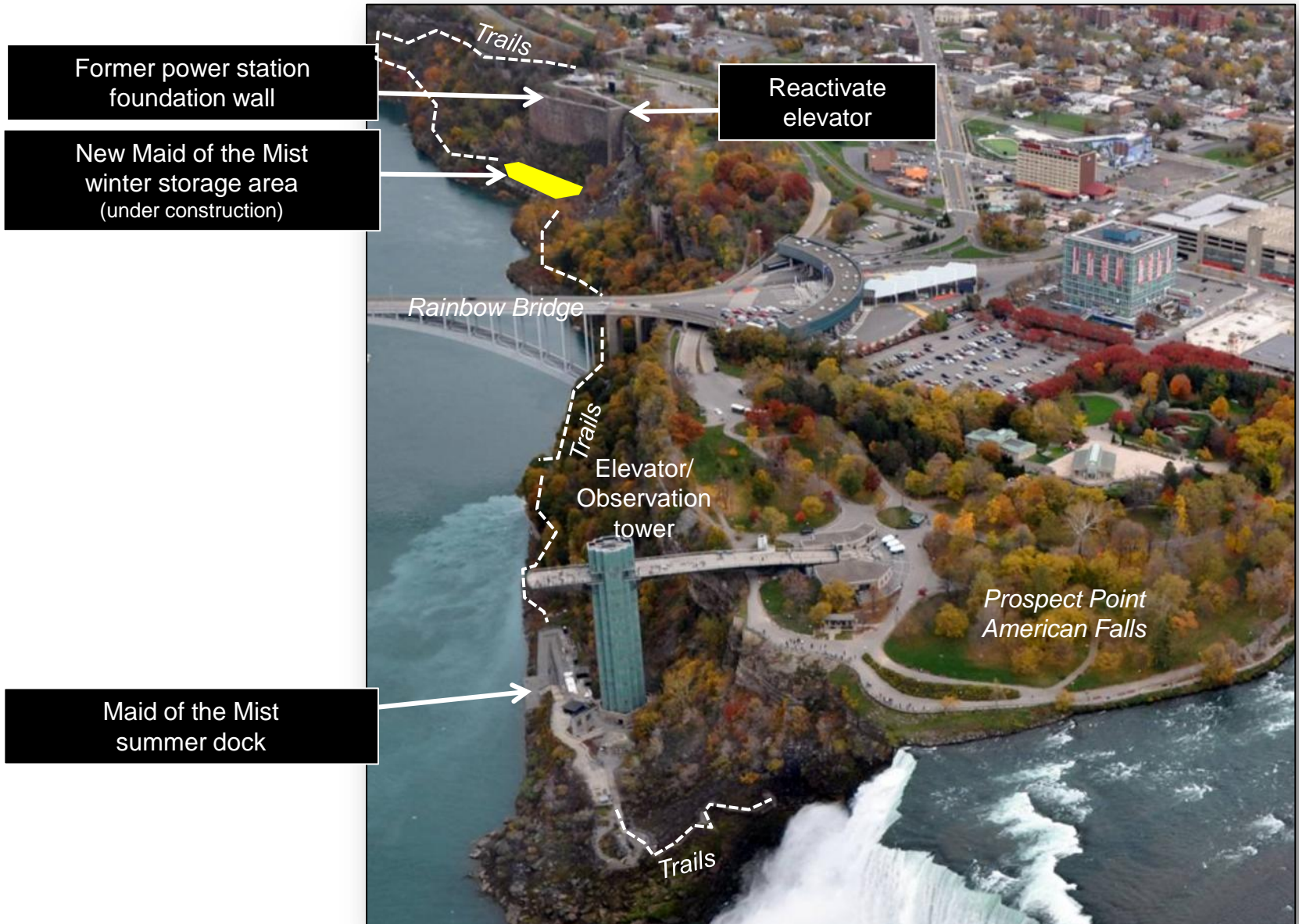
Waterfowl Observation
Pull-Off Area

City Docks (At 53rd Street)



Niagara Falls Waterfront

A Head Start at the Former Schoellkopf Power Station Site

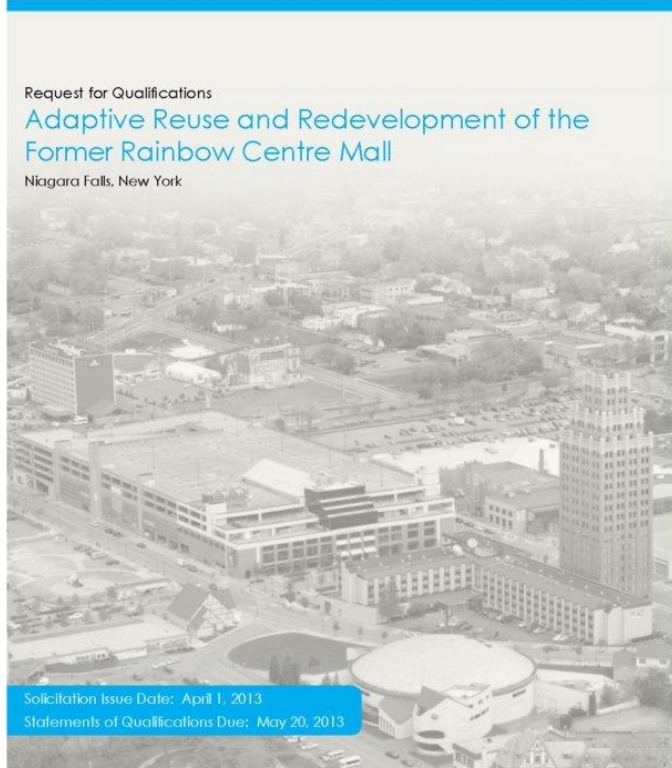


Downtown Niagara Falls

Signature Project to Reuse Former Rainbow Centre Mall



Request for Qualifications
**Adaptive Reuse and Redevelopment of the
Former Rainbow Centre Mall**
Niagara Falls, New York

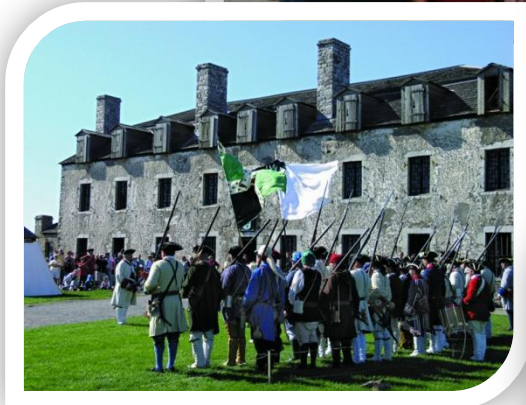
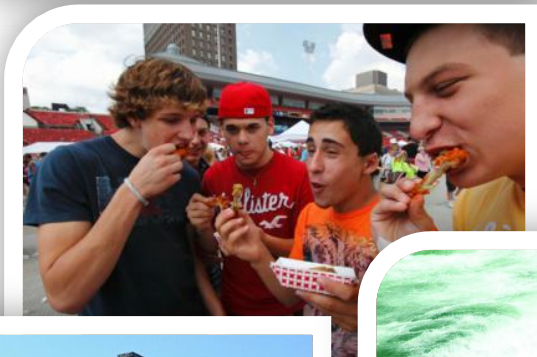


Solicitation Issue Date: April 1, 2013
Statements of Qualifications Due: May 20, 2013

Issued by:
USA Niagara Development Corporation
A subsidiary of
New York State Urban Development Corporation d/b/a Empire State Development
222 First Street, 7th Floor, Niagara Falls, New York 14303

Regional Marketing & Research

Coordinated Process of Regional Tourism Research & Marketing



Regional Tourist Assets

“Conversion Analysis” for Targeted Support



Advanced Manufacturing Institute



BUFFALO BILLION

An initiative of the WNY Regional Economic Development Council

Chris Conrardy, Chief Technology Officer, EWI

July 11, 2013

EWI[®]
We Manufacture Innovation

Market Analysis: Advanced Manufacturing



Why is it Important

- **3rd largest employment sector**, with 50K employment and \$6.2B GRP (11% of total)
- Chemicals and machinery manufacturing account for the two largest export sectors and 33 percent of total



Buffalo's Assets

- Shows specialization and projected growth verses nation in sub-sectors: **materials, machinery, medical devices and chemicals**
- **Strong university research** (UB, Alfred) expertise in materials and ceramics



Barriers

- Steady **decline in jobs (-5% per year), GDP (-1.7% per year) and productivity**, all trailing the US average
- Majority of manufacturers cite **local talent pool as not meeting needs** in recent survey

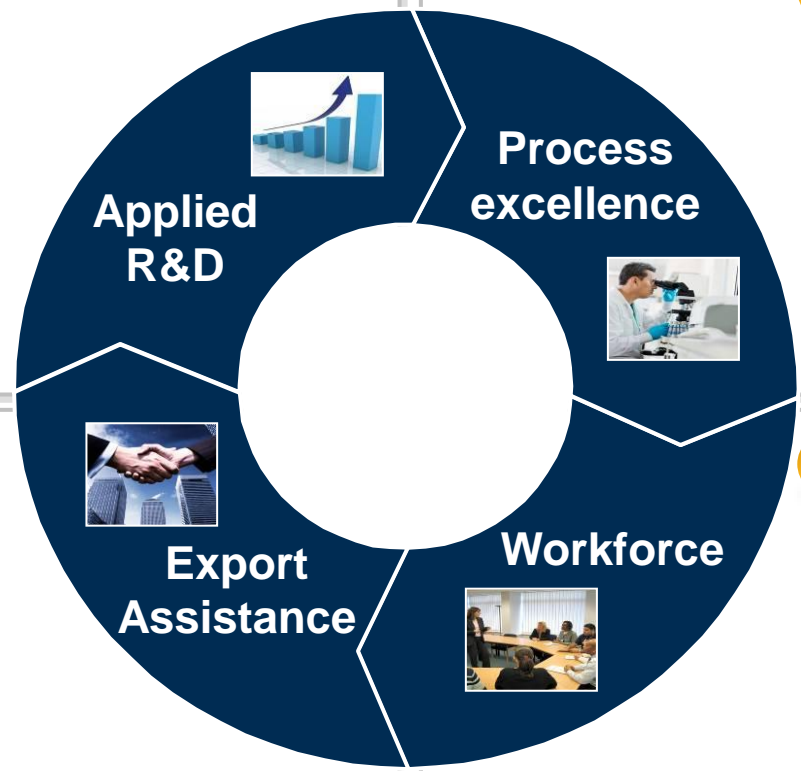
Strategy

Buffalo Niagara will accelerate the growth of the specialized subsectors that are well positioned for high growth in a globally competitive manufacturing sector by supporting R&D activities, while improving the competitiveness of the broader regional manufacturing industry by enabling cross-cutting productivity, workforce training and export interventions

ADVANCED MANUFACTURING VISION: Buffalo Niagara will be a nationally recognized hub of advanced manufacturing innovation, with particular emphasis on competitive areas such as advanced materials (e.g., ceramics), machinery (e.g., aerospace and medical devices), and chemicals (e.g., process controls)

Wave 1: Buffalo Niagara Institute for Advanced Manufacturing Competitiveness
A state-of-the-art facility to support the region's manufacturing sector

A Applied R&D
Applied research services to drive local manufacturers' innovation

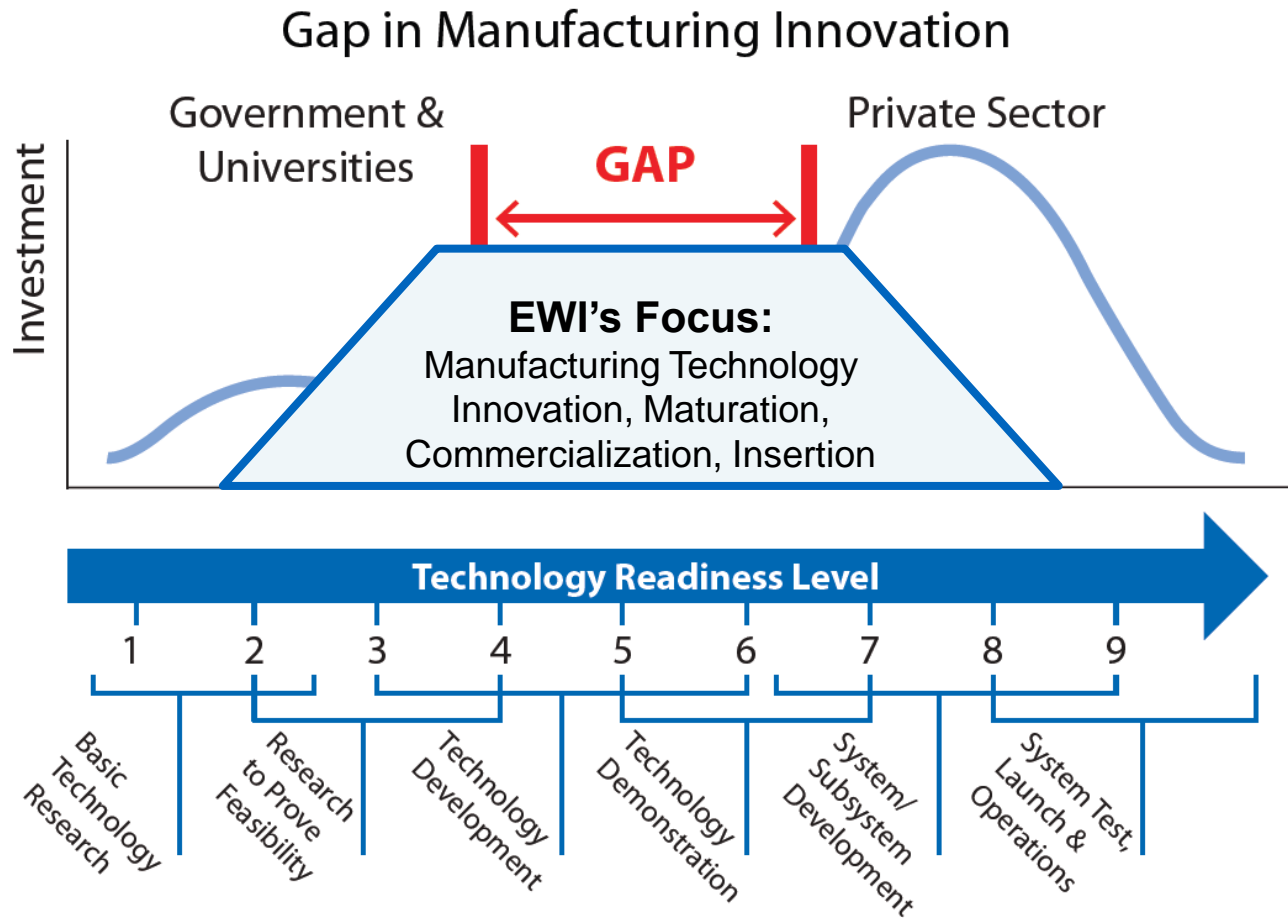


B Process Excellence
Advising services to assist manufacturers in implementing competitive operational processes in their factories

C Export Assistance
Market entry (domestic and international) assistance for expanding manufacturers

D Workforce
Hands-on instruction designed to up-skill current mid-career workers, providing opportunities to transition to higher-value tasks

EWI bridges the gap between fundamental research and production processes



EWI's Impact

Sustainable manufacturing technology innovation model

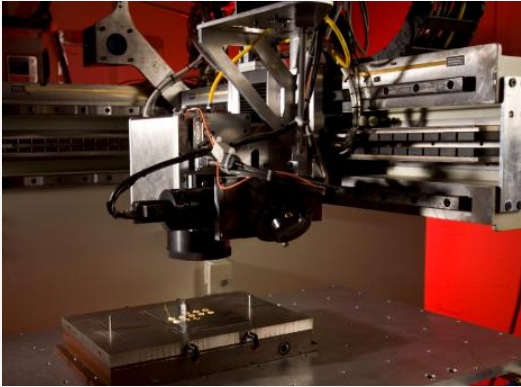
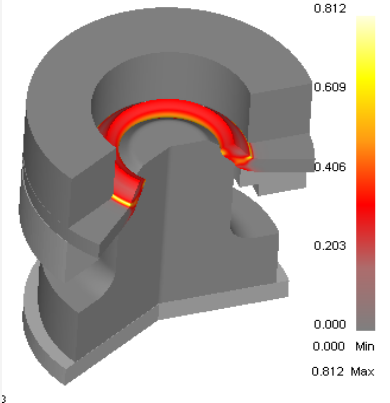
- Market driven through engagement of industry clients
 - 230+ member companies, 1500+ locations worldwide
- Intermediary between industry and academia
 - Partnerships with universities (e.g. OSU) and national labs
- Adaptable model working with regional stakeholders
 - \$25 million in research conducted each year using processes developed during three decades of operation



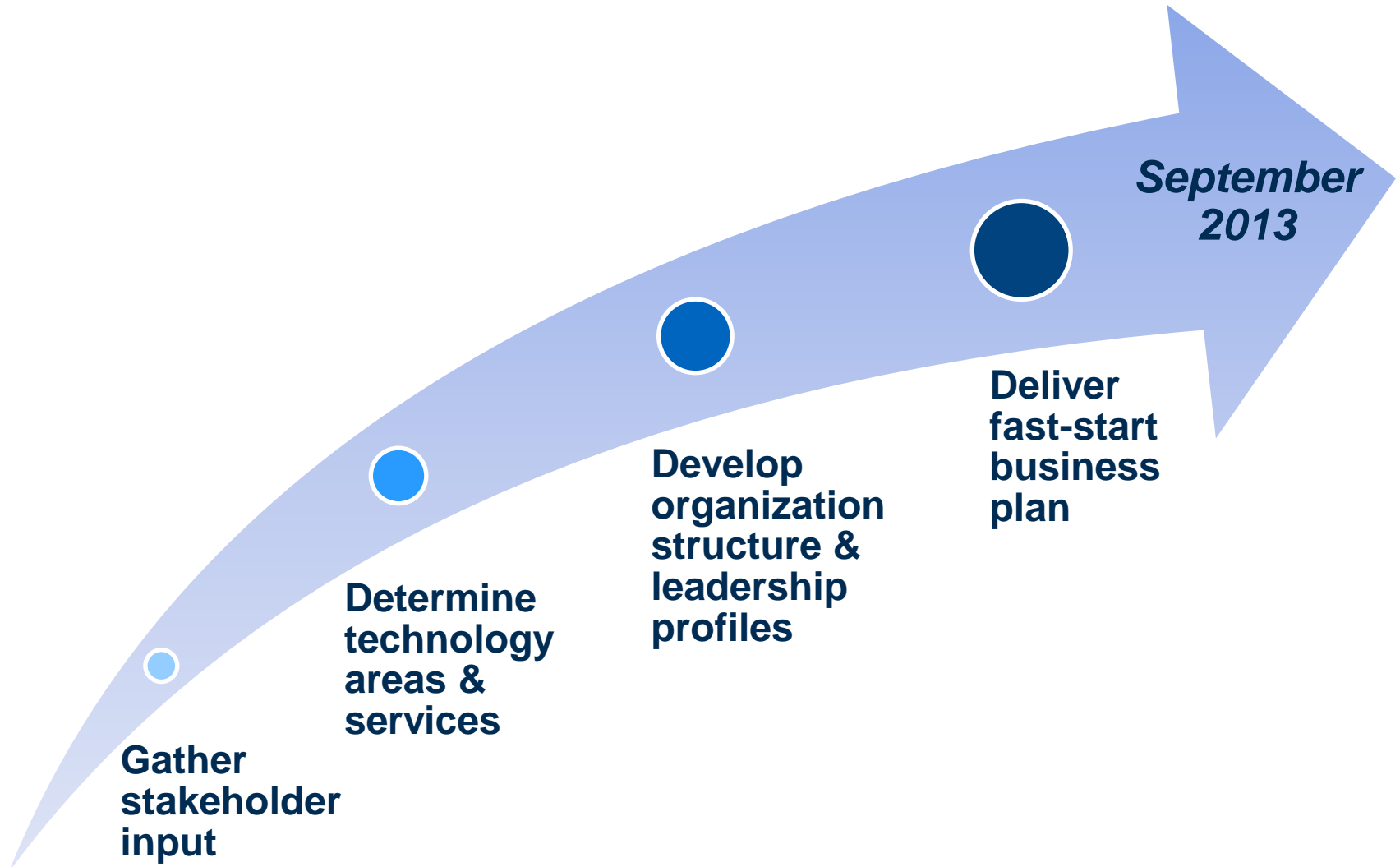
EWI's Impact

\$100's M in client impact annually across industry sectors

- 1000's of customer engagements, avg. satisfaction score > 9/10
- New products launched, cost reduction, new market penetration

New Product	Cost Reduction	New Market
<p>High Speed Laser Cutting For Batteries</p> 	<p>Weld Cracking Prevention Through Simulation</p>	<p>Progressive Die Forming For Aerospace Market</p>
	<p><i>"We knew EWI had modeling capabilities... what we didn't know is how cost effective these capabilities would be in helping us solve a real-world shop floor production issue."</i></p> <p>-- Engineering Manager</p>	
<p>Sales - \$20 Million Jobs - 50</p>	<p>Prevented Cracking & Saved 1000s of Man-Hrs</p>	<p>Increased Sales from \$8M to \$15.6M</p>

Implementation Activities



Workforce Update



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Sharon Jones, President/CEO, OH Community Partners Ltd
Chris Sansone, President, Buffalo Niagara Manufacturers Alliance

July 11, 2013

Market Analysis: Workforce



Buffalo's Assets

- **Strong mid-skilled workforce** with low unemployment
- Size of high-skilled workforce mirrors the US
- Buffalo has >20 higher education institutions
- Advancing **skills drives productivity and employment** (people with bachelor's degrees earn 65% more than high school graduates, and have less than half their unemployment rate)



Opportunities

- **High skilled workers have above average unemployment levels** (29% of unemployed, versus 20% nationally) but could be redeployed if demand increases
- **Large pockets of unemployment** exist – particularly African Americans who have the highest unemployment rate (22%)
- 50% of manufacturers indicate they don't know about or don't use the educational or workforce systems in the region

Strategy

Align the skills of Buffalo Niagara's workers behind the career paths, certificates and degrees required for growth in core industries, such as manufacturing, healthcare, and tourism, and beyond by creating the most flexible, industry-demand-driven, and inclusive training environment

WORKFORCE VISION: Buffalo Niagara will create the most flexible, inclusive and industry-driven workforce training environment to prepare workers for success and allow employers to grow

Wave 1: Three complementary workforce initiatives



Skills Broker

Establish “skills brokers” labor market intermediary will act as a point of entry for employers into the educational and workforce system



Right Skilling

Invest in scaling vocational credential, and internship programs, with proven track records, based on strong industry partnerships in critical industries; starting with manufacturing



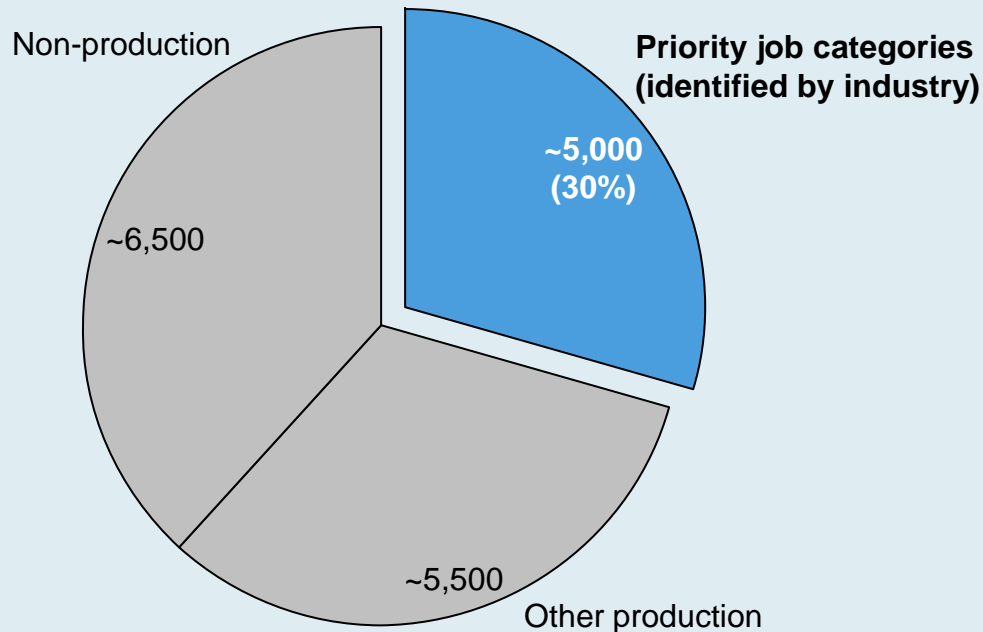
Say Yes to Education: the workforce pipeline

Support Say Yes, a program to improve high school graduation and post-secondary education achievement

Buffalo Niagara manufacturing shows approximately 17,000 in training demand by 2020, with 30% of these from 6 industry-identified priority job categories

Demand for priority job categories

2011-2020 (100% = ~17,000)



Priority job categories identified by industry

- Electrician
- Electro-mechanical Technician
- Quality assurance inspector
- Welder
- Mechanic
- Machinist

Curriculum build process covers the six priority manufacturing job categories

Objective

Set a unified regional strategy for skills training and curriculum that includes secondary and post-secondary education

Manufacturer summit

- Manufacturers collaborate to define pathways, and skills required at each level

Educator alignment

- Training providers coordinate alignment with defined levels/pathways

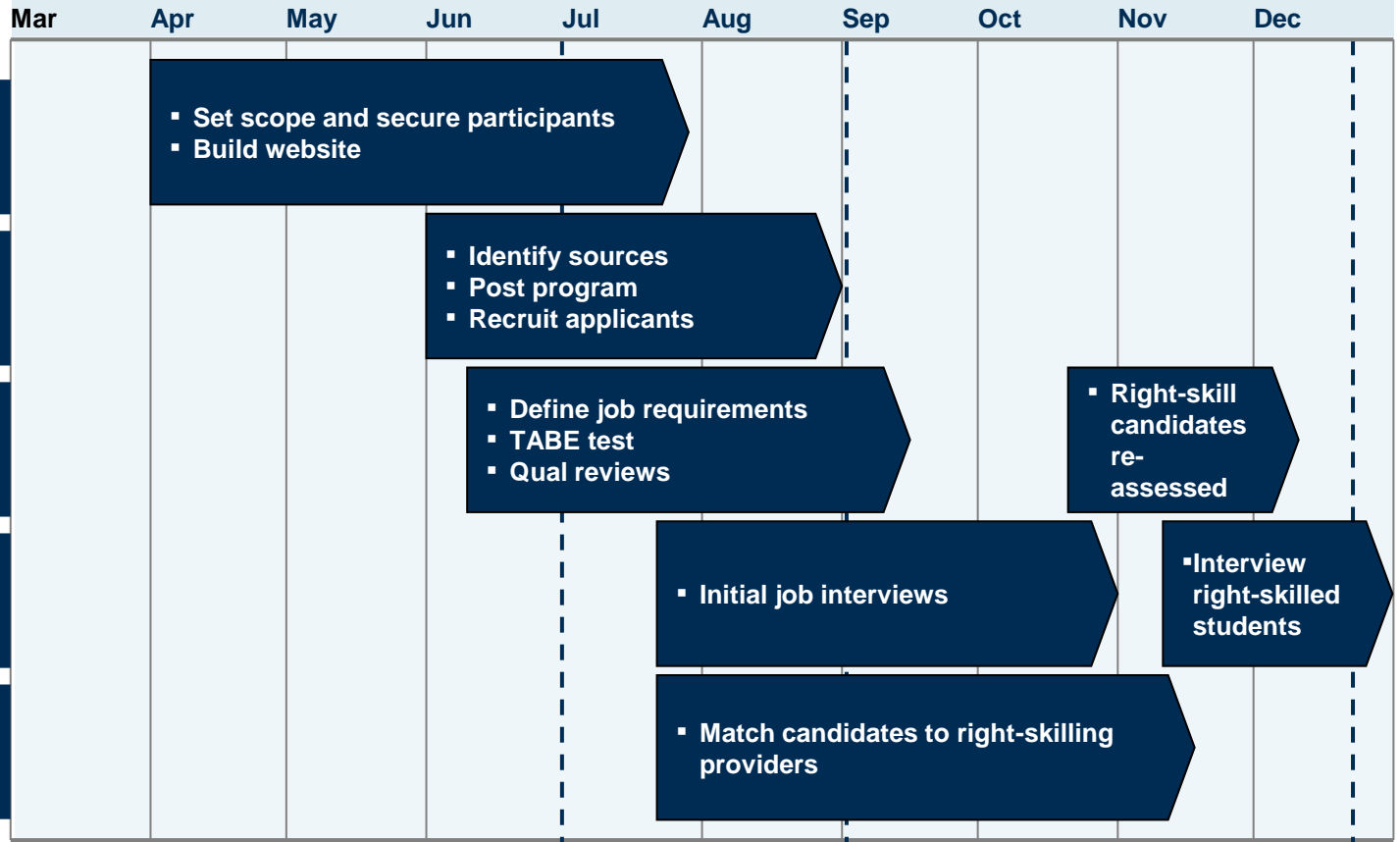
Curriculum design

- Educators fill in/build curriculum at respective facilities to support agreed skills

Note: Priority job categories include: Electrician, Electro-Mechanical Technician, Quality Assurance Inspector, Welder, Mechanic, CNC Machinist

Skills Broker Pilot will be completed within six months of launch

2013



1

Finalize design elements

2

Recruit candidates

3

Conduct DoL assessments

4

Candidate interviews with participating employers

5

Right skilling of under-qualified candidates

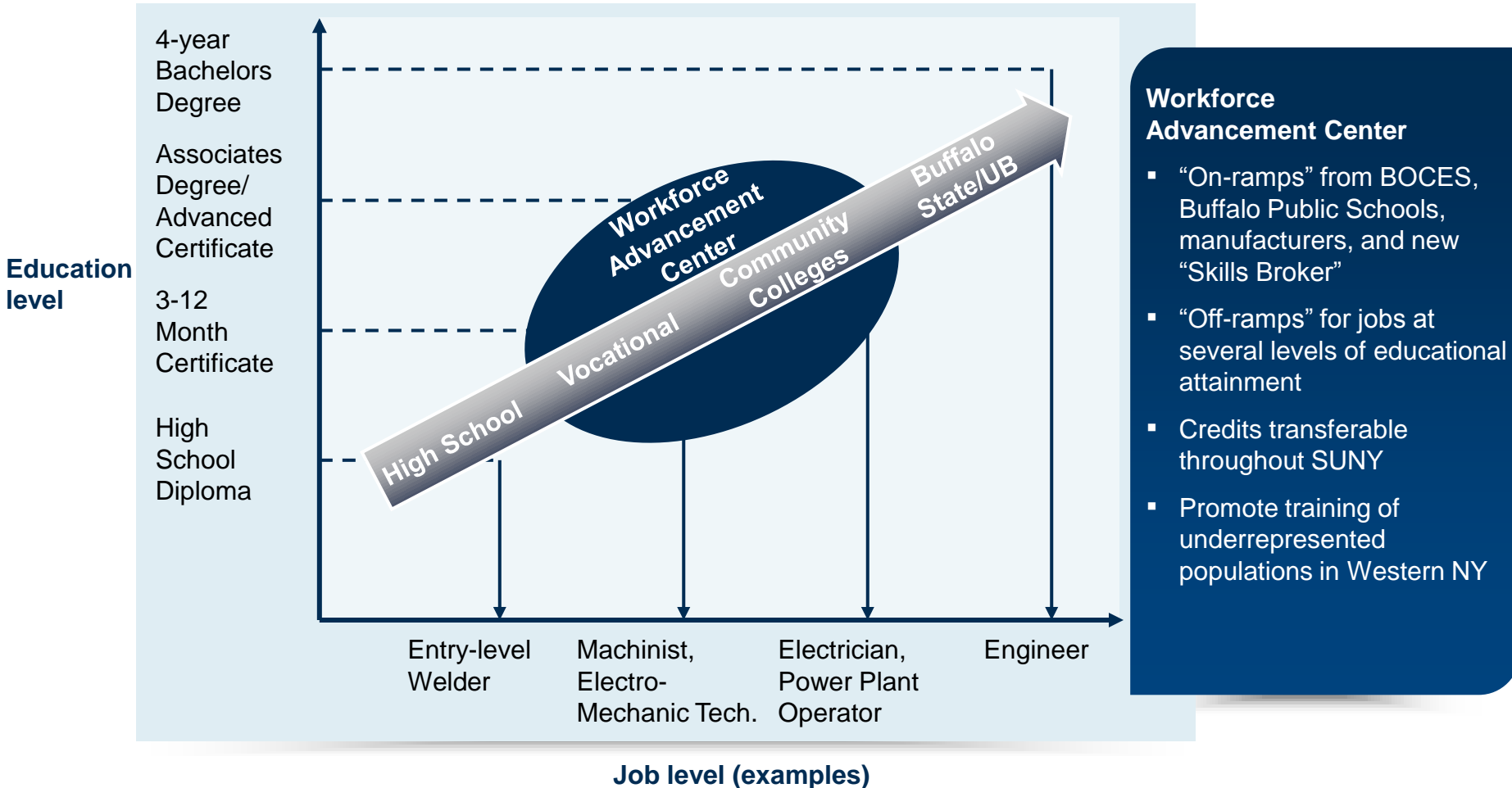
Milestones

Program launch

Initial candidates hired

Right-skilled Candidates hired

New Workforce Advancement Center will align training and capacity with industry needs



Revitalization Update



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Laura Quebral, Associate Director, University at Buffalo Regional Institute

July 11, 2013

Market Analysis: Revitalization



Why is it Important

- Transformative investments trigger a profound change in **physical infrastructure and the built environment** that enables and **accelerates the transition to a productive, sustainable, and inclusive economy.**



Buffalo's Assets

- **Waterfront location** is a competitive advantage for the region with highly desirable opportunities for public amenities and development
- **Anchor institutions** create employment opportunities connecting and stabilizing neighborhoods
- **Unique neighborhoods** are a key strength in quality of life for Buffalo
- Significant **adaptive reuse / residential growth in downtown**



Opportunities

- Significant **infrastructure capacity** in the region to support smart growth
- **Extension of a cooperative regional approach** can drive innovation across the various infrastructure sectors and attract capital

Strategy

The Buffalo Niagara region would combine State, local and private sector resources to make targeted capital investments in priority “turn around” areas with a specific focus on neighborhoods, areas where the presence of anchor tenants reduce development risks and community-owned assets that enhance attractiveness and livability

THE BETTER BUFFALO FUND

REVITALIZATION VISION:

Buffalo Niagara will build on its reputation as one of the top 10 cities in America to raise a family and become a vibrant, thriving city with modern amenities and infrastructure, convenient transportation, robust communication, high-quality services, and well-designed neighborhoods.



Primary Goals:



1. Promote smart growth/spatial efficiency
2. Enhance the region's competitive edge
3. Increase collaboration between public and private sector investments

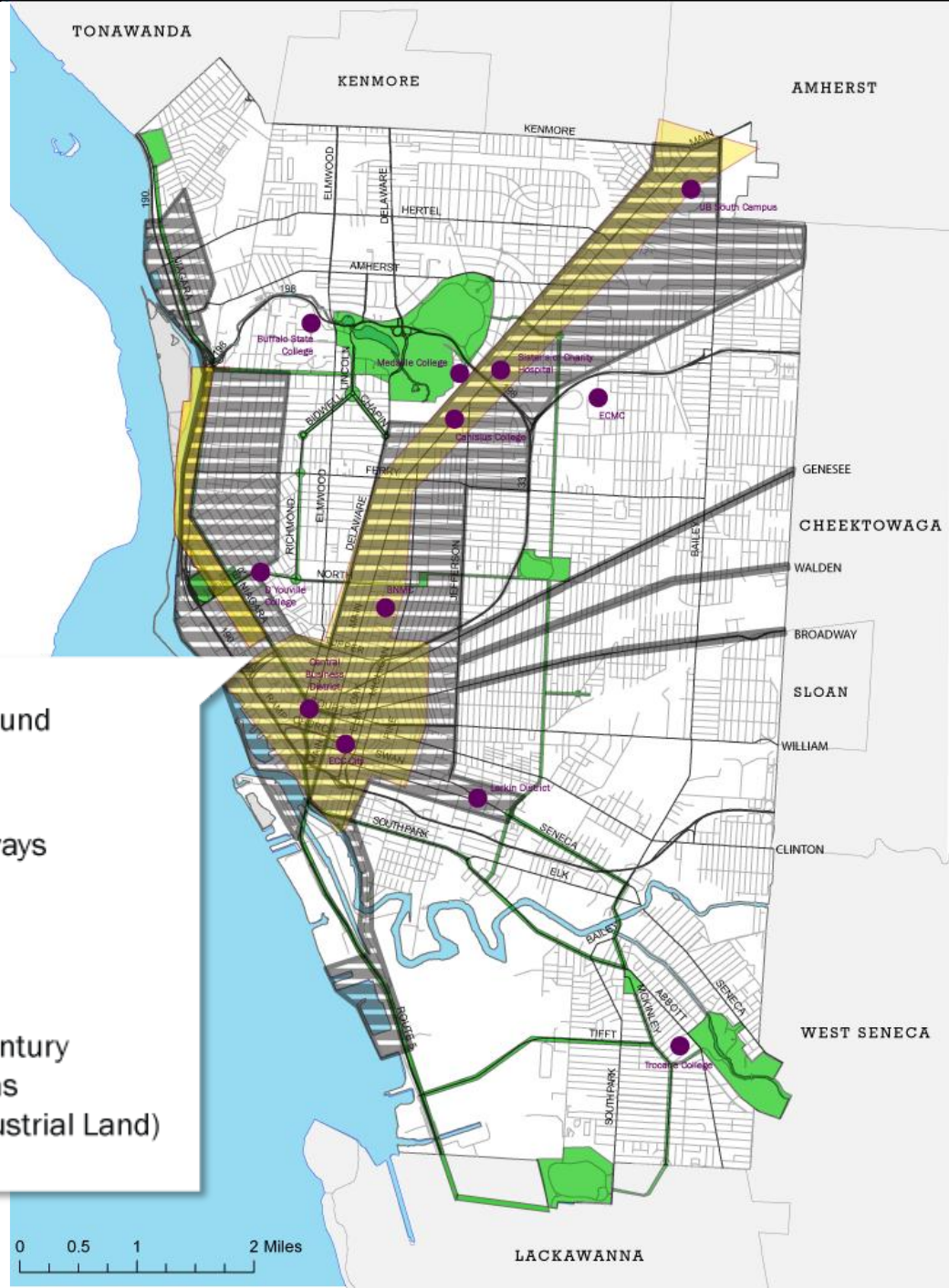
Strategies for Investments:

1. Complete streets, corridors, and gateways
2. Neighborhoods
3. Transportation and Transit Oriented Development
4. Downtown Buffalo
5. The Waterfront



WHERE WILL THE INVESTMENTS BE MADE?

-  Proposed Infrastructure Fund Investment Area
-  Olmsted Parks and Parkways
-  Colleges, Universities and Employment Centers
-  Queen City in the 21st Century Strategic Investment Areas (Excluding BOA's and Industrial Land)



HOW WILL THE INVESTMENTS BE MADE?

Do the projects meet the following criteria:

- Highly visible
- Grounded in smart growth principles and current planning
- Readiness
- Financial sustainability/additional financing
- Ability/capacity to implement
- Use of innovative, sustainable, green technologies
- High impact
- Building on strengths
- Context-sensitive design
- Project size - \$2M

WHAT WILL THE PROCESS BE?

Catalyzing private development through targeted investment



Work with the
city and
community
stakeholders



Identify existing
planning work
and coordinate
capital
investments



Produce five year
implementation
plan
for each target
neighborhood



Announce
solicitations for
waterfront and
transit-oriented
development
projects

Entrepreneurship Update



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John Seman, CEO, Launch New York

July 11, 2013

Market Analysis: Entrepreneurship



Buffalo's Assets

- **High quality institutions** that could drive innovation in the region (e.g., University at Buffalo has \$350 million in research expenditure and houses the Center for Entrepreneurial Leadership)
- Existing **presence in innovative industries** such as life sciences and healthcare
- Newly formed **innovation hubs** at BNMC and Z80



Opportunities

- Buffalo Niagara experienced **low net business start ups** relative to peer cities
- **Low patent production** (Buffalo Niagara ranked 87th of 374 in USA)
- **Low venture capital** (0.29% of VC deals nationally by value in Q2 2012) and only 23% invested in start ups and early stage (versus expansion)

Strategy

Buffalo Niagara will become a place where entrepreneurs from a multitude of backgrounds are eager to start a business, are ready to grow it aggressively because it is easier here than elsewhere, and are strongly attracted by investment opportunities

ENTREPRENEURSHIP VISION: Buffalo Niagara will be one of the ten most entrepreneurial cities in the U.S., serving as a place where innovation and new company startups flourish.

Wave 1: The most ambitious annual business-plan competition ever launched in America



Business plan competition

An internationally recognized business plan competition with multiple winners receiving prizes of up to \$500K in grant money

Incubator

Free working space, training, volunteer mentorship from experienced entrepreneurs, and introductions to world-class networks

Venture capital investment

Access to top VCs, investment from State-funded incentives, and crowd-sourced funding

Business Plan Competition: Objectives and Key Elements

Objectives

- Generate significant regional entrepreneurial activity
- Help ideas become more robust
- Foster network of entrepreneurs
- Create national profile for region

Metrics

- Number of applicants
- Formation and survival rates
- Number of new jobs
- Amount of follow on funding

Key Elements

- Winning businesses must locate in Buffalo Niagara for at least one year
- Launch NY will secure equity position in each winning company and use any proceeds to establish a regional seed fund to continue investing in start ups

Timeline

World Wide Announcement of the Most Ambitious Business Plan Competition
Fall 2013

Road Show – Across the Region, Across the Nation, Around the World
Fall 2013

Over 1000 Online Applications Submitted
Year End, 2013

Online Judging to Select 100-200 Semi Finalists
First Quarter 2014

Semi-Finalists Present 10 minute Pitches to a Panel of Judges
Second Quarter 2014

Finalists Compete for \$5M in Prizes
Mid Year 2014

Entrepreneurship Status

Update

- Launch NY identified as host organization for the competition
 - First year budget finalized, and approved for initial funding
 - PR / marketing communications proposal completed
 - Jordan Levy to chair implementation committee
 - Committee personnel identified
-

Next Steps

- Hire Managing Director of Competition and Support Team
- Create marketing communications and outreach plan
- Build website and online application process
- Secure national / regional sponsorships
- Launch international campaign



strengths of
our people

create a region
that is admired
worldwide



our rich tradition
of human innovation

attract more
people



natural
beauty

abundant
natural
resources

entrepreneurs
invest time
and capital



our unique and
strategic location

reflect
culture of
inclusion and
excellence

