

**Regional Council Meeting –
Center for Tomorrow, UB North Campus
June 13th, 2012, 8:30-11:00 a.m.**

Attendees: Lt. Governor Duffy, Howard Zemsky, Satish Tripathi, Christina Orsi, Aaron Bartley, Deanna Brennen, David Porter, Brenda McDuffie, Robert Brady, Richard Tobe (for Mark Poloncarz), Duncan Ross, Andrew Rudnick, Paul Brown, Tom Kucharski, Raul Vazquez, Connie Vari, Jennifer Parker, Colleen DiPirro, William Ross, Paul Dyster and Brendan Mehaffy (for Byron Brown)

- Opening Statements were given by Lt. Governor Duffy and Co-Chair Howard Zemsky. Howard mentioned that when Governor Cuomo committed the \$1 billion to Buffalo, he asked Bruce Katz and his colleagues at the Brookings Institute to work with a group of local institutions to assess our market position and identify our distinctive assets and advantages in order to determine the best investment options for the \$1B. He then introduced the Brookings people and invited them to give their update on this initiative.
- Amy Liu delivered a power point presentation on behalf of the Brookings Institute (<http://regionalcouncils.ny.gov/themes/nyopenrc/rc-files/westernny/2012-06-13-BrookingsPPT-REDC%20Mtg.pdf>). It suggested five strategic areas that should be considered:
 1. **Accelerate innovation, commercialization and production** in advanced industry sectors of the economy so they can better serve growing global markets. Innovation is the historic catalyst for economic growth and productivity. Buffalo continues to have a manufacturing presence and an enviable location for production. It has ample research in life sciences; Buffalo's Niagara Medical Campus (BNMC), which, if fully realized, could transform not only the health and life sciences cluster but the adjoining neighborhoods as well.
 2. **Become the vanguard of the clean economy future.** On low carbon, Buffalo has an unmatched proximity to one of the world's greatest sources of clean, cheap hydro power which enables it to have a distinctive goal of being a global hub of innovative clean economy firms. Copenhagen, Denmark, exactly the size of Buffalo, is a beacon of sustainable development. Copenhagen's clean sector has been a critical contributor to the region's economy in the past decade, with green exports outpacing all other sectors by growing at an astounding 77%.
 3. **Become a hub of global trade and investment.** Buffalo needs to exploit its unique, bi-national position. A best practice in the area of establishing global linkages is the ChinaSF initiative in San Francisco. Launched in 2008, ChinaSF's goal is to support increased business exchange between China and the Bay Area for the region's largest sectors, through providing services to Chinese companies seeking to establish offices in SF, helping Bay Area companies looking to expand overseas, and matching up overseas organizations to reduce transaction costs. Thus far, ChinaSF has established three offices that offer bilingual services and it has successfully recruited 15 Chinese firms to

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establish new offices in the Bay Area. Brookings' analysis indicates Buffalo has similar opportunities.

4. **Match supply of skills with demands of industry.** There are models to replicate and emulate for training and retaining the next generation industrial workforce. A great model for educating students with skills to compete for jobs in the next economy is the Austin Polytechnical Academy in Chicago. Founded in 2007 by the Chicago Manufacturing Renaissance Council, the school's student body is 98% African American and a supermajority of entering students have 3rd grade reading levels and 5th grade math levels. Austin's curriculum focuses on careers in all aspects of the manufacturing industry and the school has partnered with 65 local firms who provide students with mentoring, field trips, and internship and job opportunities.
 5. **Link physical transformation to economic transformation.** To reshape an economy, you need to fully link physical and economic transformation. Realizing the full potential of the BNMC is a major opportunity for the city. One highly relevant best practice for Buffalo is the East Baltimore redevelopment underway around the Johns Hopkins University Medical Center. In 2002, Johns Hopkins University, the City of Baltimore, the State of Maryland and other key partners devised a \$1.8B plan to redevelop 88 acres of East Baltimore just north of the Johns Hopkins Hospital to include new retail, office and housing, as well as a biotechnology park that would be linked to commercialization of research coming out of the hospital. When finished, the area will have 1,500 to 2,000 new housing units, as well as an additional 1.7M square feet of commercial, laboratory and retail space.
- The presentation was followed by questions and discussion from the Council.
 - **Duncan Russ** asked what would be the return on investment 10 years out? **Amy Liu** answered that it is hard to know what the future return will be without knowing the investment. **Bruce Katz** added that there will be a mathematical way to show the return on investment in leveraging the \$1 billion.
 - **Andrew Rudnick** asked to clarify that if investments will not generate a lot of private sector investment leverage (i.e. 1:5 leverage) in the near future, will it set the stage for job growth and investment long term? **Bruce Katz** responded by saying certain interactions will yield results in a short period and that a portion of the billion should go toward structured interventions to set the stage for long term growth of industry. **Amy Liu** added part of the investment will include investing in education for enhanced workforce readiness to help manufacturers, in particular, have the capacity to grow. Thus, there may be a lag between upfront public investment and private investment. **Rich Tobe** added that this might be a leap of faith with public money. **Amy Liu** and **Bruce Katz** stated that it is not a leap of faith when there are strong relationships built with the private sector early on to ensure the public sector investments will be spent in areas that meet private sector investor needs.

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- **Dr. Raul Vazquez** asked what some of the barriers associated with the proposed initiatives. Response was that it is too early to identify specific barriers as there haven't been targeted initiatives identified yet.
- **Aaron Bartley** asked for input on green energy on this project and about how arts and culture will play a role in the plan for the \$1 billion. **Bruce Katz** pointed to Copenhagen as a model for green energy for Buffalo. On arts and culture, he answered that culture becomes a platform for broader trade and should play a role in this plan.
- **Andrew Rudnick** asked how much is a federal energy plan needed to make a regional renewable energy plan work. **Bruce Katz** responded by stating the State can lead on energy and build on the green energy already produced in Western New York. **Paul Dyster** discussed the existing green brand for the area in Niagara Falls hydropower generation.
- **David Porter** addressed how there were no tourism or logistic services mentioned in the Brookings suggested strategies but that they were important components of the WNY REDC Strategic plan. **Bruce Katz** responded by stating that in their analysis, tourism did not emerge as a top 10 industry sector in the region but does merit further consideration given the unique asset of Niagara Falls. **Amy Liu** said that we first need to increase our exporting and then the demand for trade services and logistics service growth will follow.
- **Robert Brady** commented that we need to utilize some of the \$1B investment to put in place infrastructure and development organization capacity. Assistance in the form of capital grants/ tax incentives to gain private investment is not all the region needs. **Lt. Governor** answered part of the plan is that we need to make good policies to allow the \$1 Billion to capitalize on opportunities. **Amy Liu** added that plan needs to look at policy, regulation and the implications it has on the planning process. **Rich Tobe** asked why governance wasn't mentioned. **Amy Liu** answered the process hasn't reached the governance piece yet. The **Lt. Governor** stated this plan has to have a statewide and regional approach in relation to policy/regulatory items that may need to be considered to support the investment strategy.
- **Duncan Ross** asked why tourism and agriculture were missing from the presentation, stating that a small amount of capital can make a big difference in those sectors.
- **Bruce Katz** pointed to the importance of Canada and creating relationships with our biggest trading partners and how this will lead to trade with other countries. As for tourism, **Amy Liu** stated that tourism is a small industry as visitors often come to Buffalo only for day trips and the benefit from tourism is derived from longer trips and returned visits. **Jennifer Parker** added that tourism and arts and culture can be a starting point for later private investment.
- **Paul Brown** asked for more details on the Austin Polytechnical Academy. **Bruce Katz** said he would put Paul in contact with them.
- **Tom Kucharski** suggested that the Council look at St. Louis as a model as it has many parallels to Buffalo and asked about next steps for leadership of the implementation process.

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- Irene Baker gave an update on the CFA process and gave deadlines for the process; she also discussed the State's commitment to seeing the region's plan succeed.
 - July 16, 2012 – Deadline for CFA
 - August 27, 2012 – Scores are due
 - September 14, 2012 – Reports are due
 - Fall – Awards to be made

- Howard Zemsky said the next step in developing the \$1B Investment plan is to figure out how the proposed strategies will be operationalized, putting together detailed plans to implement them to ensure there is appropriate return on investment over the long term. He then reminded the group that the next council meeting would be a planning session, closed to the public, on July 17, 2012 at 3:00 pm at the Larkin building.

- Meeting adjourned at 10:45 a.m.