



Buffalo Billion Process and Implementation

Updated 5/20/15

Background

In his 2012 State of the State Address, Governor Andrew M. Cuomo announced the bold and unprecedented Buffalo Billion initiative, conceived by the Governor to attract private sector investment and the creation of sustainable jobs based on the model that had successfully turned Albany into the worldwide leader of nanotechnology R&D and advanced manufacturing.

The Buffalo Billion Investment Development Plan (BBIDP) was published in 2013 based on *A Strategy for Prosperity*, the Western New York Regional Economic Development Council's 2011 Strategic Plan (WNYREDC Plan), which won one of four "Best Plan" awards and brought home an additional \$100.3 million for the Western New York region in 2011. In addition, the WNYREDC Plan was awarded an Excellence in Economic Development Silver Award from the International Economic Development Council; and the 2014 Planning Excellence Award for Best Practice from both the Western NY Section of the American Planning Association (APA) and the APA NY Upstate Chapter.

Expertise

The Brookings Institution, McKinsey & Company, and the University at Buffalo's Regional Institute (UBRI) were engaged to develop the BBIDP. These experts were primarily tasked with facilitating the planning process, gathering baseline data, engaging and sharing information with stakeholders, and developing strategies based on regional strengths and opportunities.

Stakeholder Engagement – Planning & Research

A Buffalo Billion Advisory Group was created to lead the development and implementation of the BBIDP. The group was co-chaired by the WNYREDC co-chairs, and several WNYREDC members served on the committee to ensure consistency with the WNYREDC's strategic plan. Other community stakeholders augmented the group, bringing additional expertise to the advisory group. Once the plan was narrowed to three industry sectors and three core strategy areas, Implementation Councils were created within each of those areas, bringing additional community stakeholders and their expertise to the table.

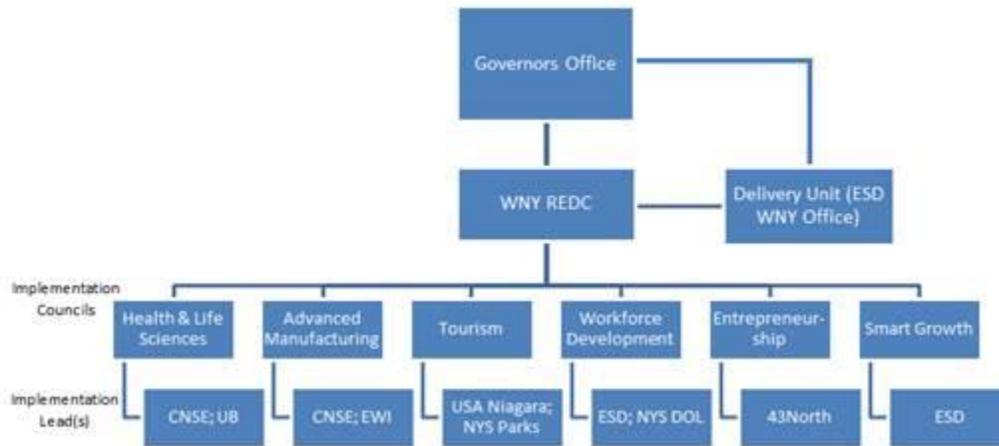
The stakeholder engagement plan included participants from a variety of backgrounds - the private sector, community leaders, philanthropic organizations, academia and government. The engagement consisted of various meetings and interactions, and reached over 300 unique stakeholders while the BBIDP was in development.

The planning also included extensive research on best practices and national/international models for all of the initiatives. The team engaged resources such as the College of Nanoscale Science and Engineering (CNSE), to build on the successful "hub" model that has been employed in Albany, New York; and EWI, to conduct research with the manufacturers in WNY and develop a sustainable plan for the advanced manufacturing institute.

Implementation

The extensive stakeholder engagement created local ownership of the plan and the implementation of the initiatives. The Implementation Councils were responsible for assisting and guiding the implementation of initiatives within each strategy. The Signature Initiatives themselves each have their own unique Implementation Lead which provides ownership and governance structure. The Delivery Unit, led by ESD and including UBRI as a core member of the team, provides Signature Initiative

Implementation Leads with problem-solving, planning, support and guidance. The structure for implementation is outlined in the graphic below:



Buffalo Billion Projects and Investment Numbers

The BBIDP focuses on three sector strategies (advanced manufacturing, health & life sciences and tourism) and three core strategies (entrepreneurship, workforce and smart growth). Within each of the strategies, signature initiatives were developed – all catalytic, transformative projects that would leverage the region’s assets and ultimately move the needle for WNY. The majority of these Buffalo Billion projects are not direct investments to individual companies, but are strategic investments in state assets that will ultimately attract private investment.

Some of the projects outlined below were signature initiatives of the BBIDP, and others were unique business attraction opportunities that further enhanced the success of the Buffalo Billion. Announced projects and investment numbers are below.

I. Advanced Manufacturing

Buffalo High Tech Manufacturing Innovation Hub at RiverBend

Buffalo Billion Investment: \$350M capital; \$150M tax breaks, Jobs: 3,000 in Buffalo; 2,000 more in NYS

The state is making a \$750 million investment (\$350M Buffalo Billion; \$150M Buffalo Billion tax credits; \$250M other state funding) in a state-of-the-art facility for high tech and green energy businesses at RiverBend site in the City of Buffalo. A 1.2 million-square-foot facility will house the SolarCity GigaFactory facility, which will manufacture solar panels at the site. SolarCity will invest \$5 billion into the project, creating more than 3,000 permanent jobs in Buffalo and 2,000 elsewhere in the state. The SolarCity facility will be the largest of its kind in the Western Hemisphere, with more than 1 gigawatt of annual solar capacity when it reaches full production. This development will also serve as a magnet to attract additional manufacturing companies to Buffalo.

Buffalo Manufacturing Works (formerly known as Buffalo Niagara Institute for Advanced Manufacturing Competitiveness)***Buffalo Billion Investment: \$53.3M, Jobs: over 3,500 indirect jobs created/retained over 10 years***

The state through SUNY Research Foundation has made an investment in facility, equipment and operational support for Buffalo Manufacturing Works, a state-of-the-art facility to assist the growth of the region's manufacturing sector, including support in commercializing applied research, developing more efficient operational processes, enabling entry into new markets, and up-skilling the existing workforce. ESD contracted with EWI, a non-profit manufacturing innovation organization, to operate the center. The center innovation services are expected to assist hundreds of area manufacturers, helping them to create and/or retain over 3,500 jobs over the next 10 years.

Western New York Science Technology and Advanced Manufacturing Park -WNY Stamp***Buffalo Billion Investment: \$33M, Jobs: TBD***

The funding will be used for infrastructure investments at the park, which is located in Alabama, NY. At over 1,000 acres, the site will create the largest shovel ready site for nano-technology development in NYS, providing NYS with a significant asset to attract future high tech companies.

II. Health and Life Sciences***Buffalo Medical Innovation and Commercialization Hub at Buffalo Niagara Medical Campus******Buffalo Billion Investment: \$50M, Jobs: 250***

A new center for innovation in health and life sciences on the Buffalo Niagara Medical Campus. Albany Molecular Research Inc. (AMRI) will anchor the development on the Buffalo Niagara Medical Campus, which will catalyze more development in the health and life sciences industry. This investment will leverage a \$200M private investment.

Buffalo Institute for Genomics/NY Genomic Medicine Network***Buffalo Billion Investment: \$50M, Jobs: 500***

The University at Buffalo will partner with the recently opened New York Genome Center in Manhattan to build out existing computational infrastructure and biomedical research capacity in order to accelerate recent advances in genomic medicine into clinical care. The project is expected to spur the development of companies on the Buffalo Niagara Medical Campus that support genomic medicine, such as companies that will focus on diagnostics and information technology essential to breakthroughs in personalized medicine.

Buffalo IT Innovation and Commercialization Hub***Buffalo Billion Investment: \$55M, Jobs: 500***

This investment will bring cutting-edge software development jobs to downtown Buffalo. IBM, the hub's anchor tenant, will train future and current industry workers, educate new IT staff through SUNY partnerships, and develop next generation IT software needed to drive state-of-the-art discoveries in the areas of molecular research, genomics, energy efficiency development and defense.

John R. Oishei Children's Hospital***Buffalo Billion Investment: \$15M***

New York State will assist Kaleida Health in closing its current funding gap by providing \$35 million for the project, including \$15 million from the Buffalo Billion for infrastructure at the Buffalo Niagara Medical Campus and up to \$20 million from other State resources to support the new hospital. The John R. Oishei Children's Hospital is expected to be completed in 2017. The project will right-size and consolidate services in a 12-floor, 183-bed, free-standing and modern facility. The hospital will be an integral part of the campus, linking with Buffalo General, the Gates Vascular Institute, Roswell Park Cancer Institute, the new University at Buffalo Medical School and others.

III. Tourism***Downtown Niagara Falls Development Challenge******Buffalo Billion Investment: \$20M: Jobs: TBD***

The challenge will consist of a \$40 million fund (\$20M NYS, \$20M City of Niagara Falls investment) to support the cost of the competition and incentives for development. The Challenge has been postponed while negotiations on the Rainbow Mall redevelopment ensue, which is a much larger project than anticipated and may require allocation of some of the resources from the Challenge.

Rainbow Center Mall Redevelopment***Buffalo Billion Investment: TBD, Jobs: 300, plus 1,500 indirect construction jobs***

Uniland Development Company was chosen as the preferred developer of the former Rainbow Centre Mall. The public-private partnership of up to an estimated \$150 million will be supported by Buffalo Billion funding. The project will transform the remaining 200,000 square feet of the former mall into the "Wonder Falls" Resort, a new complex featuring a hotel tower with world-class amenities, restaurants and entertainment facilities including a waterpark.

Niagara Falls State Parks Programming***Buffalo Billion Investment: TBD***

USA Niagara and NYS Parks released an RFEI for investments and increased programming in the Niagara Falls State Parks. Responses were received and are under review.

Robert Moses Parkway (RMP) Redevelopment – transformational infrastructure investment***Buffalo Billion Investment: \$11.5M***

This investment will facilitate the removal of the RMP South expressway, which will be replaced with an at-grade, low-speed parkway, reconnecting the city to the waterfront. This has spurred \$50M in private investment with four new hotel projects along the river. Construction began Fall 2014.

IV. Workforce***Burgard/Alfred State Advanced Manufacturing Program******Buffalo Billion Investment: \$3.2M***

Buffalo Public Burgard High School will transition into a manufacturing magnet school with training for high school students in computer numerical control (CNC) machining and welding,

among other trades. This initiative grew out of the Buffalo Billion Investment Development Plan which stresses aligning Buffalo's training system behind the career paths, certificates and degrees required for growth in core industries, such as manufacturing. The magnet school will serve as a pipeline for students interested in careers in advanced manufacturing.

Workforce Training Center

Buffalo Billion Investment: TBD; Jobs: TBD

Plans are further developing for a new workforce training center where local educational providers will come together to offer a variety of training programs to ready the workforce for jobs in advanced manufacturing. The efforts for the center are led by industry needs, with demand estimates indicating that between now and 2020 there will be nearly 17,000 job vacancies in the manufacturing sector. The workforce training center will complement existing programs and provide access for all residents, creating a diverse and qualified workforce for area manufacturers.

V. Entrepreneurship

43North Business Plan Competition

Buffalo Billion Investment: \$1M

A world-class business plan competition with a \$5M prize pool to catalyze the region's entrepreneurial ecosystem. Winners will receive initial funding, incubator space, mentorship and introductions to leading venture capital firms. The initiative was originally funded by a NYPA Proceeds grant to Launch NY, a non-profit entrepreneur support organization. The inaugural year of the competition concluded in October 2014. Each of the eleven winning companies set up shop in Buffalo, New York in January 2015 to further grow and develop their businesses.

The competition will continue to operate with year two supported by \$6 million from the New York Power Authority and \$1 million from the Buffalo Billion. Year two of the competition launched on March 25, 2015 along with the unveiling of 43North's new incubator space.

Daemen College and Empire Visual Effects

Buffalo Billion Investment: \$4.5M, Jobs: 150

Daemen and Empire Visual Effects are partnering to create a visual effects industry in Buffalo. Upon completion of the Daemen Visual Effects program, students will have access to jobs at Empire Visual Effects, which will serve major film and television studios from across the country. The project will help to draw other visual effects companies to Western New York.

VI. Revitalization/Smart Growth

Better Buffalo Fund

Buffalo Billion Investment: \$30M

Governor Cuomo announced October 3rd that funding applications are now available through the Better Buffalo Fund, which works to develop the "Main Streets" in Buffalo and enhance transit-oriented development around the city. Up to \$30 million will be dedicated to initiatives that encourage density and growth along transportation corridors and revitalize neighborhood commercial corridors.

Empire State Development will administer a grant and revolving loan fund for Transit Oriented Development projects that emphasize growth within existing corridors and encourage alternative transportation and walkability. Up to \$2 million in gap financing is available for projects that promote dense development (housing, employment and retail) within ¼ mile walking distance of Buffalo transit stops on Bailey Avenue, Grant Street, Main Street, Niagara Street and Utica Street corridors. Projects that encourage the use of multi-modal transportation and stimulate pedestrian activity through retail and neighborhood-oriented businesses and services, quality public spaces and accessible walkways are sought. The revitalization strategy will connect Buffalo's centers of activity with each other in order to help build the city's reputation as a vibrant, thriving city with modern amenities and infrastructure, high-quality services, well-designed and friendly neighborhoods, and a wide array of assets which are accessible to all residents.

Buffalo Harbor State Park

Buffalo Billion Investment: \$10M

On May 12, 2014, Governor Cuomo announced the designation of the Buffalo Harbor State Park as the 180th State Park in New York's system, propelling the revitalization of the city's waterfront. The state is investing \$15 million (\$10M Buffalo Billion and \$5M New York Works) in improvements and enhancements.

Northland Avenue Belt Line Corridor Acquisition/Brownfield Revitalization

Buffalo Billion Investment: \$6.7M – Phase I, Jobs: TBD

Project includes Phase I (\$6.7 million) acquisition and site planning of 50 acres of vacant or underutilized industrial land within the Northland Avenue Belt Line Corridor on Buffalo's East Side. This is the next major brownfield redevelopment project in the City of Buffalo and will lead to a business park focused on the manufacturing and energy sectors. The redevelopment of the site supports the Western New York Regional Economic Development Council's (WNYREDC) smart growth strategy and will provide many local residents with future employment opportunities within walking distance of their homes.

Outcomes

As envisioned by Governor Cuomo, the Buffalo Billion has created incredible momentum for our region. While almost all of the Buffalo Billion has been committed and/or earmarked for projects, only \$406 million is currently under contract. The mere announcement of the initiative and a plan to invest it immediately instilled confidence to invest in Buffalo. Since 2011, unprecedented private sector investment from developers and investors is already moving the needle in the right direction for WNY (as illustrated below).



- Since 2011, WNY added 3,773 jobs and 812 new firms
- Since 2011, total wages increased by 4% and average annual wage increased by 3.4% (not adjusting for inflation)
- Visitor spending in 2012 was \$2.6B (up 4% from 2011, not adjusting for inflation).
- The young adult population is growing. Since 2010, the population aged 20-34 has increased by 3.8% (a first since 1980).

A total of **\$843.2 million** of the Buffalo Billion has been announced to date. The Buffalo Billion is expected to generate a **total investment of over \$8 billion**, a five-year **impact of over \$11.3 billion** (direct, indirect and induced impacts on output) and a **total employment impact of almost 14,000 jobs** (direct, indirect and induced job impact over 5 years). The Buffalo Billion is building industry clusters that will attract future private investment from outside the region – ultimately creating many more jobs than the original predictions.

Validation

The Buffalo Billion was designed to leverage WNY’s unique assets to move the region forward on a path to next-economy growth. The plan is working, as validated by several sources below:

National/International Press:

Multiple Visions, The billions and the visionaries keep flocking to Buffalo. Really , Site Selection Magazine, 10-14

“The Buffalo Billion is a reality. It’s not just political rhetoric.”

“Experts say affordable housing, a slew of new investments in growing fields and stable workforces have put places like Buffalo . . . on the map . . . “

An Urban Revival in the Rust Belt, U.S. News and World Report, 9-2-14

“Long suffering Buffalo . . . is coming back.”

“Experts say affordable housing, a slew of new investments in growing fields and stable workforces have put places like Buffalo . . . on the map . . . “

In Buffalo, N.Y., a new vitality is giving the once-gritty city wings, *The Washington Post*, 7-24-14

“Signs of a new Buffalo became obvious in no time: cranes all around town and local enthusiasm beyond typical civic pride.”

“. . . residents are excited about the makeover underway, and everyone seems to know college graduates moving back to the city, or people coming here for jobs.”

City of Buffalo New York Amazes with A Growing Buzz of Change, *Dream Travel Magazine*, 8-31-14

Long-suffering Buffalo sees hope in building boom, *The Wall Street Journal*, 6-22-14

“. . . a building boom unseen in Buffalo in more than 50 years.”

“. . . a \$1 billion pledge by Gov. Andrew Cuomo intended to leverage additional investment, has brought new optimism . . .”

Once Just a Punch Line, Buffalo Fights Back, *The New York Times*, 7-31-13

“Leveraging the medical research and education campus as an economic development strategy “

52 Places to Go in 2014, *The New York Times*, 1-12-14

“Known for its remarkable natural beauty and tourist kitsch, Niagara Falls [NY] is now evolving into a draw for those who love food as well as those who seek thrills.”

New Lures for Locals in Buffalo, *The New York Times*, May 2013

“. . . stretches are now stirring with new culinary options and shop openings, luring locals into corridors they haven’t driven — let alone strolled — for years, . . .”

Let’s raise a glass to Buffalo: A city of great hospitality, *The Toronto Star*, 12-17-13

“Jaded Toronto Star sport columnist is blown away by the generosity of Buffalo-nians”

“in Buffalo . . . there are a few larger than-life things on offer.”

“This is not the first time Buffalo will surprise me.”

“. . . emblematic development of Buffalo’s resuscitating downtown.”

Shocked and awed by the rebirth of Buffalo, *The Toronto Star*, 4-14-14

“This city is most definitely on the upswing, with great new developments and classic old buildings to go along with some very fine and funky neighborhoods.”

“I was quite blown away by the city, to be honest.”

“I found a super-cool luxury hotel, awesome neighborhoods, fabulous industrial architecture and a very cool waterfront that could someday be quite stunning.”

“Governor Andrew Cuomo . . . is sinking a billion dollars . . . into the city. And it shows.”

Small-Scale Developers, Big Dreams, *The New York Times*, 11-6-13

“lovely landscape, with its Olmsted-designed parkways and wide, radial streets . . . is appealing to young urbanists.”

Back in business; Upstate New York cities, *The Economist*, 6-30-12

“Things are changing for the second-biggest city in New York state.”

“... harbour land will become shops and residential space with more development to come. Main Street ... is being opened up and will eventually connect the centre of town to the river. One of the newest additions to the city skyline ... is the \$300m ten-storey Gates Vascular Institute/Clinical and Translational Research Centre.”

The Key to Spurring Development in This Mega-Region, *The Huffington Post*, 3-5-14

“... the world’s largest business plan competition ... is the only substantial strategy in play to develop the Tor-Buff-Chester mega region ...”

Can a business competition turn Buffalo into hotbed for startups? *The Globe and Mail (Toronto)*, 3-17-14

“... the city’s economy is driven by government, education and health care sectors, but its technology sector is growing ...”

“It’s a savvy move for the city ... “

Israeli start-ups off to Buffalo for \$5 million cash, *The Times of Israel*, 5-1-14**A New Startup Contest Promises A World-Record \$5 Million Prize To Winners, *Business Insider*, 3- 7-14**

“Entrepreneurs and venture capitalists are focusing on cities like Buffalo ... to bolster the local economy and fuel innovation. “

Local press:**Your guide to the Buffalo Billion, *Buffalo News*, 1-26-14**

“... the Buffalo Billion is reaching the stage where the projects and ideas are moving forward.”

“Plans for reigniting the regional economy by building on its strengths”

“... has brought the Buffalo Niagara region notice as a place where something is going on.”

Balance of Buffalo Billion ‘ready to be spent,’ as a promise is kept, *Buffalo News*, 3-31-14

“All of a sudden, Buffalo Niagara is building momentum.”

“... the Buffalo Billion’s initiatives will plant the seeds for future development ...”

Resurgence of Buffalo picked up speed in 2013, *The Buffalo News*, 12-31-13

“In many areas of the city, the transformation was evident and under way.”

“... the palpable change in how residents view their city.”

43North competition gives Buffalo a global lift, *Business First of Buffalo*, 6-2-14

“... [43North] ... is changing hearts and minds about Buffalo’s image as a place for entrepreneurs.”

“... the competition is changing Buffalo’s internal psychology regarding startup businesses and its external perception as a place for smart people with big ideas.”

Contest could make us all winners, *The Buffalo News*, 3-26-14

“. . . one of the most intriguing – and potentially promising – parts of Gov. Andrew Cuomo’s Buffalo Billion initiative.”

Overwhelming response to the 43North contest is another sign of city’s renewal, *The Buffalo News*, 6-10-14

“The Buffalo Niagara region is the place to be. Overwhelming response to the 43North business plan competition to attract startups is one example why.”

“The state’s business plan competition is far and away more attractive than most because of the size of the cash prizes, which are bigger than any other similar contest.”

Additional Excerpts/Headlines from Buffalo News:

The transformation under way in Buffalo is nothing short of amazing. Finally. 9.24.14

Buffalo’s transformation takes new shape with the explosive growth of the RiverBend project. 9.24.14

‘Historic day for Buffalo,’ Zemsky says of SolarCity RiverBend plans. 9.23.14

New jobs, downtown housing boom are making over Buffalo. 9.21.14

SolarCity’s expanded solar panel manufacturing plant in Buffalo will be one of the biggest in the world – and it could be just the beginning. 6.18.14

SolarCity plans lend credence to the promise of the Buffalo Billion. 6.18.14

Cuomo planting the seeds of change in Buffalo. 6.4.14

Additional Excerpts/Headlines from Business First:

RiverBend signals a \$5 billion investment and a 'New Buffalo'. 9.23.14

Additional Validator Quotes:

“A clear signal is being sent to the market—consumers, companies, investors—New York state is “open for business” and Buffalo is “back in business.” Bruce Katz, *Brookings Institute* 6.13.12

“I am very, very bullish on Buffalo.” Bruce Katz, co-director of the Brookings Institution's Metropolitan Policy Program, *UB Partners Day* 6.13.12

"This is an unbelievable opportunity if it's done well," Katz said. "This will be the gift that keeps on giving." *Buffalo News* 3.16.12

“It’s a historic day for Buffalo,” said Howard Zemsky, the co-chairman of the Western New York Regional Development Council. “It’s about next-generation industries. It’s about next-generation jobs.” *Buffalo News* 9.23.14

"If Buffalo gets recognized as a hub of advanced manufacturing, that's an amazing opportunity," Michael Ulbrich, EWI said. "That will bring more attention, more resources, more capabilities to Western New York manufacturing community." 9.18.14

"It's a continuing part of the Buffalo story," she said. "We've got to keep the momentum going" said Dottie Gallagher-Cohen, the president of the Buffalo Niagara Partnership. *Buffalo News* 8.3.14

"It keeps building momentum," said Brendan R. Mehaffy, the executive director of the city's Office of Strategic Planning, after the RiverBend sale agreement was reached. "It's attracting additional interest from around the world." 8.3.14

"There's been a decade of focused work here to redevelop the city," said Mr. Mehaffy. "You can see the results now really coming out of the ground. We have \$1.7 billion in projects either announced this year or under construction in Buffalo. We haven't experienced anything like this kind of interest and investment in generations. I grew up in one of our suburbs. I can tell you, it's amazing to see this transition in downtown." *New York Times* 7.30.13

"It's super exciting," said Dottie Gallagher-Cohen, the president of the Buffalo Niagara Partnership. "Elon Musk is betting on Buffalo." *Buffalo News* 6.22.14

"So, fellow Buffalonians, allow yourselves to get a little excited. Things are happening. Cuomo's Buffalo Billion is delivering and there is more to come." Louis P. Ciminelli, Chairman & CEO of LPCiminelli, Inc. *Buffalo News* 6.7.14

"All of the planets are lining up really well," said Buffalo Mayor Byron W. Brown. "We're seeing those seeds grow tremendously and quickly." *Buffalo News* 6.4.14

"It has all kinds of implications. It really has an impact that's not just directly creating jobs, but on the quality of life," said Satish Tripathi, UB president and co-chairman of the regional development council. "Our graduates can actually remain here. The city's economy improves so you can attract other people as well." *Buffalo News* 6.4.14