

NIAGARA ERIE REGIONAL COALITION

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Tod A. Kniazuk

MEMORANDUM

To: Co-Chairs Clyde Burmaster & Kathy Konst

From: Economic Development Chair James Allen

Re: April and May, 2008 Meetings

Date: May 9, 2008

The Niagara Erie Regional Coalition Economic Development Subcommittee met April 1, 2008 at the Niagara County Center for Economic Development (NCCED) and May 5, 2008 in a joint meeting with the Government Affairs Subcommittee at the Erie County Industrial Development Agency (ECIDA). Present for the April meeting were subcommittee members Allen, Burmaster, Cappellino, Ferraro, Konst, Morse, Murray, Orsi, and St. Pierre Smith (proxy by Craig Turner), as well as Regional Coalition Ad Hoc Member Michael Casale. Present for the May meeting were subcommittee members Allen, Cappellino, Ferraro, Konst, Morse, Murray (proxy by Dan Barry), Orsi, St. Pierre Smith (proxy by Sarah Ham), and Titus; as well as Government Affairs Subcommittee members McMahon, Wendel, and Witul; and also Regional Coalition Ad Hoc Member Michael Casale, Dr. Kathryn Foster of the University at Buffalo Regional Institute, Graham Smith of the Buffalo Niagara Enterprise, and Rich Guarino of the Greater Buffalo Niagara Regional Transportation Council.

Subcommittee Agenda:

New Subcommittee Chair James Allen began the April meeting by opening up the subcommittee's agenda to the group for determination. Issues initially included were:

- The Regional Economic Development Strategy (REDS);
- The small business assistance website;
- The Regional Economic Development Database (REDD);
- The IMPLAN economic impact model;
- Bi-National economic development efforts;
- The Empire State Development Upstate fund;
- The Framework for Regional Growth; and
- Brownfields legislation.

IMPLAN:

The Erie County and Amherst Industrial Development Agencies split the cost to bring in a trainer for IMPLAN, whereas normally those wishing to be trained would have to travel out of town. In subsequent conversations it was learned that the Buffalo Niagara Enterprise (BNE) and University at Buffalo Regional Institute (UBRI) also use IMPLAN. The costs of the software are not high, but training is expensive. Updates to the software also have to be purchased. Some sort of pooled resources for IMPLAN will be a future topic of the subcommittee.

Small Business Assistance Website:

The same issue remains – how does this project get funded? Regional Coalition Executive Director Tod Kniazuk made the recommendation that either the Coalition makes a full court press to find the funding for this, or we simply stop talking about it.

Allen reaffirmed the need for the website, noting that nationally the same percentage of business startups fail, and as such it's the total number of small businesses started that determines overall success. Subcommittee member Orsi asked if the small business development centers know of all the programs; Kniazuk replied they did not at the time the database was being developed.

Subcommittee member Ferraro for the first time in the project's three years of development suggested that we would just be creating another opportunity for confusion and that we should be doing a better job of marketing what's out there rather than creating another entity. Allen countered that we would not be creating another entity, but rather a single portal to the 60 agencies and 275 programs already there. Subcommittee member Konst agreed that having one main resource would be good.

Regional Economic Development Strategy (REDS):

Craig Turner of the Buffalo Niagara Partnership (proxy for Subcommittee member St. Pierre Smith) distributed a handout updating progress on the REDS (see attached).

Orsi noted that the cluster studies need to be built out past analysis of the current picture to make recommendations on how to implement our strategies – though some already do make recommendations. On the tourism cluster, Orsi offered that ESD might have a good bit of the work needed for it.

Allen spoke to Erie County Executive Chris Collins and Erie County Department of Environment & Planning Commissioner Holly Sinnott about the REDS context piece, and they are interested in continuing the conversation.

Subcommittee member Murray explained that ECDEP is advocating taking the REDS and other documents and coalescing them into a strategy so that the County Executive can formulate his economic development policy. He added that the Framework also needs to be refined into specific policies as well.

Regional Economic Development Database (REDD):

REDD may not be dead, but it is dormant. It was originally created in 1998 as a means to give economic development agencies the data needed to quickly and effectively respond to site selectors and other inquiries on available parcels, infrastructure, workforce, and other pertinent facts.

The REDD was conceptualized by the Coalition (then ENRP), funded by the two counties, and built by the UBRI (then ILGRG). The REDD was meant to be used by all the region's economic development agencies, but with the subsequent advent of the Buffalo Niagara Enterprise (BNE) they became the main user.

It came to a point where part of the money being given to the BNE by the Erie County Legislature was to be used by BNE to maintain the REDD, but as that money went away so did the REDD. It is currently archived at the UBRI.

The current state of the REDD was unknown to the Coalition and to its member agencies – including those in the economic development field. The subcommittee decided that the issues of spend and accuracy of response still need to be addressed, but the mechanism of how they're addressed is not important. In other words, it doesn't have to be the REDD as long as something is in place that can be used by the region's agencies. That conversation will continue.

Framework for Regional Growth:

The BNP continues to do grassroots outreach, focusing on building momentum in towns with industrial development agencies. They haven't yet really reached out to the more remote areas. In Niagara County the towns' support was secured prior to approval by the county; in Erie County it was approved first and now towns are being approached for buy-in. Ferraro noted that the Framework is being used as a "foundation" for the Niagara Communities Comprehensive Plan.

University at Buffalo Regional Institute (UBRI):

UBRI Director Dr. Kathryn Foster gave an overview of her shop's current and recent efforts (see attached).

Forums are part of what UBRI does, and Foster suggested that perhaps the Regional Coalition could co-sponsor something along the way.

Foster noted that there has been a “pendulum swing” at the UBRI to applied research, with agencies (with much larger staffs than theirs) concentrating on implementing their research.

In response to her presentation, Ferraro noted that there is still a need to coordinate some of the current bi-national efforts. Allen added that there’s a need for a better understanding of and communication between the different organizations out there.

For instance, there is the “Niagara Ten” group of elected officials from both sides of the border that has laid out 15 or 16 topic areas. Though this is a group of elected officials, it would be good for groups like ours to be aware of them and be able to suggest priorities for them. Wendel mentioned that all this needs to tie in to the “Golden Horseshoe” or “mega-region” idea.

It was agreed that the message of re-forming ourselves in a global economy is correct, but that there are too many small groups having too many conversations, all of which are ultimately being heard by too few people.

Center for Urban & Regional Policy:

Subcommittee member Cappellino brought up a report by Barry Bluestone and the Center for Urban & Regional Policy which indicated that the major disconnect is between the speed of business and governments’ time to respond to their needs. The report found that our cost of doing business is actually okay, but that our response time is too slow. The number one issue is the time it takes to launch a new business, which goes back to issues of shovel ready sites and pre-permitting.

Communities in Massachusetts did a survey to give them a framework of what needed to be fixed in their economic development process; perhaps this is something for us to consider?

Coalition Core Mission:

In the course of discussing all the aforementioned issues, it was recognized that much of what was discussed was created as a direct or indirect result of our organization. That said, not everyone realizes this fact. Additionally, we are being made aware of important issues at our general meetings that need to reach a wider audience.

Allen, Konst, and Ferraro all expressed a desire to see the Coalition reaffirm its place as a driver for many of these issues and conversations, and to use our standing to develop and share

positions on issues of the day. This will be further explored at the next subcommittee meeting.

Other Topics:

Other topics discussed included reframing the impact of IDAs to include the creation of new investment rather than just job creation, the Coalition for Community Building, giving towns a regional response to the "NIMBYs".



Economic Development Strategy Updates
April 1, 2008

Employer Outreach Program

- The Partnership, BNE, ECIDA, ESD, the City of Buffalo recently completed business retention and expansion training with Executive Pulse. Training was designed to create a common retention program throughout the region. Partner organizations are in the process of formalizing an MOU and recruiting additional partners in the program

Economic Development Strategy

- Documents have been completed for advanced manufacturing, life sciences, back office/call centers, and agribusiness.
- Advanced manufacturing and life sciences currently has a team of local partners meeting bimonthly to drive the process.
 - An EDA grant through UB has been identified to bring rapid prototyping capability to small manufacturers in the region.
 - The local partners have also begun lobbying New York State for dollars to establish gap funds (financing designed to bring start up companies from RD dollars to venture capital, also known as the “valley of death”).
- A logistics strategy is being developed by a loaned executive from Buffalo State and interns. A first draft is expected in the late spring.
 - A preliminary GBNRTC freight study was recently released. The report includes information on the region’s capacity, economic impact, public and private benefit, and investment strategies. The second phase, with recommendations and an action plan will be released at a later date.
- The agribusiness strategy has been completed along with a first draft of recommendations for action items to drive regional industry
 - Presentations have been made throughout the eight county region to various government and private stakeholders
- The Back Office study was recently updated by the Buffalo Niagara Enterprise.

Regional Economic Development Strategy

I. PROGRESS ON CLUSTERS:

1. Life Science: Completed
2. Advanced Manufacturing: Completed
3. Back Office/Financial Services: Completed
4. Agri-business: Completed
 - Report presented throughout 8 county region
5. Logistics: in process
 - Loaned executive and interns working to do background research
 - GBNRTC's freight study completed
6. Tourism: ?

II. NEXT STEPS:

1. Complete the Studies
 - The Partnership has allocated resources to fund interns to complete the studies and staff to manage this process.
2. "Blend" studies into the PART I report (update/extract relevant parts to exec. summary?)
3. Implement the Strategies
 - Convene group of ED professionals to oversee the Strategy
 - MOU on roles/responsibilities? (Life Science model)
 - Creates group ready to respond to funding/grant opportunities
 - Strategy policies & implementation steps adopted by ED orgs:
 - WIB's, IDA's, ESD, County Government, other ED orgs.
4. Develop Goals/Benchmarks to measure effectiveness/progress
5. Updated labor market analysis to be completed in 2008

**Summary of Recent and Current Activities
with Regional Economic Development Themes
UB Regional Institute
May 2008**

Regional Activities

1. ***Vacant Properties/Buffalo Niagara Property Intelligence Network, 2006-present:*** efforts to implement strategies identified in the Blueprint Buffalo report on vacant properties, which encompassed Buffalo, Amherst, Tonawanda and Cheektowaga; UBRI focus on implementation of Strategy One to develop and sustain accurate, accessible and useful regionwide vacant property information; grant proposal (\$487,000) submitted to Surdna Foundation and Ford Foundation in March 2008; partners include LISC Buffalo and affected municipal governments (**Sub-Erie County**)
2. ***Smart Permits, Phase II, 2007-present:*** reactivation of original Smart Permits project; currently building team of advisors and advocates and seeking financial support for regionwide online state-of-the-art permitting system; recent interest from developers, municipal partners, counties, Empire State Development (**Erie and Niagara Counties, with potential for WNY and Upstate expansion**)
3. ***Regional Knowledge Network/State of the Region, ongoing:*** major online data and information resources for regional understanding and action; RKN fully built out with numerous new functions and tools; summer/fall 2008 will see SOTR link to RKN

Applied Research

4. ***Applied Research Foci, April 2008-present:*** reactivated research efforts concentrating on “what don’t we know? (that if we knew it we could make better choices)”; focus on Binationalism, Upstate Challenges, and Local Governance (**Buffalo Niagara and beyond**)
5. ***Policy Briefs Series, August 2006-present:*** ongoing occasional serial for media, policy professionals, public officials, state and regional interests on topics of interest; March 2008 brief focused on how to read our regional economy (**Buffalo Niagara, with relevance for Upstate and NY State**)

6. ***Region's Edge, 2007-present:*** multi-faceted research and action program to better understand and leverage region's location on an international border; projects include data compilation and reporting on the border conditions and flows; relationship-building with multiple Canadian and U.S. partners; joint effort with Canadian Urban Institute to develop border performance methods and indicators; UBRI serving as secretariat for **Niagara Ten**, a binational government-based effort to consider joint policies and other efforts (**Binational Region**)
7. ***Regional Economic Knowledge, September 2007:*** proprietary report prepared for the Oishei Foundation and Community Foundation for Greater Buffalo summarizing literature on the determinants of regional economic prosperity; covered range of topics from pre-K education to infrastructure investment; outlined nature and extent of current regional activity in theme areas (**Buffalo Niagara**)
8. ***Building Resilient Regions, 2006-present:*** national research effort funded by the John D. and Catherine T. MacArthur Foundation to better identify and understand factors associated with regional resilience (**National**)

Conferences and Forums

9. ***Forums for "Vital Center," Phases 1 and 2, October 2006, March 2008:*** Coordination with Brookings Institution and other regional partners, including the Buffalo Niagara Partnership to support research and reporting on the Great Lakes binational economy, including policy implications for regional choices (**Binational Region and multi-U.S. state**)
10. ***Great Lakes Urban Exchange, February 2008:*** Two-day conference and follow up activities engaging emerging leaders in Buffalo and twelve other Great Lakes urban areas, including Detroit, Milwaukee, Cleveland, Pittsburgh and Chicago; funded by the Oishei Foundation (**Multi-U.S. State**)
11. ***Renewing Older Industrial Cities/Shrinking Cities/Right-Sizing Cities, February 2007-present:*** presentations at conferences organized by the Brookings Institution, UC Berkeley and Philadelphia Federal Reserve Bank to study and promote relevant policies for older industrial cities (**Multi-U.S. State**)
12. ***"Can Buffalo Ever Come Back?" April 2008:*** public conversation and forum with Harvard Prof. Edward Glaeser to discuss thinking on useful regional economic strategies for cities facing prolonged economic decline; co-organized with Buffalo Branch of the Federal Reserve Bank and the Buffalo Niagara Partnership; possible follow-up forum with Youngstown Mayor Jay Williams, leader of effort to implement smart right-sizing policies in that city (**Buffalo Niagara**)

The Smart Permits system is a powerful online tool, intended to significantly reduce the amount of time both permit applicants and municipalities dedicate to the regular task of applying for and issuing building permits.

Individuals and contractors may submit an online application for any type of residential or commercial building permit required by the individual municipality. This includes building permits for the construction of new buildings and structures as well as additions, alterations, repairs and demolitions.

An interactive tool, Smart Permits offers:

- 24-hour accessibility
- An ability to review application guidelines, requirements and fee schedules online
- Secure accounts for contractors that improve and facilitate the filing of multiple applications
- Real-time application status and progress tracking capacity aimed at improving municipal efficiency and timely delivery of permits
- A streamlined building permit process with improved tracking and standardization capabilities

