



NIAGARA COUNTY
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TEXT OF THE 2010 ECONOMIC POLICY ADDRESS
DELIVERED BY ECONOMIC DEVELOPMENT COMMITTEE CHAIR UPDEGROVE

LOCKPORT—Niagara County Legislature Economic Development Chairman Rick Updegrave, R-Lockport, will deliver the following remarks shortly after 7 p.m. tonight at the Niagara County Courthouse in Lockport.

The annual Economic Policy Address reports on the successes and challenges of economic development initiatives in 2009 and provides guidance and direction for economic development policy in 2010. The address also sets formal policy for the Niagara County Center for Economic Development.

The text follows in its entirety:

Chairman Ross, Colleagues: 2009 was a tough year for everyone. The staff of the Niagara County Center for Economic Development was challenged to keep economic development in Niagara County moving ahead, despite the economic climate. During 2009, we focused on five areas:

- Creating and capitalizing on opportunities in these tough economic times.
- Strengthening our outreach initiatives.
- Closing deals and seeing tangible results in terms of capital investment and job creation.
- Securing funds for local projects through stimulus funds and others.
- And finally, Planning for the future.

2009 saw the birth of the Opportunity Zone program, the continuation of the highly successful Empower Niagara Program and the kickoff of new funding programs for Brownfield Remediation.

Late in 2008, in light of the changing economy and recent economic conditions, the Niagara County Legislature, together with the NCIDA was seeking a method to broaden the scope of financial assistance available to assist small retail related companies and commercial businesses looking to expand or relocate in Niagara County. The Niagara County Legislature passed a resolution asking the NCIDA to establish a comprehensive tax abatement program for retail and tourism related businesses locating in economically distressed areas of Niagara County.

The NCIDA conducted extensive outreach to the Economic Development Departments of the three cities, as well as the three school districts involved. As a result of steps taken by the Legislature and the NCIDA Board of Directors, the Niagara County Center for Economic Development has now extended its current economic incentives to the retail and tourism sector companies interested in locating in economically distressed areas of the County. Through this new program, called "Opportunity Zones", a new incentive will be offered for these types of businesses to reinvest in our downtowns and return these areas to the thriving communities they are meant to be.

Working in conjunction with the Cities, staff has gathered information on sites within opportunity zones and has added it to the Center's website.

As Chairman of the Economic Development Committee, I worked with my colleagues on the Legislature to develop the Empower Niagara Program. By working with NYPA and our utility companies, this program is helping to ensure that even small businesses will be able to take advantage of the benefit of low-cost power. To date, six companies have been approved for Empower Niagara power, two from the high-tech manufacturing sector, one each from the retail, tourism, agricultural and warehouse/distribution sector.

In last year's economic address, we told you of the allocations that Vishay Thin Films of Wheatfield and Russell Farms of Newfane had received for expansion projects.

In 2009, allocations were made to:

- New England Seafood in Newfane to fund an expansion and equipment purchase.
- Budwey's Market Place in Newfane to renovate and reopen a closed supermarket.
- Snow Park in Niagara Falls to construct a new tourist destination facility and
- Viatran Corporation to establish a Niagara County location in the Town of Wheatfield.

This program has resulted in the creation and retention of over 500 jobs and private investment of over \$10 million.

A new tool is now available to assist companies in remediating brownfield sites in Niagara County. The Niagara County Brownfields Cleanup Revolving Loan Fund (BCRLF) will provide monetary assistance that can be leveraged to advance brownfield sites to the next level of redevelopment.

Santarosa Holdings is the first company to take advantage of the program with a \$250,000 low interest loan for asbestos abatement at the former Union Carbide facility in Niagara Falls. The company will use this vacant industrial facility to employ 74 in the reclamation of old, bald tires, reborn as fuel – and expand the job and tax base of Niagara Falls by building in an economically distressed part of the city. Of significance is that Niagara County is the first place in New York State to implement a Brownfields Revolving Loan Fund Program under this federal grant program.

According to the United States Environmental Protection Agency, "Brownfields are real property, the expansion, redevelopment, or reuse of which may be complicated by the presence of a hazardous substance, pollutant, or contaminant. Cleaning up and reinvesting in these properties takes development pressures off of undeveloped, open land, and improves and protects the environment." Virtually every community in the nation's older industrial regions contains brownfield sites and Niagara County is no exception. Niagara County is aware of the legacy that abandoned commercial and industrial sites have had on the economic and environmental landscape of the region. However, brownfields are a link to our industrial past and a valuable community resource that, through redevelopment and reuse, can bring numerous benefits to a community.

The BCRLF was developed through a partnership between Niagara County and the City of Niagara Falls. Together, the City and the County applied for and received a \$1 million grant from the United States Environmental Protection Agency to establish the fund, which will provide a source of funding in the form of low-interest loans and subgrants to eligible borrowers and applicants who need assistance in remediating brownfield sites they own in Niagara County. The maximum loan is \$250,000 and the maximum subgrant to municipalities is \$100,000. Remediation and subsequent redevelopment will return these sites to productive use, help to create jobs, and improve the quality of life for County residents.

These loan funds were supplemented with a \$900,000 grant from the USEPA through the Obama administration's federal stimulus program.

In order to keep and strengthen the companies that currently call Niagara County their home, we sought to concentrate on outreach and retention activities.

It has always been our philosophy that in order to attract new business to Niagara County, we must make Niagara County a better place for our existing businesses and their employees to ensure they remain in Niagara County and prosper. It was with that thought in mind that the Niagara County Department of

Economic Development, along with our Economic Development Alliance partners, developed the Business Growth & Retention Program several years ago.

The retention team meets with at least 50 to 60 companies annually, ensuring a continued dialogue with our companies. It is our strong belief that attraction and retention go hand in hand, and our ability to attract new business to Niagara County is directly related to the stability of our existing companies.

In 2009, we contacted 52 companies. We conducted 52 meetings and/or conference calls with 40 of those companies. Highlights in 2009 included the NCCED supporting and assisting North American Hoganas, Metallitics and PEMCO with their successful applications to the New York Power Authority for low-cost hydropower. Also as a result of the retention program, Budweys Market Place LLC of Newfane, Vishay Thin Film and New England Seafood all were successful in their bid to receive low-cost power allocations through the Niagara County Empower Niagara Program. New England Seafood also took advantage of various workforce development & training programs.

We continued our efforts in working with Canadian companies interested in a Niagara County location. As of January of this year, we have successfully marketed an additional 6 acres in Vantage International Point to a Canadian manufacturing company. The company plans to break ground for their new facility in the Spring of this year. We are in talks with several other companies and hope that we are close to closing additional deals.

The Center participated in Explore Buffalo Niagara 2009, which concentrated on the Alternative Energy and Life Sciences business sectors. The Niagara County Center for Economic Development concentrated its efforts in the *Energy & Renewable Energy* industry sector, working with the Buffalo Niagara Enterprise (BNE), and others, on the Renewable Energy Committee. The committee put together a special event that took place in conjunction with the American Solar Energy Association's Spring Conference, which was held May 11th through 16th, 2009 in Buffalo.

The venue for the event was the Top of the Falls Restaurant on Goat Island, Niagara Falls. This informal event was designed to give these companies an opportunity to meet with representatives from area businesses. There were approximately 30 people in attendance from solar companies from around the world. This was a real opportunity that allowed us to talk with these solar-related companies in a one-on-one informal setting. Our committee's goal was and is to facilitate energy sector economic development initiatives that would bring investment to Niagara County and our region, and create business partnerships between outside firms and firms here in Niagara County and the Greater Niagara Region.

In April, staff participated in an event conducted by Empire State Development. ESD invited an international trade delegation to tour Western New York and we had an opportunity to meet them and to communicate the advantages of doing business in Niagara County.

We also participated in a Wind Power Symposium put together by the Buffalo Niagara Enterprise. This event consisted of a series of presentations relating to the various facets of the burgeoning wind power industry, including the various spin off industries associated with construction of the turbines and related equipment.

Since 2004, each year, we have conducted several business workshops in the towns, villages and cities of Niagara County. Staff of the Center for Economic Development, Niagara County Community College Small Business Development Center, Niagara County Department of Employment and Training, and Empire State Development will outline the incentives available to help Niagara businesses grow and strengthen their bottom line. In 2009, these workshops were held in the Cities of Lockport, Niagara Falls and North Tonawanda.

The U.S. Small Business Administration joined the list of presenters at this year's workshops to provide information on economic development stimulus programs available through the federal government. We also co-sponsored and hosted a seminar with the U.S. Department of Commerce relating to Exporting. The seminar was well attended by companies from Niagara County and the Western New York area.

Our staff can work tirelessly every day on marketing and outreach, but if we don't see tangible results, we haven't done the job that we need to do. During 2009, we did not see the volume of projects that we

have in the past few years but, considering the state of the economy, we closed on several good, solid projects that represented significant capital investment and job creation.

To name a few, Globe Specialty Metals is in the process of reactivating and operating the Globe Metallurgical plant in the City of Niagara Falls. The company plans to ultimately invest \$18 million in the plant and hire up to 100 workers.

Kissling Interests will rehabilitate the Remington Rand Building at 184 Sweeney Street in North Tonawanda into a one-of-a-kind mixed used development. A variety of businesses will be housed in the facility, including those involved in high-tech products and services, varying levels of research and development and small scale clean manufacturing. The \$15 million project is expected to create over 100 jobs.

An abandoned grocery store in Newfane was purchased, renovated and reopened as Budwey's Marketplace. The Newfane community demonstrated considerable support for this project. Total investment was \$1.4 million, and 23 full time and 70 part time jobs were created.

Niagara's Choice Federal Credit Union constructed a new 3,000 sq. ft. building at 3577 Niagara Falls Boulevard in North Tonawanda. The project represented an investment of \$1.7 million and resulted in the creation of two new full time and four new part time jobs in addition to retaining two jobs.

Metaullics Systems will construct a new 36,600 addition to house a new product line. The project also includes the acquisition and installation of new production equipment, for a total investment of over \$5 million. Eleven new jobs will be created.

Snow Park, LLC constructed a 120,000 square foot Winter Carnival Snow Park in the City of Niagara Falls. This year-round tourism attraction represented an investment of over \$5 million and created 50 new jobs.

Two Merani hotel projects approved by the NCIDA involve renovations of abandoned and dilapidated properties. Before the projects were approved, the properties were sitting vacant. To turn these properties around, the developer sought the assistance of the NCIDA. The former Fallside property project will involve a \$20 million investment and will create 75 jobs. The Lasalle property involves an initial \$5 million investment, with a second phase representing an additional \$3 million investment. 30 jobs will be created.

One of the most significant economic development projects in recent memory is the siting of Yahoo, a company with global notoriety, to Niagara County, and in particular, to the Town of Lockport. Having Yahoo locate here was the result of a collaborative effort between multiple agencies including the Niagara County IDA, the Town of Lockport IDA, Town of Lockport Supervisor, Our Western New York Delegation, Empire State Development, New York State Electric and Gas, and the Buffalo Niagara Enterprise, which served as project manager in the site selection process for Yahoo.

As many of you know, the Niagara County Department of Economic Development has been an active member of the BNE for going on three years now, and we have stressed to our partners that we want to use this membership to benefit all of Niagara County including its three cities, 12 towns and five villages. When it comes to the recruitment and retention of businesses, it is our job to promote all of Niagara County, and to work with all of our economic development partners to create and retain jobs for our residents. By the way, by successfully attracting Yahoo to the Town of Lockport, this project alone would create a return on investment that would more than cover Niagara County's BNE membership investment.

As a member of the New York Power Authority's Western New York Advisory Group, the Niagara County Department of Economic Development was proud to support this project. As a result of that support and the support of the other Advisory Group members, Yahoo, Inc. has been approved for an allocation of low-cost hydropower by the New York Power Authority, which was critical in attracting Yahoo to our area.

The Town of Lockport and Niagara County can be proud to say they host the company that boasts the world's largest global online network of integrated services with more than 500 million users worldwide. Yahoo, Inc. has a presence in more than 20 markets and regions around the world. By successfully closing this deal, the Town of Lockport, Niagara County and the State of New York can say they host Yahoo, Inc.'s East Coast Regional Data Center, a \$150 million dollar project which promises to bring 75 new – family supporting, high-tech jobs to our region.

It has always been our goal to retain as many of the family-supporting manufacturing jobs we can as part of our countywide business growth and retention program. We have also been working closely with BNE and our other economic development partners, to diversify our Niagara County economy, by working to attract companies in the advanced manufacturing; high-tech; logistics; tourism; agriculture-dependent and renewable energy sectors. By bringing Yahoo, Inc. to the Town of Lockport, we will not only be doing that, with 75 new high-tech jobs, but by bringing the name recognition of Yahoo to our area, it is our hope that other high-tech companies will follow.

The Niagara Frontier Transportation Authority dedicated its state-of-the-art \$31.5 million passenger terminal in September. It is the major component of an overall \$42.5 million NFIA Airport Improvement Project that includes \$11 million in apron and landside improvements. At 69,430 square-feet, it is efficient, user-friendly and ready to meet the sophisticated needs of 21st century aviation.

The creative design of the new terminal reflects the grandeur of the Niagara region, and the wonder in its care. Functionally, the design adheres to guidelines established by the Federal Aviation Administration and International Air Transport Association. Further, the terminal incorporates 'green design' for the roof, windows and climate control systems, making it highly energy efficient and environmental friendly.

Thanks in large part to Direct Air, and charter flights, the Niagara Falls Airport generates an estimated \$1.5 million economic impact for the region. The improvement project itself generated \$120 million in economic activity and helped spur further development in the surrounding area.

The terminal is geared up for big planes and big loads of passengers. The NFIA is now capable of simultaneously processing international and domestic flights, and fully accommodating 747 and 757 aircraft. The innovative, and scalable, split-level holdrooms provide all passengers with an outstanding level of customer service regardless of aircraft size.

The Niagara County Center for Economic Development worked to secure funds for local projects through existing and new funding sources, including the William G. Mayne, Jr. Business Community Enhancement Program and the Federal American Recovery and Reinvestment Act.

The Niagara County Department of Economic Development continued to administer the Business Community Enhancement Program in 2009. This program, capitalized through funds from the Niagara Falls Bridge Commission, assists local business organizations to improve the quality of life throughout the County by offering grants for bricks and mortar improvements as well as promotional materials. In 2009, 22 business organizations received a total of nearly \$40,000 for various projects. The organizations matched these grants dollar for dollar, creating a nearly \$80,000 impact for Niagara County communities.

In 2009, the program supported various beautification projects in several Niagara County communities, as well as the renovation of the Botanical Gardens in North Tonawanda, and renovations of the gazebo at Martin Park in Wilson. Several organizations received grants to assist them in developing marketing materials promoting events in their respective communities to residents and tourists alike.

We worked to make sure that local municipalities and businesses were aware of programs and funds available through the American Recovery and Reinvestment Act. Throughout the County, requests for Federal Stimulus funding were submitted to the Federal and State governments.

Funding was requested for 168 projects totaling over \$333 million.

The lobbying firm Capitol Public Strategies was contracted to help secure stimulus funding. Eleven projects received \$9.1 million in ARRA funding and 5 projects received \$1.6 million in non-ARRA funding.

Additional applications for funding have been submitted and are currently pending.

With an eye toward the future economic growth and stability of Niagara County, the Center for Economic Development in 2009 spearheaded the development of the Niagara Communities Comprehensive Plan.

The Center also serves as an affiliate data center for the U.S. Census.

Additional planning for the future in 2009 involved the elected and business leaders from Niagara County and the region collaborating on the 2010 Regional Agenda to tell state and federal lawmakers what they view as the highest economic development priorities.

On July 28, 2009, the Niagara County Legislature officially adopted the *Niagara Communities Comprehensive Plan 2030* in a unanimous vote. The plan is a culmination of nearly two years of work by Niagara County, its municipalities, and a broad cross-section of community stakeholders to create a document addressing five overarching goals - encouraging desirable and appropriate growth and development, strengthening the local economy, improving the delivery of municipal services, prioritizing and coordinating capital improvements, and improving the quality of life for Niagara County residents.

The plan addresses five focus areas, which are organized as chapters in the plan as follows: Land Use and Environment; Economic Development; County Services, Facilities, and Infrastructure; Education; and Public Health and Safety. The plan identifies issues and challenges, assets and opportunities, goals, objectives, strategies, and recommendations for each of these focus areas.

The *Niagara Communities Comprehensive Plan* is designed to assist decision making within Niagara County through the year 2030 and will serve as an important tool for Niagara County and its communities to use towards achieving our collective vision for the future – a vision where Niagara County is recognized as a world class destination, a center of national and international commerce, a community that values its rich natural resources, and a great place to live and raise a family.

The Niagara County Department of Economic Development serves as an Affiliate Data Center for the United States Census. In this role, the Department is a major source of data for firms conducting marketing studies and for companies and individuals interested in establishing businesses in Niagara County.

In 2009, our role has become more critical because of the impending dicennial census in 2010. On October 5, 2009, the Niagara County Center for Economic Development (NCCED), along with the Erie County Local Affiliate Data Center representatives, sponsored and facilitated a session for County Clerks and other community representatives interested in learning more about Census 2010.

The session covered the following topics:

Raising Public Awareness—Census Bureau representatives were on hand, and described how the Bureau is networking with local groups to raise awareness on Census 2010, and how municipalities can get involved at little or no cost.

LUCA and the Appeals Process—Communities that participated in the LUCA program in 2007-08, learned how and when to appeal addresses that were rejected or not added to the Master Address File, by the Census Bureau. (NCCED sponsored and facilitated LUCA Training Sessions in 2007-2008 for municipal clerks)

American Community Survey (ACS)—This relatively new survey of American households will replace the long form census questionnaire in 2010. Communities were briefed on some of the fundamentals of the ACS, and how it differs from Census 2000 data.

As mentioned, our local leaders provided input into the 2010 regional agenda, that was presented in November of 2009. Niagara County projects on the list included:

- The Niagara Experience Visitors Center in the City of Niagara Falls, a state-of-the-art entertainment media to introduce visitors to the events, people and natural forces behind the legendary Niagara Falls.
- A new Niagara Falls International Railway Station in the City of Niagara Falls to provide a rail-focused Intermodal Transportation Center at the Whirlpool-Rapids Bridge

- Construction of Olcott Harbor Breakwater to protect the harbor from wave action allowing for further development within the harbor including dockage, boating facilities, and waterfront access.
- Reuse of U.S. Army Reserve Base including rehabilitation, demolition, and infrastructure work to prepare the site for economic development targeting a mix of light industrial uses with an emphasis on aviation and aerospace activities.
- Restoration of the "Flight of Five" Locks to restore the historic 1840's era locks to their original functioning capacity and improvements in and around the site to enhance interpretation of historic elements in support of heritage tourism development goals.

We look forward to 2010 and will concentrate our efforts toward targeting key sectors such as Renewable Energy. We will seek to develop relationships and will try to attract collateral businesses. We are very encouraged by the promise by the New York Power Authority to build a wind farm somewhere on the shores of Lake Ontario or Lake Erie and we will seek to develop an foster a local supply chain for wind turbine components and assembly.

We will also seek to capitalize on our proximity to the Canadian border and will look at ways to develop logistics facilities at or near the Niagara Falls International Airport.

In light of the success in attracting Yahoo to Niagara County, we will work with our partners to attract more data center and high tech facilities and their related spin-offs.

Finally, we want to make it easier to do business in Niagara County. We will work to implement elements of the Niagara Communities Comprehensive Plan and to develop "shovel ready" sites to make site selection and project implementation happen more quickly.

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