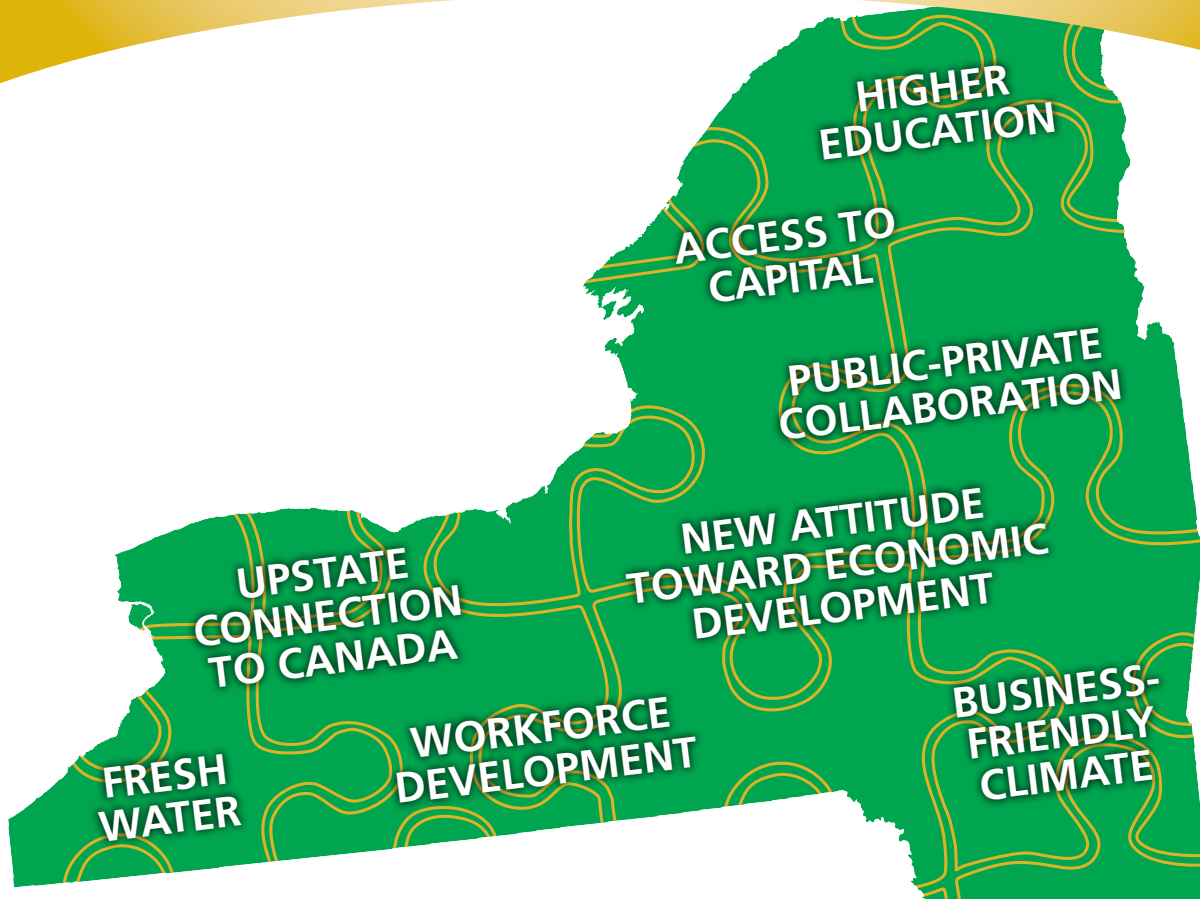


BUFFALO NIAGARA
PARTNERSHIP

accelerate
UPSTATE

ACTION AGENDA



August 4 & 5, 2011 Buffalo, NY



THANK YOU TO ALL OF OUR KEYNOTE SPEAKERS:

Hon. Byron Brown, Mayor, City of Buffalo • Hon. Chris Collins, Erie County Executive • Kenneth Adams, Empire State Development Corporation •

Welcome

In early August, 2011, the Buffalo Niagara Partnership invited the entire Upstate New York community to Buffalo for a two-day event we called Accelerate Upstate, at which more than 250 people from throughout the state focused on what it will take to turn our region's economic fortunes around.

This was not just talk. We've had plenty of that. From the first day's opening session, we made sure that everyone understood it was important to end with a plan of action. The document you're holding is that plan.

The Partnership compiled all of the perspectives presented by expert panelists and keynote speakers, and feedback from attendees through social media, to capture the common themes and priorities they expressed; then worked with our panelists to fine tune that information into this agenda, which is organized into eight themes:

- There needs to be a new attitude in Albany toward economic development
- Upstate must capitalize on our binational relationship with Canada
- We must do a better job of linking employer needs and workforce development
- Upstate's innovators need better access to working capital
- The relationship between higher education and the private sector can be improved
- We must do whatever we can to protect our fresh water resources
- Upstate's public and private sectors must work more collaboratively
- There are plenty of issues on which Upstate and Downstate can work together



Throughout these themes, as you'll see, are some overarching expressions. The first is our young talent, our future workforce; economically we have not satisfied them and the result speaks for itself – a half-million 25 to 34 year olds left Upstate for greener pastures in the last 20 years. A second is collaboration; we need to continue to strive to work together - across stakeholder groups, throughout Upstate and across the state. A third is image; we need to understand and appreciate what we have Upstate, and communicate it to others.

Since the conference ended, the State's Regional Economic Development Councils have begun their work. As they have, much of their conversation is identical to what we heard here in Buffalo at the beginning of August. So we're hopeful that the Regional Councils can be a strong mechanism to advocate for and implement key pieces of the Accelerate Upstate action plan.

However, while Albany certainly has a big role in accelerating Upstate's economy, it is not solely responsible. So, this agenda is not only a road map for Albany, but for our federal representatives and, importantly, for all of us - job creators, job seekers, organized labor, community organizations and everyone else. If we are to truly revitalize Upstate's economy in a sustaining way, we all have to look in the mirror and ask ourselves what we can be doing about it.

We now have been tasked to make these action items - some of which people have been talking about for a long time - happen. The Buffalo Niagara Partnership is committing resources to seeing them through. I hope that you'll join us in that effort.

- Andrew J. Rudnick



New Attitude Toward Economic Development

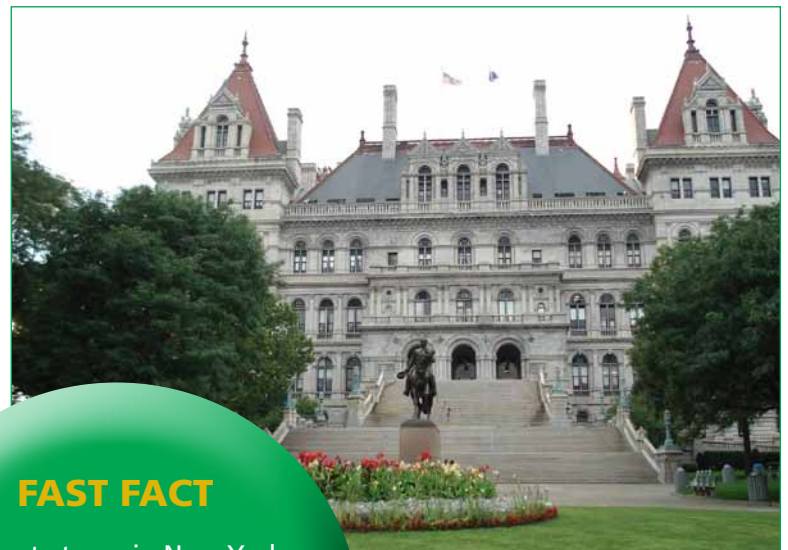
Government policy practices and attitude can be far more impacting on job creation than direct funds

Action Steps

- Each Regional Economic Development Council should undertake an evaluation of non-state economic development entities and their “tools;” following that evaluation, the REDCs should head a coordinated approach to criteria setting and economic development programs between state and non-state agencies in each region
- Albany should address burdensome taxes and regulations, specifically:
 - Article 18-A Assessment must be allowed to expire
 - SEQRA process must be improved to allow projects to be expedited
 - Governor Cuomo should convene the Health Care Quality and Cost Containment Commission, which was created in 2007 but has yet to meet
 - New York must return the unemployment insurance fund to solvency without increasing costs to employers
 - Specific taxes on employers – including the corporate franchise tax, personal income tax on manufacturers and high-tech companies, and the state-level estate tax – must be repealed

Background

For the first time in decades, the New York State 2011-12 budget spent less than the year before - and did not include any new or increased taxes. New York residents and employers scored another majority victory with the enactment of a 2-percent property tax cap. While there is positive momentum, Upstate New York – as part of New York in total – is still not perceived as a region with arms open to business. From streamlining economic development delivery, to eliminating red tape and burdensome time delays, to relieving a high cost tax environment, New York State government must do a better job of demonstrating to job creators that they are welcome, wanted and valued.



FAST FACT

Property taxes in New York State are approximately 70% above the national average, and nine of the top ten taxed counties in the US are located in Upstate New York.

THANK YOU TO ALL OF OUR EVENT SPEAKERS:

Amy J. Allen, The Westchester County Association • Jeremy Cooney, “We Live NY” • Bill Flanagan, Allegheny Conference (Pennsylvania) •

Upstate Connection With Canada

Upstate is and should be viewed as the “gateway” for Americans to access Canadian markets and for Canadians to access U.S. markets

Action Steps

- As soon as possible, following Ontario’s upcoming elections, Governor Cuomo should meet with the new Premier to set the stage for a binational economic development summit to explore the economic partnership opportunities among and between the state, Ontario and Quebec
- New York State should restore state funding for Continental 1 SEIS; the federal government should prioritize funding to complete New York’s portion of the project
- All stakeholders – the federal government, City of Buffalo and Peace Bridge Authority – should expedite completion of the Peace Bridge U.S. Plaza, including federal approval for pre-clearance for U.S.-bound trucks being moved to the Canadian plaza
- The federal government must implement policy toward a 15-minute maximum wait at border crossings – the just-in-time standard and expansion of existing trusted traveler programs is key to that effort
- Business development & regional marketing entities should market Buffalo Niagara and Northern New York as logistics hubs to importers and exporters seeking both U.S. and Canadian markets
- Albany must repeal the nearly 60 year old NYS Ton Mileage Tax on Trucking, which is a prime reason for trucking operations moving out of state and the void of distribution centers

FAST FACT

The Canada–New York trade relationship is valued at \$29 billion – NY sells more to Canada than to the state’s next two largest foreign markets combined.



Background

Upstate New York is within one day’s drive of 55% of the United States population and 63% of the Canadian population, providing a distinct advantage to companies seeking proximity to their supply chains and markets. In addition, the population of Southern Ontario and Quebec continues to grow yielding a quickly expanding market open to U.S. imports. Trade with Canada, the United States’ largest trading partner, already supports 517,000 jobs in New York State. Given the need to relieve coastal port congestion and an industry move to short haul shipping, inland ports such as Upstate’s can be extremely valuable to shippers if necessary infrastructure improvements are completed, cross-border relationships are fostered and the region is adequately branded as an attractive option.

Workforce Development

There needs to be a much better match between workforce development programs (K-12, higher education and training) and the jobs and skills the marketplace needs

Action Steps

- Each regional chamber of commerce should undertake periodic analyses of future job skills needs of its marketplace, with data to be integrated into K-12/Higher Ed curricula and training programs
- Governor Cuomo should convene a Higher Ed/K-12/Business Summit to address the disconnect between K-12 and Higher Ed, Higher Ed and employers, and K-12 and employers
- The federal government should reform Workforce Investment Boards to better reflect regional skills needs and provide adequate funding to implement related initiatives
- Workforce development programs should strengthen and make more accessible workforce “readiness” programs to address “soft skills” inefficiencies among Upstate’s workforce

Background

There is a continuing clear need to better address the mismatch between the skills of the population and the highly skilled job opportunities that exist now and into the foreseeable future. Alignment can be improved by an on-going assessment of what job areas are growing and what industries have needs, and then improved communication between job creators and those educating job seekers. K-12 and higher education, as well as New York State through its workforce development programming, should foster more collaborative programs aimed at better preparing the workforce for success and professional growth.



FAST FACT

In a May, 2011 Marist poll, 36% of New Yorkers under 30 years old report they will pack their bags and move to another state. 62% cite economic reasons like jobs, the cost of living or taxes.

THANK YOU TO ALL OF OUR EVENT SPEAKERS:

Richard T. Jurasek, Medaille College • Anne Kress, Monroe Community College • Tom Kucharski, Buffalo Niagara Enterprise •

Access To Capital

Upstate's innovators need much greater access to capital, especially venture capital, much of which is located in NYC

Action Steps

- New York State should build upon the recent federal award of \$25MM for early-stage funding by allocating further funds to support early-stage tech financing in order to retain and expand jobs and to leverage private sector investment
- Regional chambers of commerce and state legislators should be instrumental in facilitating matchmaking opportunities between Upstate technology-based companies and NYC venture capital

Background

There is a critical need for angel and venture capital investment that can help small businesses throughout New York State drive the next generation of ground-breaking innovation. Given that the ability of Upstate firms to move to the next level of growth is tied to their ability to secure adequate capital, the state must help these businesses gain broader access to capital. Meanwhile, the economic development community and elected officials must facilitate matchmaking opportunities between Upstate businesses and NYC venture capital. For start-ups, increased access to NYC-based venture capital firms will spur investment, promote economic growth and, most importantly, save and create jobs. For existing companies, improving access to capital can take a variety of forms but, most importantly, the state must allow Empire State Development (ESD) to revise its incentive structure from solely net new job creation to include incentives awarded for return on investment in research & development and plant, property and equipment in order to better support Upstate's existing businesses that are striving to become more productive and competitive.

FAST FACT

91% of the money invested by NY VC's is being invested in out-of-state start-ups; NY ranks #2 in university-based R&D but only receives 4% of the nation's venture capital.



Higher Education

The “right” working relationships between business and higher education can leverage significant economic, human and social capital

Action Steps

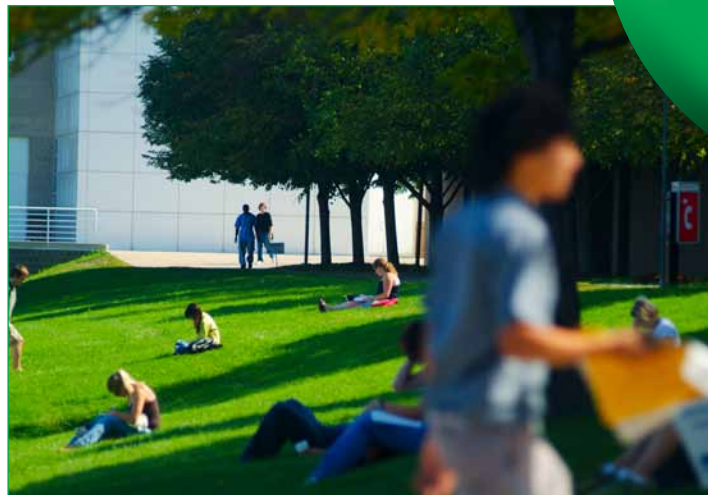
- NYS Dormitory Authority should increase availability of/access to low-interest loans for capital projects and eliminate red tape that currently impedes projects
- Institutions of higher learning, in collaboration with employers, should adopt a recommendation put forth in Harvard’s “Pathways to Prosperity,” calling for a “clinical” approach to education beyond the usual programs (i.e. teachers, doctors) to foster a smoother transition to the workplace
- New York State should reform the Higher Education Compact to allow greater flexibility for schools to change or implement new programs in response to regional skills needs

Background

Higher education institutions are often the anchors of local economies in New York State. They provide jobs and investment into an area, but also supply a “product” in the form of graduates. However, there is a disconnect between graduation and employment, in relation to the balance between developing skills that fit a job and skills that fit any job, that must be addressed. That balance is not being met by traditional educational practices that fail to expose students to post academic life.

FAST FACT

New York’s higher education institutions employed 266,110 people in 2009. New York had the third-largest higher education employment among the 50 states, accounting for 7.7 percent of the nation’s higher education workforce.



THANK YOU TO ALL OF OUR EVENT SPEAKERS:

Michael Moley, Catholic Health • Marta Moszczenska, Canadian Consul General, Buffalo • Christina Orsi, Empire State Development •

Fresh Water

All levels of government in both Canada and the U.S. must work together to protect, and create industries around, one of Upstate's most attractive assets - the fresh water resource of the Great Lakes

Action Steps

- The federal government should restore funding for the Great Lakes Restoration Initiative (GLRI) to its initially-approved funding level
- The federal government should strengthen the role of Great Lakes states in implementing the GLRI to provide a more "front line" approach to projects and initiatives
- Upstate New York legislators should increase their participation in the Great Lakes Caucus to ensure that New York's voice is not lost in fresh water policy making

Background

While New York State is largely considered an East Coast entity, Upstate's economy is much more relatable to the Midwest's – and it is the connection to the Great Lakes that drives this similarity. The Great Lakes themselves represent an enormous competitive and quality of life asset, for both our nation and our binational region. Much progress has been made in restoring the Great Lakes over the past thirty years – it is one of the major environmental success stories of our time - but a tremendous amount of work remains to be done. Appropriate attention from both federal and state governments must be given to our fresh water resource, which will yield significant economic impact for Upstate.

FAST FACT

To date, New York has received more than \$20 million in funding from the Great Lakes Restoration Initiative.



Public-Private Collaboration

Upstate's public and private sectors must work more collaboratively to defeat an anti-business sentiment and attract new private sector investment

Action Steps

- Albany should strengthen its current public-private partnership (P3) policy utilizing consistent, reliable statewide criteria that will make P3s more feasible (especially for construction projects)
- New York State should create incentives for municipal partnerships in regional planning, helping to simplify and speed development processes
- NYS Executive branch regional offices should be realigned to meet ESD and DOL boundaries (which are consistent with the Regional Economic Development Councils) to create a more consistent, user-friendly state economic development process

Background

It often appears that New York State government and the private sector are actually at odds – and, unfortunately, time and hassle can be as big a deterrent to new business investment as cost considerations. Much can be done to create a stronger bond between governmental decision-makers and job creators, including strengthening existing public-private partnership (P3) policy and streamlining state departments to ensure ease of use. The formation of P3s in regional planning and higher education can present an efficient and effective mechanism to reach consensus and speed implementation on projects.

FAST FACT

A \$4.4 billion public-private partnership among New York State, SUNY and five international tech companies to create the next generation of computer chip technology will result in the creation and retention of approximately 6,900 jobs, including 2,500 high-technology positions at several SUNY sites.



THANK YOU TO ALL OF OUR EVENT SPEAKERS:

John Twomey, New York Association of Training and Employment Professionals (NYATEP) • Ken Warner, Unions and Businesses United in Construction •

Upstate – Downstate Divide

**There are issues of common interest/concern
which can bridge the Upstate-Downstate “divide”**

Action Steps

- A state-wide coalition of regional chambers of commerce should raise necessary funds for a study to measure Upstate’s economic impact on New York City and NYC’s on Upstate
- Upstate and Downstate governments, business organizations, labor, etc. should strengthen collaborative efforts, particularly on issues of common interest such as energy policy and Upstate “back office” support for Downstate companies
- State legislators should lead a “Sister City” approach linking Upstate and Downstate communities, including delegation visits cross-sector, cross-party

Background

NYC is often perceived as the cause of Upstate’s problems due to a different mentality among downstate policy makers. By finding common ground and working towards similar goals, the perceptions and burdens both Upstate and Downstate believe and encounter can begin to be addressed.



FAST FACT

The 5 boroughs of New York City make up 55 percent of New York State’s economy, but only 42 percent of its population.

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