

the time is now





2006 - 2007 ANNUAL REPORT

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It's going to take hard work. More of it. And determined and persistent people. It's going to take commitment. More of it. Not just from a few, but from the whole community. But it's happening. And it's happening because **the time is now** for Buffalo Niagara.



LETTER FROM THE CHAIRMAN.

Welcome to the 2006-2007 Buffalo Niagara Enterprise (BNE) Annual Report. As this is my sixth and last message as Chairman of BNE, there are so many things I would like to convey to our investors, our economic development partners and the Buffalo Niagara region as a whole. Let me start by saying that I have been truly honored and humbled to have served as Chairman of such a proud, promising and distinguished organization.

Since its inception in 1999, with your help, support and active participation, we have built an extremely professional, accountable, sustainable, non-political, produc-

tive, economic development and regional marketing organization. Our only goal is to grow our region and grow our economy, and we will work with and for all partners and stakeholders who share our common and noble agenda. And our approach is working.

The committee structure we have developed has allowed business and community leaders to play an active role, make genuine contributions and add to the effectiveness of the organization. We conduct our affairs with an unparalleled level of transparency that should inspire confidence among all of our partners and investors. We have collaborated to improve the

economic development service delivery system. We have effectively marketed our region and created a very successful Buffalo Niagara :: Where Life Works brand that has started to change our region's image. Our research capabilities have provided tremendous value to attraction projects as well as local companies seeking to expand.

Travel outside our region or talk to other economic development and marketing professionals and you will hear that Buffalo Niagara Enterprise has become a model organization for other communities. This fact is borne out in our results.

While 2006-2007 was another successful year, it is our total body of work that gives me the most pride. BNE wins and partner projects combined represent a total of 201 Project Wins, \$3.7 billion in investment and a total positive job impact of over 30,000! Just like BNE's professional staff, I realize that there is still a great deal of work to do, and I share their optimism for the future.

While I am stepping down as Chairman, I have no intention of leaving the organization. I remain committed to its success and the subsequent achievements of the community it serves. I am pleased to leave the leadership in the capable and committed hands of our new Chairman, National Fuel Gas Company C.O.O. and President David Smith. I am extremely confident that BNE will continue to grow and prosper under his guidance, and I sincerely hope he finds the experience as rewarding as I have.

My concluding thought is to simply encourage all of you to continue to invest your time, energy and resources in this organization and it will be the primary engine that revitalizes our economy and our region.

- Randall L. Clark
Chairman, Dunn Tire LLC



Outgoing Chairman Randall Clark, President and CEO Thomas Kucharski and Incoming Chairman David Smith.

INVESTORS. THEY MAKE THINGS HAPPEN.

To develop new jobs and investment in our region it takes commitment. A lot of it. We extend sincere appreciation to our investors who make this possible. Our investors dedicate more than financial resources, they invest their time and expertise.

STEERING LEVEL

Buffalo Niagara Partnership *
Delaware North Companies, Inc. *
Empire State Development Corporation *
HealthNow New York, Inc. *
HSBC Bank USA, NA *
National Fuel Gas Company *
National Grid *

BOARD LEVEL

AAA of Western & Central New York *
Algonquin Studios
Amherst Industrial Development Agency *
Buffalo Bills, Inc. *
City of Buffalo
Dunn Tire LLC *
Erie County Industrial Development Agency *
Ernst & Young, LLP *
First Niagara Financial Group *
Hodgson Russ LLP *
Independent Health Association, Inc. *
KeyBank, NA *
Merchants Insurance Group *
Moog, Inc. *
M & T Bank Corporation *
Niagara County Center for
Economic Development
NYSEG *
Phillips Lytle LLP *
RealtyUSA
Rich Products Corporation *
Uniland Development Company *
Univera Healthcare
University at Buffalo
Verizon Communications, Inc. *
WIVB-TV, Channel 4

PARTNER LEVEL

Astronics Corporation
Broad Elm Management, Inc.
Chautauqua Industrial Development Agency
Freed Maxick & Battaglia PC
Frey Electric Construction Company
Genesee County Economic Development Center
Hamister Group of Companies *
John W. Danforth Company
Lippes Mathias Wexler Friedman LLP
NOCO Energy Corporation *
Lawley Service, Inc.
The McGuire Group *
Tops Markets *
Try-it Distributing Company, Inc.
TVGA Consultants
Walsh Duffield Companies, Inc.
Wegman's Food Markets, Inc. *
Wyoming County Chamber of Commerce

IN-KIND

Business First
Butterwood Desserts
Charlie the Butcher
Curly's Bar & Grill
Dopkins & Company
Eric Mower & Associates
One Stop Printing & Signs
Printed Image
Mark Dellas Photography
Trattoria Aroma
Travers Collins Company, Inc.
URS Corporation

Buffalo Niagara Enterprise Officers 2006-2007

Chairman
Randall L. Clark, Dunn Tire LLC

Vice-Chair
David Smith, National Fuel Gas Company

Vice-Chair
Brian Keating, HSBC Bank USA

Vice-Chair
Marilyn Higgins, National Grid

President & CEO
Thomas A. Kucharski

Secretary
Andrew J. Rudnick, Buffalo Niagara Partnership

Treasurer
John Mineo, First Niagara Financial Group

* Founding Investor

Buffalo Niagara

where life works for Jon Dandes

"I received my bachelor's degree from the University at Buffalo and now my daughter attends this same prestigious institution. Every summer I get to see familiar faces enjoying America's pastime right in Downtown Buffalo. That's why my life works here."

Jonathan Dandes
President, Rich Baseball Operations



A SOLID STRATEGY.

Identify and solicit unique opportunities to increase business attraction projects in the following industry clusters:

- Life Sciences
- Agribusiness
- Back Office

Focus on both national and Canadian markets for business opportunities.

Utilize a one-one-one business development targeted approach to attract new opportunities.

Support economic development partners in retention and expansion projects.

Strengthen partnerships with relevant agencies and individuals to enhance service delivery to prospects.

Build an effective and aggressive public relations campaign and integrated marketing program within key industry clusters.

Develop the Buffalo Niagara :: Where Life Works campaign on national and local levels.

Develop the website as a useful tool for prospects, investors and economic development partners.

NUMBERS. BIG ONES.

Some people say it's all about the numbers. But it's also about momentum and value. It's about bringing the right jobs and investment to the region, it's about expanding our base of business and acquiring strong partners for the region. Are the numbers good? You bet. But the momentum, focus and strategy? Better.

BNE WINS

21 Wins

INVESTMENT

\$1,872,225,000 Invested

Wow. Nearly two billion. HSBC's data center investment in our region drives this big, really huge number.

JOBS

1,052 Jobs Created

1,337 Jobs Retained

PARTNERS. GREAT ONES.

Great partners make all the difference. And we've got some that really shine. Our regional partners manage retention and expansion projects. Their efforts are critical to sustaining our local economy. BNE supports these efforts by lending marketing and business development expertise and research capabilities. We extend our thanks and congratulations to our partners for their economic development efforts.

PARTNER WINS

11 Wins

INVESTMENT

\$452,094,000 Invested

JOBS

225 Jobs Created

2,716 Jobs Retained

Buffalo Niagara
where life works for Ed Schiller

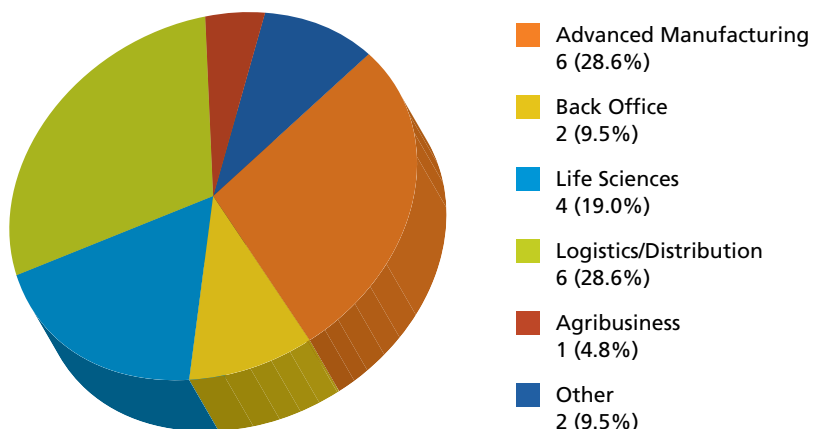
"My life works in Buffalo Niagara, because it is unique in that it is where mid-west meets east coast, exhibiting the best qualities of both. Hard working professionals make TVGA Consultants a success, and serving the public is a pleasure. The quality of life here is extremely conducive to raising a family and enjoying life."

Edward M. Schiller, PE
President, TVGA Consultants

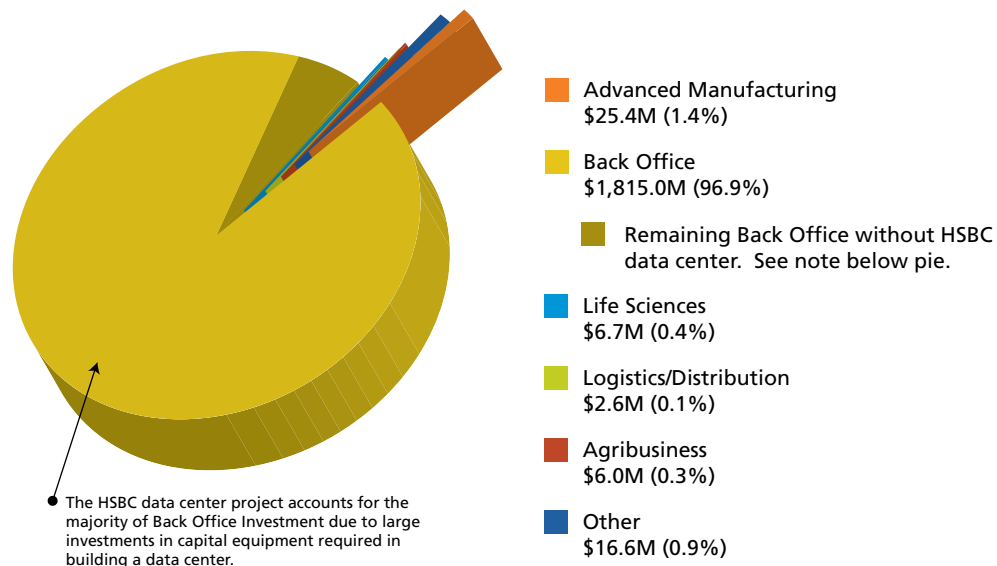


2006 - 2007 RESULTS & ACTIVITY.

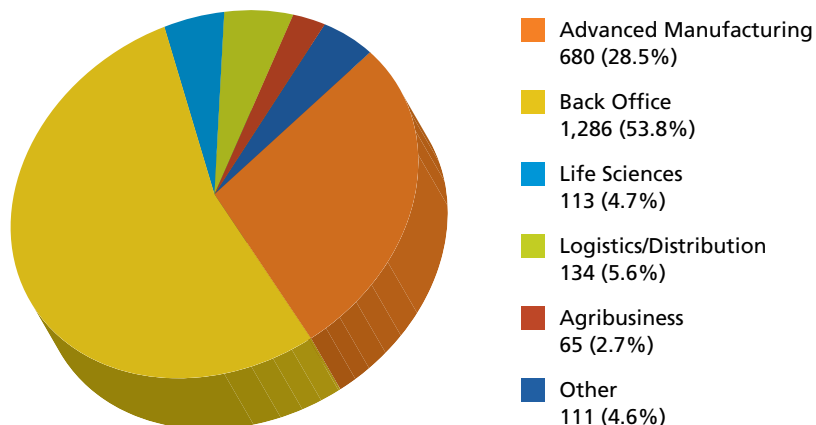
WINS BY INDUSTRY CLUSTER



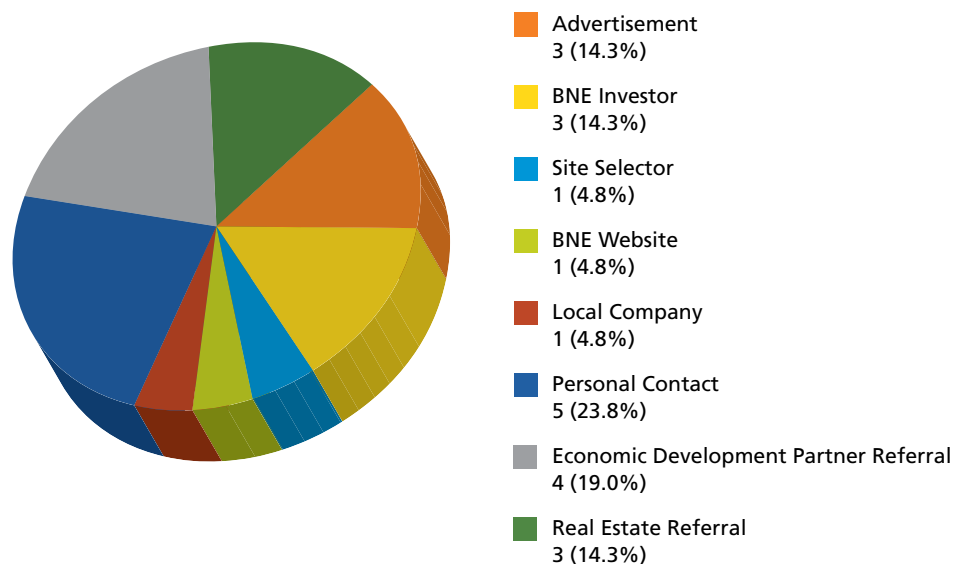
INVESTMENT BY INDUSTRY CLUSTER



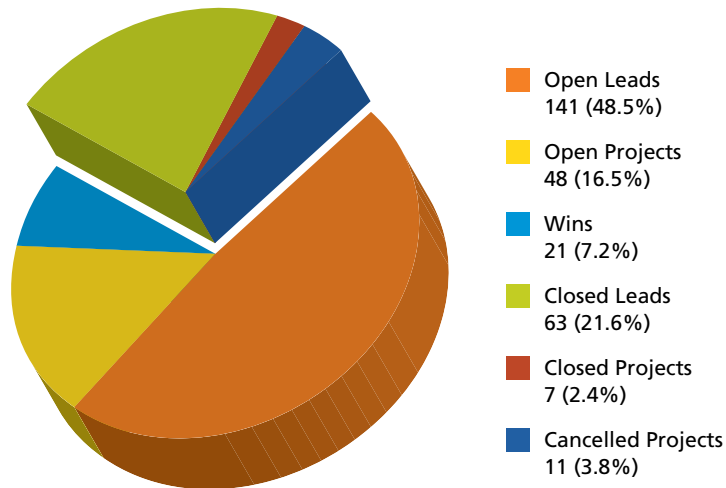
JOBS CREATED & RETAINED BY INDUSTRY CLUSTER



SOURCE OF LEADS



PROSPECT ACTIVITY



Lead:

Inquiries that may be legitimate business expansion/attraction opportunities but lack a number of key qualifying elements (i.e., unknown business, financing, definite project parameters).

Project:

Legitimate business that has definite expansion/relocation plans that is fully qualified as having the ability to complete the project and has visited the Buffalo Niagara region to conduct due diligence.

Win:

Project that firmly commits to locate/expand in Buffalo Niagara.

Closed Project/Lead:

Project/Lead that chooses to locate in a region other than Buffalo Niagara.

Cancelled Project/Lead:

Project/Lead that is cancelled, does not occur in any location.

Buffalo Niagara
where life works for Peter Augustine

“Buffalo Niagara works for New Era because the fiber of this community is woven into every product we make. And that starts with our people. I’ve always believed that people make the difference between an average company and one with heart. And at New Era, we have some of the most passionate and committed around. This is a region I’m proud to do business in and even prouder to raise my family in.”

Peter Augustine
President, New Era Cap Company



2006 - 2007 WINS.

ADVANCED MANUFACTURING

Astronics Corporation / Project "Light Stick"

Industry: Aerospace
Jobs Created: 100
Jobs Retained: 285
Investment: \$7,500,000
Project Type: Attraction/Expansion
Project Source: BNE Investor
Partners: ESD, ECIDA, BEREC, City of Buffalo, Town and Village of E. Aurora, E. Aurora School Board

F. P. Pla Tool and Manufacturing Co. Inc.

Industry: Manufacturing Medical
Jobs Created: 5
Jobs Retained: 32
Investment: \$3,000,000
Project Type: Retention/Expansion
Project Source: PPO Referral
Partners: BUDC, BEREC, City of Lackawanna, Lackawanna EZ

Moldtech, Inc./ Project "Indy"

Industry: Rubber Injection Molding
Jobs Created: 40
Jobs Retained: 45
Investment: \$3,500,000
Project Type: Attraction/Expansion
Project Source: RE Referral
Partners: LIDA, NYPA, ESD, NYSEG

Multisorb Technologies, Inc. / Project "Cell"

Industry: Chemical
Jobs Created: 95
Investment: \$8,500,000
Project Type: Attraction/Expansion
Project Source: Personal Contact
Partners: BEREC, OSP, City of Buffalo, Rep. Brian Higgins, ECIDA, ESD, Town of Cheektowaga, Town of West Seneca

Noble International, LTD / Project "Laser"

Industry: Metalworking
Jobs Created: 29
Investment: \$450,000
Project Type: Attraction
Project Source: Personal Contact
Partners: ESD, NYPA, Tonawanda EZ

Pfannenbergl / Project "Chill"

Industry: Industrial Cooling
Jobs Created: 25
Jobs Retained: 24
Investment: \$2,400,000
Project Type: Attraction/Expansion
Project Source: Real Estate Referral
Partners: ESD, Town of Lancaster, NYSEG

AGRIBUSINESS

Kainos, Inc. / Project "Sinkers"

Industry: Food Processing
Jobs Created: 20
Jobs Retained: 45
Investment: \$6,000,000
Project Type: Retention/Expansion
Project Source: BNE Investor
Partners: BEREC, OSP, ECIDA

BACK OFFICE

Citicorp / Project "Cheesecake"

Industry: Finance
Jobs Created: 500
Jobs Retained: 600
Investment: \$45,000,000
Project Type: Attraction/Expansion
Project Source: BNE Investor
Partners: ESD, AIDA, NYPA, City of Buffalo, ECWIB

HSBC Bank USA / Project "Limestone/Blackstone"

Industry: Data Center
Jobs Created: 78
Jobs Retained: 108
Investment: \$1,770,000,000
Project Type: Attraction/Expansion
Project Source: Site Consultant
Partners: ESD, NYPA, NCIDA, ECIDA, AIDA, National Grid

LIFE SCIENCES

Cleveland BioLabs / Project "Knockout"

Industry: Pharmaceuticals
Jobs Created: 70
Investment: \$6,200,000
Project Type: Attraction
Project Source: PPO Referral
Partners: RPCI, ESD, BNMC, Buffalo EZ, City of Buffalo

Nurticyte, LLC / Project "Nut"

Industry: Biotechnology
Jobs Created: 3
Project Type: Start Up
Project Source: Personal Contact
Partners: Buffalo EZ, NYSCOE

PharmIdeas / Project "Outcome"

Industry: Clinical Trials
Jobs Created: 10
Project Type: Attraction
Project Source: BNE Website
Partners: NYSCOE, UB

Zeptomatrix / Project "Bugs"

Industry: Biotechnology
Jobs Created: 10
Jobs Retained: 20
Investment: \$500,000
Project Type: Retention/Expansion
Project Source: PPO Referral
Partners: City of Buffalo

LOGISTICS/ DISTRIBUTION

Hanes Supply / Project "Hoist"

Industry: Industrial Supplies
Jobs Created: 5
Jobs Retained: 55
Investment: \$200,000
Project Type: Retention/Expansion
Project Source: PPO Referral
Partners: City of Buffalo, BEREC, ESD

Regatta Sport / Project "Rudder"

Industry: Sporting Apparel
Jobs Created: 2
Investment: \$250,000
Project Type: Attraction
Project Source: Advertisement
Partners: Buffalo EZ, BEREC

Sherex Industries Ltd. / Project "Pack"

Industry: Hydraulic Coupling & Fastening
Jobs Created: 29
Jobs Retained: 30
Investment: \$1,550,000
Project Type: Retention/Expansion
Project Source: Personal Contact
Partners: Town of Lancaster, Tonawanda EZ

Simply Audiobooks / Project "Book"

Industry: Audio Books
Jobs Created: 6
Investment: \$275,000
Project Type: Attraction
Project Source: Local Company
Partners: Town of Tonawanda, Tonawanda EZ

Tech Span Ltd. / Project "Span"

Industry: Electrical Component
Jobs Created: 2
Investment: \$150,000
Project Type: Attraction
Project Source: Advertisement
Partners: NCCED, NCIDA

Videon Digital Technologies Ltd. / Project "Video"

Industry: Surveillance Equipment
Jobs Created: 5
Investment: \$150,000
Project Type: Attraction
Project Source: Advertisement

OTHER

Lancaster Tank and Steel / Project "Blade Runner"

Industry: Metalworking
Jobs Created: 3
Jobs Retained: 13
Investment: \$600,000
Project Type: Retention/Expansion
Project Source: RE Referral
Partners: City of Buffalo, BEREC, ESD

Roberts-Gordon / Project "Acquire"

Industry: Industrial
Jobs Created: 15
Jobs Retained: 80
Investment: \$16,000,000
Project Type: Retention/Expansion
Project Source: Personal Contact
Partners: City of Buffalo, BEREC, Buffalo EZ

2006 - 2007 PARTNER WINS.

AGRIBUSINESS

Buffalo Blends / Project "Blender"

Industry: Food Processing
Jobs Created: 2
Investment: \$50,000
Project Type: Retention/Expansion
Project Source: Personal Contact
Partners: BEREC

Perry's / Project "Ice Cream"

Industry: Ice Cream Production
Jobs Retained: 210
Investment: \$2,000,000
Project Type: Retention/Expansion
Project Source: Personal Contact
Partners: ESD, ECWIB

BACK OFFICE

Time Warner Cable / Project "Perc"

Industry: Communications
Jobs Created: 150
Jobs Retained: 950
Investment: \$232,000,000
Project Type: Retention/Expansion
Project Source: BNE Investor
Partners: ECIDA

LIFE SCIENCES

PersonaDx / Project "Fish"

Industry: Diagnostics
Jobs Created: 10
Investment: \$1,500,000
Project Type: Start Up
Project Source: PPO Referral
Partners: Buffalo EZ, RPCI, BECWIB

LOGISTICS/ DISTRIBUTION

AMD-Ritmed Inc. / Project "lan"

Industry: Medical Supplies
Jobs Created: 3
Jobs Retained: 16
Investment: \$750,000
Project Type: Retention/Expansion
Project Source: BNE Investor
Partners: Tonawanda EZ

Multy Industries Inc. / Project "Rugs"

Jobs Created: 26
Investment: \$1,500,000
Project Type: Attraction
Project Source: PPO Referral
Partners: Eden Town Supervisor & Town Board, Eden Economic Development Rep, ECDEP, Workforce Development Consortium

Murphy and Nolan / Project "Tony"

Industry: Steel
Jobs Created: 10
Project Type: Attraction
Project Source: RE Referral
Partners: CBRE

OTHER

Ford Motor Company / Project "Gab"

Industry: Auto
Jobs Retained: 1,480
Investment: \$212,794,000
Project Type: Retention/Expansion
Project Source: BNE Investor
Partners: ESD, Town of Hamburg, HIDA

Kee Klamp Corp. / Project "Rail"

Industry: Metalworking
Jobs Created: 12
Jobs Retained: 30
Investment: \$700,000
Project Type: Retention/Expansion
Project Source: BNE Investor
Partners: ECIDA, ESD, Suburban IDA

Sofanou / Project "Sleeve"

Industry: Plastics Manufacturing
Jobs Created: 8
Jobs Retained: 30
Investment: \$300,000
Project Type: Retention/Expansion
Project Source: Personal Contact
Partners: NCIDA

Ziebert / Project "Cleancar"

Industry: Retail
Jobs Created: 4
Investment: \$500,000
Project Type: Attraction
Project Source: RE Referral
Partners: Coldwell Banker Meridian, ESD

Partners Key:

AIDA - Amherst Industrial Development Agency	GCEDC - Genesee County Economic Development Center
BERC - Buffalo Economic Renaissance Corporation	HIDA - Hamburg Industrial Development Agency
Buffalo EZ - Buffalo Empire Zone	LIDA - Lancaster Industrial Development Agency
BNMC - Buffalo Niagara Medical Campus	NCCED - Niagara County Center for Economic Development
BUDC - Buffalo Urban Development Corporation	NCIDA - Niagara County Industrial Development Agency
CBRE - CB Richard Ellis	NYPA - New York Power Authority
CCIDA - Chautauqua County Industrial Development Agency	NYSEG - New York State Electric and Gas
ECIDA - Erie County Industrial Development Agency	NYSEOE - New York State Center of Excellence in Bioinformatics and Life Sciences
ECDEP - Erie County Department of Environment and Planning	OSP - Office of Strategic Planning (Buffalo)
BEWIB - Buffalo and Erie County Workforce Investment Board	RPCI - Roswell Park Cancer Institute
ESD - Empire State Development Corporation	TCIE - The Center for Industrial Effectiveness
	UB - University at Buffalo

Buffalo Niagara
where life works for Norma Nowak

"My life works in Buffalo Niagara as a parent and a scientist. Buffalo Public Schools, Canisius College and the University at Buffalo provided me with an outstanding education. This led me to play a key role in the ground-breaking Human Genome Project with a rewarding career in cancer research at Roswell Park Cancer Institute. I raised two wonderful sons who benefited from the strong sense of family and community in Buffalo, and from the rich variety of regional outdoor activities.

Norma J. Nowak, PhD

Director, DNA Microarray and Genomics Facility,
Roswell Park Cancer Institute
Director of Science & Technology, NYS Center of
Excellence in Bioinformatics & Life Sciences
Associate Professor, Biochemistry, University at Buffalo



HIGHLIGHTS. BRIGHT ONES.

What does it take to make results? A strong team working toward the same goals. It's been a year of heavy lifting, of laying a new foundation and designing programs for a successful future for our region. And it's been a year that's only made our team stronger.

- Implemented a state of the art client relationship management (CRM) database to improve productivity and manage the increasing complexity of business connections
- Increased the amount of economic data available through the website: www.buffaloniagara.org
- Conducted a marketing blueprint study to fine-tune BNE's marketing strategy
- Coordinated perception analysis study to evaluate site selectors, C-level executives and Canadian perceptions of the Buffalo Niagara region
- Executed a telemarketing campaign to generate qualified leads in our target markets and industries
- Managed forty-seven site visits for sixteen projects
- Enhanced the Buffalo Niagara :: Where Life Works campaign through the addition of four new Ambassadors:
 - Timothy G. Quinn, Managing Partner, Wellsville Carpet Town, Inc / Ashley Furniture HomeStore
 - Norma J. Nowak, PhD
Director, DNA Microarray and Genomics Facility, Roswell Park Cancer Institute
Director of Science & Technology, NYS Center of Excellence in Bioinformatics & Life Sciences
Associate Professor, Biochemistry, University at Buffalo
 - Peter Augustine, President, New Era Cap Company
 - JP Losman, Quarterback, Buffalo Bills
- Developed a balanced score card for fiscal year 07/08
- Developed a new investor relations strategy

- Attended two national life sciences conferences (Bio International, Medical Device Manufacturing) and held 28 pre-scheduled one-on-one business meetings with prospects and media
- Hosted two life sciences media tours in partnership with National Grid, resulting in four articles in major bio trade publications such as Bio IT World, Bio Business, and Pharmaceutical Commerce
- Attended 16 conferences/trade shows to meet with C-level executives and site location consultants
- In partnership with WIVB, developed a Where Life Works commercial with nearly 200 placements, including a placement during the Superbowl pre-show
- Received twelve national media placements and one hundred and seven local media placements
- Completed an agriculture study sponsored by National Grid and Empire State Development and hosted economic development forums throughout the eight counties of the Buffalo Niagara region to communicate the study findings
- Finalized MOU with NYSCAR and contracted Catlyst to develop a commercial listing system and EDC link program for commercial real estate in the Buffalo Niagara region



COLLABORATION. A TEAM EFFORT.

We can't, and certainly don't, make economic development happen in our region by ourselves. We reach out to the community and our partners to collaborate on activities and initiatives that promote our region, the great seasons, the dedicated workforce and the business climate that makes success achievable. This is a town known for it's sports teams. This is also a town that should be proud of our economic development teams that know how to work together.

Buffalo Niagara

where life works for JP Losman

"Buffalo Niagara works because of its sense of community. I admire the region's pride in its heritage, way of life and of course, passion for its sports teams. Buffalo Niagara offers a tremendous amount of arts, culture and entertainment options from water skiing in Lake Erie to enjoying the downtown Buffalo shops, restaurants and nightlife. Buffalo Niagara is an exciting place to live and I'm proud to call this area my home."

JP Losman
Quarterback, Buffalo Bills



LOOKING FORWARD.

The future of Buffalo Niagara Enterprise will be marked by a heavy emphasis on transitioning to pure attraction projects, by aggressive marketing campaigns and telemarketing activities to generate qualified leads, and by a focused approach in key industry clusters.

Mission: To attract business investment to Buffalo Niagara.

Vision: Be a world class organization that proactively represents Buffalo Niagara to influencers and decision makers of location and investment opportunities.

Strategies & Objectives:

- Generate qualified leads
- Convert leads to wins
- Strengthen and grow investor base
- Increase brand awareness
- Improve target perceptions of region
- Streamline marketing services/create templates for key initiatives
- Continue to upgrade website and web tools

Targeted Approach

- National and Canadian C-level executives and their location advisors
- Priority targeted industry clusters:
 - Life Sciences
 - Agribusiness
 - Back Office
- Market Focus: Canada

STRATEGIC MEASURABLES.

Measurable	Unit of Measurement	07/08 Goal	Cumulative 3 Year Goal
Investment Level in BNE	\$	\$2,950,000	\$9,350,000
New Jobs	# jobs	1,500	4,800
New Capital Investment	\$	\$125,000,000	\$550,000,000
Win - Attraction/Expansion - competing for outside investment	# wins	16	56
Partner Projects - Retention/Expansion of Existing Local Business	# partner projects	10	20
New Business Attraction - Leads	# leads	44	148
New Business Attraction - Site Visits	# site visits	11	43
Site Visit Conversion Rate to Wins	% converted	25-27%	25-27%
Customer satisfaction with BNE	% favorable	80%	85%

TEAM OF EXPERTS.

Seated, left to right:

Alexandra Theodule - Senior Administrator,
Investor Relations Coordinator

Thomas Kucharski - President & CEO

Therese Hickok - Marketing & Communications Director

Standing, left to right:

Graham Smith - Research Director

Jenna Kavanaugh - Marketing & Communications Manager

Christina Carbone - Marketing & Communications Assistant

Alyssa Crick - Graphic Designer

Michael Licata - Business Development Manager

Christina Orsi - Business Development Director

Paul Pfeiffer - Investor Relations Manager

Matthew Hubacher - Research Specialist

Chris Finn - Research Specialist

Sarah Larson - Graphic Designer

Dave Tyler - Business Development Manager

David Griggs - Business Development Manager



665 Main Street, Suite 200

Buffalo, NY 14203

p: 716. 842.1330

1.800. 916. 9073

f: 716. 842.1724

www.buffaloniagara.org

Original Buffalo Central Terminal clock on display at M & T Bank in Buffalo, NY.



