



BUFFALO NIAGARA
ENTERPRISE

annual report 2007/2008

where life works

“I believe that Buffalo Niagara Enterprise's strong performance proves once again that our region can successfully compete for new businesses and new jobs. And I am confident that we will continue to achieve success.”

- David F. Smith, Chairman
Buffalo Niagara Enterprise





Buffalo Niagara ranked #1 on "10 Best Cities for Commuters" - *Forbes Magazine, May 2008*



BUFFALO NIAGARA ENTERPRISE

I am very pleased to welcome you to the 2007-2008 Buffalo Niagara Enterprise Annual Report. My first year as Chairman has been a very rewarding one, and I want to thank all of our board members, partner organizations and BNE staff for their hard work and commitment. I would also like to extend a special thank you and congratulations to my predecessor as Chairman, Randy Clark. His exceptional work last year in preparing BNE for the transition in leadership is being recognized this fall with his receipt of the Northeastern Economic Developers Association Volunteer of the Year Award. The business of economic development is truly a team effort and the strong results we have to report would not have been possible without everyone working together in the best interests of the Buffalo Niagara region.

In 2007-2008, BNE focused primarily on its core competency of attracting business investment to our region. The challenge was formidable and the results were gratifying. We met or exceeded every goal set for new business attraction leads, new business attraction projects and attraction wins. As a consequence, we also exceeded our job creation goal; generating more wealth creating opportunities for the residents of our community.

The public and private economic development partner organizations that have gradually assumed the management of local expansion and retention projects have performed extremely well this year. Their ability to successfully maintain the foundation of the existing business base in our community has allowed BNE to focus on what we believe we can do best – attract new business, investment and jobs to our region. I want to say thank you and congratulations to our partners for a job well done.

2007-2008 included many exciting new developments. A new solar marketing and business development campaign was launched and a similar effort is now in the works for the wind industry. The Buffalo Niagara Commercial Listing Service went live this year and now has forty-two professional realtors posting 259 commercial listings, an effort that has really helped put our region on the economic development map. The Canadian marketing campaign that was a primary focus this year was a tremendous success, adding twenty-seven leads and eight active projects to our portfolio. These represent just a few of the many highlights you will read about in this report.

Last, but far from least, I want to sincerely thank each and every investor for their generous support. Your commitment of resources is what allows BNE's professional staff to carry out the daily mission of growing our regional economy. So many people say our region's greatest asset is its people. It is because of the commitment and support of our investors that BNE is able to work to create opportunities for the very people who make our region a great place to do business and a great place to call home. Thank you for your investment and thank you for sharing my optimism for the future.



- David F. Smith, Chairman
Buffalo Niagara Enterprise



Thomas A. Kucharski
President & CEO,
Buffalo Niagara Enterprise

David F. Smith
President & CEO,
National Fuel Gas Company

our committed investors

They work here, live here, play here. They know all the things that make us uniquely Buffalo Niagara. They see our promise for a bright future and they believe it. That's why they share their time, money and expertise to help build our economy and build our region for the future. That's real commitment.

STEERING LEVEL

Buffalo Niagara Partnership *
Delaware North Companies, Inc. *
Empire State Development Corporation *
HealthNow New York, Inc. d/b/a/
BlueCross BlueShield of Western New York *
HSBC Bank USA, NA *
National Fuel Gas Company *
National Grid *

BOARD LEVEL

AAA of Western & Central New York *
Amherst Industrial Development Agency *
Buffalo Bills, Inc. *
City of Buffalo
CTG
Dunn Tire LLC *
Erie County Industrial Development Agency *
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
WIVB-TV, Channel 4

PARTNER LEVEL

Acquest Development LLC
Algonquin Studios
Astronics Corporation
Broad Elm Management, Inc.
Chautauqua County Industrial
Development Agency
Dopkins & Company
Ernst & Young, LLP *
Frey Electric Construction Company
Genesee County Economic
Development Center
Hamister Group of Companies *
Harris Beach PLLC
Lippes Mathias Wexler Friedman LLP
NOCO Energy Corporation *
Lawley Service, Inc.
Orleans Economic
Development Agency
The McGuire Group *
Tops Markets *
TVGA Consultants
Walsh Duffield Companies, Inc.
Wyoming County
Chamber of Commerce

IN-KIND

Business First
Eric Mower & Associates
Law Office of Rosanna Berardi, PC
Printed Image
Travers Collins & Company

* Founding Investor

BUFFALO NIAGARA ENTERPRISE OFFICERS 2007-2008

President and CEO
Thomas A. Kucharski, CEcD

Chairman
David F. Smith
National Fuel Gas Company

Vice-Chair
Jonathan Dandes
Rich Baseball Operations

Vice-Chair
Jeremy Jacobs, Jr.
Delaware North Companies

Vice-Chair
John Mineo
First Niagara Financial Group

Vice-Chair
Douglas Dimitroff
Phillips Lytle LLP

Secretary
Andrew Rudnick
Buffalo Niagara Partnership

Treasurer
Joseph Saffire
HSBC Bank USA

Immediate Past Chairman
Randall Clark
Dunn Tire Corporation



strategic focus yields solid results

- 80% of wins were attraction projects
- Life Sciences secured five wins, totaling more than \$49 million in investment and in excess of 175 new jobs. Key projects from this industry sector include APP Pharmaceuticals and Invitrogen Corporation (GIBCO)
- Back Office secured three wins with 500 new jobs, including TOPS Markets Headquarters (Morgan Stanley)
- Agri-Business captured one large project win, Sorrento/Lactalis, which secured over 500 at-risk jobs
- Canadian market yielded four wins in three different industry sectors
- Nine of the twenty wins were projects that opened and closed within the fiscal year, boasting a high conversion rate
- Completed six Partner Projects totaling more than \$75 million in investment and over 600 jobs, highlighted by Globe Specialty Metals
- Generated 87 new leads, a 34% increase over the prior year

2007 - 2008 BNE results

This year we refocused our strategy and we made things happen. We transitioned from managing retention projects and zeroed in on attracting new business. The result? Sixteen of our twenty wins are companies new to the region. These are numbers we can all be proud of.

20 BNE wins

1,920 total jobs [889 jobs created & 1,031 jobs retained]

\$70,265,000 invested

2007 - 2008 partner projects

We work side by side, hand in hand with some truly great partners. They handle critical retention projects in our community to ensure the foundation of our economy remains strong. It's because they do their job so well, that we are able to succeed in doing ours. We couldn't ask for a better team.

6 partner projects

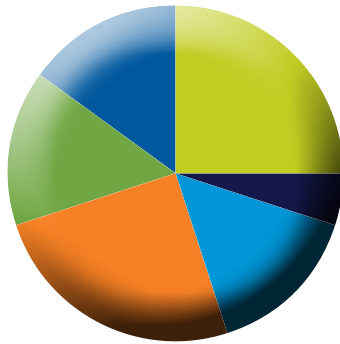
681 total jobs [641 jobs created & 40 jobs retained]

\$75,090,000 invested



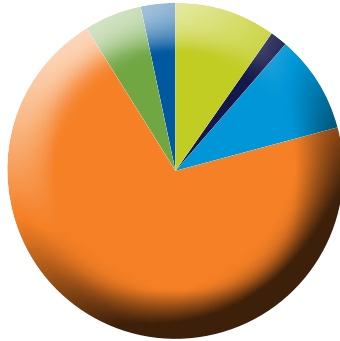
2007 - 2008 results

WINS BY INDUSTRY CLUSTER



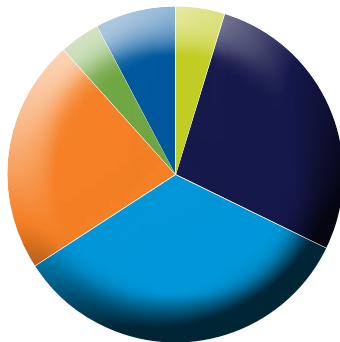
INDUSTRY	WINS	% OF TOTAL
Advanced Manufacturing	5	25%
Agri-Business	1	5%
Back Office	3	15%
Life Science	5	25%
Logistics/Distribution	3	15%
Other	3	15%
Totals	20	100%

INVESTMENT BY INDUSTRY CLUSTER

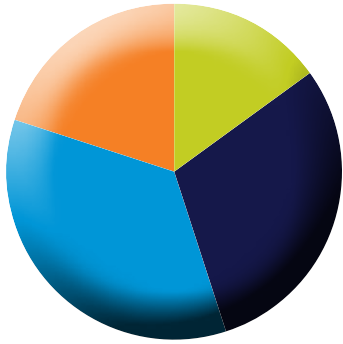


INDUSTRY	INVESTMENT	% OF TOTAL
Advanced Manufacturing	\$6,930,000	9.9%
Agri-Business	\$1,200,000	1.7%
Back Office	\$6,550,000	9.3%
Life Science	\$49,400,000	70.3%
Logistics/Distribution	\$4,035,000	5.7%
Other	\$2,150,000	3.1%
Totals	\$70,265,000	100.0%

JOBS CREATED & RETAINED BY INDUSTRY CLUSTER

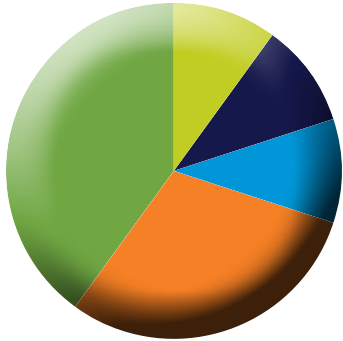


INDUSTRY	JOBS	% OF TOTAL
Advanced Manufacturing	95	4.9%
Agri-Business	525	27.4%
Back Office	644	33.5%
Life Science	434	22.6%
Logistics/Distribution	75	3.9%
Other	147	7.7%
Totals	1,920	100.0%



WINS BY PROJECT TYPE

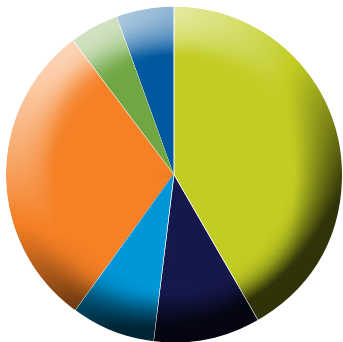
TYPE	WINS	% OF TOTAL
Attraction/Start Up	3	15%
Attraction/Expansion	6	30%
Attraction	7	35%
Retention/Expansion	4	20%
Totals	20	100%



LEAD SOURCE OF WINS

SOURCE	WINS	% OF TOTAL
Advertisement	2	10%
BNE Investor	2	10%
BNE Website	2	10%
Personal Contact	6	30%
PPO Referral*	8	40%
Totals	20	100%

* Participating Partner Organization (PPO) Referral



BUSINESS DEVELOPMENT ACTIVITY*

ACTIVITY	NUMBER	% OF TOTAL
Open Leads	103	42%
Open Projects	25	10%
Wins	20	8%
Closed Leads	73	3%
Closed Projects	12	5%
Cancelled Projects	13	5%

* As of 6/30/08

ACTIVITY TERMS:

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.

2007 - 2008 BNE wins

Advanced Manufacturing

Ashton Potter

CODE NAME	Stamp
JOBS CREATED	48
INVESTMENT	\$3,000,000
OPPORTUNITY TYPE	Attraction/Expansion
OPPORTUNITY SOURCE	Advertisement
PROJECT PARTNERS	NYPA, ECIDA, NYSEG

Buffalo Controls

CODE NAME	Control
JOBS CREATED	5
JOBS RETAINED	13
INVESTMENT	\$300,000
OPPORTUNITY TYPE	Retention/Expansion
OPPORTUNITY SOURCE	PPO Referral
PROJECT PARTNERS	BERC

Compact Mould

CODE NAME	Compact
JOBS CREATED	6
INVESTMENT	\$1,100,000
OPPORTUNITY TYPE	Attraction
OPPORTUNITY SOURCE	BNE Website
PROJECT PARTNERS	NCIDA

Sensorcon

CODE NAME	Return
JOBS CREATED	3
INVESTMENT	\$30,000
OPPORTUNITY TYPE	Attraction
OPPORTUNITY SOURCE	PPO Referral
PROJECT PARTNERS	ECIDA

Silver Eagle

CODE NAME	Silver
JOBS CREATED	20
INVESTMENT	\$2,500,000
OPPORTUNITY TYPE	Attraction
OPPORTUNITY SOURCE	PPO Referral
PROJECT PARTNERS	ESDC, NYPA, National Grid, Hunt Commercial Real Estate

Agri-Business

Sorrento/Lactalis

CODE NAME	Cream
JOBS RETAINED	525
INVESTMENT	\$1,200,000
OPPORTUNITY TYPE	Retention/Expansion
OPPORTUNITY SOURCE	PPO Referral
PROJECT PARTNERS	ESDC, NYPA, ECIDA

Back Office

Center One

CODE NAME	Hause
JOBS CREATED	355
INVESTMENT	\$1,300,000
OPPORTUNITY TYPE	Start Up
OPPORTUNITY SOURCE	Personal Contact
PROJECT PARTNERS	ESDC

Morgan Stanley

CODE NAME	Spin
JOBS CREATED	140
JOBS RETAINED	145
INVESTMENT	\$5,100,000
OPPORTUNITY TYPE	Attraction/Expansion
OPPORTUNITY SOURCE	BNE Investor
PROJECT PARTNERS	ESDC, AIDA

SAS Engineering

CODE NAME	Lotus
JOBS CREATED	4
INVESTMENT	\$150,000
OPPORTUNITY TYPE	Attraction
OPPORTUNITY SOURCE	PPO Referral

Life Sciences

AndroBioSys

CODE NAME	Glands
JOBS CREATED	25
INVESTMENT	\$300,000
OPPORTUNITY TYPE	Start Up
OPPORTUNITY SOURCE	PPO Referral
PROJECT PARTNERS	Roswell Park Cancer Institute

APP Pharmaceuticals

CODE NAME	Backspin
JOBS CREATED	60
INVESTMENT	\$25,000,000
OPPORTUNITY TYPE	Attraction/Expansion
OPPORTUNITY SOURCE	Personal Contact
PROJECT PARTNERS	ECIDA, NYPA, Town of Grand Island, National Grid

Catapult Life Science Logistics Services

CODE NAME	Clubhouse
JOBS CREATED	5
INVESTMENT	\$200,000
OPPORTUNITY TYPE	Start Up
OPPORTUNITY SOURCE	Personal Contact
PROJECT PARTNERS	BNMC

Invitrogen Corporation (GIBCO)

CODE NAME	Genesis
JOBS CREATED	94
JOBS RETAINED	150
INVESTMENT	\$20,500,000
OPPORTUNITY TYPE	Attraction/Expansion
OPPORTUNITY SOURCE	Personal Contact
PROJECT PARTNERS	ESDC, Town of Grand Island, National Grid, ECIDA, National Fuel Gas

Polymer Conversions

CODE NAME	Injection
JOBS CREATED	15
JOBS RETAINED	85
INVESTMENT	\$3,400,000
OPPORTUNITY TYPE	Retention/Expansion
OPPORTUNITY SOURCE	Personal Contact
PROJECT PARTNERS	ECIDA, ESDC, NYPA

Logistics/Distribution

Global Village

CODE NAME	Village
JOBS CREATED	5
INVESTMENT	\$400,000
OPPORTUNITY TYPE	Attraction
OPPORTUNITY SOURCE	PPO Referral

LS & S

CODE NAME	Laverne
JOBS CREATED	25
INVESTMENT	\$1,835,000
OPPORTUNITY TYPE	Attraction
OPPORTUNITY SOURCE	BNE Website
PROJECT PARTNERS	ESDC, BERC, ECIDA, BUDC

2007 - 2008 partner projects

Star Line USA

CODE NAME	Star
JOBS CREATED	45
INVESTMENT	\$1,800,000
OPPORTUNITY TYPE	Attraction/Expansion
OPPORTUNITY SOURCE	Advertisement
PROJECT PARTNERS	ESDC, ECIDA, NYPA

Other

Beverly Hills Teddy Bear Company

CODE NAME	Teddy
OPPORTUNITY INDUSTRY	Toy manufacturing
JOBS CREATED	12
INVESTMENT	\$500,000
OPPORTUNITY TYPE	Attraction
OPPORTUNITY SOURCE	PPO Referral
PROJECT PARTNERS	ECIDA

Eastman Machine

CODE NAME	Whitehouse
OPPORTUNITY INDUSTRY	Machine shop
JOBS CREATED	10
JOBS RETAINED	98
INVESTMENT	\$750,000
OPPORTUNITY TYPE	Attraction/Expansion
OPPORTUNITY SOURCE	Personal Contact
PROJECT PARTNERS	ESDC, ECIDA, National Grid, BEREC, National Fuel

Ziphany LLC

CODE NAME	Oil
OPPORTUNITY INDUSTRY	Technology
JOBS CREATED	12
JOBS RETAINED	15
INVESTMENT	\$900,000
OPPORTUNITY TYPE	Retention/Expansion
OPPORTUNITY SOURCE	BNE Investor
PROJECT PARTNERS	ESDC, ECIDA, BEREC

Partners Key:

AIDA - Amherst Industrial Development Agency
 BEREC - Buffalo Economic Renaissance Corporation
 Buffalo EZ - Buffalo Empire Zone
 BNMC - Buffalo Niagara Medical Campus
 BUDD - Buffalo Urban Development Corporation
 ECIDA - Erie County Industrial Development Agency
 ESDC - Empire State Development Corporation
 LIDA - Lancaster Industrial Development Agency
 NCIDA - Niagara County Industrial Development Agency
 NYPA - New York Power Authority
 NYSEG - New York State Electric and Gas
 NYSERDA - New York State Energy Research & Development Authority

Advanced Manufacturing

Globe Specialty Metals

JOBS CREATED	500
INVESTMENT	\$60,000,000
OPPORTUNITY TYPE	Attraction
OPPORTUNITY SOURCE	PPO Referral
PROJECT PARTNERS	ESDC, NCIDA, NYPA

Solmac

CODE NAME	Sole
JOBS CREATED	4
INVESTMENT	\$790,000
OPPORTUNITY TYPE	Retention/Expansion
OPPORTUNITY SOURCE	Realtor Referral
PROJECT PARTNERS	BEREC, ECIDA

Upstate Steel

CODE NAME	Rebar
JOBS CREATED	25
INVESTMENT	\$3,000,000
OPPORTUNITY TYPE	Start Up
OPPORTUNITY SOURCE	Realtor Referral
PROJECT PARTNERS	LIDA, ECIDA

Logistics/Distribution

Coquette International

JOBS CREATED	2
INVESTMENT	\$200,000
OPPORTUNITY TYPE	Attraction
OPPORTUNITY SOURCE	Realtor Referral
PROJECT PARTNERS	BEREC

Dunn Tire

JOBS CREATED	10
JOBS RETAINED	40
INVESTMENT	\$100,000
OPPORTUNITY TYPE	Retention/Expansion
OPPORTUNITY SOURCE	BNE Investor
PROJECT PARTNERS	ECIDA, Cheektowaga Economic Development Consultant

Sonwil Distribution

CODE NAME	Twin
JOBS RETAINED	100
INVESTMENT	\$11,000,000
OPPORTUNITY TYPE	Retention/Expansion
OPPORTUNITY SOURCE	PPO Referral
PROJECT PARTNERS	ESDC, National Grid, ECIDA, BUDD, Buffalo EZ, NYSERDA

2007 - 2008 highlights

- Hosted sixty-two site visits for eighteen different projects
- Public relations activities saw eleven national media placements, eight Canadian placements and thirty-nine local media placements with an advertising equivalent of \$543,528
- Implemented a targeted Canadian public relations campaign resulting in an advertising equivalency of \$100,000 and represented the Buffalo Niagara region at three key speaking engagements
- Launched a solar campaign to over seventy targeted businesses world-wide
- Conducted Canadian direct mail campaign, reaching over 200 CEO's to increase their awareness of the Buffalo Niagara business climate and BNE services (Campaign sponsored by National Grid)
- Visually refreshed buffaloniagara.org, redesigned navigation, and drafted new copy to improve traffic
- Designed and implemented an on-line Incentives Database
- Implemented a comprehensive survey of Wins and Closed projects with results indicating 82% customer satisfaction with BNE's efforts
- Verified and updated information for over 4,000 targets in our client relationship management (CRM) database





- Developed four new brochures to promote the Buffalo Niagara region
- Attended two national life science conferences (Medical Device Manufacturing and Bio International) at which we hosted over thirty meetings that resulted in seven active leads
- Executed a telemarketing campaign to generate qualified leads in our target industries, yielding forty-nine meetings
- Implemented and launched a commercial listing system in the Buffalo Niagara Region, currently listing over 250 properties for over 40 real estate professionals
- Partnered with RealtyUSA to create Buffalo Niagara :: Where Life Works relocation packages
- Enhanced the Buffalo Niagara :: Where Life Works campaign through the addition of fifty-six new ambassadors including:
 - Jonathan Dandes, Rich Baseball Operations
 - Patrick Lango, White Cow Dairy
 - Dr. Herbert Hauptman, Hauptman-Woodward Medical Research Institute
 - John Simpson, University at Buffalo
- Designed an economic development section in the Business First Book of Lists to highlight key regional partners, regional assets and industry clusters
- Issued weekly communications to BNE investors and community leaders in business and economic development about BNE achievements and positive regional news and information
- Hosted nineteen international Empire State Development Corporation representatives at a dinner to showcase our regional assets

2008 - 2009 action plan

Our mission is simple.

To attract business investment to Buffalo Niagara.

Our vision is clear.

To be a world class organization that proactively represents Buffalo Niagara to influencers and decision makers of location and investment opportunities.

Our strategy will take us there.

- Market Buffalo Niagara regional assets in our targeted industry clusters (Life Sciences, Back Office, Advanced Manufacturing, Renewable Energies, Logistics & Distribution)
- Design & implement marketing campaigns to improve brand awareness among key industry segments
- Implement positive public relations to continue enhancing perceptions of our region among C-level executives, location advisors & site selection professionals
- Continue market focus in Canada, extending efforts north to Quebec
- Focused, one on one approach with attraction projects
- Strengthen and grow investor base
- Unite the collective power of our region to get businesses moving here

strategic measurables

MEASURABLE	UNIT OF MEASUREMENT	08/09 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	\$	\$238,000,000	\$550,000,000
Win - Attraction/Expansion - competing for outside investment	# wins	19	56
Partner Projects - Retention/ Expansion of Existing Local Business	# partner projects	8	20
New Business Attraction - Leads	# leads	70	148
New Business Attraction - Projects	# site visits	16	43
Project Conversion Rate to Wins	% converted	27%	25-27%
Customer satisfaction with BNE	% favorable	85%	85%

* Ending June 2010

our team

Buffalo Niagara Enterprise is made up of researchers, marketers, business development professionals and experts in economic development. Our team is made up of people who root enthusiastically for our sports teams, brag about our Frank Lloyd Wright architecture and can't wait to introduce folks from out of town to our gourmet cuisine. Our team is made up of people who were born and raised here, some who left and returned home and still others who came from other places and now would never leave. Our team is made up of people who put their passion for their community to work – every day.



TOP ROW, Left to Right:
David Tyler
Business Development Manager

Sarah Larson
Graphic Designer / Web Manager

Jennifer Kavanaugh
Marketing & Communications Director

Matthew Hubacher
Research Specialist

Paul Pfeiffer
Investor & Public Relations Director

Alan Rosenhoch
Business Development Assistant

BOTTOM ROW, Left to Right:
David Griggs
Business Development Director

Megan Rasbeck
Marketing Communications Assistant

Graham Smith
Research Director

Carolyn Powell
Business Development Manager

Thomas Kucharski
President and CEO

Alexandra Theodule
Senior Administrator / Investor
Relations Coordinator

Christopher Finn
Research Manager

Alyssa Crick
Graphic Designer



665 Main Street, Suite 200, Buffalo, NY 14203 p: 716. 842.1330 1.800. 916. 9073 f: 716. 842.1724 www.buffaloniagara.org



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