

INVEST
BUFFALO NIAGARA

20 years

2019–2020

ANNUAL REPORT
to investors

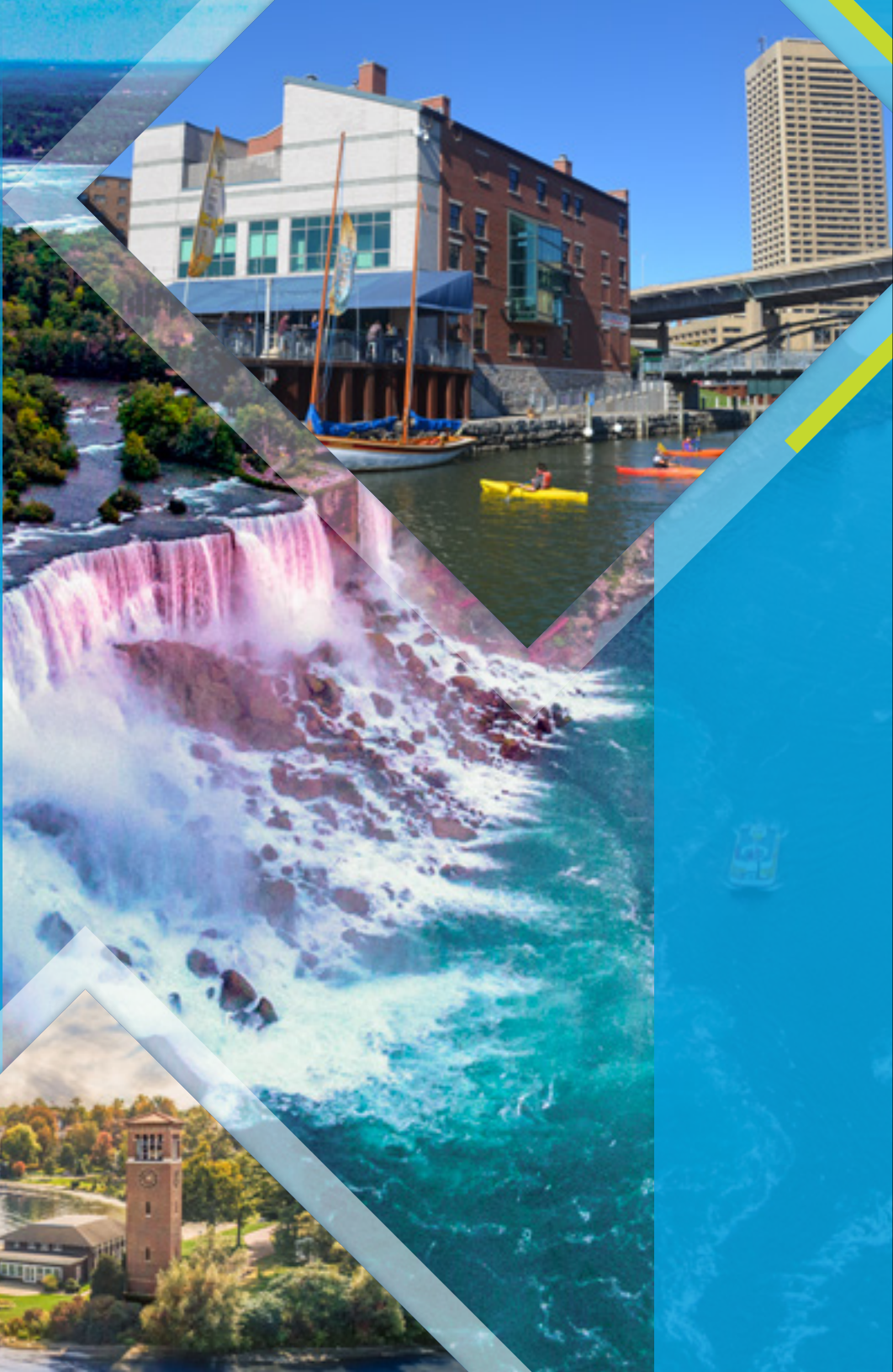


MISSION

TO ATTRACT BUSINESS
INVESTMENT TO THE
BUFFALO NIAGARA
REGION.

VISION

BUFFALO NIAGARA IS
RECOGNIZED AS A
LEADING AMERICAN
BUSINESS DESTINATION.



MESSAGE FROM THE CHAIR

As I reflect on my two-year term as Board Chair of Invest Buffalo Niagara, I think of lessons learned and the many items we accomplished together.

InBN's work has been vital in creating an environment that has fostered our region's amazing renaissance—a renaissance that is continuing. We've solidified partnerships, streamlined processes, and diversified our regional economy. We changed the narrative from a forgotten Rust Belt relic to a region on the rise. And, with a growing desire for further economic advancement across our community, we are driven to be even more strategic and collaborative in bettering Buffalo Niagara.

Our work is possible because of the dedication of our investors and community partners. It is your participation and commitment as leaders in our collaborative, regional organization that enables our collective success and fuels the growth of our region.

Although we are excited to celebrate 20 years of progress for our organization and our region, we remain focused on the next 20 years. I am certain the coming years will be just as successful because of the foundation upon which we are built – devoted investors, diligent staff, and collaborative partners.

Thank you for your support of and dedication to Invest Buffalo Niagara and our region.



Sincerely,

Bob Zak



2019-20 OFFICERS

Chair

Bob Zak
Merchants Mutual
Insurance Group

Vice Chair

Douglas W. Dimitroff
Phillips Lytle LLP

Secretary

Dottie Gallagher
Buffalo Niagara Partnership

Treasurer

Michael O'Brien
KeyBank, NA

COMMITTEE CHAIRS

Performance Committee Chair

Carl Montante, Jr.
Uniland Development Company

Finance Committee Chair

Michael O'Brien
KeyBank, NA

Nominating Committee Chair

Douglas W. Dimitroff
Phillips Lytle LLP

“ *If the last 20 years of our organization’s work and the renaissance of this region proves anything, it’s that it can be done.*

MESSAGE FROM THE PRESIDENT & CEO

Invest Buffalo Niagara – then Buffalo Niagara Enterprise – was formed 20 years ago in the face of clear challenges and at a time when our community was very much in need of creative solutions. This organization embraced those opportunities. Over the years as each new hurdle appeared, our team responded by rolling its sleeves up just a little bit higher, strategically designing our playbook and huddling even more closely with our ecosystem partners.

Today, we continue to see echoes of the same themes of steep challenges and the critical need for solutions. In that way, the theme of the story remains the same. The COVID-19 pandemic has created very new challenges in our community and across the globe. Much is uncertain. What I am certain of though, is that this organization, with the help of each of its investors and partners, will face it unflinchingly. We are strident warriors in the battle for a better Buffalo Niagara. We reflect the community which we represent, and it is that uniquely Buffalo Niagara work ethic and resiliency that makes me so optimistic.

If the last two decades of our organization’s work and the renaissance of this region prove anything, it’s that it can be done. So, the hard work continues, and we continue to work hard.

I am happy to report that the 2019-20 fiscal year was yet another successful year for our organization. The thread that connects each page of this report is our organization’s ability to solve problems.

The three key problems and the solutions we are implementing include business attraction, talent acquisition and a shortage of industrial real estate.

As always, we attacked the problem this organization was originally tasked to solve 20 years ago:

business attraction. We attracted companies to our region from multiple corners of the country and globe, and in multiple industries further diversifying our economy. We brought hundreds of jobs for our neighbors and investment for our neighborhoods. Invest Buffalo Niagara also worked strategically, tackling initiatives that will pay long-term dividends for our region.

Difficulty finding mid- and highly-skilled talent in key occupations? Introducing: Be in Buffalo, our **talent attraction** campaign. Through Be in Buffalo we are introducing – or reintroducing – a new Buffalo to an entire generation of people with the skills needed to build the economy of the future.

Lack of available industrial real estate? Introducing: The **Western New York Industrial Real Estate** Study. The study we are undergoing, guided by a taskforce of several investors and partners and with the help of nationally regarded consultants Newmark Knight Frank, will create a regional roadmap for how to address issues in industrial real estate for every stakeholder in our region – from policy to purchasing, and everything in between.

I am deeply proud of this team’s work throughout the 2019-20 fiscal year and I am especially grateful for the collaboration and support of our investors and partners. Banding together to repair, rebuild and fortify our community is more important now than ever before. Our greatest strength is our collective will to better Buffalo Niagara. Together, we are and will continue doing just that. **Together, we are building a better Buffalo Niagara.**



Sincerely,

Thomas A. Kucharski



2019-2020 WINS

CAPITAL INVESTMENT

\$44,933,000



BUSINESSES RECRUITED

10



NEW & RETAINED JOBS PLEDGED

240



2019-20 OPPORTUNITIES

85



OPPORTUNITY PIPELINE AT START OF 2020-21 FISCAL YEAR

66

“ *We felt prepared for this expansion process, especially because of the guidance Invest Buffalo Niagara provided.*

— Joseph Braun, Operations Manager,
Prompt Logistics / Bronco Distribution

Advanced Business Services

BUFFALO FILM WORKS

\$5,804,000 INVESTMENT | 11 NEW JOBS

Buffalo Film Works (BFW) is a major motion picture film studio in the City of Buffalo. The company rehabbed functionally obsolete manufacturing facilities located in the Seneca Babcock neighborhood and repurposed them into world-class sound stages. Due to the size and scale of the buildings to convert to Hollywood level expectations, InBN assisted BFW with grant applications to address their financial needs. Additionally, InBN brought in National Grid's energy efficiency team. BFW is on track to be the largest production studio in NYS. It's signature green screen is the largest in the U.S. east of the Mississippi River.

CHARMTECH LABS LLC/CAPTI VOICE

\$10,000 INVESTMENT | 7 NEW JOBS

Charmtech Labs is an educational technology startup company. Their primary product and outward-facing brand is Capti Voice, a reading tool that supports a diverse classroom. 43North introduced Charmtech's founder to Invest Buffalo Niagara. He saw Buffalo as an ideal region to scale the company's inside sales and back office operations. InBN facilitated introductions to members of the region's startup ecosystem, and to University at Buffalo which lead to their acceptance into the STARTUP NY program. The company chose Buffalo for their second location leasing space from UB in the Gateway building on the Buffalo Niagara Medical Campus.

EDGE FACTOR

\$5,000 INVESTMENT | 1 NEW JOB

Edge Factor is a Canadian media company producing videos for manufacturing talent recruitment. Their videos empower communities with story-driven tools to tackle workforce development, inspire students, reach parents and bridge relationships. The founder was interested in space

in Niagara Falls. InBN facilitated an introduction with our partners at TM Montante eyed at the proposed incubator project on Niagara Street. The company worked closely with the developer in the buildout of the incubator space. The Niagara Global Tourism Institute offered the company temporary space until a permanent office was ready.

KYKLO CORP.

\$16,000 INVESTMENT | 7 NEW JOBS

KYKLO is a Thailand-based tech SaaS startup that was considering locations for a U.S. headquarters. The company had one U.S. based employee in New York City working remotely. They needed to establish a physical office for sales, marketing, and technical support. Cost was a key consideration as the company began analysis of nine cities. The final three cities under consideration were Buffalo, Nashville and Raleigh. InBN assisted with wage data comparisons, incentives, and providing local contacts for staffing services, legal, and accounting. In November of 2019 KYKLO was approved for STARTUP NY benefits and have moved forward with a lease in the University at Buffalo Gateway building.

NOTA (M&T BANK)

UNKNOWN INVESTMENT | 15-30 NEW JOBS

InBN's first engagement with the company was performing an initial data comparison of Buffalo, NYC, and Baltimore. In the fall of 2019, InBN assisted with a site search and tours of facilities in the Buffalo area. It was clear confidentiality was paramount for this operation, so InBN served as a liaison between potential landlords and the company, gathering information on behalf of the company while protecting their identity. The company leased space at the Thomas Beecher Innovation Center where they currently have ten employees with plans to grow.

Advanced Manufacturing

RETECH SYSTEMS

\$12,898,000 INVESTMENT | 20 NEW & 12 RETAINED JOBS

Retech is part of a Polish-owned conglomerate that sought to relocate its manufacturing, and research and design operations from northern California. The company considered multiple states. Site location decisions focused on availability of a large amount of electric power, and a building housing adequate ceiling height and installed overhead cranes. InBN facilitated the initial region visit discussing real estate and potential incentive programs. The company's foreign leadership participated in an additional visit that included an application to Empire State Development. The company identified space at Northland Workforce Training Center with InBN managing the negotiation process. The company signed a 10-year lease.

Agribusiness

SIERRA BIOLOGICAL

\$550,000 INVESTMENT | 10 NEW & 7 RETAINED JOBS

Sierra Biological, originally attracted to Buffalo Niagara by InBN from California in 2016, undertook a major expansion of its location. The expansion included construction of a brand new 20,000 sq. ft. facility, built on six acres directly adjacent to their current facility in Lyndonville. The new facility will produce bio-control agents for the commercial greenhouse industry, while opening up more space in their current facility to continue growing their core production. InBN facilitated the incentives process with Empire State Development, helping to secure another Excelsior Jobs Program tax credits.

“

InBN has played a pivotal and unique role in the economic development of our region. Through its vision, insight and outstanding collaboration and professionalism, it has helped to attract companies that are enhancing our region's growth.

— Doug Dimitroff, Phillips Lytle LLP, Founding Investor

Logistics

AMAZON

\$25,000,000 INVESTMENT | 125 NEW JOBS

Amazon determined a need for a Last-Mile Delivery Station facility to serve WNY. The company contacted InBN directly. They identified Riverview Solar Technology Park as a potential option. InBN coordinated with Montante Group and helped shepherd the project through local approvals process, discussed potential incentives, and managed the public relations process, successfully keeping the project confidential until the company decided to make a public statement. This Delivery Station is different from most of the company's others around the country in that it is new construction, leading to higher investment and economic impact numbers.

NATSCO

\$500,000 INVESTMENT | 6 NEW JOBS

Canadian-headquartered company was looking to set up a small warehouse/distribution operation in Buffalo Niagara. The company had previously located here years ago, streamlining the due diligence process. InBN assisted the company with connecting to insurance carriers to help on both sides of the border, site selection, and staffing. After the company's project scope changed, InBN assisted with adjusting real estate site criteria and finding suitable sites. The company did move forward with a lease at 1800 Broadway for 15,000 sq. ft.

Non-Targeted

XXTREME RAILWAY SERVICE

\$100,000 INVESTMENT | 20 NEW JOBS

Xxtreme Rail Service is a Canadian-based company that installs new rail lines and repairs existing tracks. They were interested in establishing themselves in the U.S. based on size of market and NYS projects. InBN completed a site broadcast, actively researched additional sites based on their unique criteria, and connected them to local railroad contacts and U.S. banking options. The company has leased 1,800 sq. ft. with outside storage and trucking space in North Tonawanda.



**SINCE
1999**

44,683

**JOBS ATTRACTED
OR RETAINED**

\$5.68B

**IN CAPITAL
INVESTMENT**



WHERE ARE THEY NOW

Since 1999, Invest Buffalo Niagara has **assisted 400 businesses to expand or startup** in the region. Here's a look at some of our past wins and where they are now.

MICROART | 2018 WIN

Microart is an electronics contract manufacturer headquartered in Markham, Ontario. With a large volume of U.S. sales, the company was ready to expand across the border. After finding InBN's website and viewing the Canadian Guide to Business expansion, our team assisted with cross border due diligence meetings and incentives introductions. Today, the company has installed 3 SMT production lines in their North Tonawanda facility, **hired 10 employees**, and recently acquired their ISO certification. In recent months the Microart USA team has been actively **assisting in the battle against COVID-19** assisting key customers as an identified critical path manufacturer.

FICHMAN FURNITURE | 2012 WIN

Fichman Furniture, a Canadian manufacturer, expanded to Western New York with the help of InBN. The company originally explored expansion because a majority of their products were being exported to U.S. customers. The expansion also helped mitigate shipping delays and reduce transportation and material costs. Since its expansion, Fichman has invested in custom software for robotic automation and today is running two automation lines. With production and sales increasing year-after-year, Fichman is **now poised to expand further within WNY**. Founder Erran Fichman credits the U.S. operation's success to the team he has been able to build.

YAHOO! | 2009 WIN

In 2009, Yahoo! (now Oath or Verizon Media) began exploring WNY as a location for a large data center. The company was looking at building a 150,000 –200,000 square foot facility. Working with various project partners including Empire State Development and NYPA, the company determined a site in Lockport. The company built the facility to suit, innovating with the design to utilize the moderate climate in the region to help cool the server farm. Since then, they have expanded multiple times adding millions of dollars in additional investment including most recently a **\$28 million dollar addition in 2019**. **Today job count at the facility is 200.**

PROMOTING BUFFALO NIAGARA

Invest Buffalo Niagara’s marketing campaigns continue to market the region nationally and internationally as a desirable business destination to site selectors, C-level executives, and business owners in our target industry sectors.

492

NEW PROSPECTS

10

NEW DIGITAL OPPORTUNITIES GENERATED

LINKEDIN CAMPAIGNS

▲ 89%

YOY

8

NATIONAL STORIES &

118

MEDIA MENTIONS

STRATEGIC DIGITAL AND CONTENT MARKETING HIGHLIGHTS

Continued investment in BuffaloNiagara.org and digital marketing activities resulted in **110k website page views** with organic **search traffic increasing 11%** and **social media traffic increasing 3%**.

- Digital marketing efforts emphasized Advanced Manufacturing and Advanced Business Services with evolving strategies in key outlets such as LinkedIn **generating 187 prospects**.
- Launched awareness campaign in national outlets like U.S. News and Forbes with **200k impressions and 256 clicks** in 45 days before pausing in the face of COVID.
- This year our Bell Ringer podcast reached it’s **66th episode!**
- Automated email marketing engaged our prospects with our latest content such as webinars produced for our Canadian audience.



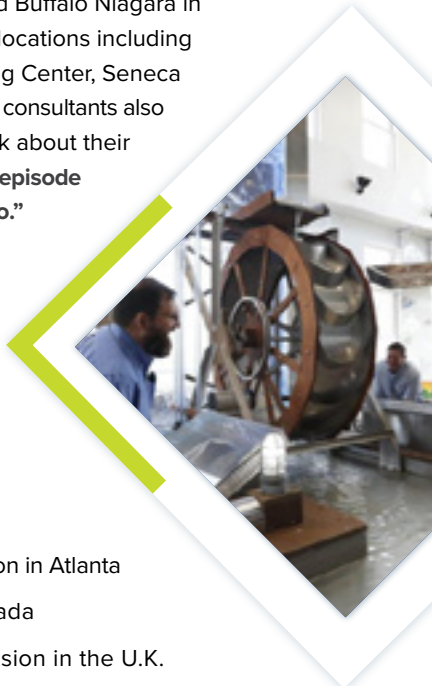
A PLAN FOR TOMORROW

Invest Buffalo Niagara **hosted 150 community leaders** to discuss key initiatives to enable economic growth in the region and unveil the new talent attraction brand, Be in Buffalo. The event brought thought leaders from around the country to Buffalo Niagara. Patience Fairbrother, talent specialist, DCI was the keynote speaker discussing trends in talent attraction and six site selectors participated on a panel to talk about their impressions of the region. Guests left with our latest relocation guide.



SITE SELECTOR FAMILIARIZATION TOUR

Six leading site location consultants toured Buffalo Niagara in September, meeting partners and visiting locations including Niagara Falls, Northland Workforce Training Center, Seneca One Tower, 43North and more. Site location consultants also participated in a panel to provide feedback about their visit; **highlights can be heard on InBN’s 50 episode of the Bell Ringer podcast, “Touring Buffalo.”**



PROSPECTING – MEETING THE DEAL INFLUENCERS

We connected one-on-one with **prospects** in Canada, the U.S., and beyond to develop relationships with prospects.

- FinTech and Back Office Prospect Mission in Atlanta
- Life Science Prospect Mission in Canada
- FinTech and Back Office Prospect Mission in the U.K.
- Food & Beverage Prospect Mission in Paris, France

FOSTERING RESILIENCE THROUGH MESSAGING AND COLLABORATION

As the world came to a halt in March **our mission never wavered**. We assisted businesses with expansion plans while providing critical COVID-19 related information and resources to our community.



Be in Buffalo

In Fall 2019, Invest Buffalo Niagara launched Be in Buffalo, the region's talent attraction initiative working to introduce – or reintroduce – a new Buffalo to an entire generation of people with the skills needed to build an economy of the future. In its inaugural year, Be in Buffalo has engaged thousands of ex-pat Buffalonians, along with existing regional employers through strategic initiatives focused on **compelling storytelling and featuring job opportunities.**

TALENT ATTRACTION STRATEGY

- Attract 25-35-year-olds back to the region
- Attract talent in key occupations (technology, engineering, finance, health sciences)
- Retain local college graduates
- Increase diversity of highly skilled talent

WEBSITE
ATTRACTED
6,394
UNIQUE USERS IN
ITS FIRST YEAR



RECENT ACTIVITY HIGHLIGHTS

- Launch of BeInBuffalo.com including a **Cost of Living Calculator and jobs board**
- Email outreach has **reconnected thousands** with employment opportunities in the region
- An active social media presence
- **Video content distribution** focuses on showcasing successful re-pats and new residents, as well as themes of diversity, inclusivity, and opportunity within the region
- Webinars created including two sessions with UB and a local recruitment presentation
- Ongoing media relations activity

10k
VIEWS ON
WOMEN IN
TECH VIDEO

FROM EXPAT TO REPAT

The first major prong of the Be in Buffalo strategy includes an extensive email campaign aimed at **10,000+ Buffalo expats.** These folks are living across the country, fielding calls from mom every week to move back home to Buffalo, and likely would if they found the job that tipped the scale. So, we're **sending featured jobs and telling the stories of our region's renaissance.**

BUFFALO NIAGARA'S STORY...TOLD BY SOME OF ITS BEST AMBASSADORS

Buffalo has a story to tell. It's the story of Royce, who saved 2+ hours in commute when he moved from Atlanta to Buffalo – time he now spends with his son, Noah. The story of Venus, who grew up on Buffalo's East Side, moved away, and came back to launch a multi-million-dollar tech company. And the story of Kyle, who grew up in Orlando, went to college in New Hampshire, and is now a homeowner in Orchard Park with his husband Ryan and their dog. **Twelve ambassadors** have been interviewed to date.

VIRTUALLY BE IN BUFFALO

While the pandemic limited travel to Buffalo, we did not allow it to limit our storytelling. We invited expats across the country to join a Virtual Power Hour hosted by Steve Tasker and full of special guests in entertainment, food and drink, philanthropy, and our burgeoning tech sector. **More than 250 expats participated** in virtual meetings from around the nation.

“

This Virtual Be in Buffalo Power Hour really changed my life. My husband and I are relocating from Los Angeles to Buffalo. I feel so incredibly grateful to have the opportunity to return to a place that I love, surrounded by people that I love, all while doing a job that I love.

– Kate Russo Perez

TALENT ATTRACTION TASKFORCE

Committee Chairs:

Tony Spada, AAA
Chris Beckage, Acara Solutions

Committee:

AAA of Western New York
Acara Solutions, Inc.
Amherst IDA
Buffalo Urban Development Corporation
BlueCross BlueShield of WNY
Calspan
Chautauqua County
City of Buffalo
Delaware North
Evans Bank
HSBC
M&T Bank
Moog
Niagara County
Performance Management Partners
Phillips Lytle, LLP
Rich Products
Strauss Group
Turner Construction
University at Buffalo
West Herr Automotive

2020-21 STRATEGY

In the 20 years since our inception, Invest Buffalo Niagara has contributed significantly to the resurgence of our region's economy. We are, and will continue to be, an important partner and catalyst in enabling Buffalo Niagara's economic momentum through business expansion and attraction.

20-21 STRATEGIC PRIORITIES

- **Business attraction focused on target industries**
- **Local business expansion**
- **Branding and promotion of Buffalo Niagara**
- **Building Be in Buffalo, the region's talent attraction campaign**
- **Building a sustainable future**

KEY OBJECTIVES

- **Grow and enhance talent attraction program**
- **Conduct and implement industrial site availability study**
- **Promote Buffalo Niagara regional assets and industry-specific opportunities**
- **Work with our regional partners to connect and capture expansion opportunities**
- **Launch Economic Gardening program**
- **Position Buffalo Niagara as the region of choice for business and personal relocation in a Covid-impacted world**

KeyBank's NE Regional Headquarters is proud to call Buffalo Niagara home. From its quality of life, attractions, and low cost of living, Buffalo Niagara is a great place to live, and do business.

— Michael O'Brien, KeyBank, NA
Founding Investor

“

INBN STAFF

President & CEO

Thomas A. Kucharski

COO

Jenna Kavanaugh

Senior Administrator/ Investor Relations Coordinator

Alexandra Williams

VP Business Development

Kim Grant

Senior Business Development Specialist

Olivia Hill

Business Development Specialist

Rob Leteste

Research Director

Matthew Hubacher

Marketing Manager

Sarah Larson

Be in Buffalo and Public Relations Specialist

Greg Pokriki

Graphic Designer

Casi Hall

INVESTING IN THE FUTURE OF BUFFALO NIAGARA

AAA of Western & Central New York*

Acara Solutions, Inc.

Alcott HR

Allegany County Industrial
Development Agency

Amherst Industrial Development Agency

Astronics Corporation

BlueCross BlueShield
of Western New York
(HealthNow New York, Inc.)*

Buffalo Niagara Partnership*

Buffalo Urban Development Corporation

Calspan

Catholic Health System

Cattaraugus County Industrial
Development Agency

Chautauqua County Industrial
Development Agency

City of Buffalo

Delaware North*

Empire State Development Corporation*

Employer Services Corporation

Erie County

Erie County Industrial
Development Agency*

Ernst & Young, LLP*

Evans Bank

Five Star Bank

Frey Electric Construction Company

Genesee County Economic
Development Center

Hamburg Industrial
Development Agency

Hamister Group of Companies

Hanna Commercial Real Estate

Harter Secrest & Emery LLP

Hodgson Russ LLP

HSBC Bank USA, NA*

HUNT Real Estate Corporation

Hurwitz & Fine, P.C.

Independent Health

KeyBank, NA*

Largo Capital, Inc.

Lippes Mathias Wexler Friedman LLP

Lockport Industrial Development Agency

Lumsden & McCormick, LLP

The Martin Group

Medaille College

Merchants Mutual Insurance Group*

Moog Inc.*

M&T Bank Corporation*

National Fuel Gas Company*

National Grid*

Niagara County Department of
Economic Development

Northwest Bank

NYSEG*

Orleans Economic
Development Agency

Performance Management Partners

Phillips Lytle LLP*

Remedy Intelligent Staffing

Rich Products Corporation

Schutte Buffalo

Sonwil Distribution

Speed Global Services

Strauss Group

TM Montante Development

Tops Markets, LLC*

Tronconi Segarra & Associates LLP

Turner Construction Company

Uniland Development Company*

Univera Healthcare

University at Buffalo

Walsh Duffield Companies, Inc.

Wegmans Food Markets

West Herr Automotive Group

WNY NYSCAR

Wyoming County Business Center

*FOUNDING INVESTORS

Thank you for 20 years of support!

