

NIAGARA COUNTY, NEW YORK



**COMPREHENSIVE ECONOMIC
DEVELOPMENT STRATEGY
(CEDS)**

2017 ANNUAL PERFORMANCE REPORT

Submitted to:

**UNITED STATES DEPARTMENT OF COMMERCE
ECONOMIC DEVELOPMENT ADMINISTRATION**

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I. Overview

The Niagara County Comprehensive Economic Development Strategy (CEDS) is a plan of action to strengthen Niagara County's economy. It is the result of a sustained annual economic development planning process involving public and private sector stakeholders working together to identify investment priorities and the resources necessary to carry out those investments.

A. Composition of the CEDS

The Niagara County Comprehensive Economic Development Strategy includes an examination of existing economic conditions including strengths, weaknesses, opportunities, and threats; goals and objectives for improving the economy; implementation strategies for achieving those goals and objectives; and a framework for measuring progress. The CEDS leverages Niagara County's many unique advantages to attract new private investment, create and retain jobs, maximize economic opportunity, and improve the quality of life for residents and visitors alike. The complete Niagara County CEDS can be found online at:

www.NiagaraCountyBusiness.com/2015_Niagara_County_CEDS.pdf

B. Annual Performance Report

The purpose of this Annual Performance Report is to document progress achieved on economic development initiatives and to identify changing economic conditions in the region. It includes a report on Performance Measures, which are statistics used to evaluate economic conditions in Niagara County and to measure progress in achieving key goals and objectives outlined in the CEDS. It also includes a list of economic development Accomplishments from the previous year and a list of Anticipated Actions for the year ahead relative to each goal in the CEDS. Finally, it includes a list of projects assisted by the Niagara County Industrial Development Agency with the total capital investment, jobs created, and jobs retained for each.

C. Summary of Findings

Niagara County uses year-over-year statistical comparisons and longer-term benchmarks to evaluate changing economic conditions and trends as part of its Performance Measures. Below are a few notable findings. The New York State corporate tax rate in 2016 was 6.5%, a decrease of 0.6% over the previous year and the lowest it has been since 1968. The unemployment rate also continues to decline. In 2016, the average annual unemployment rate in Niagara County was 5.8%, which is the lowest it has been since 2007, prior to the start of the Great Recession, when the average annual unemployment rate was 5.3%. The Niagara County Industrial Development Agency (NCIDA) continues to assist business development efforts. In 2016, the NCIDA provided incentives to 15 companies, which was an above-average year. The NCIDA assisted nearly twice as many companies in 2016 as it did in 2015. Niagara County's manufacturing payroll continues to fluctuate due to structural shifts in the global economy including off-shoring of U.S. companies, automation, etc. Despite this fluctuation, the Niagara County manufacturing sector payroll is at the highest level (\$462,607,000) since 2008.

Major accomplishments in 2016 included nearly \$1.8 million in funding secured to help redevelop the vacant former Niagara Falls U.S. Army Reserve site into the Western New York First Response and Preparedness Center. Funding in the amount of \$600,000 was secured by Niagara County to assist in brownfield cleanup efforts. Funding in the amount of \$180,000 was secured by the NFIA Stakeholders Group, Inc. to complete the Niagara Falls International Airport Fiber-Optic Network Implementation Plan. The NCIDA closed on 15 projects in 2016 that will create more than 400 new jobs and which represent nearly \$100 million in new private capital investment. Finally, 31 acres of Foreign Trade Zone #34 were reactivated in the Vantage International Point industrial park, which will be administered by Borderworx Logistics.

II. Evaluation Framework

The Evaluation Framework serves as a tool for measuring progress on the overall CEDS. It is an important element of the ongoing planning process and seeks to answer the questions, "How are we doing?" and "What can we do better?" The Evaluation Framework is part of the CEDS Annual Performance Report that will be submitted to the U.S. Economic Development Administration each year.

A. Performance Measures

Measurements of success will serve as the ultimate determinant of how well we are doing. Evaluation is a key element of our ongoing planning process and redevelopment strategy. The following performance measurement criteria are important to evaluating Niagara County's progress. Where possible, benchmarks are provided in at least a 10-year increment.

1. Business Climate

Goal: Strengthen the competitive position of Niagara County businesses

Objective: Reduce the cost of doing business

Metric: New York State Corporate Tax Rate (decrease)

Data source: The Tax Foundation (<http://taxfoundation.org>)

Benchmark: 9.0% (2000)

2015: 7.1%

2016: 6.5 %

Benchmark

Change: ↓ 2.5%

Annual

Change: ↓ 0.6%

Summary: New York State's corporate tax rate is the lowest since 1968. Repeated calls from the business and economic development community to alleviate the corporate tax burden are yielding important advances. A low corporate tax rate helps make Niagara County more economically resilient by keeping existing businesses in New York State, while attracting new businesses.

2. Industry Sectors

Goal: Expand key sectors of Niagara County's economy

Objective: Focus on identifying and attracting high-growth economic sectors companies, specifically manufacturing

Metric: Manufacturing Sector Annual Payroll (increase)

Data source: United States Census Bureau's County Business Patterns

Benchmark: \$758,591,000 (2002)

2014: \$437,067,000

2015: \$462,607,000

Benchmark

Change: ↓ \$295,984,000

Annual

Change: ↑ \$25,540,000

Summary: The manufacturing sector provides the largest annual payroll in Niagara County. Payroll continues to fluctuate due to structural shifts in the global economy (off-shoring, automation, etc).

Goal: Diversify Niagara County's economic base
Objective: Increase the number of companies receiving economic development incentives
Metric: Number of companies receiving incentives (increase)
Data source: Niagara County Industrial Development Agency Annual Report
Benchmark: 11.2 companies (2009-2013 average)
2015: 7 companies
2016: 15 companies
Benchmark
Change: ↑3.8 companies
Annual
Change: ↑8 companies
Summary: Projects incentivized by the Niagara County Industrial Development Agency bring new jobs and economic investment into Niagara County. In 2016, 15 projects were approved that represent \$99.3 million in new private capital investment and the creation of over 400 new jobs.

3. Infrastructure

Goal: Ensure quality transportation and utility infrastructure networks necessary to support businesses and development
Objective: Cleanup brownfield sites and prepare them for redevelopment
Metric: Number of brownfield sites receiving Certificates of Completion (increase)
Data source: New York State Department of Environmental Conservation
Benchmark: 1.2 sites (2009-2013 average)
2015: 2 sites
2016: 1 sites
Benchmark
Change: ↓1 site
Annual
Change: ↓1 site
Summary: Developers are utilizing tax incentives available through the New York State Brownfield Cleanup Program to redevelop strategic properties in Niagara County.

4. Quality of Life

Goal: Improve the quality of life for the people of Niagara County
Objective: Attract higher paying jobs to afford residents opportunities for higher incomes.
Metric: Niagara County Poverty Rate (decrease)
Data source: United States Census Bureau (www.census.gov)
Benchmark: 11.4% (2003)
2014: 13.6%
2015: 13.7%
Benchmark
Change: ↑ 2.3%
Annual
Change: ↑ 0.1%
Summary: The poverty rate has fluctuated over the last five years from a low of 12.8% to a high of 13.7%. The latest Census data indicates the City of Niagara Falls poverty rate at 25.3%, well above Niagara County's other two cities. The poverty rate indicates the percent of the County's population earning minimal income for subsistence and basic needs, which impacts many aspects of individual and family well-being. Decreasing the poverty rate, especially in the City of Niagara Falls, will improve the quality of life for many County residents.

5. Workforce

Goal: Develop a comprehensive education and training program

Objective: Reduce the unemployment rate through job training and placement

Metric: Niagara County Average Annual Unemployment Rate (decrease)

Data source: NYS Department of Labor Local Area Unemployment Statistics

Benchmark: 6.2% (2004)

2015: 6.2%

2016: 5.8%

Benchmark

Change: ↓ 0.4%

Annual

Change: ↓ 0.4%

Summary: During 2016, the unemployment rate in Niagara County dropped below the 2004 benchmark. The unemployment rate is down from its 25-year high of 9.3% in 2009 (the height of the Great Recession). To be more economically resilient, Niagara County needs a diverse economic base capable of absorbing shocks to the economy and a workforce equipped with diverse, translatable skills to ensure continued employment.

B. Accomplishments

Annual accomplishments are identified and assessed relative to the Goals outlined in this CEDS. The information is used to frame anticipated actions for the current year. Accomplishments by the Niagara County Industrial Development Agency (NCIDA) are also listed, providing a snapshot of economic activity within the county over the past year.

1. Accomplishments & Anticipated Actions

Niagara County continues to make progress towards its economic development goals. The following section identifies accomplishments over the past year and anticipated actions for the current year. The accomplishments are intended to provide additional context around the Performance Measures in the previous section.

Business Climate

Goal: Strengthen the Competitive Position of County Businesses

2016 Accomplishments:

- Approved one new Empower Niagara low-cost power allocation, which will result in \$400,000 in new private capital investment and the creation of seven new jobs. Renewed or extended power allocation agreements with three existing companies that will result in 45 new jobs.
- The Niagara County Industrial Development Agency reactivated 31 acres of Foreign Trade Zone (FTZ) #34 after successfully attracting Borderworx Logistics to its Vantage International Point industrial park. Borderworx will administer the FTZ.
- Conducted free Business Workshops in Niagara County's three cities, promoting local, state, and federal resources for existing and start-up businesses.

2017 Anticipated Actions:

- Continue to market the Empower Niagara Program to small and medium-sized businesses that do not qualify for New York Power Authority Expansion/Replacement Power Programs.
- Market and promote FTZ #34 to Niagara County companies and in our attraction efforts.
- Conduct free Business Workshops in Niagara County's five villages.

Industry Sectors

Goal: Expand Key Sectors of Niagara County's Economy

2016 Accomplishments:

- Contacted 82 companies as part of the Niagara County Business Growth and Retention Program and conducted meetings with 48 of those companies, offering assistance and promoting incentives to companies looking to expand or invest in their facilities and create or retain jobs.
- The NCIDA assisted companies in the logistics, manufacturing, healthcare, and hospitality/tourism sectors, which will result in \$99.3 million in new private capital investment and over 400 new jobs.
- Marketed Niagara County in Canada and nationwide through advertising, direct mail, tradeshow, and in-person meetings.
- Received a \$30,000 grant from New York State Department of Agriculture and Markets to update the 1999 Niagara County Agriculture and Farmland Protection Plan, which will support agriculture.

2017 Anticipated Actions:

- Reach out to at least 70 existing companies through the Niagara County Business Growth and Retention Program to offer business assistance.
- Aggressively market business incentives available through the Niagara County Center for Economic Development in order to facilitate new capital projects, job retention, and job growth.
- Aggressively market Niagara County to U.S. and Canadian companies through advertising, direct mail, tradeshow, and in-person meetings.
- Work with Cornell Cooperative Extension of Niagara County to update the Niagara County Farmland Protection Plan, which will help grow the agricultural industry.
- Conduct a feasibility study to determine the viability of constructing a new multi-use event, arena, and/or convention center in Niagara Falls.
- Develop a tourism attraction fund designed to offer loans, grants, or a combination of both to developers with marketable projects with the goal to attract private investment and spur job creation within a designated tourism target zone surrounding the Seneca Niagara Casino in Niagara Falls.

Goal: Diversify Niagara County's Economic Base

2016 Accomplishments:

- Secured nearly \$1.8 million in funding for redevelopment of the former Niagara Falls U.S. Army Reserve Center to house the WNY First Response & Preparedness Center, which will include Mercy Flight, Mercy EMS, Sheriff's Aviation Unit, and Niagara County Emergency Operations Center.
- Supported growth of the Buffalo Niagara International Trade Gateway Organization (ITGO) through participation on its Board of Directors, hiring of an Executive Director, and updating of Action Plans.
- The NCIDA assisted companies in a range of industry sectors including logistics, manufacturing, healthcare, and hospitality/tourism, helping to diversify Niagara County's economic base.

2017 Anticipated Actions:

- Complete planning and design work for the WNY First Response & Preparedness Center and support additional efforts to bring development to the former Niagara Falls U.S. Army Reserve site.
- Support development of the cargo logistics industry by continuing to work with ITGO and other stakeholders to improve the flow of freight traffic within the region including improvements to the U.S. Customs plaza at the Lewiston-Queenston Bridge.
- Support the transition of the 914th Airlift Wing of the U.S. Air Force Reserve to an Air Refueling Wing at NFARS including efforts to secure a flight simulator for the KC-135 air refueling tanker and to reactivate the existing aircraft refueling system.

- Continue to support the 107th Attack Wing of the New York Air National Guard in its operation of the Mission Control Element for the MQ-9 Reaper remotely piloted aircraft (RPA) and advocate for the stationing of a Launch and Recovery Element and MQ-9 airframes at NFARS.
- Continue to market economic development sites such as the Cambria Technology Park, Niagara Airport Commercial Park, Somerset Lakeshore Site, and sites within the three cities for high-tech and advanced manufacturing operations.

Infrastructure

Goal: Ensure Quality Transportation and Utility Infrastructure Networks Necessary to Support Businesses and Development

2016 Accomplishments:

- Assisted the NFIA Stakeholders Group, Inc. in securing \$180,000 in funding to complete a Niagara Falls International Airport Fiber-Optic Plan for the south side of the airport.
- Niagara County municipalities received \$2.7 million for sewer-related projects to mitigate potential impacts of future flood events including funding for sewer separation projects and emergency power generators at sewer treatment plants and lift stations.
- Continued to support the Buffalo Niagara International Trade Gateway Organization and its mission to create a global logistics center in Western New York.

2017 Anticipated Actions:

- Assist the NFIA Stakeholders Group, Inc. in completing the Niagara Falls International Airport Fiber-Optic Plan and identify potential funding opportunities for construction.
- Monitor completion of the Niagara Scenic Parkway South “Riverway” project to enhance gateways to the City of Niagara Falls and Niagara Falls State Park, supporting the tourism industry.
- Advocate for gap funding for the new U.S. Customs plaza at the Lewiston-Queenston Bridge.
- Support additional infrastructure projects at Niagara Falls International Airport.
- Support development at the Lehigh Valley Rail Yard in Niagara Falls including the potential construction of a passenger railcar maintenance facility by Amtrak.
- Advocate for improvements to freight rail to support the cargo logistics industry including structural improvements at the Whirlpool Bridge to accommodate cargo and provide a redundant rail crossing.

Quality of Life

Goal: Improve the Quality of Life for the People of Niagara County

2016 Accomplishments:

- Received \$600,000 in grant funding through the U.S. Environmental Protection Agency to assist with brownfield cleanup projects in Niagara County, eliminating blight and improving public health.
- Completed four Phase I Environmental Site Assessments and nine Phase II Environmental Site Assessments through the Niagara County Brownfields Program.
- Awarded over \$41,000 in grants to 21 business associations through the William G. Mayne Business/Community Enhancement Program for business district beautification projects and promotion efforts.
- Over \$2 million in funding approved by the Niagara County Host Community Standing Committee for 14 new Niagara River Greenway projects including new trails and park improvements.

2017 Anticipated Actions:

- Market brownfields assessment and cleanup incentives available through the Niagara County Brownfields Program and implement projects at approved sites.
- Promote available grant funding through the William G. Mayne Business/Community Enhancement Program to assist communities in developing and promoting their business districts.
- Support development of new Niagara River Greenway projects consistent with the Niagara River Greenway Plan that enhance and expand recreational opportunities for both residents and visitors.
- Participate in the City of Niagara Falls Empire State Poverty Reduction Initiative (ESPRI) Task Force, which will focus on job training and readiness as a way to assist residents living in poverty.

Workforce

Goal: Develop a Comprehensive Education and Training Program

2016 Accomplishments:

- Promoted workforce development and training programs through the Niagara County Business Growth & Retention Program and Niagara County Business Workshops.
- Participated in Niagara's WorkSourceOne Spring and Fall Career Fairs, which attracted 773 job seekers and 150 businesses over the course of the two hiring events.
- Promoted Dream It, Do It (DIDI) program to the Niagara County Economic Development Alliance, with the focus on high quality, in-demand manufacturing job opportunities for students.
- Supported the Niagara County Workforce Development Board in the transition from the Workforce Investment Act to the Workforce Innovation and Opportunity Act including programmatic changes.
- Worked with the Niagara Global Tourism Institute (NGTI) to develop training programs for hotel front desk staff for implementation in first quarter of 2017.

2017 Anticipated Actions:

- Identify opportunities to expand DIDI skills certification system in high school curriculums.
- Continue to support the skills development programming of the NGTI.
- Support Cornell Cooperative Extension's pilot Niagara Works Workforce Development Training Program, which provides adults with the skills necessary to work in horticulture-related industries.
- Work with the Buffalo Niagara International Trade Gateway Organization to identify workforce development needs and assess educational offerings in the logistics industry.
- Continue participation in WorkSourceOne Career Fairs and Career Fair Prep Workshops.

2. NCIDA Projects

Projects incentivized by the Niagara County Industrial Development Agency (NCIDA) provide a good indicator of economic activity within the County. In 2016, the NCIDA assisted projects in the logistics, manufacturing, healthcare, and hospitality/tourism sectors. The NCIDA closed on 15 projects representing \$99.3 million in new private capital investment, retention of 376 existing jobs, and creation of 408 new positions within the next three years. The NCIDA also closed on two loans through its Microenterprise Assistance Program.

Table 1. 2016 Microenterprise Assistance Program Loan

Company	Description	Location	Loan Amount	# of Jobs (FTE's)	
				Retained	Created*
AMA Enterprises	Janitorial service	Town of Pendleton	\$25,000	3	0
Uncorked Café	Restaurant	City of N. Tonawanda	\$25,000	0	10
TOTALS			\$50,000	3	10

*Jobs projected within 3 years

Table 2. 2016 NCIDA Closed Industrial Revenue Bond and Leaseback Projects

Company	Description	Location	Project Amount	# of Jobs (FTE's)	
				Retained	Created*
HH 310 (Hamister hotel project)	Hotel accommodations	City of Niagara Falls	\$35,707,500	0	21
Ivy Lea Construction	Operations building	City of N. Tonawanda	\$800,000	0	60
Borderworx	Cargo logistics facility	Town of Wheatfield	\$3,525,000	0	61
Finger Foods Inc.	Food company	Town of Wheatfield	\$3,137,809	19	11
Brightfields (Tulip)	Molded plastics	City of Niagara Falls	\$11,724,712	70	6
Wheatfield Gardens	Hydroponic greenhouse	Town of Wheatfield	\$2,500,000	28	57
T.M. Montante (Bridgestone)	Automotive seat parts	Town of Wheatfield	\$12,280,000	0	60
Iskalo Development	Commercial building	City of Lockport	\$1,250,000	26	18
Somerset (Riesling)	Powerplant acquisition	Town of Somerset	---	99	0
Platters Chocolates	Food company	City of N. Tonawanda	\$1,100,000	28	23
5535 Porter, LLC	Warehouse/distribution	Town of Niagara / City of Niagara Falls	\$9,758,000	0	15
Jacobs Ladder	Exercise equipment	Town of Wheatfield	\$1,100,000	15	10
Spine Surgery of Buffalo Niagara	Healthcare facility	Town of Wheatfield	\$1,104,000	10	3
DePaul Adult Care Communities	Assisted living facility	Town of Wheatfield	\$12,140,000	0	37
Mayer Bros.	Beverage company	Town of Somerset	\$3,155,000	81	26
TOTALS			\$99,282,021	376	408

*Jobs projected within 3 years