

Buffalo, NY

Mayor Anthony M. Masiello

Buffalo Byte Belt - Technology Development Initiative Live Zone Project Buffalo One-On-One Retention Program

The Buffalo Byte Belt - Technology Development Initiative

About two years ago, Buffalo started to witness growth in their information technology sector. They seized the opportunity as a galvanizing force and coordinated a number of incentives, packaged and presented as the Buffalo Byte Belt Technology Development Initiative. The City of Buffalo realizes that their future is predicated - in part - by their ability to use emerging technologies as catalysts for economic growth. Much to their delight, Downtown Buffalo has a remarkable appeal for IT businesses. Over the last two years, many IT businesses have opened their doors or expanded in the Buffalo Byte Belt. These companies include: E-Merge Strategies, Digicon Imaging, Full Circle Studios, Algonquin Studios, Key Video Productions, Tek 21, Ivergent and M Power Specialists. There has also been tremendous growth in their existing IT companies. Chek.com went from 3 to 107 employees in a mere two years and Choice One Online, Reciprocal and Syrinex Communications have all substantially expanded. Since November 1999, 536 new jobs have been created in Buffalo's IT sector. The biggest coup was Adelpia Communications' decision to build their national operations center on the city's waterfront, creating 1,500 jobs. The City of Buffalo's data confirms that there are currently 35 IT businesses employing 3,000 people - including many fresh young faces - in Downtown Buffalo.

The Buffalo Byte Belt Technology Development Initiative includes the Mayor's Information Technology Council, which meets regularly to discuss IT issues and is comprised of local IT leaders who provide input for: special lending programs, real estate assistance, regulatory assistance, public relations assistance and designation of "Smart Buildings." They also have assigned a staff member as the Director of the Buffalo

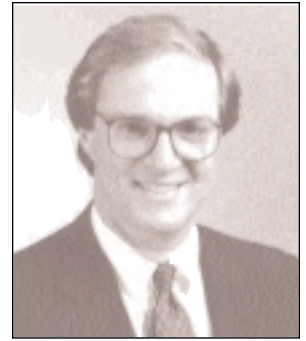
Byte Belt to be the contact and point person for any issues or inquiries.

The most important discovery for the City of Buffalo was that information technology businesses want to be in Downtown Buffalo! There are many reasons for this: an extensive fiber-optic network, access to seed capital, an approximate 20% reduction in telecommunications costs, "urban chic" architecture, available and affordable real estate, and benefits from the Economic Development/Empire Zone, which provide businesses with significant tax incentives, discounts on utilities, and property and sales tax abatements. These benefits will be greatly enhanced - particularly for start-ups - with the initiation of the Empire Zone Program. In addition, Buffalo has tremendous bandwidth. As Paul Bandrowski of Reciprocal and @visory states "I have more bandwidth in Downtown Buffalo than all of Raleigh-Durham." Another reason that IT businesses like Downtown is that they see the value of being part of a community. Many of the IT firms are currently clustered, creating a linked force of momentum.

Live Zone Project

The Live Zone Project (Project) is a citywide initiative designed to revitalize once economically viable business districts. This endeavor seeks to engage both the business and neighborhood associations, who have historically worked separately, but have the same objective of providing quality services to the residents that surround them.

The Project has several tasks that will be accomplished in the coming year. First, business and neighborhood associations must work together to develop a "current day" picture of the entire neighborhood. This assessment will require the gathering of relevant demographic data and a survey seeking information on the neighborhood residents' desires as they relate to businesses and or



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"The city has dramatically increased its energies in small business development with these three new programs. We realize that small businesses are the catalyst of our economy and are making every effort to nurture and encourage growth in this sector."

Buffalo Byte Belt - Technology Development Initiative

Program has been running one+ years

Live Zone Project

Program has been running four months

Buffalo One-On-One Retention Program

Program has been running two months

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services desired or gathered data against the types of businesses and or services the community could actually support economically. Finally, the communities would, along with the city actively market themselves to all businesses or services identified as supportable with the survey.

Essentially, the Live Zone Project follows a model of filling the gaps in a community by targeting, identifying and recruiting prospective businesses.

The Buffalo One-On-One Program

Propelled by the knowledge that up to 80% of job growth in any community is generated by existing businesses, Mayor Anthony M. Masiello and the BERC officially launched the "Buffalo One-On-One" Business Retention Program in November, 2000.

The Buffalo On-On-One program is modeled after private sector customer service driven approaches with the central premise being that the best way to serve the private sector customer is to act like the private sector customer. The Mayor stressed that this is the first step in a comprehensive regional approach and further expressed his appreciation to the many businesses currently operating in Buffalo. BERC employees and key, selected staff people at City Hall have created a network where when pressing issues are identified, they will be immediately addressed via a 48-hour Rapid Response Team. The program is an obvious complement to the Buffalo Niagara Enterprise's (BNE) ambitious regional marketing initiative. The BNE, New York State and Erie County have all embraced the Buffalo One-On-One program.

The city's paradigm shift evolved as the business community counseled the Mayor on their met and unmet needs. Last Spring, the BERC formed a strategic alliance with Business Retention Technologies, a national economic development consulting firm that has developed retention programs for the State of Pennsylvania and Washington, DC.

Studies have shown that real job growth in any community is generated by the companies already located in the community rather than business attraction efforts. Up to 80% of job growth is generated by business retention and expansion efforts, a statistic that has been proven in states like Ohio and South Carolina. While many communities have developed retention programs, very few are as systematic and structured as the Buffalo One-On-One program will be.

The program has four major elements:

1. An outreach program in which account managers from BERC conduct an annual sales visit with the chief executive officers of 800-1000 companies. The objectives of this annual sales meeting are:
 - Build a positive relationship between the company and the government/ economic development community
 - Link companies to programs and resources that can help the company grow and/or provide advocacy services with local government
 - Hear and respond to CEO's views and opinions about the local and state business climate
2. A team of service providers that includes government and economic development organizations at the local, county and state level who respond to specific needs and concerns of each company
3. Use of e-mail and other technology to facilitate communications among the team of service providers
4. A database with a profile of each company that is used to track trends and opportunities to make Buffalo more competitive for job creating companies.