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**MOBILIZING A WHOLE CITY TO CHANGE ITS
FUTURE - BUFFALO NIAGARA MEDICAL CAMPUS**

PARALLEL SESSION 8

STPs and cities

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Subtheme C: STPs & Cities**

The Buffalo Niagara Medical Campus - Mobilizing A Whole City to Change Its Future

Patrick J. Whalen, Chief Operating Officer, Buffalo Niagara Medical Campus, Inc.

ABOUT OUR PARK

The Buffalo Niagara Medical Campus began as a collaboration of the region's major clinical care, research, and education institutions who had for many years been co-located near each other. The leaders of these hospitals, research organizations, and the university, along with community leaders and elected officials, began talking primarily about planning exercises and parking concerns. They formed a not-for-profit organization called the Buffalo Niagara Medical Campus, Inc. (BNMC Inc.), in 2001, tasked with turning the then 70-acre section of downtown Buffalo into a cohesive campus and fostering collaboration and planning among its member institutions.

Fast forward thirteen years, and the collaboration among the region's leading institutions in some of the most critical areas - transportation, safety, shared services, cohesive streetscape - is stronger than ever. In addition, there is a very real commitment to supporting private sector growth and entrepreneurship on the Medical Campus, and to use the economic strength of the institutions to become a more integral part of the rising, diverse neighborhood, and a city in the midst of an urban renaissance.

Today, more than 12,000 people work on the BNMC. This number will increase to at least 17,000 by 2017 when several major developments, including relocating the University at Buffalo's medical school & the Children's hospital to the BNMC, are complete. There are ten major institutions represented on the BNMC and more than 75 public & private companies. There were five major institutions partners and less than 10 private companies within our boundaries with the BNMC Inc. was formed.

About Our City

The story of Buffalo, NY's rise and fall is one echoed in many other parts of the United States. Nicknamed the City of Light because it deployed in 1881 the first electric streetlights in the entire country, Buffalo once was a prosperous city thanks to its position as a railroad and shipping transportation hub and rich manufacturing center. But starting in the second half of the century, an inescapable trend of de-industrialization and the loss of key transportation routes led Buffalo into 50 years of economic and social decline accompanied by a brutal population loss in the inner city.

Despite a beleaguered economy, outdated infrastructure, and alarming rates of economic inequality, the healthcare and education sectors emerged as seemingly resistant to the downward turn. In a desire to build upon that strength, at the beginning of the 21st century, a group of community leaders, elected officials and the heads of the region's leading health care and medical education institutions banded together to form the BNMC Inc., as outlined above.

Four Neighborhoods, One Community

Bordered by historic Allentown (working class neighborhood), the Fruit Belt (low income neighborhood), and downtown Buffalo (business center), the BNMC has cultivated a vision for a sustainable community, one where economic growth benefits all - as expressed in its "four neighborhoods, one community" plan. This plan encompasses not only jobs and economic activity, but energy infrastructure, entrepreneurship, alternative transportation, access to healthy food and active living opportunities, education, and youth.

The principles behind the Medical Campus are rooted in support for regional development and community revitalization. The institutions seek to attract the best and the brightest physicians, researchers, professors, and myriad other professions, recognizing that their ability to attract premier talent is directly correlated to the state of the city. Therefore, supporting the region's development priorities, cultural outlets, the waterfront, and policies that support active & healthy living, as well as strengthening workforce and procurement initiatives to increase access to the opportunities on the BNMC, are of utmost importance.

MOBILIZING A CITY

BNMC, Inc. is an asset-based, **self-sustaining enterprise** that generates revenue to fulfill its mission.

In order to fully realize our ability to have a positive impact on our community, we are leveraging the opportunities right now regarding State funding and corporate partnerships to embark on a growth path where, over the next five years, BNMC Inc. will more than double revenue and increase net assets fivefold; and more importantly build up its programs across six categories of initiatives: Entrepreneurship, Energy, Access & Safety, Workforce Housing, Food & Wellness, and Education, Youth & Culture.

To enable this next phase of growth, the BNMC, Inc. has already begun raising a **capital infusion of \$5 million** to invest in the expansion of its enterprise. Funding is currently being used to:

- Expand its team,
- Increase our capabilities in areas such as energy, housing, and workforce & procurement,
- Add a flagship revenue-producing asset to its portfolio,
- Expand risk reserves.

The scale-up of the organization and its initiatives will accelerate economic growth and improve social equity in the Buffalo area while also codifying a systemic revitalization process that can be adapted to other American communities. **The \$5 million philanthropic equity investment will leverage \$60 million in federal and state subsidies, increase gross assets for the enterprise by \$80 million, bring another 5,000 jobs to downtown Buffalo, and foster an estimated \$5 billion in economic activity for the region.**

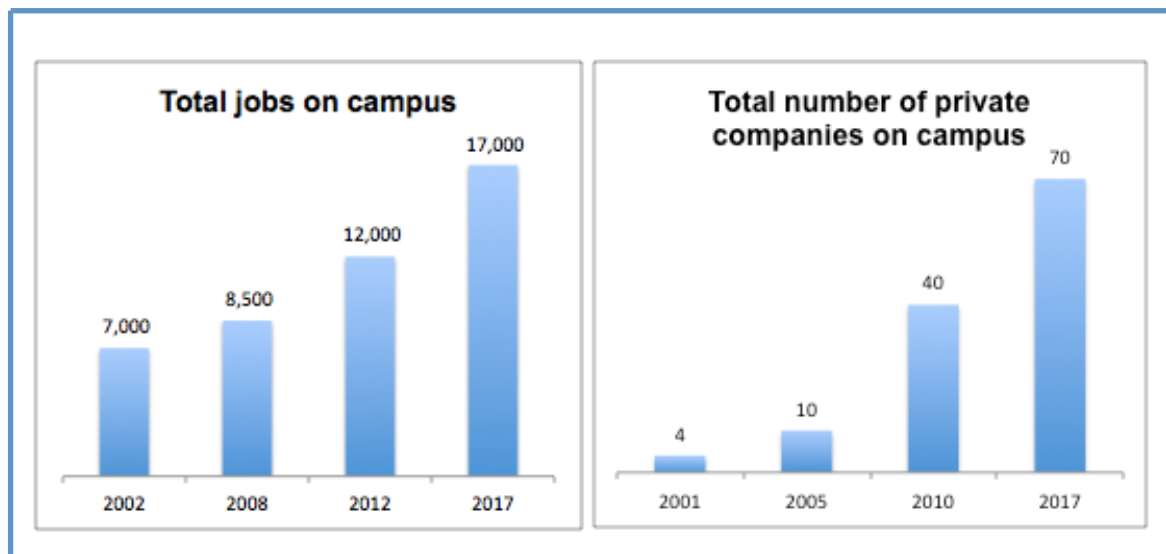
The BNMC Inc. has achieved remarkable success thus far, and will succeed in realizing a comprehensive revitalization of Buffalo because it is based on unique principles and processes that fully **engage and equip diverse local communities and leaders to create their own future.**

BNMC Inc. works from the inside out - it is not an imported methodology or theory invented elsewhere and led by external change-agents. It is a place-based collective creative process that crosses boundaries between economic status, race, public and private organizations, local and international enterprises. It is led by proven local leaders across a wide area of expertise, integrating diverse voices and agendas, and aligning disparate communities into one cohesive, powerful entity. From this initiative will come a new concept for urban revitalization, and a team of people that can not only reinvent Buffalo, but the 21st century city itself.

BNMC, Inc. boasts a unique track record of success in the region. In a little over 13 years, through collaboration, the organization has already

- Added **5,000 jobs** (a 70% increase over the existing 7,000 employee base)
- Attracted **50 private companies** to its campus

- Built a \$60M portfolio of real estate and parking assets, on a 120-acre campus with 6.5 million square feet of clinical, research, and support space and another 2 million square feet currently or soon-to-be under construction - that will **add 500 temporary construction jobs**
- Driven **policy achievements** that support street design with bike lanes and sidewalks, higher quality public transit options, and access to fresh and healthy food
- Brought outstanding corporate partnerships to Buffalo such as the collaboration with National Grid to **make the medical campus and surrounding neighborhoods a living lab for energy innovation**
- **Engaged the entire community** through neighborhood canvassing campaigns knocking on nearly 5,000 doors last summer to bring awareness to job opportunities on campus and local bike and car share programs.



State and local governments are now asking BNMC, Inc. to get further involved in revitalization efforts. In order to meet this need and the opportunity to accelerate its impact, the organization has developed a growth plan that includes hiring additional staff, expanding programs, and seeding the development of a new flagship innovation center that will foster more economic activity on campus.

In this next stage, BNMC, Inc. has adopted “**MutualCity**” to reference its methodology, a name that better reflects the broad scope of its action and the principles of mutuality that ground its mission and values. The name of the physical location will remain the same.

The next phase of growth will broaden the organization’s reach and impact on several fronts:

- **Job creation.** MutualCity will continue to attract life sciences institutions and domestic and international private sector companies by modernizing its energy infrastructure and building a new state-of-the-art innovation and simulation center, opening in 2017. This and other developments will add 5,000 jobs on campus by 2017.
- **Inner city growth.** MutualCity will expand its efforts to develop a work-live-play environment in the community by facilitating the improvement of mass transit and the ease of use of alternative modes of transportation, enhancing the availability of fresh and healthy food, and supporting the development of new workforce housing, as well as programs in education and

culture. These initiatives will contribute to making Buffalo a great place to live, ensuring MutualCity can retain and attract employers and jobs over the long term.

- **A local economy.** MutualCity will act as the engine of a healthy local economy by continuing to recruit from neighboring underserved and veterans' communities, and encouraging member institutions to increasingly source from local suppliers and new on-campus private companies to move manufacturing facilities to the region.

In certain areas like education, youth, and culture, rather than recreate entire structures, MutualCity will build partnerships with local top-tier organizations with outstanding on-the-ground operations.

THE ORGANIZATION AND TRACK RECORD OF SUCCESS

Born in 2002 as a consortium of the region's premier healthcare, life sciences research, and medical education institutions, as well as the neighboring Fruit Belt and Allentown neighborhoods, BNMC Inc.'s original objective was to build a world-class medical campus in the center of Buffalo, spurring economic activity and inner city redevelopment.

It has surpassed its founding goals. The campus stands today as **one of the most tangible expressions of successful economic development and job creation for the region.**

Beyond the statistics, the organization's largest impact may have been to prove that economic growth can indeed happen in downtown Buffalo; to have diverse actors in the community collaborate in ways they had not before; and to **restore hope** and confidence in the community.

The Medical Campus at a glance:

- 6.5 million sq. ft. of clinical, research, and support space today
- More than 2 million sq. ft. currently under construction, an investment of \$750 million in private and public funding
- 12,000 people working on the campus today, rising to 17,000 by 2017
- More than 1 million patients and visitors annually
- Discoveries and advancements at BNMC institutions that are creating global change.

The desire to adopt "MutualCity" as a name comes from a realization that branding BNMC's methodology can reflect and promote a broader agenda for social and economic development. The organization is about a community more than a physical campus, and, while it is proud of the top-tier caliber of its founding medical institution members, it is not limited to the field of life sciences. From its inception, the organization has been about collaboration, job creation and economic growth, but also repairing the social fabric of its community. **MutualCity** is a name that conveys this ambition.

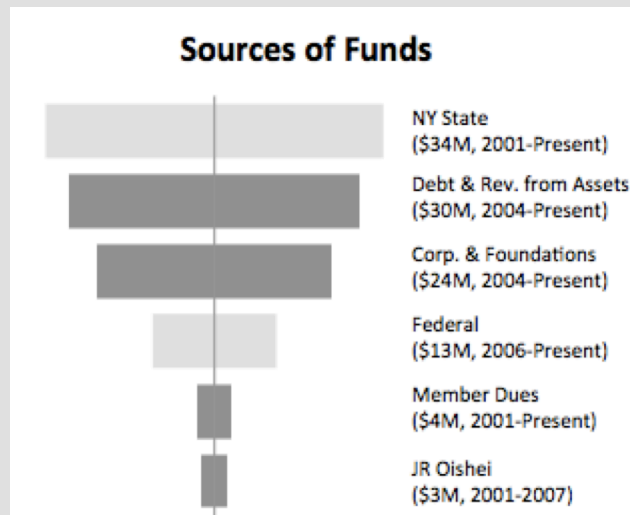
BNMC's MutualCity methodology recognizes that a deeply rooted problem like the one of urban, economic and social decline requires a comprehensive solution. For over 10 years, the organization has used its principles, resources and influence to **lead cross-sector, systemic revitalization of its community.**

The organization has been successful by:

- Playing the role of **convener and facilitator.** BNMC Inc.'s team can identify an issue and bring relevant stakeholders together to resolve it - whether mixing public and private sectors, or business and academia. It connects stakeholders and initiatives to each other, making them more effective and efficient and enabling them to drive **results that could not be achieved within traditional silos**
- Applying a **private-sector approach** to achieve greater mission impact. The organization manages its areas of impact like businesses, each seeking sources of income to fund its programs and achieving financial sustainability as a whole

- Utilizing a high **economic leverage** model where the organization seeds projects that can then attract corporate partnerships and public capital funding effectively (*see case study on the next page*)
- Spearheading an **inside-out urban revitalization process**. Far from being a theoretical or imported plan, BNMC's MutualCity methodology comes from within Buffalo and fully engages and equips diverse local communities and leaders to create their own future. Its culture is one that favors action over words and one that sees what is possible where others don't.

A Case Study In Economic Leverage



The organization was started in 2002 with a \$50k grant from the John R. Oishei Foundation to coordinate activities related to the planning & development of the medical campus, and to facilitate collaboration among institutions, and the community at large.

Once set up, BNMC, Inc. collected member dues from institutions for campus services. It then started building a portfolio of real estate assets leveraging a mix of public funding and traditional debt. These assets have generated significant net surplus. Other programs have attracted corporate and foundations support.

Over 10 years, BNMC, Inc. has turned a \$50k seed grant into more than \$100M of investment.

KEY RESULTS

Over the last 10 years, the organization has achieved impressive results across four main dimensions: Entrepreneurship, Energy, Access & Safety, and Food & Wellness.

BNMC Inc. has:

ENTREPRENEURSHIP

- Attracted medical institutions and companies, leading to an additional **5,000 jobs** on campus
- Attracted **70 private sector companies** to move to its campus since 2002
- Redeveloped a **120,000-square-foot building** on campus into an **Innovation Center** to house early-stage and maturing companies. Within the building, the organization runs a business accelerator with an entrepreneur-in-residence and support services to help cultivate and grow small businesses, as well as a co-working community designed to support ideation. There are currently 57 private companies in the Innovation Center, ranging in size from one person to thirty.

Case study: **The Beecher Innovation Center**

BNMC, Inc. renovated a former windshield wiper manufacturing facility into an Innovation Center to spur entrepreneurship on campus. The Center will reach full occupancy in early 2013.

In this public-private partnership, BNMC Inc. leveraged \$1M from the Oshei foundation and \$250k from corporate partners to design and market the project, and then raised \$14M from New York State and \$6.5M in traditional financing to fund the redevelopment. The asset now contributes net surplus to the organization that enables a range of community-oriented programs.

Case study: **Cleveland BioLabs**

Cleveland BioLabs is a publicly-traded drug development company led by Dr. Andrei Gudkov and founded at the Cleveland Clinic. When Dr. Gudkov accepted to join the Roswell Park Cancer Institute in 2007, he relocated Cleveland Biolabs to the Buffalo Niagara Medical Campus. BNMC, Inc. purchased a recently vacated building on the campus, renovated the building into a \$6.2M facility, and leased it to this publicly traded company to house its headquarters and R&D center.

In its first six months in Buffalo, the company grew from 25 employees to 50 and continues to grow its team. Company leaders regularly cite the importance of the unique resources offered by BNMC, Inc., noting they were a key influencer in the company's decision to choose Buffalo as its relocation destination. They have since created two spin-off companies that reside on the BNMC.

- Created a **Five-Year Energy Innovation And Economic Development Plan** for the campus and surrounding residential community. The plan integrates energy efficiency, grid modernization, alternative transportation and renewable energy.

Buffalo was recognized as an energy efficiency leader because of the efforts taking place on the BNMC to create a sustainable campus and received the Americas award presented by the Alliance to Save Energy and the Southeast Energy Efficiency Alliance in March 2012.

Key Partner: **National Grid**

National Grid is an international electricity and gas company and one of the largest investor-owned energy companies in the world. The partnership represents the first of its kind energy innovation between a global utility and a community-engaged medical, education, and life sciences campus. It will define a global standard for an efficient, modern, high-quality and customer-driven energy platform, establishing a benchmark for global innovation, energy efficiency, and modern energy management.

- Established a **Transportation Management Association (TMA)** that works to demonstrate the effectiveness of Transportation Demand Management (TDM) strategies to member institutions and community partners in terms of economic, environmental and quality of life benefits.
- Played a key role in the development of the **Buffalo Green Code**, a new zoning ordinance that will encourage smart growth and sustainable development by eliminating rules that prevent the development of compact, mixed-use neighborhoods, and by setting clear and objective standards for proper site design, and walkable, transit-friendly streets.
- Worked in close collaboration with **GOBike Buffalo** and **Buffalo CarShare** (two local nonprofit start-ups, one of them housed in the Beecher Innovation Center) on developing alternative modes of transportation for Buffalo residents
- Engaged the **community** through a comprehensive **outreach campaign**, called Go Buffalo, knocking on nearly 5,000 doors in the neighborhoods surrounding the campus to gather data on community needs and communicate Buffalo's growing alternative transportation system and emerging job opportunities on the BNMC.
- Started a campaign called **GO BNMC**, designed to **reward and incentivize campus employees** for using alternative modes of transportation.

Key partner: **Buffalo CarShare**

Buffalo CarShare, also a non-profit service, has been providing an affordable alternative to car ownership since 2009. The program has grown to over 300 members and 11 vehicles since launch. As opposed to most other car share programs in the country, Buffalo CarShare is designed for Buffalo's most underserved community.

Members use the service for a variety of purposes, including job-related trips, access to medical care, grocery stores, and other shopping destinations for which the Buffalo Metro transit system is not well suited. Approximately 60% of current members come from households making \$35,000 or less, and 70%+ of members reside in neighborhoods identified as "extremely low income".

Buffalo CarShare has recently launched the city's first bike sharing system. The system is featured on and near the Buffalo Niagara Medical Campus and provides members with access to bicycles to run errands, go on work-related trips and act as a "last-mile" commute tool that will supplement

- The collaboration with GObike Buffalo and Buffalo CarShare has been particularly fruitful in obtaining grant funding for projects.

Key partner: GObike Buffalo

GObike Buffalo (formerly known as Green Options Buffalo) is a non-profit organization that works to create healthy, environmentally sustainable, community friendly transportation in the greater Buffalo region.

Through advocacy, infrastructure, improvements and community programs, GObike Buffalo strives to make positive impacts in our environment, community, personal health and economy by making Buffalo more walkable and bikeable.

FOOD & WELLNESS

With funding through *Healthy Kids, Healthy Communities*, a national program of the Robert Wood Johnson Foundation (RWJF), MutualCity joined local partners to help make it easier for residents to eat healthy foods and be active. MutualCity:

- Strengthened the efforts of the city’s **Bicycle and Pedestrian Advisory Board** to implement a recently adopted Complete Streets policy that supports construction of bike lanes and sidewalk improvements to encourage physical activity
- Formed a local **Food Policy Council** work to bring healthier foods to more people by eliminating policy barriers, partnering with the economic development field to provide loans and incentives to small grocery stores for equipment purchases, setting up local farmers markets and creating community gardens.
- Teamed with the Massachusetts Avenue Project (MAP) to **involve local youths** in both the Bicycle and Pedestrian Advisory Board and the Food Policy Council, providing Buffalo’s youngest residents with leadership and organizing skills and fostering buy-in from the larger community.

Key partner: Dr. Samina Raja

Dr. Raja is an Associate Professor in the School of Architecture and Planning at the University at Buffalo, the State University of New York. Dr. Raja is an international expert on the role of urban planning and policy in building sustainable community food systems and healthy communities.

Dr. Raja is currently collaborating with the Massachusetts Avenue Project (MAP) to evaluate the effectiveness of a mobile market project, operated by MAP, to bring healthful, affordable produce to “food desert” neighborhoods in Buffalo.

HOW MUTUALCITY IS DIFFERENT

BNMC Inc.’s MutualCity methodology promotes an urban revitalization process founded on **values of mutuality**. From its beginnings, the organization has always been about “**Four neighborhoods, one community**”, and supported regional development beyond the campus boundaries as well as the opportunity to enhance diversity and inclusion.

Mission: to promote a knowledge-based transformation of Western New York

Vision: to be a magnet of opportunities – to foster collaboration and accelerate growth for the campus and the city of Buffalo.

MutualCity is not a single-template turnaround solution that addresses only one or two symptoms of the problems that face Buffalo, but an **integrated approach**. It works **from the inside out**, with inspiration and mentoring from the best experts in the world but driven by proven local leaders, and it works **holistically**, supporting a wide variety of solutions and integrating the voices and agendas of diverse communities. MutualCity has the agility and vision to move quickly, and the access to leaders that can

link economic, education, entrepreneurship, arts and community, accelerating, leveraging, commercializing and investing.

A key aspect of MutualCity’s differentiated approach to urban revitalization lies in the belief and understanding that, as cutting-edge as the medical campus may be, its ability to attract and retain top employers will stay limited if the area is not a great place to live -- including appealing residential neighborhoods, good public schools, a solid social fabric, and a healthy environment. In other words the anchor institution strategy can only be sustainable when paired with a multi-faceted effort to foster the health of the community at large.

MutualCity is unique in that it uses an integrated approach:

- Investing to catalyze collaboration and co-creation of systemic solutions that serve more people more fully than one-off siloed programs
- Bringing diverse local and national partners together that are leaders in the private sector, government, funders, non-profits, educational institutions, faith-based communities and individual citizens
- Recognizing and aligning all dimensions of a healthy community, including education, workforce development, food, entrepreneurship, environment innovation, art, culture and physical well-being
- Agnostic to methods and strategies, integrating the most successful aspects of the anchor institution approach without precluding other methodologies
- Using communications and community engagement to co-create and implement an aligned vision that serves the citizens and businesses of Buffalo

Learning from other cities

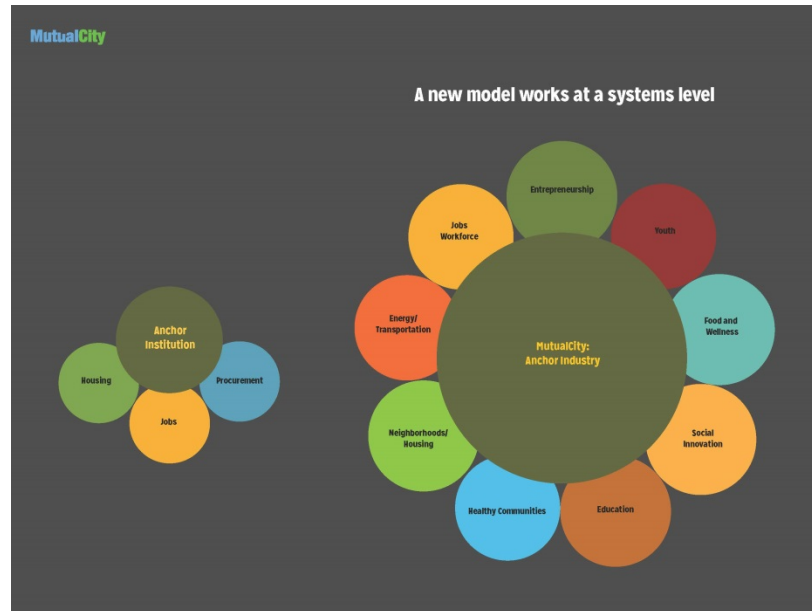
BNMC’s leadership has studied models of urban revitalization across the country, including Boston, Louisville, Pittsburg, Milwaukee and Cleveland, and adopted the different components it considered most attractive.

The most relevant and influential example is University City in Philadelphia. As in Buffalo it stems from an **anchor institution strategy**, focused not just on a campus but also on **rebuilding a whole community** in its full diversity.

As a result, the activities of MutualCity are necessarily tailored to Buffalo’s unique strengths and needs, but the approach itself is adaptable to many other communities across America.

THE GROWTH PLAN

MutualCity’s growth plan is a **systemic approach to community revitalization** and reflects a continuation of the multiple facets of the organization’s work over the past 10 years. The plan is organized around six categories of initiatives, where each is deeply connected to the next and the whole is greater than the sum of its parts.



Over the next five years, MutualCity will expand its action across all aspects of its revitalization process as it will:

- Launch the development of a new state-of-the-art innovation and simulation center attracting new businesses and jobs to campus;
- Implement a new approach to energy innovation that integrates energy efficiency, grid modernization, and renewable energy for the campus and surrounding neighborhoods;
- Expand services on campus to include landscaping and public safety;
- Incentivize the development of workforce housing near campus;
- And spearhead multiparty efforts to advance alternatives modes of transportation, access to fresh food and health programs, and quality education, youth and culture programs.

Achieving these goals will require the organization to make significant investments in its service capacity and improve its working capital so it is capable of seeding new initiatives.

Revitalizing a City of the People

To that end, state and local government are asking the BNMC, because of its unique track record of success, to get increasingly involved in the city's revitalization efforts. The BNMC Inc. seeks to do this in several ways.

Job creation: We will continue to attract life sciences institutions and domestic and international private sector companies by modernizing its energy infrastructure and building a new, state-of-the-art innovation and simulation center on campus opening in 2016. We will continue our focus on entrepreneurship, and seek to become a destination for those looking to be around other creative, entrepreneurial types.

Inner-city growth: We will expand our efforts to develop a live-work-play environment in the community by facilitating the development of new workforce housing, encouraging the improvement of mass transit and the ease of alternative modes of transportation, and enhancing the availability of fresh and healthy food.

Spur the local economy: We act as the engine of a healthy local economy by continuing to recruit from neighboring underserved and veterans' communities, and encouraging institutions on the campus to increasingly source from local suppliers.

What Makes BNMC Unique

By leveraging the cooperation and information exchange that made the collaborative model of the BNMC successful, we believe we can cultivate an entrepreneurial, innovative culture based on connectivity and purposeful collisions that encourages its people to learn from each other. Buffalo has the pieces - a major research university with an appetite for industry collaboration, and a number of other post-secondary educational institutions; a dedicated, resilient workforce, including a very high immigrant population; a state government willing to provide support for private sector companies seeking to relocate to our region; a regional cancer center focused on research and education as much as clinical treatment; and much more.

It comes down to the people. We are pioneering an inside-out urban revitalization process. Far from using a theoretical or imported plan, the BNMC is an organization from within Buffalo that is utterly rooted in practical sense. Our culture is one that favors action to words and one that sees what is possible where others don't.

What's Next?

The BNMC Inc. is working now to develop additional pieces for our Park to continue to inspire and attract people, ideas, and companies, including a co-working community that opened in March of this year and a rapid prototyping/manufacturing center to bring ideas to reality. We have not found another science or technology park with engineers & production capability on-site to meet with researchers and clinicians in a realization center-type setting.

We are also engaging with the New York State-funded international business plan competition for 2014, designed to generate more start-up enterprises, which will award up to \$5M in prizes, with the largest being \$1M. It is the most ambitious business plan competition ever launched in the United States. It will attract entrepreneurs and investors from around the world to compete for prizes that will turn ideas into funded, high-growth enterprises in our region. The international campaign will have three features: a business plan competition, an incubator, and venture capital investment in the most promising ideas.

In addition, the Buffalo Niagara Medical Campus is part of Start-Up New York, a state-wide program that began on January 1, 2014 that will create tax-free zones for ten years for eligible companies. Eligible businesses will see an unprecedented range of tax breaks, including no business, corporate, state or local, sales or property taxes or franchise fees for the first ten years.

The BNMC mission is to attract and retain the best and the brightest, and we will continue to make every effort to fulfill this.

IN CONCLUSION

This presentation will include an overview of the BNMC's success to date, including how these diverse (and often competitor) institutions created this dynamic collaboration that has become an economic engine for the city of Buffalo (one of the poorest cities in the country) and the region at large. I will discuss our mission to attract and retain the best and the brightest, and therefore the attention we place on the importance of mentoring and growing people in our community. I will outline our achievements and challenges in several key focus areas, including access & transportation; workforce; housing; active living and healthy eating; and entrepreneurship; and I will discuss our strategies for encouraging our 12,000+ employees to live, work, and play in our urban setting. Finally, I will address plans to dramatically increase our impact on the Buffalo region, which will further serve to create jobs, grow the inner-city, and spur the local economy.