

Assessing the Investment: The Economic Impact of the Great Lakes Restoration Initiative

A Case Study of Buffalo, New York

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In Buffalo, NY, Great Lakes Restoration Initiative-funded improvements have been an influencing factor in numerous economic benefits, including:

- **Recreational Use:** Developers, locals, and tourists have begun leveraging the waterfront for recreational use again, with the city's riverfront Canalside business district seeing a tenfold increase in visitation.
- **Economic Development:** Eighty-nine new apartments have been added along Buffalo's waterfront.
- **Millennial Attraction:** Buffalo's millennial population has increased by 12 percent – five percent more than the rest of the state of New York.

Between Lake Erie and the Buffalo River, Buffalo, NY residents have ample waterfront at their disposal. But for years, residents had a darkly humorous running joke that they had to go to another country – Canada, Buffalo's neighbor across the lake – to safely access the water.

That's according to Jill Jedlicka, executive director of the nonprofit Buffalo Niagara Waterkeeper, who says multiple generations of Buffalonians have been "literally cut off from their waterfronts for their entire lives." Heavy industrial discharge, combined sewer overflows, and inactive hazardous waste sites all contributed to the presence of contaminants including PCBs, polycyclic aromatic hydrocarbons, metals, and cyanides. The result was highly contaminated bottom sediments, impaired fish and wildlife habitats, and a general reputation for distressingly poor water quality.

"Even as recently as five years ago, basically people just have treated it as kind of an open industrial sewer," says Buffalo Urban Development Corporation vice president Dave Stebbins.

However, the community has seen a major turnaround since the implementation of \$71 million of Great Lakes Restoration Initiative waterway cleanup projects. GLRI funding enabled the dredging of over 550,000 cubic yards of contaminated sediment, wildlife habitat restoration, and invasive species removal, among many other projects.

Buffalo has since seen a major resurgence in water-based recreation, numerous new residential and commercial developments, and a growing millennial population. Stebbins says public perception of the Buffalo River has shifted "180 degrees."

"Nobody would have even thought of recreating on it except for the most adventurous, and now it's really become a playground in the best sense of the word," he says.

A “rust to blue” transformation

Developers who were previously leery of building along Buffalo’s waterfront have begun to respond to improved water quality. Jedlicka describes a “Rust to Blue” transformation in Buffalo, as heavy industry has given way to a recreation- and tourism-based economy. Developers have begun to respond to improving water quality – as in the case of Riverworks, a sprawling riverfront entertainment complex opened on the site of the former GLF Mills in 2015. The site offers a restaurant, ziplining, a climbing wall, kayak, and paddleboard rentals, a hockey rink, and a roller derby facility. The \$2.2 million Riverworks Brewing Co. opened on the site last year, inside one of six repurposed grain solos decorated to look like a giant six-pack of Labatt Blue.

“Even seven years ago, I remember walking the site and thinking they were crazy,” Jedlicka says of Riverworks. “Basically, what they had told us at that time is because we had started to get this river cleanup underway on the Buffalo River, it gave them the confidence to start to invest early with their private resources.”

GLRI-funded projects have also helped to strengthen existing recreational and commercial developments. The Erie Canal Harbor Development Company (ECHDC) reopened the Erie Canal Harbor as a historic business district under the name Canalside in 2008. Use of the site has grown steadily, from 150,000 visitors and 115 events in 2010 to over 1.5 million annual visitors and over 1,000 annual events in 2016.

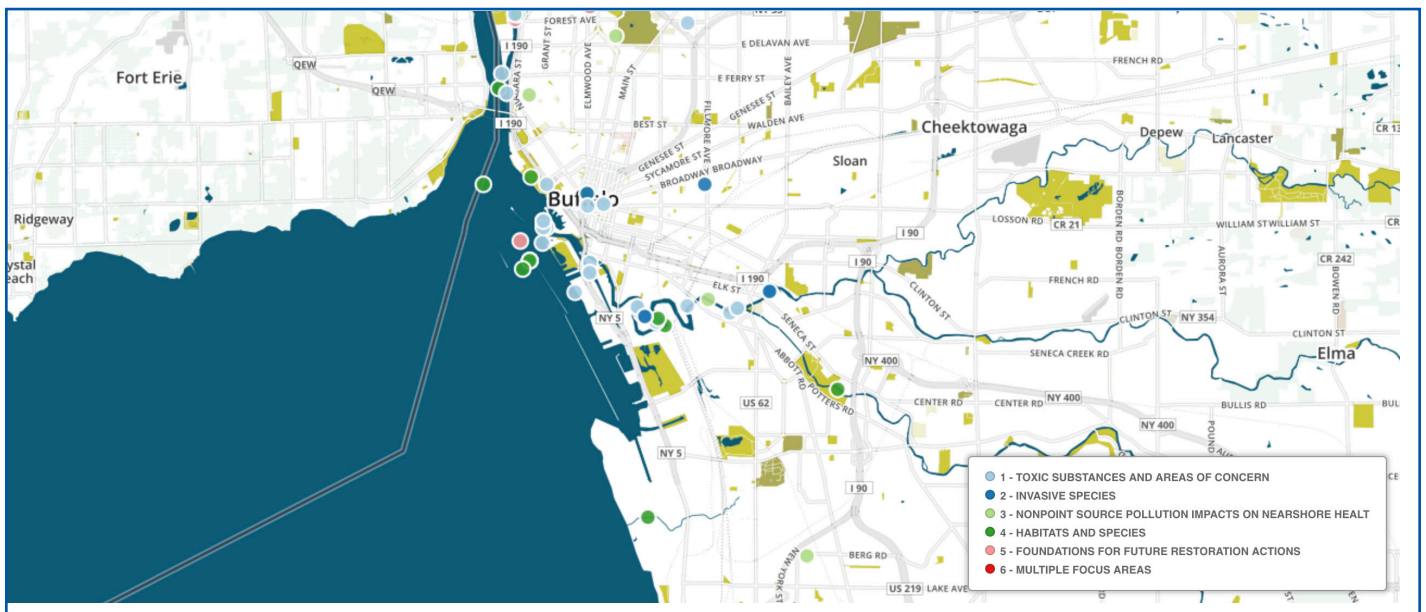
Steve Ranalli, ECHDC vice president of waterfront development, says water-based recreation has grown just as steadily. He recalls counting boats on the river for a potential bridge crossing project in Canalside’s early days and not seeing a single kayaker. Now, he says, some might say there are more kayakers than the river can even handle.

“Obviously a lot of that success is the draw of Canalside and RiverWorks and these other places,” Ranalli says. “But without the river being cleaned up enough, certainly people weren’t going to take those chances.”

Canalside has benefited from that surge in water-based recreation. The district is home to both a kayak rental business, BFLO Harbor Kayak, and a water bike business, Water Bikes of Buffalo (doubling as Ice Bikes of Buffalo in the winter).

Continued waterfront redevelopment for tourism and recreation is anticipated in Buffalo. Strategic planning documents including 2015’s One Region Forward plan and 2017’s Buffalo Niagara’s Strategic Plan for Prosperity prioritize the waterfront as a recreational asset. Bart Roberts, associate director of faculty and research engagement at the University of Buffalo and a leader on the One Region Forward plan, says Buffalo residents and visitors may not think about water quality too much. But they’ll gauge the health of waterways by asking the questions: “Are there activities to do? Are there things to see? Are there places to go?”

“I think that’s certainly changed quite a bit in the



Great Lakes Restoration Initiative projects around Buffalo, NY.

past few years," he says.

Waterfront living – and working

Buffalo has also seen considerable waterfront development outside of the recreational sphere in recent years, which Jedlicka attributes directly to GLRI cleanup projects.

"All of a sudden we started seeing prospectors coming in and grabbing up the waterfront parcels," she says. "Parcels that were brownfields sitting fallow for 20 years now all of a sudden had major economic activity happening because they wanted to get ahead of or align themselves with when the river cleanup would be done."

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Among those brownfield redevelopments is the 2013 redevelopment of the long-vacant 88-acre Republic Steel plant as the Buffalo High-Tech Manufacturing Innovation Hub, which now houses a Tesla solar panel manufacturing plant. Similarly, the former site of Union Ship Canal and Hanna Furnace is now the 105-acre Buffalo Lakeside Commerce Park.

Real estate developments closer to downtown Buffalo have also demonstrated a resurgence of interest in waterfront living. A five-story, 52,000-square-foot mixed-use development opened at 301 Ohio Street in 2016, with 21 apartments ranging from \$1500 to \$2500 per month. And 2017 saw the opening of Buffalo River Landing, an \$18 million project that saw a former shipping facility redeveloped as a five-story, 78-unit apartment building at 441 Ohio Street.

A green redesign of Ohio Street itself, which runs alongside the Buffalo River just south of the harbor, was completed in 2015 with a "road diet" that saw the four-lane industrial road reduced to a two-lane road with a multi-use pathway for pedestrians and cyclists, and 272 trees planted. In all, the redevelopment saw more than \$12 million in improvements including green infrastructure designed to absorb stormwater. Ranalli attributes that project, and Ohio Street's revitalization in general, to improved waterways in Buffalo.



The Buffalo River shoreline today attracts water-based recreation and tourism.

"I think that the cleaning of the river and getting it to the point it is at today was the impetus for us as an agency to look at Ohio Street and realize that with a little additional infrastructure improvement, that area was really ripe to take off," Ranalli says.

"Millennials are hearing and shaping a different narrative about Buffalo than what their parents or grandparents knew."

Shaping a new narrative

With a variety of new options available for waterfront entertainment and living, Buffalo has also seen a significant increase in its millennial population since GLRI improvements began. The American Community Survey shows that the number of Buffalo residents between the ages of 20 and 34 increased 12 percent between 2010 and 2016, from 61,182 to 68,632. The number of millennials statewide in New York increased only 7 percent in the same time period.

Roberts says there's a connection between improved perception of Buffalo's waterways and the "entire

self-esteem of the city," which is now more focused on embracing the Buffalo River's role in Buffalonians' quality of life.

"I think that has a trickle-down impact with millennials, who are hearing and shaping a different narrative about Buffalo than what their parents or grandparents knew," he says.

Ranalli says the narrative has indeed changed since his own time as a young person growing up in Buffalo.

"Anecdotally, I've got young kids who are excited to stay in town and work here," he says. "I laugh to myself and think, 'Geez, when I was almost a senior in high school I couldn't wait.' I was thinking, 'I am gonna get out of Buffalo because there's nothing here for me.' That's truly not the perception of the next generation coming up. I think they all can see themselves staying in Buffalo. It's a place they want to be."

Information included in this case study was provided by the interviewees or obtained from the American Community Survey (2010, 2016); and a variety of other data sources.

This case study is part of a project entitled "Assessing the Investment: The Economic Impact of the Great Lakes Restoration Initiative" (September 2018). A summary report and other documents for the project are available at <https://www.glc.org/work/blue-economy/GLRI-economic-impact>.

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