

ENERGY & ENVIRONMENT

# The Wind and Sun Are Bringing the Shine Back to Buffalo

By **DIANE CARDWELL** JULY 20, 2015

BUFFALO — Along a bend in the Buffalo River here, an enormous steel and concrete structure is rising, soon to house one of the country's largest solar panel factories. Just to the south, in the rotting guts of the old Bethlehem Steel plant in Lackawanna, where a dozen wind turbines already harness the energy blowing off Lake Erie, workers are preparing to install a big new solar array.

And in Lockport, to the north, Yahoo recently expanded a data and customer service center, attracted by the region's cheap, clean power generated by Niagara Falls.

After decades of providing the punch line in jokes about snowstorms, also-ran sports teams and urban decline, the Queen City of the Lakes is suddenly experiencing something new: an economic turnaround, helped by the unlikely sector of renewable energy.

The change in Buffalo is so evident that parents who once told their children to seek their fortunes elsewhere are now telling them to come back.

"They're so excited," said Howard Zemsky, who has worked on economic development in the region for years and now oversees it for the state. "They'd say, 'I love my kids. I wish they would stay. But I have to tell them to go to find

the kind of opportunity I want them to have.”

Now, he said, they are telling their children, “You’ve got to come back and see what’s happening here.” And they seem to be listening: The region, which lost roughly a third of its population of 20- to 40-year-olds over the last 40 years or so, is beginning to see that group rebound for the first time, Mr. Zemsky said.

The recovery — one that appears to have a surprising momentum after decades of unsuccessful attempts at revitalization — extends to more than clean energy. A \$1 billion commitment of tax breaks and grants from Gov. Andrew M. Cuomo and a comprehensive planning process have helped spur the renaissance and reduce the region’s unemployment rate to 5.3 percent, the lowest since 2007, according to the Bureau of Labor Statistics.

Although some have criticized the amount of grants, tax breaks and other incentives the state has offered through Mr. Cuomo’s redevelopment plan and other programs, the governor said the results had exceeded expectations.

“The billion dollars was important for shock and awe value,” Mr. Cuomo said. “They were so down, and they had heard everything for so long, and they were so distrustful that I needed to say something that would actually get their attention and allow them to think, ‘Maybe it’s different this time.’”

Under the plan, developed after a study from the Brookings Institution along with local community and business organizations, the state is trying to seed a cluster economy, Mr. Cuomo said, targeting several areas, including advanced manufacturing, health and life sciences and tourism. Seeing the opportunities for renewable energy came out of that process.

The effort has capitalized on the city’s unusual strengths in renewable energy — think Niagara Falls — and the infrastructure that was built to harness it.

“It’s always been a sort of energy hub for different technologies,” said Paul F. Curran, managing director of BQ Energy, a renewable-energy developer that is transforming the former steel mill into a green power plant. “We can put in more generation without having to build new infrastructure — big power lines and that type of thing — because the conventional Rust Belt power is retiring. So we can hop into the grid economically.”

Buffalo’s development as an industrial powerhouse has its roots in the opening of the Erie Canal in 1825. But the Niagara Falls hydroelectric power plant — one of the country’s first — started the city’s electrification and helped accelerate its growth into an affluent world-class manufacturing center.

Despite the long decline, much of that infrastructure remains — including transmission and rail lines, professional schools and fine art museums. All of that, along with generous government subsidies, is proving attractive to new industries like clean energy and advanced manufacturing.

Perhaps the most potent symbol of Buffalo’s shifting economy is the green energy complex on Lake Erie, where the new solar array is joining a wind farm completed in 2012. The spinning blades of 14 turbines provide a clean-energy backdrop for the long-shuttered steel mill.

Electricity from the wind turbines, enough to power roughly 15,000 homes, is under contract to a local utility, Constellation Energy Resources.

No less important is the impending arrival of SolarCity, the country’s leading rooftop solar installer, which received incentives worth about \$750 million to build its panel factory here. Once it is up and running, it is expected to provide roughly 1,500 jobs on site and support 1,500 more among area suppliers.

The move came after SolarCity executives decided to buy a start-up, Silevo, that was planning to build a factory here to help ensure that it would have a sufficient supply of high-efficiency panels for its rapidly expanding

business.

When Yahoo first brought a data center to Lockport in 2009, it received roughly \$260 million in state and local incentives, according to data compiled by Good Jobs First, a national policy center that tracks corporate subsidies. The company recently added a new building and workers, bringing the total to about 200, citing the business-friendly environment, access to discounted hydropower and temperate weather among the attractions. In this case, the city's low temperatures were a benefit for the center, which used outside air rather than expensive, energy-guzzling chillers to cool the servers.

Also driving growth is investment from Terry Pegula, the billionaire investor who owns the Sabres hockey team and the Bills football team, in the harbor area. And downtown, 120 acres are part of an ambitious redevelopment that will become the Buffalo Niagara Medical Campus.

The state has also put money into the Buffalo Manufacturing Works, a development center aimed at helping advanced manufacturing companies in the region hone new technologies, expand into new markets or bolster productivity.

One result of the investments is newly vibrant neighborhoods, many with reused buildings hosting apartments, shops and restaurants that have attracted young workers from other cities.

“Every day there’s some hipster bar opening,” said Peter V. Burakowski, who grew up here and is now director of marketing for 43North, a Silicon Valley-style incubator that awards money, workspace and mentorship to 11 start-ups each year. “We have people who are seriously saying, ‘I don’t want to be in Brooklyn anymore.’”

Glenn Thomas, who is nurturing his company, ASi, at 43North and has lived in the area for 20 years, agreed. “You wouldn’t recognize the city just from the time we’ve been here.” His five children all moved away but have now

returned. “They all found good work here.”

Nowhere is the transformation more evident than in Larkinville, a collection of 19th-century buildings once clustered around the Larkin Soap Company that has become a work, entertainment and dining destination inspired by similar districts like Dumbo and Williamsburg, Brooklyn.

Mr. Zemsky, whose development company anchors the area, worked for years in the packaged foods industry and wanted to create a mixed-use area in an old industrial neighborhood like those he saw in his work travels across the country.

On a recent sunny Tuesday evening, hundreds of people arrived for the weekly food truck gathering, waiting to sample the likes of the Black Market and Cheesy Chick trucks. The event has become so popular, Mr. Zemsky said, that a convoy comes from Rochester.

Janet Lus, 50, who, with her husband, Dennis, ate from several trucks despite the long lines, said that having patience was now a necessary part of life there but that the resurgence was long overdue. “It’s about time that people realized the potential,” she said.

The couple, avid motorcycle and bike riders, live in South Buffalo and have friends who are unaware of what the city has to offer.

“I like showing them around,” Mr. Lus, 57, said. “There are destinations now.”

Michael Canfield contributed reporting.

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