The Niagara Digital Campus

An Update on Eminent Domain litigation and
the promise of jobs, technology and economic opportunity

This presentation is prepared by Niagara Falls Redevelopment (NFR) in response to an eminent domain proceeding initiated against NFR by the City of Niagara Falls and is intended to provide information to the public regarding the litigation and potential settlement.

www.niagaradigitalcampus.com

What is the Niagara Digital Campus?

The Niagara Digital Campus is a **$1.48 billion technology and data hub** that will bring thousands of jobs and cuttinag-edge technological infrastructure to the City of Niagara Falls.

- The Niagara Digital Campus is **not contingent on any special grants or earmarks from government at any level.**
- Built in phases, the campus will eventually be home to more than 600,000 square feet of high-security, technologically advanced data-center space, creating state-of-the-art data and IT jobs for area residents. **The development will also bring considerable county, local and school board tax revenues that will expand economic opportunity across the region.**
- **During construction, the Niagara Digital Campus is projected to create more than 5,600 high-paying jobs** with more than $250 million in wages, with economic spinoff benefits expected to top more than $810 million.
- Once operational, the Digital Campus will create more than **550 high-paying permanent jobs**, with expected annual wages of nearly $29 million. Total economic benefit from the new facility is expected to exceed $250 million annually, with more than 1,700 permanent jobs created in support and ancillary businesses.

Job creation and economic benefit numbers based on reports issued by the U.S. Chamber of Commerce and the Northern Virginia Technology Council.

About Urbacon

Urbacon is one of the premier developers of commercial and industrial properties in Canada and the northern United States, and has successfully built similar facilities in Montreal, Toronto and Richmond Hill, Ontario. Each project brought tremendous economic benefit to its local community and has received the full support of all levels of government.

Richmond Hill

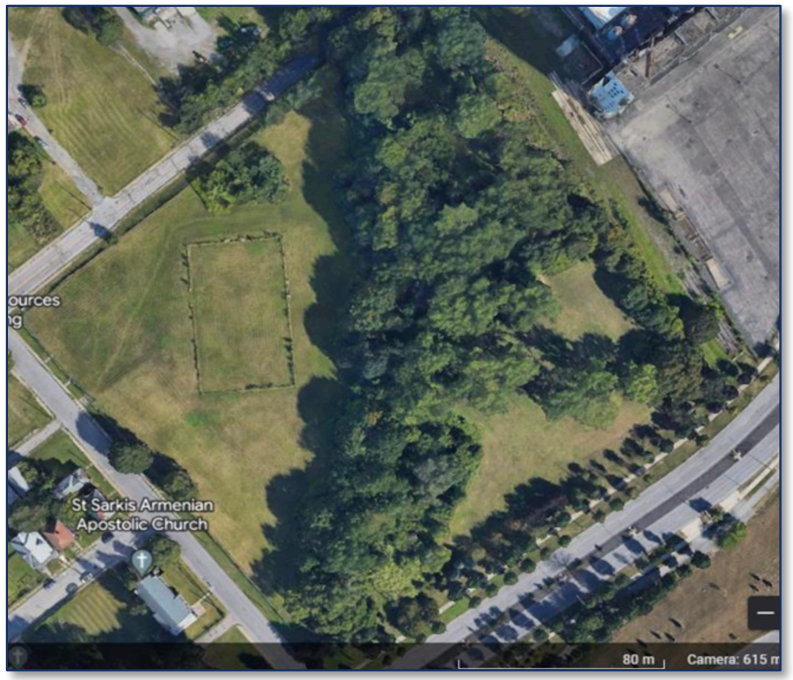
Montreal

Toronto

"[Just from Urbacon], we expect three shifts with dozens of engineers, managers, security and maintenance.... hundreds of people are coming and going each day."

– Peter Russell, Urbacon

About “Parcel 0”



- John B. Daly Blvd. property is **the only site that Urbacon says will work** as Phase I of this project – which is critical for making the entire Niagara Digital Campus a reality.

Benefits: Broadband Access

High-speed broadband will be flowing right into the heart of the city – this will be available not just for the data center, but the surrounding area.

- Broadband vendors will be servicing tenants in the Niagara Digital Campus, bringing enormous capacity with them.
- They will compete with each other for other additional business in the community.
- Competition goes up… prices come down for all.
- Through partnership and donations, NFR and Urbacon will ensure city residents have access to broadband and WiFi throughout downtown.

Other Benefits

- **Energy Infrastructure:** The Niagara Digital Campus data center project is an unprecedented opportunity to develop new energy infrastructure that will not only bring high-tech jobs and opportunity where they are needed, but will also **lower rates** and bring other benefits:
  - NFR and Urbacon will combine to build a new substation on the site.
  - Substation can be an access point for the city's addition power needs (including electric school buses).
- The Niagara Digital Campus would also be home to the new ***Niagara Digital Campus Technology Education Center***, where local school groups and other interested members of the community will have the opportunity to learn about all aspects of data engineering and network operations.
- Future plans include **scholarship programs and partnerships** with local educational institutions in furtherance of these efforts.

Jobs & Diversity

Full Q&A available on website

from Q&A with Urbacon's Peter Russell

Q: Can you tell us more about the types of jobs?

A: Data centers create jobs in several different ways. They create direct jobs for data center staff—such as **engineers, technicians, managers, and security personnel**. These jobs tend to be high-paying and require specialized skills. But data centers also create indirect jobs for **contractors, suppliers, and service providers** that support the data center operations.

Finally, there's what we call "induced jobs". Local businesses benefit from the increased spending of data center employees and visitors – these include **retailers, restaurants, hotels, and entertainment venues**.

Q: Let's talk about diversity and the ways centers like these provide quality jobs for entire communities. Is that true?

A: Yes, there is **remarkable diversity at all of our facilities**, and there are jobs at all skill levels. I should point out that this occurs naturally—we're not just checking boxes. We ensure we create the conditions that will foster this diversity, of course, but we believe **it is a feature of these types of facilities and the incredible range of jobs and opportunities we bring at all levels**, starting with the array of construction jobs even before the first shovel is in the ground.

About Centennial Park:
Unfunded. Unprofitable. Unrealistic.

- Nearly two years later, there is **still no funding**, while the City of Niagara Falls is awash in legal bills for an unnecessary eminent domain
- **State funding may be unlikely**. There have been no state funds for the project in the two most recent budgets, and future NYS budgets are expected to get even tighter.
- Mayor Restaino estimated his events center and park would cost $150 million. Yet published reports have indicated it may be twice that—and labor and material costs continue to rise.
- A 2022 study by the Niagara University Global Tourism Institute showed that the event center—which has no anchor tenant and no private sector partner—**will never be profitable.** It would lose between $261,000 and $487,000 each year..
- **The city doesn't own "Parcel 0"**—estimates are that it could cost $15-20 million and a decade to get control of the property, even if the city wins its eminent domain battle.
    - See the 2010 *Fallsite LLC* case for a sense of valuation.
    - Restaino originally proposed using Community Development Block Grant (CDBG) funding for acquire the land, but the loan would need to be repaid, with interest, over a period of 20 years, using 45 percent of the city's annual allotment of CDBG funds!
    - In the face of tremendous opposition, Restaino backed off on that proposal, suggesting he would issue bonds to acquire the property.

The “Two-Project Solution”

Donations and the “Two Project Solution”

- As part of the new Niagara Digital Campus development, **NFR will donate more than 10 acres of its land for public amenities**. **All land is currently owned by NFR.**
- **NFR will also donate $3.5 million to the city over 10 years** for upkeep, maintenance and economic development projects.
- There are many suitable properties for an event center, already owned by government!

Latest Developments in Litigation

- The eminent domain litigation is now before the New York State Court of Appeals.
- Because both the U. S. and New York State constitutions prohibit the taking of private property absent a legitimate public use, NFR will take this case to New York's highest court—and **to the United States Supreme Court** if necessary.
- NFR has every right to protect itself from what it views an illegal taking of its private property, just as any property owner would.
- Regardless of the final outcome on these constitutional questions, the valuation litigation that comes next will **take years and likely cost millions in additional legal fees**—and that doesn't include the price of the land itself, which even conservative estimates peg at north of $10 million.
- **Anticipated schedule** (based on experience with other cases):
  - An appeal to the New York State Court of Appeals: averages 1 years, 3 months
  - Appeal to the United States Supreme Court: 11 – 16 months after NYS Court of Appeals decision.
  - Valuation process, litigation and appeals: years, depending upon court schedule (*Fallsite LLC* valuation: approximately 6 years).

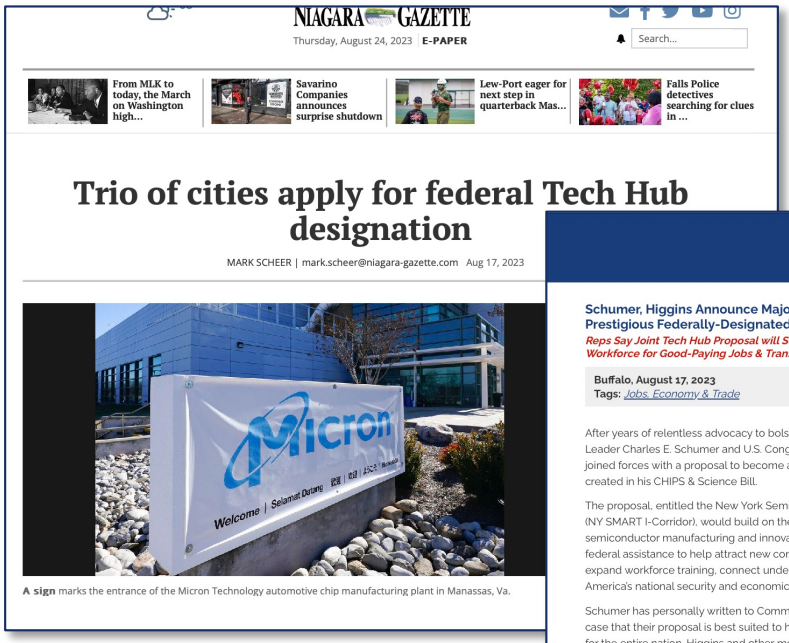
Niagara Digital Campus Timeline

The Niagara Digital Campus was **not** a response to the Mayor's Centennial Park proposal and eminent domain litigation.

Here is the **actual timeline:**

Feb. 17, 2021:	Urbacon emails the City of Niagara Falls inquiring about bringing a state-of-the-art data center to Niagara Falls.
Spring 2021:	Urbacon holds Zoom meetings with City officials to discuss the plan.
Sept. 22, 2021:	Mayor Restaino and other city officials meet with Urbacon and NFR. Mayor Restaino expresses his support.
October 4, 2021:	City Planning Director Eric Cooper provides NFR with a detailed roadmap to make Urbacon's Niagara Digital Campus a reality.
October 14, 2021:	Mayor Restaino turns his back on the project and announces his own plan for "Centennial Park" on the land (still unfunded).
Dec. 21, 2021:	Despite prior discussions with Urbacon, the City of Niagara Falls creates a moratorium on data center projects, then a "high-energy overlay" for data centers in its zoning that specifically excludes the land Urbacon needs.
February 2022:	Restaino announces his plans to take NFR's private property via eminent domain.

Missing out…



NIAGARA GAZETTE

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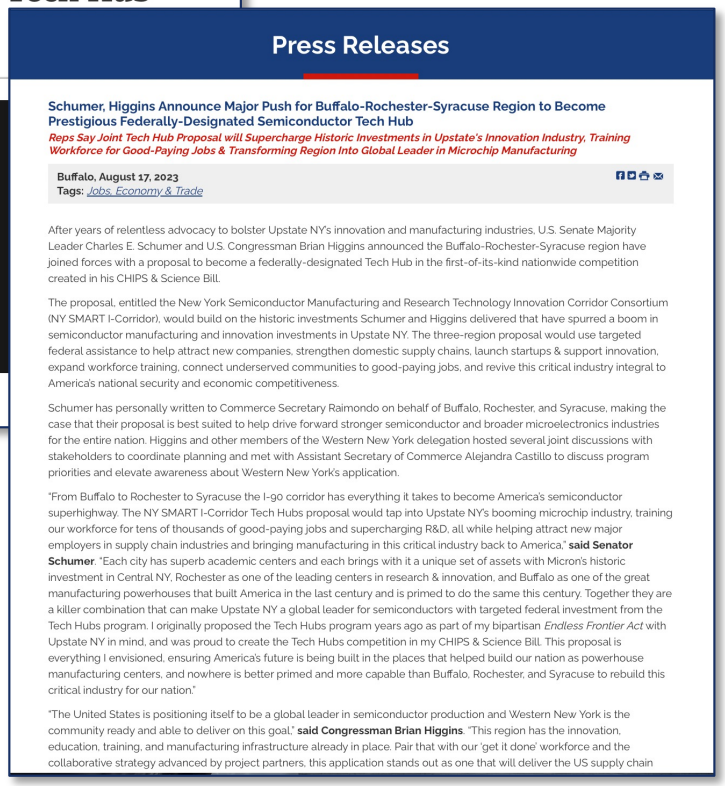
Trio of cities apply for federal Tech Hub designation

MARK SCHEER | mark.scheer@niagara-gazette.com Aug 17, 2023

A sign marks the entrance of the Micron Technology automotive chip manufacturing plant in Manassas, Va.



Press Releases

Schumer, Higgins Announce Major Push for Buffalo-Rochester-Syracuse Region to Become Prestigious Federally-Designated Semiconductor Tech Hub

Reps Say Joint Tech Hub Proposal will Supercharge Historic Investments in Upstate's Innovation Industry, Training Workforce for Good-Paying Jobs & Transforming Region Into Global Leader in Microchip Manufacturing

Buffalo, August 17, 2023
Tags: *Jobs, Economy & Trade*

After years of relentless advocacy to bolster Upstate NY's innovation and manufacturing industries, U.S. Senate Majority Leader Charles E. Schumer and U.S. Congressman Brian Higgins announced the Buffalo-Rochester-Syracuse region have joined forces with a proposal to become a federally-designated Tech Hub in the first-of-its-kind nationwide competition created in his CHIPS & Science Bill.

The proposal, entitled the New York Semiconductor Manufacturing and Research Technology Innovation Corridor Consortium (NY SMART I-Corridor), would build on the historic investments Schumer and Higgins delivered that have spurred a boom in semiconductor manufacturing and innovation investments in Upstate NY. The three-region proposal would use targeted federal assistance to help attract new companies, strengthen domestic supply chains, launch startups & support innovation, expand workforce training, connect underserved communities to good-paying jobs, and revive this critical industry integral to America's national security and economic competitiveness.

Schumer has personally written to Commerce Secretary Raimondo on behalf of Buffalo, Rochester, and Syracuse, making the case that their proposal is best suited to help drive forward stronger semiconductor and broader microelectronics industries for the entire nation. Higgins and other members of the Western New York delegation hosted several joint discussions with stakeholders to coordinate planning and met with Assistant Secretary of Commerce Alejandra Castillo to discuss program priorities and elevate awareness about Western New York's application.

"From Buffalo to Rochester to Syracuse the I-90 corridor has everything it takes to become America's semiconductor superhighway. The NY SMART I-Corridor Tech Hubs proposal would tap into Upstate NY's booming microchip industry, training our workforce for tens of thousands of good-paying jobs and supercharging R&D, all while helping attract new major employers in supply chain industries and bringing manufacturing in this critical industry back to America," **said Senator Schumer**. "Each city has superb academic centers and each brings with it a unique set of assets with Micron's historic investment in Central NY, Rochester as one of the leading centers in research & innovation, and Buffalo as one of the great manufacturing powerhouses that built America in the last century and is primed to do the same this century. Together they are a killer combination that can make Upstate NY a global leader for semiconductors with targeted federal investment from the Tech Hubs program. I originally proposed the Tech Hubs program years ago as part of my bipartisan *Endless Frontier Act* with Upstate NY in mind, and was proud to create the Tech Hubs competition in my CHIPS & Science Bill. This proposal is everything I envisioned, ensuring America's future is being built in the places that helped build our nation as powerhouse manufacturing centers, and nowhere is better primed and more capable than Buffalo, Rochester, and Syracuse to rebuild this critical industry for our nation."

"The United States is positioning itself to be a global leader in semiconductor production and Western New York is the community ready and able to deliver on this goal," **said Congressman Brian Higgins**. "This region has the innovation, education, training, and manufacturing infrastructure already in place. Pair that with our 'get it done' workforce and the collaborative strategy advanced by project partners, this application stands out as one that will deliver the US supply chain

- Buffalo… Rochester… Syracuse… ?
- Who is missing… and why?

Why not here? Why not us?

Full Q&A available on website

from Q&A with Urbacon's Peter Russell

Q: Some people in Niagara Falls don't believe this project is real. Is this project real?

A: It is **absolutely real**. We're ready to start selling this to tenants today, but we can't sell some vague concept.

As I've said before, this is a unique situation for us. **Usually, local communities welcome us** and work with us to get the job done: confirming infrastructure, acquiring land, doing what is necessary so that we can show this is real to our tenants. And some communities even provide incentives. Niagara Falls doesn't have to do that here. **The risk is all with Urbacon and Niagara Falls Redevelopment.**

Q: And you've never gone into a local community where the community wound up disappointed. Is that correct?

A: Never.

Q: Given all of this, would Niagara Falls be foolish to turn their back on such an opportunity?

A: Personally, I think so. **Niagara Falls is missing an opportunity if they turn their back on this.** Look around you—look at Pennsylvania, Ohio, other areas, and what they are doing. They are saying "Let's do this." Why not here? It's mystifying to me.

Thank you!

For more information:
niagaradigitalcampus.com