

Modified General Project Plan

New York State Urban Development Corporation d/b/a Empire State Development

Canalside Land Use Improvement Project

General Project Plan Adopted December 18, 2009

Modified October 21, 2010

Further Modified November 15, 2012

Further Modified November 13, 2013

A. Introduction

The Canalside Land Use Improvement Project (the “Project”) has been established as a project under the New York State Urban Development Corporation Act (the “UDC Act”). The Project is being undertaken by the New York State Urban Development Corporation (“UDC”) d/b/a Empire State Development (“ESD”) and the Erie Canal Harbor Development Corporation (“ECHDC”), a subsidiary of UDC. The City of Buffalo (the “City”) and the County of Erie (the “County”) are also participating in the development and implementation of the Project. ESD is adopting this Modified General Project Plan (“MGPP”) in accordance with the UDC Act and is empowered to undertake the Project as a land use improvement project because the area of the Project is located in a substandard or blighted area; the Project consists of a plan for the reconstruction and rehabilitation of the area for recreational and other facilities; and the Project affords maximum opportunity for participation by private enterprise. Support for these findings is discussed herein.

The original General Project Plan (“GPP”) for the Project was adopted on December 18, 2009 and affirmed on March 26, 2010. The GPP included, as part of the plan, the development of a major Bass Pro store on the northern portion of the block bounded by Lower Terrace to the north; Pearl and Commercial Streets to the west; Marine Drive to the South; and Main Street to the east (referred to as the “Aud Block” because it was the site of the former Buffalo Memorial Auditorium). Bass Pro withdrew from the Project in 2010 and as a result, on October 21, 2010, ESD and ECHDC adopted a Modified General Project Plan (“2010 MGPP”) to advance the Project in phases. The 2010 MGPP, which removed Bass Pro from Project planning and provided for the construction of a series of canal features following the original alignment of the Erie Canal, the Hamburg Canal, and the Commercial Slip, was affirmed on December 16, 2010.

Project development currently underway pursuant to the 2010 MGPP includes the construction of the historic canals and public improvements on the Aud Block and redevelopment of the former Donovan Office Building. This MGPP incorporates changes to the original plan based on proposed improvements on the Webster Block detailed below. In addition, this MGPP provides for the elimination of a watered Prime Slip as part of the proposed public component of the Project and revisions to the Project budget and financing plan to reflect current development

and planning. It is anticipated that this MGPP will be further amended to reflect future development in the Project area to the extent it significantly deviates from this MGPP including the type of development to take the place of the Bass Pro store on the Aud Block.

The Project will consist of various public improvements along the Buffalo waterfront that will be designed to emphasize downtown Buffalo's connection to the Lake Erie waterfront through the construction of a network of interpretive water elements evoking the character and vibrancy of the historic canals that once crossed the area, including segments of the Erie Canal, the Commercial Slip, and the Main and Hamburg Canal. The Project will ultimately provide various year-round offerings and experiences, including restaurants, entertainment venues, retail outlets, cultural attractions, vast public spaces, and increased access to the Buffalo River, appealing to a wide demographic of visitors and residents.

The Project Area is adjacent to the Commercial Slip area and the Naval and Military Park, each recently redeveloped by ESD and ECHDC as part of the decades-long effort led by the City, ESD and many other stakeholders to create a vibrant Erie Canal Harbor area. These planning efforts by ESD began in earnest with the development of a master plan for the main infrastructure components on the waterfront in 1999 ("1999 Master Plan"), which led to a final plan in 2004 known as the Erie Canal Harbor Master Plan ("2004 ECHMP"), and continued with the establishment of ECHDC in 2005 as a subsidiary development agency with a singular focus on redevelopment of Buffalo's downtown waterfront. Since its creation, ECHDC has facilitated the next phase of waterfront development by guiding design and development of the Project, including negotiations and planning to attract national and local retailers and engage private developer(s).

This MGPP envisions that ECHDC will be primarily responsible for the development of public amenities and public spaces as part of the first phases of development. Public amenities include the Canals and towpaths, and related improvements. See *Exhibits A*. The majority of the commercial, residential, entertainment, recreational, and cultural developments described herein will be undertaken by a private developer(s) in current and later phases of the Project.

B. Project Location

The Project is located on approximately 20 acres of vacant, substandard or underutilized land in downtown Buffalo (the "Project Area"), and is generally bounded by the following streets:

- On the north by Upper Terrace and Exchange Streets and Perry Boulevard;
- On the east by Washington Street and Seymour H. Knox III Plaza;
- On the south by Perry Street and Buffalo River; and
- On the west by Erie Street, Marine Drive, and Pearl and Commercial Streets.

A parcel plan for the development of individual parcels within the Project Area is attached hereto as *Exhibit A*.

C. Project Goals

ESD and ECHDC seek to foster economic growth and expand public use and enjoyment of the Erie Canal Harbor area through the implementation of a 20-acre mixed-use real estate development project. The general setting of the Project Area is characterized by several vacant, unvegetated lots, surface parking lots, and the vacant Donovan Building, all framed by the existing city street grid and a combination of transportation infrastructure elements (i.e., elevated highway and transit mall). Surrounding the Project Area are various buildings (i.e., First Niagara Center f/n/a HSBC Arena, HSBC Atrium, the Buffalo News Building, Maine Drive Apartment complex, and Naval Park buildings) of different uses, heights, styles and designs. The Project Area's current condition serves to visually disconnect these adjacent areas from recent investments in the Erie Canal Harbor and Buffalo River shoreline.

The principal goal of the Project is to transform the vacant and underutilized Project Area into a vibrant mixed-use, year round setting for family-oriented uses, including sports, entertainment, cultural, residential, commercial and recreational uses. The Project will build upon the public development framework established through recent and committed public infrastructure investments such as the Commercial Slip, enhancements to Naval Park, and reestablishment of portions of the former street grid (e.g., Prime, Lloyd, Hanover Streets). Also, the Project will enhance public access and use of the downtown waterfront, including multimodal connections to transit, bicycle, pedestrian and waterborne networks.

In addition to creating a densely developed area with a mix of amenities and open space on parcels that have been vacant and underutilized for decades, the Project aims to provide for the following public uses and purposes:

- Strengthening and/or establishing the visual and physical connection between adjacent downtown destinations (e.g., Buffalo River, First Niagara Arena, Waterfront Village, and Naval Park).
- Providing ample, visually interesting, and diverse public spaces encouraging year-round use.
- Maximizing area development potential by consolidating surface parking spaces into structured parking.
- Creating an urban, mixed-use setting that builds upon and complements the 2004 ECHMP urban design guidelines set forth in the City's Waterfront Urban Renewal Plan, as amended.
- Promoting and incorporating architectural elements that celebrate and interpret the historical significance of the Erie Canal and its terminus on the 12.5-acre Erie Canal Harbor Project site, as provided for in the 2004 ECHMP.
- Creating tenant spaces suitable for a mix of uses, including office space, hotel space, ground level retail and community facility spaces, to ensure that Buffalo can capture its share of future economic growth and new jobs.

In achieving these goals, the Project will serve a strong public need and will result in noticeable benefits to the local community, including enhanced services and facilities. This critical mass of

retail, services and recreation opportunities located on Buffalo’s waterfront will attract not only residents of Western New York but also tourists from outside the area. Coupled with the public enhancements and developments that are envisioned under this MGPP, it is anticipated that a year-round community will be created that will enliven and invigorate an underutilized area of the City.

The Project is also intended to boost the City’s economy by developing temporary construction work and significant permanent employment opportunities that will expand the local economy. Also, the Project will generate local tax revenue (either directly or through Payments in Lieu of Taxes [PILOTS]) within an area that has been largely dormant for years. The Project will also create new commercial and residential development within the Project Area. Rather than compete with viable existing commercial and residential development in and around the Project Area, the presence of new development should lead to increased property values and the potential for additional new development in surrounding areas.

D. Project Description

1. Overview

The Project is the next major stage in a decades-long process of waterfront planning and development to create a hub of activity that supports increased economic development opportunities in the Erie Canal Harbor and its surroundings as well as a livable community environment that provides year-round entertainment and recreational activities. Long before the 1999 Master Plan, waterfront redevelopment had been an important priority for the community. In the 1960’s a comprehensive Urban Renewal Plan was prepared and adopted for the City’s designated Waterfront Redevelopment Project (“Waterfront Urban Renewal Plan”). In the late 1970s, further planning efforts led to the opening of the original Naval Museum. In the 1980s, the Niagara Frontier Transportation Authority’s (“NFTA”) Light Rail Rapid Transit system (“Metro Rail”) was completed, and the downtown transit/pedestrian mall along Main Street was constructed. During this same period, the Horizons Waterfront Commission was formed to lead waterfront planning and development efforts. Each of the development projects completed under these prior planning efforts, from construction of HSBC Center and the Buffalo News building, to the HSBC Atrium and the First Niagara Arena, has helped to create the foundation upon which Canalside is being planned. Thus, while Canalside is a new project and the first major undertaking for ECHDC, it is the next phase in a decades-long effort led by the City, ESD and many other stakeholders to create a vibrant Erie Canal Harbor area, an asset of which the entire community can be proud.

Design Guidelines

To create an attractive, cohesive atmosphere that reflects the City’s unique history and provides visual interest, Design Guidelines apply to all development parcels within Canalside. See **Exhibit B**. The Design Guidelines provide for a general consistency of design intent, communicated through standards concerning such features as fenestration, materials, color,

scale, lighting and signage. The Design Guidelines also encourage visual interest throughout the Project Area, achieved through a variety of forms and materials. At full build-out, the Project will have a variety of buildings and spaces that have been built over time by different owners and designers. Several core principles served as a framework for various aspects of the Design Guidelines throughout the evolution of the Project including:

- Reconnecting downtown Buffalo to its waterfront through a new, vibrant mixed-use neighborhood;
- Celebrating the best Buffalo has to offer, and creating places that are first and foremost for the residents of the City and their families;
- Creating a new development pattern that is focused around a network of “places” which include a revitalized Main Street, active waterfront, and series of canal water features;
- Providing places for activities and special events for all seasons, using the seasonal climate changes as an advantage to offer a diversity of options;
- Referencing and interpreting Buffalo’s historic waterfront and the Erie Canal;
- Emphasizing the pedestrian experience, while offering parking that is convenient, easy to access, and does not dominate views or land use; and
- Incorporating appropriate details during Project phasing, so the Project feels complete from the beginning, despite a multi-year schedule.

The Design Guidelines are implemented through a review procedure by the ECHDC Board of Directors (“Board”) with the help of the Canalside Design Committee (“Design Committee”). In August of 2012, the Board appointed five persons to the Design Committee, with input from the Mayor of the City of Buffalo. Design Committee members are knowledgeable in matters pertaining to architectural design and historical context as it relates to Canalside. The Board refers site plans for each proposed development within Canalside to the Design Committee for its evaluation and recommendation. The Board considers the Design Committee’s recommendation prior to the approval or disapproval of any proposed development in Canalside and may consult with the Design Committee on any issues related to design or planning within Canalside. The Aud Block development, Webster Block and public infrastructure within the Project’s 20+/- acres, as well as subsequent phases will also be presented to the City of Buffalo Planning Board for a review of consistency with the Design Guidelines. As of the date of this MGPP, the redevelopment of the former Donovan Office Building and the public canal system located on the Aud Block have been reviewed through this design review process and have been approved by the ECHDC Board.

Sustainability

As the Project design has progressed, ECHDC has explored the applicability of sustainable design principles to the Project to mitigate its environmental impacts to the extent practical

and feasible. Strategies for integrating sustainability concepts into the Project were presented in a Sustainability Report that was included with the Draft Generic Environmental Impact Statement (“DGEIS”) for the Project pursuant to the requirements of the State Environmental Quality Review Act (SEQRA”). To implement the ideas explored in the Sustainability Report and in response to public comments received on the DGEIS regarding sustainability, ECHDC will require that all Project buildings become LEED® certified, with a goal of achieving a LEED® Silver rating. LEED® (Leadership in Energy and Environmental Design) certification provides independent, third-party verification that a building project meets the highest green building and performance measures. LEED®-certified buildings are designed to lower operating costs, reduce waste sent to landfills, conserve energy and water, be healthier and safer for occupants and reduce harmful greenhouse gas emissions. These benefits are achieved by incorporating certain design, mechanical, and structural features into a building. These features are quantified as credits, and the more credits a project has, the higher the LEED® rating. These measures will help to reduce the Project’s impact on Buffalo’s combined sewer system, particularly concerns about sewer overflow, demand on utility infrastructure and impact to water resources, in addition to improving the quality of the Canalside experience for those living and working at Canalside.

LEED® certification will also implement the State’s energy conservation policies, articulated in Executive Orders 111 and 4. Executive Order 4 requires State agencies to procure sustainable materials such as recycled/recyclable materials and implement policies to reduce waste, conserve water, and utilize renewable energy sources, to the extent practical. Executive Order 111 requires state agencies and public benefit corporations to achieve a reduction in energy consumption by all buildings they own, lease or operate of 35 percent by 2010 relative to 1990 levels. Certain structures in the Project will be owned and operated by ECHDC; therefore they will be subject to the requirements of Executive Order 111. Accordingly, specific measures will be integrated into the Project so that the Project will qualify for LEED®-certification and meet State policy goals.

Open Space

At full build out, the Project will include expanded and enhanced publicly accessible open space and recreational opportunities in and adjacent to the Project Area. Such opportunities will include the following.

- Water features (e.g., canals) providing year-round water uses such as ice and will be lined with expansive towpaths, benches and lighting providing a unique setting for outdoor cafés and retail shops.
- An extended Central Wharf will stretch to South Park Avenue connecting the Project Area to the Buffalo River trail system. To date, ECHDC has caused the construction of the expanded Central Wharf on a temporary basis using asphalt to provide an immediate connection to the Buffalo River trail system.

- The Prime Slip, which was to be evoked through an interpretive pathway over its former alignment, linking the Central Wharf with the Aud Block in the previous MGPP is no longer being considered. The Prime Slip will now be evoked through an interpretive exhibit within the Explore & More Children’s Museum. It will nevertheless continue to be envisioned as part of an overall interpretative landscape and will be utilized to educate the public on aspects of the Prime Slip and the Erie Canal system.
- The Skyway Plaza, located in the space underneath the Skyway (E10- E11) stretching to the Commercial Slip parcel, will be dedicated to seasonal events, artistic expression and seasonal retail kiosks.
- Sidewalks and bicycle lanes will connect into existing systems linking the Project Area to other city-, region, and state-wide resources. A trailhead for the Erie Canal Trail will be incorporated underneath the Skyway, marking the start of this statewide bikeway. Additional trail signage and amenities will be included to mark the Erie County Shoreline Trail.

Parking Program

Parking in the Project Area will be consolidated within several parking garages, with a few small surface lots and a limited number of on-street parking options also available. The parking areas are described herein with reference to the Parcel Plan set forth in **Exhibit A**. While the expected locations of available parking has been modified from the previous MGPP, the total number of parking spaces within the Project Area, between 2,400 and 2,600 parking spaces, remains the same.

On the Aud Block, potentially a one-level garage will be constructed with the capacity that more development and/or a three-level garage may be built once further developments on that site are identified.

Currently under construction as part of the renovation of former Donovan Office Building is a parking deck on the north and east sides of the existing Donovan Building to provide on-site parking to Parcel D1. This parking garage will be accessible from Washington Street and will allow for approximately 150 parking spaces.

Approximately 100 spaces will be provided within the Project Area for off-street surface parking. Spaces will be provided on Parcel T3 which is under the Skyway access ramps at Pearl Street and Perry Boulevard and on Parcel T1 under the Thruway. Both of these areas currently serve as gravel surface parking lots. Additional surface spaces will be provided on Parcel T2.2. Finally, a new surface lot will provide support parking facilities for the waterfront boutique hotel at the terminus of Prime Street.

In terms of on-street parking, it is anticipated that approximately 35 spaces will be available along Marine Drive; approximately five spaces will be available along Perry Street; and approximately 38 spaces will be available along Main Street. Parking along Main Street, however, is contingent upon the final design for the Main Street Multi-Modal Access and

Revitalization Project (“Cars on Main Project”) currently being undertaken by the NFTA, the City and others. With construction of the streets along the Central Wharf completed, approximately 13 spaces are available along Hanover Street and approximately ten spaces will be available along Prime Street

The Commercial Slip Parking Garage is still under consideration for construction on the current Marine Drive Apartments’ surface lot. Originally anticipated to consist of six levels and approximately 1,280 spaces, the garage was tied to Bass Pro’s development of the Aud Block. With Bass Pro’s departure from the Project, the size of the potential structure has been reduced to accommodate approximately 900 cars. Furthermore, construction of the structure will only be considered at a later date depending on Project needs as future development progresses. As such, federal funds previously earmarked for the structure are no longer being considered for the garage. Rather, those funds will be used by ECHDC for other federally approved projects within the vicinity of Buffalo’s waterfront. The funding available in this MGPP will be used to construct the Commercial Slip structure or other parking projects within the Project area.

As part of the development of the Webster Block detailed below, a multilevel parking structure providing for approximately 965 cars will be constructed to serve the Webster development. ECHDC is currently exploring the possibility that a portion of the parking on the Webster Block could be earmarked as needed by ECHDC for the larger Canalside Project.

2. Current Phases

The following specific components of this MGPP are currently under construction or in design with reference to the parcel numbers provided in *Exhibit A*¹. Prior to construction of anticipated future phases of the Project as referenced below, the Corporation will amend this MGPP as may be needed to reflect such proposed developments should they deviated substantially from the MGPP.

Aud Block (Parcel A2)

The southern Aud Block (Parcel A2) is bounded by Main Street, Scott Street and the Canal System (Parcel A3) currently under construction. The southern Aud Block, divided into smaller development parcels based on the historic street grid, will entail mixed-use buildings. See *Exhibit E*. The proposed South Aud Block Redevelopment Project includes ECHDC completing the core and shell of two buildings and full build-out of a third building, with up to 100,000 square feet total of mixed-use space:

¹The description of specific components provided herein (both public and private improvements) reflect current Project plans. It is noted that details may differ somewhat from the Project description of the Project provided in the GEIS which was issued as final on January 21, 2010.. Project plans have been revised since completion of the GEIS based on public input to the original GPP and the 2010 MGPP as well as continuing design refinement associated with the Project build-out. Each modification to the Project is evaluated for consistency with the analysis in the GEIS per the process established for review of Future Project Plans in Chapter 13 of the GEIS.

- Parcel A2.1: 15,000 +/- square foot restaurant,
- Parcel A2.2 and A2.3: 80,000 +/- square foot Children's Museum/office/residential
- Parcel A2.4: 5,000 +/- square foot ancillary public space (i.e., comfort station, storage, O&M office, visitor kiosk)

ECHDC will also complete additional public infrastructure as part of the site work, including the reconstruction of portions of Lake Street and Lloyd Street, as well as bikeway trail amenities and signage. Additional interpretive signage will be included on the site.

Canal System (Parcel A3)

On the Aud Block will be water features interpreting the alignment of the Erie Canal, Main and Hamburg Canal, and Commercial Slip, which once crossed the Aud Block. These features are currently under construction. Based on public comment received by ECHDC from various public hearings and forums, the canal system was designed/redesigned to ensure the system's materials, alignment and depth are as historically accurate as feasible taking into account outside factors, including, financial constraints, construction limitations, elevation changes, security concerns, operation and maintenance issues regarding the Hamburg drain and requirements of the Americans with Disabilities Act. A revised conceptual layout of the public canal system is attached as **Exhibit C**.

Donovan Block (Parcel D3)

The design of a portion the "East Canal" that will cross the Donovan Block (which involves an interpretation of the former Main and Hamburg Canal) has been slightly refined from that contemplated in the last MGPP. Originally to be interpreted as a "dry" canal bed that would be focal point for a public gathering space, more detailed planning/design analyses have since been performed by the master architect and subconsultants specializing in the design of public-friendly spaces. The current design will now involve an interpretation consisting partially of a water feature near Main Street (i.e., evoking the continuation of the Main and Hamburg Canal from the Aud Block), then transitioning to a "dry" rectangular plaza following the centerline of the former canal. The "dry" portion of the plaza would be reinforced through the color of paving materials and a grove of trees planted in a rectilinear fashion, interspersed with a series of narrow water "channels". Once complete, the design of the "East Canal" will be subject to review by the Design Review Committee in accordance with the Design Guidelines.

Donovan Block (Parcel D1)

The Donovan Block is bounded by the Thruway, Washington Street, Main Street, and Scott Street. Construction on the Donovan Block is currently underway and when completed, will entail a mixed-use building with first floor retail and restaurant space and upper floors dedicated to office and hotel uses. To the east and north of the existing Donovan Building, surface parking will be maintained, along with a one-story parking structure built above it by a private developer. This parking area will provide off-street parking for on-site use.

On the South Donovan Block, across the East Canal water feature from the Donovan Building, will be an additional development parcel constructed by a private developer(s) with first-floor retail space and potential residential units on the upper floors.

Webster Block (Parcel W1)

The Webster Block is owned by the City and is bounded by Scott Street, Washington Street, Perry Street and Seymour H. Knox III Plaza. With the Metro Rail easily accessible, this district will provide a welcoming gateway into the Project Area to those coming from other areas of Buffalo to work, live and play. In the original GPP for Canalside, this parcel was envisioned to ultimately contain a mixed-use development consisting of roughly 30,000 SF of retail space, a 150-room hotel, and structured parking for 400 vehicles.

Pursuant to a request for development proposals issued by the City, HARBORcenter Development, LLC was selected by the City to develop a mixed-use complex on the Webster Block (the “Webster Project”). The proposed Webster Project includes a sixteen story, 613,850 +/- square foot, mixed-use building that will consist of:

- A two-rink hockey complex,
- A hotel of up to 200 rooms,
- Retail and restaurant space; and
- A five-level parking structure designed to accommodate 965 +/- parking spaces.

The Webster Project budget is approximately \$172.0 million. The building is to be constructed on the 1.7 acres Webster Block and the two westernmost lanes of Washington Street and will be freestanding, aside from a raised walkway crossing over Perry Street that will connect the Webster Project site to the First Niagara Center.

The proposed hockey complex will compliment the First Niagara Arena and provide a new 114,390 +/- square foot hockey complex. As currently envisioned, it will consist of two National Hockey League sized ice sheets, 2,000 +/- spectator seats, locker rooms, administrative and maintenance areas, concessions, restrooms, and a large concourse.

Retail and restaurant space will be located on the ground level with additional restaurant capacity on the second floor. The hotel component will include up to 200 rooms that will support area businesses in downtown Buffalo and the events surrounding the hockey complex. The hotel is expected to be constructed on the northwest corner of the property and will be the only section that rises above eight levels.

City Street Restoration (Commercial/Pearl)

The reconstruction of Commercial/Pearl Street between Marine Drive and Lower Terrace, including the intersection of Perry Boulevard would improve the City street using a complete streets concept. In addition, the parking areas under the Skyway located north and south of

Perry Boulevard would be redeveloped for Canalside parking. ECHDC is expected to partner with the City of Buffalo, New York State Department of Transportation and Federal Highway Administration to complete the street work.

3. Future Phases

The following are specific components that are anticipated to be constructed at Canalside in later phases of the Project. Prior to the construction of any such developments, the Corporation will amend this MGPP as may be needed to reflect such proposed developments.

a. Public Improvements

Aud Block Parking Structure (A1)

On the Aud Block, bounded by Lower Terrace, Pearl Street, Main Street, and Marine Drive, ECHDC may construct an underground one-level, approximately 121 space parking structure, that will be constructed in a manner that will allow for vertical expansion at a later date to increase capacity to accommodate additional cars and/or to support future developments to be located directly above. The ultimate decision as to whether to build the structure will depend on future development plans on the A1 parcel.

Public Market (A1 – A2)

While previously called Canalside Hall, a public market building is currently envisioned to be a public marketplace located on the Aud Block. Current planning envisions the market to be located on the A1 or A2 parcel with access to the developments on the Aud Block and along Marine Drive. The market is designed to embrace Buffalo's rich "old" and "new" food culture. Local, regional foods, both prepared and raw, will be showcased at the market. It will also be designed to accommodate large events and private parties. Preliminary studies have been completed on the merchant mix and operations of the market. A draft merchant list includes a casual café, deli, wine bar, chocolate store, bakery, sausage and hot dog counter, diner, cookware store, brew pub, and ice cream shop. Ultimately the marketplace will be owned and operated by ECHDC or its designee.

b. Private Improvements

Parcel A1

This parcel, located on the Aud Block, was previously designated for the Bass Pro Store. The parcel may initially include a one-level, approximately 121 space parking garage that will be constructed to support additional parking levels and/or anticipated mixed retail developments on top. Additional parking levels, if any, and future developments on this parcel are not addressed in this MGPP.

Donovan Block (Parcels D2)

On the South Donovan Block, across the East Canal water feature from the Donovan Building, will be an additional development parcel constructed by a private developer(s) with first-floor retail space and potential residential units on the upper floors.

Erie Canal Harbor Parcels (Parcels E1 – E11)

Riverfront Parcels (Parcels E1, E8 and E9)

The Riverfront Parcels will front on the Buffalo River, and will be located on the south end of the Central Wharf. They will include possibly a boutique hotel building or other appropriate waterfront development constructed by a private developer(s) and smaller structures. The Riverfront District will include ample open public space for a variety of recreational activities and public events, including an extension of the existing seasonal, floating docks at the Central Wharf which were completed in 2012. The additional floating docks are accessed by the moveable gangway from the Central Wharf.

Prime Slip Parcels (Parcels E2-E7)

The Prime Slip Parcels also known as the Historic Block parcels, will be developed by a private developer(s) to accommodate a mix of uses and will be bordered by Lloyd Street, Marine Drive, Main Street and Prime Street. Small-scale shops, community gathering space, cultural institutions, and restaurants will dominate the area. On the parcels between Lloyd and Hanover Streets, development devoted to ground-level retail with office above on each side of the Skyway.

Similarly, the development on the block between Hanover and Perry Streets will potentially house ground-floor retail and cultural mix with office space above. On the other side of the Skyway will be a complex of buildings, which will contribute to the Main Street District's neighborhood atmosphere by housing a mix of uses with ground-floor cultural and retail. It is anticipated that on-street parking spaces will be located on Prime, Hanover, West Perry and Main (between Scott and Perry) Streets.

Commercial Slip Block (Parcels C1, C2.1, C2.2, C2.3)

This block is located at the juncture of Marine Drive, Commercial Street and Perry Boulevard. At that corner, fronting on Marine Drive and Commercial Street, will be a development parcel with a retail base, and a variety of potential uses above including office, hotel, and/or residential. Behind the building will be the Commercial Slip Parking Garage situated over private surface parking for residents of the Marine Drive Apartments.

Stretching from the Commercial Slip Garage to the terminus of Seymour H. Knox III Plaza (a.k.a. Main Street), the Skyway Plaza will utilize the cover of the Skyway deck to provide a year-round place for vendors to sell goods and produce at seasonal kiosks. NYSDOT has been and will continue to be consulted with respect to all uses and improvements under the Skyway.

“Under-Thruway” Blocks (Parcels T1.1, T1.2, T2.1, T2.2, T3)

Lastly, underneath the Thruway at the northern-most end of the Project Area are two parcels on either side of Main Street that will provide opportunities for additional parking and perhaps some retail use. It is anticipated that on the parcel at Main Street and Lower Terrace will be a small structure for retail use and an adjoining surface parking lot that could accommodate 25 surface parking spaces. On the opposite side, east of Main Street there will be another small structure for retail use with an adjoining surface parking lot that could accommodate approximately 20 vehicles.

4. Street Access

The street pattern within the Project Area will remain largely unchanged. Where feasible, all streets will facilitate two-way vehicular traffic. Lower Terrace (between Pearl and Main Streets) will be abandoned by the City, and subsequently closed to traffic and incorporated into the Under-Thruway Blocks.

5. Main Street Multi-Modal Access and Revitalization Project (“Cars on Main Project”)

There are a number of projects in various stages of development within and adjacent to the Project Area. However, these projects are not included within Canalside and are being undertaken or contemplated by others. A project related to Canalside but independent and not included within this MGPP is the Cars on Main Project. The City, NFTA, NYSDOT and Buffalo Place, Inc. are proposing to reopen a 1.2-mile-portion of Main Street, between Tupper Street and Scott Street/Marine Drive, to vehicular traffic as part of a strategy to improve downtown access and support revitalization efforts for Buffalo’s downtown core. Main Street in downtown Buffalo was closed to vehicular traffic with the completion of the Metro Rail system and pedestrian/transit mall in 1984. After several years of study and consultation with numerous stakeholders and interested parties, the concept of sharing the Metro Rail track bed with vehicles between Tupper Street and Scott Street/Marine Drive emerged as the preferred design solution.

The sponsors for this project have completed an Environmental Assessment under NEPA and published the Notice of Completion in March 2009. FTA, as federal lead agency for this project, issued a Finding of No Significant Impact in October, 2009. Final designs for each segment of the 1.2-mile-portion of Main Street affected by this project have commenced. While the two projects must relate well together, the Cars on Main Project and Canalside Project are independent projects being undertaken by different entities. Thus, it is appropriate that these projects be evaluated through separate channels and the Cars on Main Project is not an action that is a part of this MGPP. Nevertheless, Project maps include ECHDC’s latest understanding of the proposed design for the Cars on Main Project through the Project Area.

E. Project Funding

The Project budget is currently estimated at **\$459,726,457**. Funding Sources and Uses for Phase 1 and the future phases are set forth below:

1. Anticipated Funding Uses

Canalside Funding Uses – Current Phases	
Public Infrastructure- Canals & Towpaths (A3 & D3)	\$28,240,800
Central Wharf Extension/Floating Docks (E1)	\$3,348,779
Mixed Use (A2)	\$18,069,600
Children’s Museum (A2)	\$8,000,000
Public Infrastructure (A2)	\$4,000,000
City Street Restoration (Commercial/Pearl)	\$1,960,000
Design Costs	\$8,654,973
Miscellaneous (Non-capital associated with O&M, programming, etc.)	\$6,975,000
Private Investment	\$202,000,000
Total Current Project Costs:	\$281,249,152

Canalside Funding Uses-Future Phases	
Aud Block Parking Structure, Deck & Streets (A1)	\$7,124,424
Public Market (A1)	\$8,000,000
Commercial Slip Garage/Misc. Parking	\$12,000,000
Design Costs	\$3,254,931
Miscellaneous (Non-capital associated with O&M, programming, etc.)	\$9,200,000
Private Investment	\$138,897,950
Total Future Project Cost:	\$178,477,305
Total Project Cost (Current + Future)	\$459,726,457

2. Anticipated Funding Sources

Canalside Funding Sources		
New York Power Authority	\$92,828,507	NYPA provides an Industrial Incentive Award with a revenue stream of \$3.7 million over 20 years; and a Relicensing Agreement revenue stream of \$4.7 million over 20 years
New York State	\$21,000,000	Funding being used for construction of Historic Canals.
ESD- Blueprint	\$5,000,000	Award was made by ESD via an Incentive letter on March 10, 2010
Private Development	\$340,897,950	Private investment expected upon full-build out is based on work under way and the square-footage of the development.
Total Project Funding:	\$459,726,457	

The Canalside Project once fully built out, is currently estimated to cost approximately \$444 million. This number is exclusive of \$16 million budgeted above for miscellaneous non-capital related costs. The Project cost consists of public and private investment, as described above in the project description. The Project will be funded by various government agencies, including the New York Power Authority, New York State and Empire State Development Blueprint Grant, with the majority of the funding from the New York Power Authority.

3. Operations and Maintenance

The Operations and Maintenance Budget for the full build out of Canalside is currently estimated to be **\$2,500,000** annual expenditure for administration, security, maintenance and repairs, utilities, events, and insurance. The payment for the Operations and Maintenance will come from multiple sources: 1) Common Area Maintenance (“CAM”) charges; 2) Parking Garage revenue; and 3) other available sources. To off-set the costs of operating and maintaining the entire Project Area, a portion of the administration, security, maintenance and repairs, utilities, and insurance costs will be charged to the tenants at Canalside. The CAM charges will be based on the square-footage of the tenant’s space. The cost to operate and maintain the public infrastructure will be funded by the available funding sources until the anticipated CAMs and parking garages begin to generate revenue in the future phases of development.

The Operations and Maintenance program will directly cover the Central Wharf; Commercial Slip Parking Garage; Below Grade Parking Garage, Surface Parking Lots; and the Canalside Buildings, Walkways, and Canals. ECHDC assumes the Canalside Project will require the services

of 8 full-time employees that will comprise of administration staff, security personnel, and maintenance labor. The maintenance and repairs will consist of, but not limited to, the following: sweeping, snow plowing, salting and snow removal, storm drainage system maintenance, landscaping and pest control, cleaning services, materials and supplies, maintenance equipment, general building repairs, trash removal and recycling, light poles and lamps, and sidewalk maintenance and repairs for the entire Project Area. The Utilities are developed based on comparable sites and square-footage. The Events budget was modeled after ECHDC current contract with Buffalo Place, Inc. at the Central Wharf. The Insurance was based on comparable properties.

F. Site Ownership, Lease Structure

The Project Area is currently owned by various State and local governmental agencies including ECHDC, the New York State Thruway Authority, the New York State Department of Transportation, the City of Buffalo, the Buffalo Municipal Housing Authority and the Buffalo Sewer Authority.

It is anticipated that ECHDC will acquire control of parcels within the Project Area either through direct acquisition, long term lease, license or easement as necessary to complete the Project. Parcels owned by the City, including the Webster Block, may remain owned by the City until developed. The City will continue to own all public rights-of-way.

ECHDC will convey, or lease with an option to purchase at nominal consideration, on a parcel by parcel basis, all parcels designated for office, retail, hotel, residential, or cultural development to a private developer(s) which shall be obligated to complete the applicable development for such parcel as set forth herein. Prior to the conveyance of any property, private developer(s) shall be required to provide ECHDC with an acceptable financing plan for the applicable parcel and, prior to the commencement of construction, a completion guaranty in form reasonably acceptable to ECHDC. Upon completion, each development entity will be obligated to pay real property taxes and/or make payments-in-lieu-of- taxes. Each development entity will also be obligated to make common area maintenance charges on an equitable basis with other development entities within the Project Area.

ECHDC will own the parking structures on the Aud Block and Commercial Slip parcels with other parking structures owned and operated by ECHDC, private developers and/or the City. NYSDOT will be consulted and any necessary approvals obtained with respect to all uses and improvements under the Skyway.

G. Economic Impact

As part of the adoption of the GPP, ESD has performed an independent economic analysis of the Project. Based on Bass Pro or a comparable retailer(s) located on Parcel A1 it was projected that the Project would have the following beneficial economic impacts over a thirty year period:

- (i) Construction of the Project (based on a construction cost of \$386 million and exclusive of costs for site preparation and demolition of the Memorial Auditorium and Donovan Building) will generate 2,325 new direct jobs and 4.034 total jobs (direct, indirect and induced);
- (ii) Total personal income earned by direct, indirect, and induced construction related activities is estimated to be \$197.182 million in the region and \$208.029 million in New York State (inclusive of Western New York);
- (iii) Total construction employment will generate \$19.874 million in local tax revenues and \$20.967 million in state revenues;
- (iv) Based on a completed build-out of the Project, once fully operational, it is projected that the Project will support 1,814 new jobs and 1,883 jobs statewide (direct, indirect and induced);
- (v) The Project will generate \$2.2 billion in personal income in the region and \$2.4 billion statewide, including Western New York (direct, indirect and induced) over a 30 year period;
- (vi) On a present value basis, the Project will generate \$233.992 million in local tax revenues and \$144.541 million State tax revenue over a 30 years period.

H. Land Use Improvement Project Findings

The primary purposes of ESD’s participation in the Project are (i) to transform an area of Buffalo’s urban core that is blighted and underutilized into a vibrant, transit-oriented, mixed-use development with appropriate density along the City’s waterfront; (ii) to provide a mixed-use setting for year-round activities and unique experiences that will attract visitors and generate economic growth in an area that has been underutilized for decades; (iii) to generate additional economic activity and City and State tax revenues; (iv) to supply amenities, housing and cultural facilities for the creation of an urban neighborhood oriented to the waterfront and canal features; and (v) to provide publicly accessible open space and recreational opportunities.

Specifically, in the GPP, ESD, pursuant to Section 10 of the UDC Act, made the findings set forth below. These findings are supported and complemented by the findings, determinations and statements of fact described in the Draft Generic Environmental Impact Statement (“DGEIS”) for the Project.

Land Use Improvement Project Findings

1. That the area in which the project is to be located is a substandard or unsanitary area, or is in danger of becoming a substandard or unsanitary area and tends to impair or arrest the sound growth and development of the municipality.

The Project Area consists mainly of vacant parcels and surface parking lots, including the former site of the Memorial Auditorium which was recently demolished and the Donovan Building, an obsolete office building vacated by the New York State Office of General Services. Photographs of several Project Area view sheds demonstrate the poor visual quality of the Project Area. See

Exhibit D. These photographs depict space that is desolate and lacking in human activity, natural features, publicly accessible open space or facilities providing public amenities or services. Views are dominated by the Skyway and ramp from the Skyway to the Thruway south along with the piers associated with both. Also, wide streets and a lack of pavement markings along with deteriorating sidewalks add to an unkept and unwelcoming pedestrian environment.

During the public hearing for the GPP, one commentator suggested that the substandard and unsanitary nature of the Project Area was caused by ESD when it demolished the Memorial Auditorium. The Memorial Auditorium has been vacant since 1996. The vacant building had not generated any revenue nor provided any benefit to the tax base in over a decade. Multiple attempts were made and several studies were completed during the 13 year period while the building sat vacant in an attempt to identify potential reuses, but ultimately no feasible reuse alternatives were identified. The area became substandard once the Memorial Auditorium was vacated and no achievable re-use options were identified. The lack of activity and use over the last 13 years only continued to impair the sound growth and development of the municipality until it was removed.

At the time the GPP was adopted, there was relatively no economic activity derived from the Project Area, exclusive of surface parking, notwithstanding that the Project Area is strategically located along the waterfront in downtown Buffalo. While the waterfront exists just a short walk from the Project Area, accessing the waterfront can be difficult, and few opportunities exist for entertainment, dining, shopping, or recreation.

Neighboring land uses, while to some extent generating activity, are limited in their contribution to the creation of a vibrant urban neighborhood, and generally do not provide year-round activities and amenities. For example, the HSBC Arena and the Coca-Cola Field generate considerable activity, but only during certain times of the year and typically for a short period of time on those days when there is activity. While these facilities are major traffic generators during events, they do not draw virtually any activity to the Project Area on non-event days. Consequently, the Project Area is generally lively during events, particularly at the more proximate HSBC Arena, but is largely deserted other evenings. Even with the pedestrian traffic generated during HSBC Arena events, there are few destinations for visitors to visit. During non-event times, pedestrian traffic is especially absent in the Project Area. The only limited exception to this is the Erie Canal Harbor with its re-created Commercial Slip which now draws visitors to this portion of downtown, but is generally a seasonal attraction and has had limited event programming. There are few attractions adjacent to the Commercial Slip to allow visitors to remain in the area for a significant length of time. In addition, traversing the Project Area is difficult at many locations as sidewalks and crosswalk markings have not been maintained. Due to the desolate atmosphere of the area, drivers may not anticipate pedestrian activity, creating a more challenging and less safe walking environment.

Therefore, the environment of the Project Area hinders growth and development of the City and is detrimental to the City's goals of creating events and activities to increase public enjoyment and access to the waterfront, as articulated in the City of Buffalo Comprehensive

Plan. The City's Waterfront Corridor Initiative also states as key initiatives improving accessibility to the waterfront, reconnecting neighborhoods to the waterfront and realizing the best possible use from waterfront parcels. Additionally, the 2004 Master Plan and Waterfront Redevelopment Project Urban Renewal Plan were detailed plans for development within the Project Area, which ECHDC has utilized in developing the Project. The Project is needed to implement these policies and contribute to economic growth within the City.

2. That the project consists of a plan or undertaking for the clearance, replanning, reconstruction and rehabilitation of such area and for recreational and other facilities incidental or appurtenant thereto.

This MGPP proposes redevelopment of the Project Area with the development of public infrastructure with the current and future phases of residential, commercial and retail developments. The enhanced uses generated by the Project will attract people to the Project Area and will, accordingly, help support local businesses. The Project will also generate substantial tax revenues for the City and the State as described herein. It is expected that the Project will convert a long vacant and underutilized area into a dynamic retail and residential community with substantial public spaces and regular public events along the waterfront. It is expected that the Project developments will serve as a catalyst for additional development in the neighboring environs.

3. That the plan or undertaking affords maximum opportunity for participation by private enterprise, consistent with the sound needs of the municipality as a whole.

Although the Project includes substantial public improvements and the creation of numerous open spaces and public amenities, the plan specifically provides for a substantial amount of private development in current and future phases of the Project consistent with the overall plan for the development of the Buffalo waterfront.

4. That there is a feasible method for the relocation of families and individuals displaced from the project area into decent, safe and sanitary dwellings, which are or will be provided in the project area or in other areas not generally less desirable in regard to public utilities and public and commercial facilities, at rents or prices within the financial means of such families or individuals, and reasonably accessible to their places of employment.

No families or individuals will be displaced as a result of the Project.

I. Project Schedule

Construction of the historic canal system on the Aud Block commenced in Spring of 2012 and is expected to be complete by the Fall of 2013. Construction on parcel D1 began in the Spring of 2012 and is expected to be complete by the end of 2013. Construction on the Webster Block is expected to commence in Spring of 2013 and be complete by the Fall of 2014. Further

development on the Aud Block and other parcels within the Project Area will commence as plans are developed and approved. The entire Project is expected to be built out by 2031.

J. Affirmative Action

In compliance with NYS Executive Law Section 15-A, ESD will administer and enforce an affirmative action program for the construction of the Project. ECHDC and any private developer(s) will each agree to make a good faith effort to utilize minority and women business enterprises (“M/WBE’s”) in the construction of the Project and will ensure that minorities and women are adequately represented in the construction workforce for the Project.

K. Override of Local Requirements

In the GPP, ESD overrode certain local regulations pursuant to the UDC Act. These overrides will permit a development more reflective of and consistent with, land use policy envisioned for the City waterfront and will include an override of the City zoning ordinance to allow office and hotel uses in an Industrial-Institutional District and will eliminate any need to amend the land use provisions contained in the Waterfront Urban Renewal Plan. With regard to this action and undertaking the Project, the City was consulted throughout the planning process and has provided significant input into Project design.

The City supported the exercise of ESD’s statutory powers to facilitate the Project on the following terms:

1. The canal system, Public Market f/n/a Canalside Hall, Donovan Block, Webster Block, Erie Canal Harbor Parcels, and Commercial Slip Block described above will be included in the MGPP as approved by the ESD. Also the components will be developed pursuant to the Design Guidelines.
2. ECHDC will include all relevant City departments, agencies and boards including the Common Council, the Control Board and the Planning Board in the review process during the State Environmental Quality Review Act (“SEQRA”) review period.
3. At the conclusion of the SEQRA process, ESD and ECHDC will work with the City to seek necessary approvals for the initial build-out of the Canalside Project which will include the Aud Block development, Donovan Block, Webster Block, public infrastructure within the Project’s 20+/- acres and the Commercial Slip Parking Garage. Specifically, this phase will be presented to the Common Council in conjunction with the disposition of City properties to ECHDC in furtherance of the Project. In addition, this phase will be presented to the Planning Board to review consistency with the MGPP and the Design Guidelines which will be incorporated into the MGPP.

4. Subsequent build-out of the remainder of the Canalside Project, which generally will incorporate all or parts of the Historic District as outlined in the 2004 ECHMP, will similarly be presented to the Common Council and the Planning Board.
5. In the event that there are any proposed changes to the MGPP after its initial approval, ESD will consult and seek input from pertinent City entities.

L. Public Approval and Environmental Review Process

ESD, as lead agency, completed an environmental review of the Canalside Project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review, which was coordinated with all involved agencies due to the Project’s Type I classification, involved a full public scoping process and the preparation of a draft generic environmental impact statement (“DGEIS”) and a final generic environmental impact statement (“FGEIS”). The ESD Board of Directors issued SEQRA findings for the Project on March 26, 2010. The 2010 SEQRA documents included a full assessment of a Preferred Alternative that involved the anticipated level of development that was presented in the original 2010 GPP for Canalside (i.e., inclusive of a proposed Bass Pro store on the Aud block). In accordance with SEQRA regulations and the thresholds set forth in the FGEIS, to date ESD has evaluated the potential environmental effects of two prior MGPPs for the Project:

- In October 2010, largely associated with the elimination of the proposed Bass Pro store on the Aud Block, for which after an evaluation of the change the Directors concluded no additional SEQRA documentation was required; and
- In November 2012, largely associated with increases in the anticipated scale/density of development on the Webster Block that was part of the proposed HARBORcenter project, for which after the preparation of a full SEQRA environmental assessment form (EAF) and supporting analyses, the Directors concluded that these variations would not result in significant adverse impacts on the environment beyond what was already documented in the 2010 SEQRA documents for the Canalside Project and made a Determination of No Significant Effect on the Environment.

Accordingly, ESD staff have also conducted an evaluation of potential effects of this MGPP against those effects documented in 2010 SEQRA documents as amended. This evaluation determined that the assessments and proposed mitigation contained in this documentation would still adequately address any projected impacts of development under this MGPP. Therefore, no further environmental review is required in connection with this action.

M. Conclusion

This Land Use Improvement Project will redevelop a historically vacant, underutilized and substandard area with a mixed-use project that provides for destination retail, restaurants, residences, hotels, cultural space, commercial development and publicly accessible open spaces

that are needed to reconnect the City to its waterfront and create economic opportunities. This General Project Plan adopts a comprehensive vision that will eliminate the blighted and underutilized condition of the Project Area and create new, thoughtful and unique spaces that will provide connectivity with adjacent attractions, foster neighborhood characteristics and encourage a hub of activity at the City's waterfront.

Attachments

Exhibit A – Parcel Plan

Exhibit B – Design Guidelines

Exhibit C - Conceptual Layout of Public Canal System

Exhibit D – Project Area Photographs

Exhibit E – South Aud Block Redevelopment Project Renderings

MGPP Exhibit A – Parcel Plan

MGPP Exhibit B – Design Guidelines

MGPP Exhibit C – Conceptual Layout of Public Canal System

MGPP Exhibit D – Project Area Photographs

Exhibit E – South Aud Block Redevelopment Project Renderings