NEW YORK STATE OF OPPORTUNITY. Erie Canal Harbor Development Corporation

A Subsidiary of Empire State Development

ERIE CANAL HARBOR DEVELOPMENT CORPORATION
at the offices of
Empire State Development – Buffalo Regional Office
95 Perry Street, Suite 500
Buffalo, NY 14203

Meeting of the Directors

Monday
February 8, 2016 – 10:30 AM

PROPOSED REVISED AGENDA

EXECUTIVE SESSION

1. Canalside Litigation – Formal Ratification of Actions of the President Relating to Pending Litigation – Affirmation and Ratification of the Actions of the President in the Administration of the Contract Regarding Construction of the Historically Aligned Canals; and to Take Related Actions

CORPORATE ACTION

2. Approval of the Minutes of the April 27, 2015 and June 8, 2015 Directors' Meetings

3. Proposed Acquisition of the Port Terminal Complex by the Erie Canal Harbor Development Corporation - Authorization to Acquire Real Property; Determination of No Significant Effect on the Environment; and Authorization to Take Related Actions

FOR INFORMATION

4. President's Report – Oral Report

Item #2

Minutes of the 4/27/15 ECHDC Directors' Meeting

Erie Canal Harbor Development Corporation
Meeting of the Directors
Held at the Offices of Empire State Development
– Buffalo Regional Office
95 Perry Street – Suite 500
Buffalo, New York 14203

April 27, 2015

MINUTES

In Attendance	
Directors:	Robert D. Gioia – Chairman David Colligan Michael DiVirgilio Sam Hoyt County Executive Mark Poloncarz (Non-Voting Director)
ECHDC Staff:	Thomas P. Dee, President Christopher Catanzaro, Assistant Project Manager Debbie Royce, Corporate Secretary (via videoconference) Margaret Tobin, Chief Financial Officer (via video conference)
ESD Staff: (Attending via videoconference unless otherwise noted)	Carey Gabay, First Deputy General Counsel Stephen Gawlik, ESD - VP Capital Projects & Senior Counsel and ECHDC - Assistant Secretary (attending in Buffalo) Kevin Hansen, Director, Real Estate Development Pamm Lent, Director of Communications - Western New York (attending in Buffalo) Laura Magee, Deputy Director, Public Affairs (attending in Buffalo) Max Padden, Director, Subsidiary Finance Robert White, AVP - Internal Audit
Also Present: (Attending in Buffalo)	Doug Brackett - EDR Chris Fahey - Office of Representative Brian Higgins Jim Fink - Business First Janice Habuda - Buffalo News JoAnne Mecca – League of Women Voters of Buffalo Niagara Kathleen Peterson - City of Buffalo – Office of Strategic Planning Gary Witulski – City of Buffalo – Office of Strategic Planning Members of the Media Members of the Public

The meeting of the Erie Canal Harbor Development Corporation (the "Corporation" or "ECHDC"), was called to order at 10:30 a.m. It was noted for the record that the meeting was being webcast, and that the Directors had received all written material in advance of the meeting. Chairman Gioia then noted for the record the Corporation's policy which welcomes public comments on the items on the current Agenda.

Before beginning with the substantive portion of the meeting, Chairman Gioia asked the Directors whether anyone had any potential conflict of interest with respect to any of the items on the proposed Agenda. Hearing none, Chairman Gioia then called for a motion to approve the Minutes of the Directors' meeting of September 15, 2014. Having noted he did not attend the September meeting, Director Colligan stated he was abstaining from the vote. Noting no corrections and upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE SEPTEMBER 15, 2104 MEETING OF THE DIRECTORS OF THE ERIE CANAL HARBOR DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the Meeting of the Corporation held on September 15, 2014 as presented to this meeting, are hereby approved and all actions taken by the Directors presented as such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of this Corporation.

* * *

Chairman Gioia then called upon Steve Gawlik to request the adoption of revised guidelines for the use, awarding, monitoring and reporting of procurement contracts.

Mr. Gawlik explained that under the Public Authorities Law, the Corporation is required to adopt procurement guidelines annually. He noted that Empire State Development's Board recently adopted the guidelines and its subsidiaries are being asked to adopt the identical guidelines.

Mr. Gawlik stated that guidelines lay out the policy that the Corporation will follow in procuring contracts. He noted that there were no major changes from last year, except that the formatting was changed in order to try to make them more user friendly.

In response to a call for questions from the Directors, Director Colligan asked if there were only minor changes made. Mr. Gawlik replied yes like the change that was adding, pursuant to an Executive Order, a requirement for bidders to identify the use of New York State businesses but nothing substantive.

Hearing no further questions or comments from the Directors and no comments from the public, upon motion duly made and seconded, the following resolution was unanimously adopted:

ERIE CANAL HARBOR DEVELOPMENT CORPORATION – ECHDC Procurements Guidelines - Adoption of Revised Guidelines for the Use, Awarding, Monitoring and Reporting of Procurement Contracts

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BE IT RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered to be filed with the records of the Corporation, the proposed 2015 Guidelines

for the Use, Awarding, Monitoring and Reporting of Procurement Contracts, a copy of which is attached to the materials, be and hereby is approved and adopted as of the date hereof, and the President or her designee is authorized to promulgate the said Guidelines in electronic form and other media for the use of the staff of the Corporation, and to take such other and further action as may be deemed necessary or appropriate to effectuate the foregoing Resolution.

* * *

Mr. Dee then presented a request for authorization for the Corporation to amend its contract with C & S Engineers, Inc. ("C & S") for engineering and architectural design services for the historically aligned canals and associated landscaping of the facilities. He noted that C & S was hired in 2011 and its contract has had one amendment. He stated the current amendment is for $550,000 and would take the contract term to December 2015. He noted that when fully built out, the entire Canalside area will consist of approximately 1.1 million square-feet of commercial, cultural and residential space over 23 development parcels.

He stated the scope of work now required is in the design service phase of the construction. He noted the original contract completion date was expected to be in May 2013. He said that the original Contractor was unable to meet the required schedule and ECHDC received Board approval to amend the C&S contract in January, 2013 to allow C&S to continue to provide engineering services through the expected completion of the project. He advised that Travelers Casualty and Surety Company of America ("Travelers") has taken over the project and retained Pike Construction Company ("Pike") to complete the work. He stated that the delays associated with the transition of the new contractor have extended the final completion date to the fourth quarter of 2015.

Mr. Dee stated that this second amendment is required because project changes have required C&S to: participate in extensive coordination meetings; provide guidance to Pike as it transitions into the role of prime contractor; and provide contract services for a longer construction period than was originally contemplated.

Mr. Dee stated that there has been beneficial occupancy for the ice skating that was experienced this past winter and there will be substantial completion when the water opens in a few weeks. He noted for the Corporation to achieve its development goals, C & S will have to remain under contract for the balance of the time allotted for construction which is anticipated to be completed around the fourth quarter of this year even though it will be open for operation in a few weeks once the water is in the canals.

In response to Chairman Gioia's request for questions from the Directors, County Executive Poloncarz stated he appreciates the good work C & S has done and is supportive of a continuation of the contract, but he wanted to know what actual work remains on the inner canal system. Mr. Dee responded that there is a lot of clean-up work that has to happen. He said there is a concrete slab that is being worked on in terms of the delamination process and once corrected will allow the water to be filled and then a commissioning process of the piping is the next big step. He also noted the installation of the handrails will take a little longer which will take it to the Fall. County Executive Poloncarz asked if by the fourth quarter of 2015 the Corporation will have completed all of the work on the construction of the canals and Mr. Dee replied yes.

Director Hoyt asked if budgeting this amount meant that all of it had to be spent and, and stated that the amount was an estimate but didn't guarantee that every penny would be spent and Mr. Dee replied that was correct.

Hearing no further questions or comments from the Directors and no comments from the public, upon motion duly made and seconded, the following resolution was unanimously adopted:

ERIE CANAL HARBOR DEVELOPMENT CORPORATION – Inner Harbor Development - Phase 3A – Authorization to Amend a Contract with C&S Engineers, Inc. for Architectural and Engineering Design Services for the Historically Aligned Canals and Associated Landscaping and Facilities; Authorization to Take Related Actions

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BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the "Materials"), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds C&S Engineers, Inc. to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to amend the contract with C&S Engineers, Inc. for an amount not to exceed Five Hundred Fifty Thousand dollars ($550,000) for a total contract amount not to exceed Two Million Eight Hundred Twenty Seven Thousand dollars ($2,827,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the President of the Corporation or his designee be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

* * *

Mr. Dee then asked for authorization for the Corporation to enter into a Memorandum of Understanding regarding the operations and maintenance of property at Buffalo's Outer Harbor with the New York State Office of Parks, Recreation and Historic Preservation ("OPRHP"

or "State Parks"). He further advised this related to operations and maintenance of land associated with the Corporation's owned property in Buffalo's Outer Harbor. He stated the term would be from approximately May 1st through November 1st and the funding amount is not to exceed $105,277 which is the base contract with a 10 percent contingency and the funding source is the New York Power Authority.

Mr. Dee stated that in May of 2014, the Corporation acquired approximately 340 acres of property located on Buffalo's Outer Harbor from the Niagara Frontier Transportation Authority ("NFTA"). He advised that as part of the overall transaction, ECHDC entered into an Operations and Maintenance Agreement with State Parks whereby State Parks was charged with operating and maintaining a portion of the property consisting of Gallagher Beach and the former Small Boat Harbor Marina. He noted that as State Parks and ECHDC have managed the responsibilities for the Buffalo Harbor State Park, ECHDC and State Parks have developed a maintenance plan which actually utilizes forces and the purpose is to help in terms of realizing cost savings. He noted the basic services being provided are lawn mowing, trash collecting, and litter pick up so it's a good situation to bring in another State Agency to help the Corporation clean the Outer Harbor.

Mr. Dee noted that this was transitional for the Corporation as it moves out to the property but the terms and conditions are mowing and getting some equipment, some mowers and weed whackers to make the location look respectable and to make it fun for the public and to keep it clean. He stated the Corporation is happy to be able to work with State Parks to

make it look good. He advised that it was a nominal amount of money in terms of such a vast space and Corporation is experimenting as it moves through it and gets a good understanding. He said it was a good agreement with State Parks and he complemented it for wanting to help the Corporation.

Director Hoyt congratulated Chris Catanzaro who is doing great work for the Corporation on the Outer Harbor and for negotiating this agreement. Further, he noted this was a great example of inner agency cooperation. He noted that Mr. Dee recognized that State Parks has all sorts of equipment and staff out at that property and the Corporation worked with it to establish this agreement to allow its staff and personnel to continue a lot of the work that it is doing on the Corporation's approximately 180 acres. He said it was a great win where two State Agencies are working together to maintain and operate the whole Outer Harbor area.

Director Colligan asked if this relates strictly to the Corporation's acreage to the north of the park that the Corporation is paying for and Mr. Dee responded that is was Wilkeson Pointe and all points moving from Wilkeson down to the Small Boat Harbor.

Hearing no further questions or comments from the Directors and no comments from the public, upon motion duly made and seconded, the following resolution was unanimously adopted:

ERIE CANAL HARBOR DEVELOPMENT CORPORATION – Authorization to Enter into a Memorandum of Understanding for Operations and Maintenance of Property at Buffalo's Outer Harbor; and to Take Related Actions

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RESOLVED, that upon the basis of the materials presented to this meeting (the "Materials"), a copy of which is hereby ordered filed with the records of the Erie Canal Harbor Development Corporation (the "Corporation"), the Corporation is hereby authorized to enter into a memorandum of understanding with the New York State Office of Parks, Recreation and Historic Preservation in an amount not to exceed ONE HUNDRED FIVE THOUSAND TWO HUNDRED SEVENTY SEVEN DOLLARS ($105,277) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the President of the Corporation or his designee be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

* * *

Next, Mr. Dee asked for authorization for the Corporation to enter into a Memorandum of Understanding regarding the design and construction of capital improvements at Buffalo's Outer Harbor with the New York State Department of Transportation ("DOT"). He explained that this will involve the creation of an extension of the Greenbelt Public Pathway to Fuhrmann Boulevard. He stated this contract was for an amount not to exceed $145,000 including contingency.

Mr. Dee advised that as part of the transfer of the property from NFTA, the Corporation agreed to maintain public access and he reminded everyone that public access is the Corporation's number one guiding principle. He stated that the extension of the current Greenbelt from its current termination point at the former Pier Restaurant up to Fuhrmann

Boulevard allows for continual public access to other oft-used points to the north such as Wilkeson Pointe.

As part of this extension, Mr. Dee advised that DOT will construct a 12-foot wide multi-use path with 10 feet of grass on each side and repave the overlook area connecting the existing Greenbelt from its termination at the former Pier. He noted the pathway will continue the design and feel of the current Greenbelt Path that has been utilized by thousands each Spring and Summer. Lastly, he stated the Corporation is absolutely thrilled to be working with DOT on this venture.

Hearing no questions or comments from the Directors and no comments from the public, upon motion duly made and seconded, the following resolution was unanimously adopted:

ERIE CANAL HARBOR DEVELOPMENT CORPORATION – Buffalo Outer Harbor – Capital Expenditure Memorandum of Understanding - Authorization to Enter into Memorandum of Understanding for Capital Expenditure of Property at Buffalo's Outer Harbor; Determination of No Significant Effect on the Environment; and to Authorization to Take Related Actions

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RESOLVED, that upon the basis of the materials presented to this meeting (the "Materials"), a copy of which is hereby ordered filed with the records of the Erie Canal Harbor Development Corporation (the "Corporation"), the Corporation is hereby authorized to enter into a memorandum of understanding with the New York State Department of Transportation in an amount not to exceed ONE HUNDRED FORTY FIVE THOUSAND DOLLARS ($145,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that on the basis of the materials submitted to the Directors, the Corporation hereby determines that the proposed action will not have a significant adverse effect on the environment; and be it further

RESOLVED, that the President of the Corporation or his designee be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

* * *

Chairman Gioia then asked Mr. Dee to proceed with his President's Report. Mr. Dee stated that although it didn't feel like it yet, Spring has arrived and the Adirondack chairs are out and Canalside is ready to kick off another busy season. He noted the canals were planning to be opened by mid-May which will offer a new look in terms of the footprint. He stated that Clinton's Dish will open on Memorial Day and the Liberty Hound officially opens on the 27th.

He was looking forward to the Memorial Day celebrations, the 4th of July, the boat show, and maritime festival. He stated that there would be an expanded concert series and other programming will include film night, wine and paint programs, bicycle rentals, and fitness and health brought by Blue Cross Blue Shield. He advised that new site additions would include public art, remote-controlled sail boats, interactive nautical-themed attractions for the kids at the beach, year round market stalls and an urban framing project. He noted the continued partners of Spirit of Buffalo, kayak rentals and water bike rentals. He recommended that everyone look at the website calendar at CananlsideBuffalo.com which will be updated often as new activities and events are booked.

Mr. Dee stated that he Outer Harbor and the Buffalo River are being activated and the River programming is in full swing and the Outer Harbor is also inviting programmers to bring up great ideas of things to do on there as well, noting that programming efforts are being diligently led by ASI.

He gave a quick update on design, noting that the bike ferry is expected for Memorial Day and the work for the extension of Central Wharf Phase 2, including the wooden wharf extension, beach enhancements and miscellaneous site upgrades, will be advertised to bid soon and that will begin in the Fall and then reopen next year. He thanked Rosato Management for some of the work they did out at Wilkeson Pointe and noted they did a great job for the Corporation.

In closing, Mr. Dee noted it was going to be another spectacular summer at Canalside and Buffalo's waterfront.

Hearing no further business, the meeting adjourned at 10:52 a.m.

Respectfully submitted,

Debbie Royce
Corporate Secretary

Minutes of the 6/8/15 ECHDC Directors' Meeting

Erie Canal Harbor Development Corporation
Meeting of the Directors
Held at the Offices of Empire State Development
– Buffalo Regional Office
95 Perry Street – Suite 500
Buffalo, New York 14203

June 8, 2015

MINUTES

In Attendance	
Directors:	Sam Hoyt – Acting Chairman David Colligan Michael DiVirgilio Gary Ginsberg (via video conference) County Executive Mark Poloncarz (Non-Voting Director)
ECHDC Staff:	Thomas P. Dee, President Christopher Catanzaro, Assistant Project Manager Peter Cutler, Director of Communications Elizabeth R. Fine, General Counsel Amruta Gite, Executive Assistant Ken Ngoopos, Intern Debbie Royce, Corporate Secretary (via videoconference) Kevin Smith, Project Assistant
ESD Staff: (Attending via videoconference unless otherwise noted)	Staci Bailey, Legal Intern Carey Gabay, First Deputy General Counsel Michael Fahner, Legal Intern Stephen Gawlik, ESD - VP Capital Projects & Senior Counsel and ECHDC - Assistant Secretary (attending in Buffalo) Kevin Hansen, Director, Real Estate Development Pamm Lent, Director of Communications - Western New York (attending in Buffalo) Max Padden, Director, Subsidiary Finance
Also Present: (Attending in Buffalo)	Doug Brackett - EDR Jim Fink - Business First JoAnne Mecca – League of Women Voters of Buffalo Niagara Kathleen Peterson - City of Buffalo – Office of Strategic Planning Gary Witulski – City of Buffalo – Office of Strategic Planning Members of the Media Members of the Public

The meeting of the Erie Canal Harbor Development Corporation (the "Corporation" or "ECHDC"), was called to order at 10:35 a.m. It was noted for the record that the meeting was being webcast, and that the Directors had received all written material in advance of the meeting. Director Hoyt noted that he would be the Acting Chair for today's meeting and then noted for the record the Corporation's policy which welcomes public comments on the items on the current Agenda.

Before beginning with the substantive portion of the meeting, Acting Chair Hoyt asked the Directors whether anyone had any potential conflict of interest with respect to any of the items on the proposed Agenda. Hearing none, Acting Chair Hoyt then called for a motion to approve the Minutes of the Directors' meeting of October 15, 2014. Director Colligan asked for the spelling of Chris Fahey's last name to be corrected in the final version for the record. Noting no further corrections and upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE OCTOBER 15, 2014 MEETING OF THE DIRECTORS OF THE ERIE CANAL HARBOR DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the Meeting of the Corporation held on October 15, 2014 as presented to this meeting, are hereby approved and all actions taken by the Directors presented as such meeting as set forth in such Minutes, are hereby in all respects ratified and approved as actions of this Corporation.

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Acting Chair Hoyt then called upon Tom Dee to present a request for authorization for the Corporation to enter into a contract for construction services in connection with the Central Wharf extension.

Providing background information Mr. Dee explained that in April 2011 the Corporation constructed a temporary extension of the boardwalk, which was the Corporation's first venture into public access along the water. He stated that the Corporation was thrilled with the success and always knew that in the long-term it would make it asphalt and create a continuation of the wooden wharf. He explained that the Corporation hired Parsons Brinkerhoff in October 2011 for the design and then in March 2012, it retained Herbert F. Darling, Inc. to do the seasonal dock extension which opened in May 2013.

Mr. Dee then explained that the Corporation now seeks authorization to enter into a contract with Scott Lawn Yard, Inc. to provide construction services for the construction of this Central Wharf Extension, Phase Two, Boardwalk Extension. He noted this project will replace over 500 linear feet of temporary asphalt boardwalk at Canalside with new wooden boardwalk and in addition to that will replace the temporary chain link fence to replicate what is on the historic Central Wharf. He further noted the various improvements included in the contract.

Speaking about the Contractor selection process, Mr. Dee advised that on April 28, 2015 ECHDC advertised the contract in the *New York State Contract Reporter* and three bids were received.

ECHDC and Parsons Brinkerhoff interviewed the two lowest bidders and on Parsons' recommendation it was awarded to the Scott Lawn Yard, Inc. who was found to be the lowest responsible bidder.

He stated from a scope of work standpoint, the project is slated to begin in October to be completed by April 29, 2016 which effectively means it's off season work. He noted that while Canalside, and the boardwalk and summer activities wane down this construction will heat up and then activities will move to the Aud block for ice skating while the construction work is happening.

Mr. Dee stated that the funding source is the New York Power Authority and the for the minority component of the contract there is a twenty-five percent minority and women-owned business goal and with this contract the Corporation will hit sixty-on percent.

Director Colligan wanted to make sure that the signage the Corporation is getting is adequate to direct people. He strongly recommended that when the signage is created it makes better way finding for people to the Greenway and the Ohio Street Parkway as he has been told by people that they did not know how to get to these places. Mr. Dee responded that any adjustments that are needed will be made.

Hearing no further questions or comments from the Directors and no comments from the public, upon motion duly made and seconded, the following resolution was unanimously adopted:

ERIE CANAL HARBOR DEVELOPMENT CORPORATION – Central Wharf Extension, Phase 2 - Authorization to Enter into a Contract for Construction of the Boardwalk Extension at Canalside; and Authorization to Take Related Actions

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BE IT RESOLVED, that upon the basis of the materials presented to this meeting (the "Materials"), a copy of which is hereby ordered filed with the records of the Corporation, the Corporation hereby finds the Scott Lawn Yard, Inc. to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into a contract with the Scott Lawn Yard, Inc. for a base contract amount of ONE MILLION NINE HUNDRED FIFTY-SIXTHOUSAND DOLLARS ($1,956,000), plus a 10% contingency in the amount of ONE HUNDRED NINETY-SIX THOUSAND DOLLARS ($196,000) for a total contract amount not to exceed TWO MILLION ONE HUNDRED FIFTY TWO THOUSAND DOLLARS ($2,152,000) for the purposes and services, and substantially on the terms and conditions, set forth in the Materials; and be it further

RESOLVED, that the President of the Corporation or his designee be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolution.

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Before calling for Mr. Dee to proceed with his President's Report, Acting Chair Hoyt noted that it's been a great start to the Summer, with a lot going on and exciting progress being made and he wanted to thank the ECHDC staff for their hard work.

Mr. Dee then to proceeded with his President's Report. Mr. Dee also stated that it's been a great start to the Summer and highlighted the kickoff of the Boardwalk Carnival; the "Kiss the Summer Hello" event; the "Matt and Kim Concert"; and the Queen City Bike Ferry. He noted that Canalside unveiled the two newest additions over the weekend, the EduKids Tug

Boat at the beach and the ECC Urban Garden at Main and Hanover, noting that these two new assets are examples of the many community partnerships Canalside is developing.

From a programming standpoint, Mr. Dee stated that the Corporation is accepting vendor applications for the five vendor kiosks that are located at the Canals and the applications can be found at CanalsideBuffalo.com where the public can also find updated information on upcoming events. He also welcomed Ken Ngoopos who is a new ECHDC Summer Intern who will be helping with several of the Summer activities.

He noted the programming events at the Outer Harbor and the Buffalo River are scheduled from May to June and are being led by Chris Catanzaro and ASI and can be found at www.asiwny.org. He noted that the Corporation supports projects from Torn Space Theatre; the Blues Festival; City of Night; BPO at Wilkeson Pointe; Sky's the Limit; yoga classes; family activities and much more.

Mr. Dee advised the Greenbelt bike/pedestrian trail extension to Fuhrman Boulevard is underway with completion scheduled for July 4th and advised that there is great connectivity with Canalside via the Queen City bike ferry.

For his update on design and planning and construction, Mr. Dee noted the Bike Ferry was in motion; a kickoff meeting was held to talk about the improvements on the Outer Harbor. He advised there will be more benches, Outer Harbor maps with places of interest;

signage/event schedules; shade structures and a ticket kiosk. And lastly, he noted that the Grain Elevator lighting is scheduled to take place in the Fall.

County Executive Poloncarz wanted to note for the record that if you are heading to southeastern Erie County or Wyoming County that you might want to stay put because a tornado warning was currently being issued by the National Weather Service through that area.

Director DiVirgilio noted that he has been cycling the Outer Harbor for well over a decade so he has personally witnessed that transformation which is very exciting. He stated that with the Bike Ferry he can see the volume of cyclists has increased tremendously and he asked that the Corporation further promote bike safety, whether through signage or some rules of the pathway. Acting Chair Hoyt noted Chris Catanzaro and other ECHDC staff were in the room and stated the Corporation could work with Go Bike and some of the other partners to make sure that request is addressed.

Hearing no further business, the meeting adjourned at 10:50 a.m.

Respectfully submitted,

Debbie Royce
Corporate Secretary

Item #3

NEW YORK STATE OF OPPORTUNITY. | Erie Canal Harbor Development Corporation

A Subsidiary of Empire State Development

FOR CONSIDERATION
February 8, 2016

TO: The Directors

FROM: Thomas P. Dee

SUBJECT: Proposed Acquisition of the Port Terminal Complex by the Erie Canal Harbor Development Corporation

REQUEST FOR: Authorization to Acquire Real Property; Determination of No Significant Effect on the Environment; and Authorization to Take Related Actions

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I. Background

The Niagara Frontier Transportation Authority ("NFTA") is the owner of property located on Furhmann Boulevard on Lake Erie in the Buffalo Outer Harbor consisting of approximately 50 +/- acres (the "Property"). The Property adjoins property previously acquired by the Erie Canal Harbor Development Corporation ("ECHDC" or the "Corporation") from the NFTA and includes two vacant warehouses commonly referred to as the Port Terminal Complex consisting of Terminal Buildings A and B and two smaller buildings. Terminal A consists of 548,500 gross square feet and once housed the Ford Motor Company assembly plant. Recently it has been leased on an annual basis by the NFTA to a third party for boat storage. The current lease expires on May 31, 2016. Terminal B consists of 95,000 square feet and was historically used for warehousing, most recently, for storing rail cars. The other buildings consist of a 7,000 square foot garage and storage building and 4,400 square foot pre-engineered steel building that is currently being leased by the NFTA to Olsen Brothers Marine for boat maintenance and storage. The lease expires on August 31, 2016. A map of the Property is included as Attachment A.

As the Property adjoins approximately 150 acres of vacant lands already owned by ECHDC, the expected transfer will facilitate development on the Property (at a time in the future once the appropriate planning and public review has occurred) to ensure public access and economic development opportunities for the citizens of the State and the Western New York region by transferring the Property to the agency that was formed to specifically to develop Buffalo's waterfront.

II. Proposed Transaction

ECHDC will acquire the Property from the NFTA for the fair market value of the property, $3.5 million (the "Purchase Price"), to be paid as described below, which has been

determined pursuant to offers received by the NFTA for the Property and as confirmed by an appraisal conducted by the NFTA valuing the property at $4 million. As part of the transaction, ECHDC and its parent, the NYS Urban Development Corporation d/b/a Empire State Development ("ESD") will be required to defend and indemnify the NFTA for all environmental issues associated with the Property unless the issue was caused by any illegal contamination of the Property known and actively contributed to by the NFTA during its ownership. ESD's sole role in the transaction is to provide this indemnity to the NFTA which was necessary as a condition for the NFTA to transfer the Property.

Overall, the Property was created through filling events beginning in the early 1900s, with the actual construction of Port Terminal A Pier occurring in 1931 for use by Ford, although there are no records on the materials actually used to create the pier. Ford occupied what is now Port Terminal A through the 1940s and early 1950s. The area to the north of Port Terminal A was allegedly used by Ford to dispose of cafeteria, office and plant refuse; and unknown quantities of furnace castings sands from a Chevrolet Plant located in Buffalo were also reportedly disposed of in this area. It is assumed that also during Ford's tenure on the property, the warehouse building now known as Port Terminal B was constructed. The NFTA's predecessor agency (Niagara Frontier Port Authority) acquired the site from Ford in the 1950s, and additional filling operations were conducted from 1965 to 1979 in the southern portion of the property. Since NFTA's acquisition, the property has served the "Port of Buffalo"; as a distribution center for Tops Markets, Rich Products, and Sonwil Corp.; and most recently as manufacturing space for Nanodynamics. The property has not had a permanent tenant since 2010.

Numerous environmental investigations have been completed with respect to other NFTA holdings in the vicinity of the Property, including the Outer Harbor Brownfield and the Radio Tower Area, both located immediately north of the property. The Property is not currently listed under applicable state or federal agencies as a hazardous waste site, however; given the nature fill materials on these nearby lands—which includes elevated levels of semivolatile organic compounds and metals—it is reasonable to expect similar characteristics to occur in soils on the property along with associated remediation needs (e.g., soil and/or pavement cap). The site is already primarily paved or covered by the Port Terminal buildings; thus, contamination/safety issues posed in reusing the Terminal buildings would be limited to the nature of those structures themselves (e.g., asbestos, contamination in the buildings' systems, etc.). However, prior to any redevelopment involving extensive excavation activities, the property would be sampled to specifically determine soils management needs.

ECHDC shall not be required to pay the NFTA the Purchase Price at the time of acquisition of the Property but rather, from the proceeds of any future sale, subject to the following:

a. the NFTA will be permitted to retain the revenue from the existing short term leases of the Property. From and after the date on which title is transferred to ECHDC, the NFTA shall be entitled to receive, on a monthly basis, fifty percent

(50%) of all gross rents and other revenues, if any (collectively, "Rent"), received by the ECHDC pursuant to any and all short term lease(s) and use agreements relating to the Property or any portion thereof. All Rent received by the NFTA shall be applied against the Purchase Price then due and owing to the NFTA at the time of receipt thereof; and

b. contemporaneously with the closing of any disposition (a "ECHDC Disposition") of the Property, or any portion thereof, by the ECHDC, the NFTA shall receive a lump sum payment ("Lump Sum Payment") equal to the lesser of (i) the Purchase Price, (ii) the then-remaining Purchase Price after application of all Rent received from the ECHDC prior to such closing and (iii) the purchase price received by the ECHDC in connection with any ECHDC Disposition; provided, however, that ECHDC shall be entitled to reduce the Lump Sum Payment due and owing to the NFTA by an aggregate amount equal to the sum of all reasonable and documented capital costs incurred by it in connection with the Property and/or any ECHDC Disposition. The Lump Sum Payment received by the NFTA shall be applied against the Purchase Price then due and owing to the NFTA at the time of receipt thereof; and

c. in the event that the NFTA has not received payment, in full, of the Purchase Price on or prior to January 1, 2020, ECHDC shall be obligated to pay the then-remaining balance of the Purchase Price, after application of all Rent and the Lump Sum Payment, if any, and without the imposition of interest thereon, in equal annual installments (each, an "Annual Installment") over a period of not more than fifteen (15) years commencing on or about January 1, 2020; provided, however, that no Annual Installment shall be for an amount less than $225,000.00.

Once the Property is acquired by ECHDC, routine maintenance of the Property will be completed by the New York State Office of Parks, Recreation and Historic Preservation pursuant to an agreement with State Parks that is separately being approved by the ECHDC Board.

III. Environmental Review

The Erie Canal Harbor Development Corporation, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation. This review, which was coordinated with the involved agencies due to the project's Type I classification, found that the proposed project would not result in significant adverse impacts on the environment. Therefore, ECHDC staff recommend that the Directors make a Determination of No Significant Effect on the Environment. ECHDC staff also recommends that the Directors find that because there are no specific future plans for the subject property, the environmental review of the proposed disposition is not being "segmented" from the review of any such plan. ECHDC staff also

recommend that the Directors find that to the extent the requested authorization may be deemed to be "segmented," that such "segmentation" is permissible pursuant to 6 NYCRR Part 617.3(g) due to the relevant circumstances of the project, specifically: (i) that it is not possible to consider future plans for project site in the absence of a plan; (ii) that any such future plans will be subject to review under SEQRA; and (iii) that the review of the requested authorization to acquire the site is no less protective of the environment than any present review of any future plan.

IV. Requested Action

The Directors are requested to: (1) authorize the Corporation to enter into the necessary agreements to effectuate the transfer of the Property as stated in these materials; (2) acquire the Property in accordance with these materials; (3) make a determination of no significant effect on the environment; and (4) authorize the Corporation to take all related actions.

V. Recommendation

Based on the foregoing, I recommend approval of the attached resolution.

Attachments

Resolution
Attachment A - Property Map

February 8, 2016

ERIE CANAL HARBOR DEVELOPMENT CORPORATION – Proposed Acquisition of the Port Terminal Complex by the Erie Canal Harbor Development Corporation - Authorization to Acquire Real Property; Determination of No Significant Effect on the Environment; and Authorization to Take Related Actions

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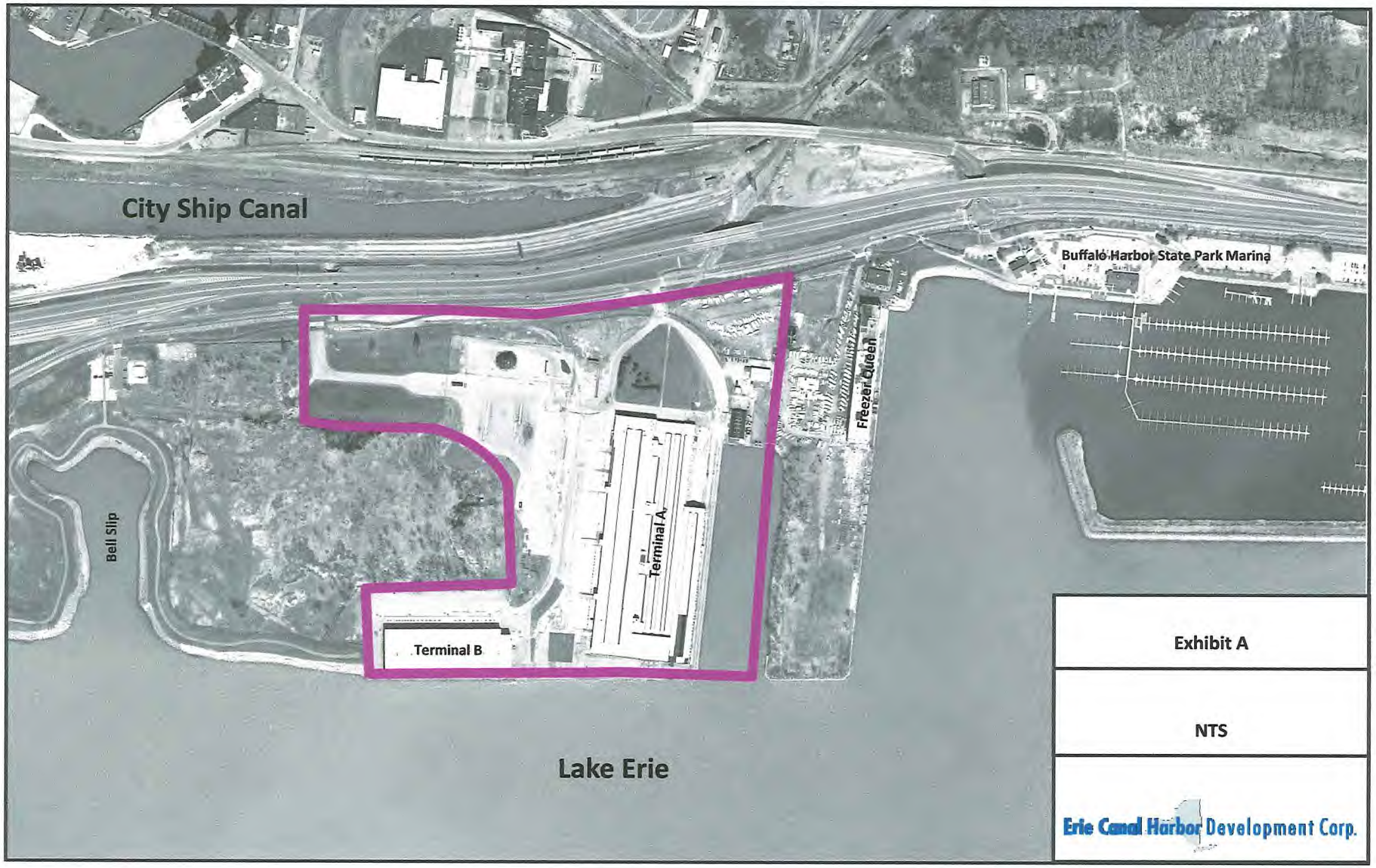
RESOLVED, that based on the materials presented to this meeting and ordered filed with the records of the Erie Canal Harbor Development Corporation (the "Corporation") relating to the Port Terminal Complex, the Corporation is hereby authorized to enter the necessary agreements to effectuate the transfer of the Property and to acquire the Property, as stated in these Board materials; and (ii) take all related actions; and be it further

RESOLVED, that on the basis of the materials submitted to the Directors, the Corporation hereby determines that the proposed action will not have a significant adverse effect on the environment; and be it further

RESEOLVED, that on the basis of the materials submitted to the Directors, the Corporation hereby finds that because there are no specific future plans for the subject property, the environmental review of the proposed disposition is not being "segmented" from the review of any such plan and that to the extent the requested authorization may be deemed to be "segmented", that such "segmentation" is permissible pursuant to 6 NYCRR Part 617.3(g) due to the relevant circumstances of the project, specifically: (i) that it is not possible to consider future plans for project site in the absence of a plan; (ii) that any such future plan(s) will be subject to review under SEQRA; and (iii) that the review of the requested authorization to acquire the site is no less protective of the environment than any present review of any future plan, and be it further

RESOLVED, that the President and Chief Executive Officer of the Corporation or his designees be, and each of them hereby is, authorized to take such action and execute such documents as may be necessary or appropriate to carry out the foregoing resolutions.

* * *


City Ship Canal
Buffalo Harbor State Park Marina
Freezer Queen
Terminal A
Terminal B
Bell Slip
Lake Erie
Exhibit A
NTS
Erie Canal Harbor Development Corp.