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
March 14, 2016 – 10:30 AM

PROPOSED AGENDA

CORPORATE ACTION

1. Approval of the Minutes of the September 16, 2015 and November 9, 2015 Directors' Meetings

2. ECHDC FY 2016/2017 Operating and Capital Budget Proposal – Approval of the Corporation's Operating and Capital Budgets for the Fiscal Year 2016/2017 (April 1, 2016 – March 31, 2017)

3. Canalside - Public Space Management Contract – Authorization to Approve the FY 2016-2017 Budget for Canalside; and Authorization to Take Related Actions

4. Buffalo Outer Harbor – Operations and Maintenance Memorandum - Authorization to Enter into a Memorandum of Understanding for Operations and Maintenance of Property at Buffalo's Outer Harbor and to Take Related Actions

FOR INFORMATION

5. President's Report – Oral Report

Item # 1

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

September 16, 2015

MINUTES

In Attendance Directors:	Robert D. Gioia – Chairman David Colligan Gary Ginsberg (via videoconference) Sam Hoyt County Executive Mark C. Poloncarz (Non-Voting Director) Mayor Byron W. Brown (Non-Voting Director)
ECHDC Staff:	Thomas P. Dee, President Elizabeth R. Fine, General Counsel (via videoconference) Debbie Royce, Corporate Secretary (via videoconference)
ESD Staff: (Attending via videoconference unless otherwise noted)	Julia Borukhov, Financial Project Manager Thomas Brennan, Senior Vice President – Internal Audit Stephen Gawlik, ESD - VP Capital Projects & Senior Counsel and ECHDC - Assistant Secretary (attending in Buffalo) Kathleen Mize, Deputy Chief Financial Officer and Controller Max Padden, Director, Subsidiary Finance
Also Present: (Attending in Buffalo)	Bill Brennan – Phillips Lytle
	Members of the Media Members of the Public

The meeting of the Erie Canal Harbor Development Corporation (the "Corporation"), 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 entertained a motion to conduct an Executive Session pursuant to Paragraph (d) of the Subdivision one of Section 105 of the New York State Open Meetings Law which relates to discussions regarding proposed, pending or current litigation, more specifically, the Board will discuss litigation regarding the Canalside Project.

Upon motion duly made and seconded, the following resolution was unanimously adopted:

EXECUTIVE SESSION - Pursuant to Paragraph (d) of the Subdivision 1 Section 105 of the New York State Open Meetings Law

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RESOLVED, that the Directors conduct an Executive Session to consider matters pertaining to paragraph (d) of Subdivision 1 of Section 105 of the New York State Open Meetings Law.

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The Directors' meeting was temporarily adjourned to conduct an Executive Session and the Directors and members of senior staff excused themselves from the meeting room. The Executive Session concluded and once back in Open Session, Chairman Gioia noted for the record that no votes were taken during the Executive Session. He then asked Steve Gawlik to present the item that was under consideration during Executive Session.

Mr. Gawlik explained that the Directors were being asked to increase the existing Phillips Lytle LLP's retainer agreement by $900,000.

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

ERIE CANAL HARBOR DEVELOPMENT CORPORATION – Procurement of Legal Services – Authorization to Amend a Contract for Environmental, Land Use and Real Estate Counsel and Related Litigation Services; and 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 Erie Canal Harbor Development Corporation (the "Corporation"), the Corporation hereby finds Phillips Lytle, LLP to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to amend a contract with Phillips Lytle, LLP in an amount not to exceed Nine Hundred Thousand Dollars ($900,000) for a total contract amount not to exceed Two Million Six Hundred Thousand Dollars ($2,600,000) 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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Chairman Gioia then called upon Tom Dee to present an item relating to the Explore & More Children's Museum. Mr. Dee explained that in 2012 a Cultural Master Plan was approved by the Directors and the Corporation advertised for a Museum Operator. He noted that in May 2012, the Directors authorized the Corporation to enter into a contract with Explore & More

Children's Museum to be the Museum Operator. He further noted that in October 2013, the Corporation accepted the Museum's Master Plan and Pre-Campaign Feasibility Study and entered into a non-binding Memorandum of Understanding.

Mr. Dee explained that between 2013 and 2014, other sites and other venues were explored and that today, the Corporation is requesting authorization to enter into a binding agreement which will govern the development of the Project at Canalside. He noted the size of the Project, the Corporation's contribution, Explore & More's contribution and the terms have all been identified.

Mr. Dee stated that Explore & More has a big stake in the Project and that there was nothing better for the Corporation than to have it be part of the team.

Lastly, he advised that the term sheet included in the materials outline the terms that will form the basis of the binding agreements to be entered into by the Corporation.

In response to a call for questions from the Directors, Director Hoyt commented that it was an exciting day for Canalside and thanked Explore & More for their patience and commitment to the Project. He noted it was going to be a fantastic new addition to what's being done on the Buffalo Waterfront and he was looking forward to enjoying the museum long into the future.

Chairman Gioia then noted his thanks to the former Chair and to former Director Maureen Hurley who was driving the process from the beginning and he wanted to thank Explore & More for its patience as the Corporation threw it a few curves but was delighted that that it stayed with the Project which will continue to drive the exciting activity at Canalside.

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 – Children's Museum at Canalside – Authorization to Enter into Agreements for Development of a Children's Museum at Canalside; and Authorization to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, the Corporation hereby accepts the "Explore & More Children's Museum" Term Sheet substantially as described in the Materials; and be it further

RESOLVED, that the Corporation is authorized to enter into all necessary agreements with Explore & More Children's Museum for development of a Children's Museum at Canalside as described in these materials; and be it further

RESOLVED, that the President or his designees be, and the same hereby are authorized to execute and deliver on behalf of the Corporation all documents, instruments and agreements that the President shall deem necessary and appropriate to carry out these resolutions.

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Next, Chairman Gioia asked the Board to turn its attention to the document that was distributed to them on the blueprint for the Outer Harbor. He thanked the staff at Empire State Development, ECHDC and Perkins + Will and noted that the Advisory Committee was also a

large part of this planning and thanked the Mayor and his staff for the partnership going forward that will be so critical to assuring this stays in the public venue and purview. And finally he thanked the public who really let the Corporation do what the Governor asked it to do when he came to Buffalo in 2013 and said he had a vision for the waterfront and wanted the public to engage in robust conversation and to have this be a public process. He stated that the Mayor would explain the partnership and turned it over to him for further discussion.

Mayor Brown then thanked the Governor for his partnership in this process and for the resources and faith and confidence that he has put in everyone to move the development of the Waterfront forward. He wanted to commend the Chairman and the ECHDC Board for operating a very transparent process which included many public meetings with stakeholder groups and he stated he believed the document held a good blueprint for the future of the Outer Harbor. He noted he thought it was a significant partnership between the City of Buffalo, ECHDC and the State of New York and thanked members of his staff for the work that they have done on this endeavor.

Mayor Brown noted that his administration will file the Green Code with the Common Council on October 22nd and that it will allow the Outer Harbor to be considered as part of the City as a whole and not looked at as an individual entity. He stated this will allow development to be looked at in full context whether it be Eastside, Westside, Downtown, Inner Harbor and Outer Harbor, all in a holistic way through the Green Code process. He noted that the City

waited until the Outer Harbor Blueprint was completed to file the Green Code in order to be able to move forward with one unified review process going forward.

Mayor Brown advised that this will enable the significant work that has been done collectively at the Inner Harbor to move forward and the City will move forward with the 2004 plan for the Inner Harbor with its parcels. He reminded everyone that the plan called for mixed-use development, three to four-story buildings and will recognize the history of Buffalo's Waterfront which will allow for more job creation and provide more housing for Downtown's growing housing demand.

County Executive Poloncarz commended the members of the Advisory Committee, staff from ECHDC, staff from the Mayor's Office and others who took a step back based on comments that were heard not only from Board Members but from the general public to ensure that what the Corporation does what's in the best interest of our community. He wanted to remind everyone that when we speak of parkland, we maintain it not only for today but that the Corporation holds the public trust for the people of the future and noted that we have to think of the Outer Harbor in the same way.

He stated that he was very happy with the Blueprint and noted that it took into consideration things that his office has discussed in regards to making an examination of particular parcels and making determinations for those parcels in the future. He explained that everyone understands that this development will not happen overnight and that having this

piecemeal approach in which we identify particular sectors and sections of the Outer Harbor and then allowing further discussion on those sections as we move forward is in the best interest of the community.

Chairman Gioia then thanked Director Colligan for his hard work and effort that started several years ago on Wilkeson Pointe and has continued on the Outer Harbor and who worked with many of the stakeholders to get to the point we are today. He thanked him on behalf of ECHDC and more importantly on behalf of the community for the continued effort and understanding while working with these stakeholders and interest groups and he hope it was as rewarding for Director Colligan as it is for everyone here today.

Director Colligan thanked Chairman Gioia for his kind words and noted that the Corporation was fortunate that the people who served on the Outer Harbor Committee a few years back when we did Wilkeson Point were all willing to serve again. He explained that when the Committee members realized they were moving toward a brighter, quicker, cheaper alternative on the Outer Harbor, they all stepped forward. Further, he noted that on page 29 of the Blueprint there was a picture of some of the features that will be installed as part of the money that the Governor has given the Corporation to use and he wanted to give the public credit for all the ideas the public provided which are now part of the plan.

Finally on behalf of the Corporation, Chairman Gioia enthusiastically received the report and reiterated that it represents a community effort and all of the efforts over the years of those working together for the betterment of the community.

Chairman Gioia then asked Mr. Dee to proceed with his President's Report. Mr. Dee stated that this was a great summer at Canalside, one of the best ever noting the events were 25 to 50 per cent better at all levels. He advised the bike ferry had 48,000 plus users; and there were paddle boats on the historically aligned canals that had 16,000 users.

Mr. Dee reported that HarborCenter was fully opened and there was high pedestrian traffic at the Aud Block and the historically aligned canals were bringing more traffic and the public was enjoying the educational opportunities at Canalside. Lastly, he advised everyone to view canalsidebuffalo.com for updates on fall activities and asked everyone to get ready for the early winter opening.

Hearing no further business, the meeting adjourned at 11:30 a.m.

Respectfully submitted,

Debbie Royce
Corporate Secretary

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

November 9, 2015

MINUTES

In Attendance	
Directors:	Robert D. Gioia – Chairman David Colligan Michael DiVirgilio Sam Hoyt County Executive Mark C. Poloncarz (Non-Voting Director)
ECHDC Staff:	Thomas P. Dee, President Elizabeth R. Fine, General Counsel (via videoconference) Debbie Royce, Corporate Secretary (via videoconference)
ESD Staff: (Attending via videoconference unless otherwise noted)	Julia Borukhov, Financial Project Manager Stephen Gawlik, ESD - VP Capital Projects & Senior Counsel and ECHDC - Assistant Secretary (attending in Buffalo) Kevin Hansen, Director - Real Estate Development Max Padden, Director, Subsidiary Finance Robert White, Audit Manager - Internal Audit
Also Present: (Attending in Buffalo)	Members of the Media Members of the Public

The meeting of the Erie Canal Harbor Development Corporation (the "Corporation"), 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 entertained a motion to approve the Minutes of the Directors' meeting of December 15, 2014. County Executive Poloncarz commented and noted for the record that he would appreciate receiving the minutes in a timelier manner. Noting no further comments and upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE DECEMBER 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 December 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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Chairman Gioia then called upon Tom Dee to present an item relating to the Buffalo Outer Harbor Access and Activation General Project Plan. Mr. Dee explained that the Project will allow the Corporation an opportunity to facilitate increase, access and activation on the Outer Harbor site. He noted that the Corporation has been allocated $5 million dollars for the Project through the Buffalo Regional Innovation Cluster.

Mr. Dee explained that in September 2013, Governor Cuomo presented his vision for a dramatic transformation of the City of Buffalo's largely vacant Outer Harbor waterfront and that this included the transfer of approximately 350 acres of waterfront land from the Niagara Frontier Transportation Authority to Corporation. Further, he explained that approximately 190 acres of that transferred property went to State Parks and the remaining 160 acres is what is being discussed today which will be advanced with the Green Code on the long term process. However, he advised that in the interim there were a number of relatively low disturbance activities that could enhance access and facilitate greater public use of the space. He noted that this was coined the "Lighter, Quicker, Cheaper" option and follow the goals and objectives of Canalside.

He stated that the Project will consist of several capital improvements and investments which allow for increased public access and activation of the ECHDC owned Outer Harbor land. He provided examples of the types of improvements that have come out of stakeholder meetings, such as bikes paths and creating overlook locations adjacent to the Bell Slip that will help the community and be good for bird watching, painting, and photography.

In response to a request for questions or comments from the Directors, Director Colligan stated that he had been involved in the public outreach sessions and this is a type of community consensus of the representatives of stakeholder groups that participated in the public sessions and said that this was done all in-house, in-town by locals who have given their input into what they want.

Director Hoyt commented that this was a great first step to get things activated on the Outer Harbor with more things to come. He thought the bike ferry added a lot more activity and he thought this would help to make it an exciting urban destination for mountain bikers.

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 - Buffalo Outer Harbor Access & Activation Civic Project - Civic Project Findings; Adoption of a General Project Plan; Authorization to Hold a Public Hearing; Make a Determination of No Significant Effect; and Authorization to Take Related Actions

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RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the Buffalo Outer Harbor Access & Activation Civic Project (the "Project"), the Corporation hereby finds pursuant to Section 10 of the New York State Urban Development Corporation Act of 1968, as amended (the "Act"):

(1) that there exists in the area in which the Project is to be located a need for the educational, cultural, recreational, community, municipal, public service or other civic facility to be included in the project;

(2) that such Project shall consist of a building or buildings which are suitable for educational, cultural, recreational, community, municipal, public service or other civic purposes;

(3) that such Project will be leased to or owned by the State or an agency or instrumentality thereof, a municipality or an agency or instrumentality thereof, a public corporation, or any other entity which is carrying out a community, municipal, public service or other civic purpose, and that adequate provision has been, or will be made for the payment of the cost of acquisition, construction, operation, maintenance and upkeep of this project;

(4) that the plans and specifications assure adequate light, air, sanitation and fire protection; and be it further

RESOLVED, that on the basis of the materials presented to this meeting relating to the Project indicating that there are no families or individuals to be displaced from the Project area, the Corporation hereby finds that the requirements of Section 10(g) of the Act are satisfied; and be it further

RESOLVED, that the Corporation does hereby adopt, subject to the requirements of Section 16(2) of the Act, the proposed General Project Plan (the "Plan") for the Project submitted to this meeting, together with such changes therein as the President of the Corporation or his designee(s) may deem appropriate, a copy of which Plan, together with such changes, is hereby ordered filed with the records of the Corporation; and be it further

RESOLVED, that upon written finding of the President that no substantive negative testimony or comment has been received at the public hearing held on the Plan, such Plan shall be effective at the conclusion of such hearing; and be it further

RESOLVED, that the Directors make a Determination of No Significant Effect on the Environment, in accordance with the terms and conditions set forth in the materials presented to the Directors at this meeting;

RESOLVED, that the President of the Corporation or his designee(s) be, and each of them hereby is, authorized in the name and on behalf of the Corporation to execute and deliver any and all documents and to take all actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

Next, Mr. Dee presented an item relating to an agreement for event management at property at the Outer Harbor. He noted that the Corporation would contract with Buffalo Bison's in the form of B.R. Guest, a qualified and experienced events and concession management company for the right to offer and oversee special events in designated public spaces of Buffalo's Outer Harbor for the calendar years 2016 - 2018 with renewable options for 2019 and 2020. He advised that in exchange for conveying the right to offer events and generate profits, the Corporation will receive a base rent and share of the revenue portions which may be used to fund operations as well as civic and cultural programing to date.

He explained that on September 10, 2015, ECHDC received three proposals, all of which met the standards for continued review and that all three proposals were scored based on the following criteria: experience and qualifications; familiarity with ECHDC projects; financial offer; and proposed technical approach.

He stated that an interview was held on September 22, 2015 and that based on the overall review and an interview with the Contractor, the selection committee has deemed this team to be the most qualified to manage events and vending on ECHDC's property on the Outer Harbor.

He noted that the Corporation and the Contractor will enter into an agreement whereby ECHDC will receive a yearly base rent of $12,000 and percentage, 20% of revenue from the Contractor and that the term would be for three years. He noted the Corporation reserves the right to deny events that are not considered appropriate for the venue.

County Executive Poloncarz asked if for the first three years it would just be concerts being brought in and Mr. Dee answered that the Corporation is looking at other things such as water sports, movie nights, running event races, festivals, cross country skiing. County Executive Poloncarz asked if all the events would be ticketed or if things like the movie nights would be free and open to the public, and Mr. Dee said that was to be determined, but noted he expected there to be plenty of free things to do at the venue.

Director Hoyt added that they were also asked to seek corporate sponsorship of events to limit the number of events where individuals have to pay will be a priority as it has been at Canalside.

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 – Buffalo Outer Harbor – Event Management Agreement – Authorization to Enter into an Agreement for Event Management 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 hereby finds Bison Baseball, Inc. to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to enter into an agreement with Bison Baseball, Inc. or its affiliate 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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Steve Gawlik then presented a housekeeping item relating to the Explore & More and the Canalside Museum. He noted that because the rent is below market lease, certain findings need to be made by the Board. He explained that the Corporation is getting a museum and it's

a not-for-profit so the Board is being requested to adopt those findings to allow the below market rent.

Director DiVirgilio commented that he was on the Board when the entire not-for-profit public was invited to submit plans for Canalside and after analysis, it was concluded that there was only one museum that could break even in an operational basis and that is a children's museum. He said it shows the money that the Corporation is putting in but it doesn't show that the Museum is well on their way to raising the $9 million dollars that the museum has put together for the internal exhibits that they have to put together. Further, he stated that the below market rate is only real estate analysis, it's not below market when you look at their contribution and at the viability of the organization going forward once it gets built. Director Colligan agreed that you could say this is fair market based on what the Corporation is getting and that this is just a housekeeping minor detail needed to be approved.

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 – Children's Museum at Canalside – Findings Pursuant to the Public Authorities Law; and Authorization to Take Related Actions

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RESOLVED, that the Directors hereby reaffirm the Corporation's authorization to enter into all necessary agreements with Explore & More Children's Museum for the development of a Children's Museum at Canalside as described in these materials; and be it further

RESOLVED, that on the basis of the materials submitted to the Directors, the Directors hereby find that there is no reasonable alternative to the proposed below market transfer that would achieve the same purpose of such transfer, and be it further

RESOLVED, that the President or his designees be, and the same hereby are authorized to execute and deliver on behalf of the Corporation all documents, instruments and agreements that the President shall deem necessary and appropriate to carry out these resolutions.

* * *

Chairman Gioia then asked Mr. Dee to proceed with his President's Report. Mr. Dee noted that Mary Grace Welch from National Grid was here and at the end of the meeting would be presenting the Corporation with an Urban Renewal Grant of $250,000 to make it a total of $900,000 contributed to the Project. He thanked National Grid for being such great partners.

Continuing on, Mr. Dee gave update on the lighting of the Grain Elevators last week, and noted that the Corporation has created a unique experience that can only be found here in Buffalo. He stated preparations were being made for winter activities and the annual tree lighting would be in early December as well.

He noted, among other things, the expansion of benefits based on customer feedback and experience from last year, which includes heated tents, a winter pavilion that will comfort the skaters and visitors and food. Further, he noted that a better job was going to be done on crowd control to lessen the congestion.

Director DiVirgilio complimented Mr. Dee and the Corporation Staff for in less than six years making such amazing progress. Chairman Gioia agreed and said it was a group of very dedicated individuals that work extremely hard and are able to accomplish quite a bit, noting it continues to get better and better.

Hearing no further business, the meeting adjourned at 11:30 a.m.

Respectfully submitted,

Debbie Royce
Corporate Secretary

Item # 2

FOR CONSIDERATION
March 14, 2016

TO: The Directors

FROM: Thomas P. Dee

SUBJECT: ECHDC FY 2016/2017 Operating Budget and Capital Expense Authorization Proposal

REQUEST FOR: Approval of the Corporation's Operating Budget and Capital Expense Authorization for the Fiscal Year 2016/2017 (April 1, 2016 – March 31, 2017)

I. Background

Attached for your review and approval are the proposed operating and capital requests (the "Budgets") for the Erie Canal Harbor Development Corporation (the "Corporation" or "ECHDC") for Fiscal Year 2016/2017 (April 1, 2016 – March 31, 2017).

II. ECHDC 2016/2017 Operating Budget Summary

The FY 2016/2017 Operating Budget proposes a total of $1,140,104 in personal services (salaries and fringe benefits for nine employees) and a total of $237,277 in non-personal services (primarily professional services, insurance, office occupancy and other administrative expenses). The total of all personal and non-personal amounts for the Fiscal Year 2016/2017 Operating Budget is $1,377,381. Consistent with previous years' operating budgets, the FY 2016/2017 operating budget will be advanced with Empire State Development Corporate Funds, with the expectation of reimbursement at a later date.

III. ECHDC 2016/2017 Capital Expense Authorization Summary

Separate from the Corporation's Operating Budget is the Corporation's Capital Expense Authorization. Capital projects are individually approved by the Corporation's Board of Directors under separate actions. The Corporation's FY 2016/2017 Capital Expense Authorization is $34,205,828. This includes, but is not limited to, the remaining costs on the construction and design of the Explore & More Museum on the South Aud Block; extension and improvements at the Central Wharf; activation of the South and North Aud Blocks; and Canalside events, programming, site operations, maintenance, and utility costs.

Additionally, ECHDC is funding various projects at the Outer Harbor including, but not limited to, operations, maintenance and utility costs; and access/activation design and construction. The Capital Expense Authorization also includes a contingency allowance and an allowance for any unexpected projects that may be designated a priority.

Funding for the Corporation's Capital Expense Authorization will primarily consist of both existing and anticipated funds from the New York Power Authority, New York State, and the Federal Highway Administration.

IV. Environmental Review

Approval of the Corporation's Operating Budget and Capital Expense Authorization for FY 2016/2017 constitutes a ministerial action as defined by the New York State Environmental Quality Review Act ("SEQRA") and the implementing regulations for the New York State Department of Environmental Conservation. No further environmental review is required in connection with this request. Capital projects are approved by the Corporation's Board of Directors under separate actions and, as necessary, will be subject to environmental review prior to such Board approval.

V. Recommendation

Based upon the forgoing, The Directors are requested to ratify and approve the Corporation's proposed FY 2016/2017 Operating Budget in the amount of $1,377,381 and the Capital Expense Authorization in the amount of $34,205,828.

VI. Attachments

Resolution
ECHDC – FY 2016/2017 Spending Plan – OPERATING
ECHDC – FY 2016/2017 Spending Plan – CAPITAL

March 14, 2016

ERIE CANAL HARBOR DEVELOPMENT CORPORATION – ECHDC FY 2016/2017 Operating Budget and Capital Expense Authorization Proposal – Approval of the Corporation's Operating Budget and Capital Expense Authorization for Fiscal Year 2016/2017 (April 1, 2016 – March 31, 2017)

BE IT RESOLVED, based on the materials at this meeting and ordered filed with the Corporation (the "Materials"), the Corporation's proposed FY 2016/2017 Operating Budget and Capital Expense Authorization are hereby approved, and adopted in all respects, substantially in the form set forth in the materials and subject to the availability of funds; and be it further

RESOLVED, that the Officers of the Corporation and/or appropriate designees, and each of them, hereby authorized and directed to take all actions and execute all documents in connection with the establishment and implementation of the Corporation's Budget; 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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Empire State Development
Erie Canal Harbor Development Corp
Operating Spending Plan FYE 2017

	Spending Plan FYE 2016	Spending Plan FYE 2017
PERSONAL SERVICES		
Salaries	757,927	826,162
Fringe Benefits	288,012	313,942
TOTAL PERSONAL SERVICES	**1,045,939**	**1,140,104**
HEADCOUNT	**9.0**	**9.0**
NON-PERSONAL SERVICES		
Professional Fees		
Legal / Accounting Fees	1,500	5,000
Consultant Fees	1,500	0
Total Professional Fees	**3,000**	**5,000**
Other Non-Personal Services		
Employee Travel & Meals	1,714	3,500
On-line Services/ Due & Subscriptions	1,500	1,500
Office Occupancy Expenses	79,286	70,000
Insurance	54,247	81,277
Repairs/ Maint /Prop Mgmt/ Outside Serv.	75,000	65,000
Telephone/Fax/Internet	10,000	7,000
Office Supplies / Printing / Advertising	8,000	4,000
Computers/Software/Equipment	400	0
Total Other Non Personal Services	**230,147**	**232,277**
TOTAL NON-PERSONAL SERVICES	**233,147**	**237,277**
TOTAL OPERATING BUDGET	**1,279,086**	**1,377,381**

Empire State Development
Erie Canal Harbor Dev Corp
Capital Spending Plan FYE 2017

	Spending Plan FYE 2016	Spending Plan FYE 2017
Acquistion Costs	100,000	100,000
Design & Other Soft Costs	6,300,000	7,164,561
Legal Costs	1,000,000	964,111
Property Management/Maintenance Costs	3,500,000	3,313,937
Insurance	108,844	143,000
Demolition & Site Clearance	0	0
Construction Costs	23,705,000	22,220,219
Other Misc. Costs	195,000	300,000
TOTAL CAPITAL BUDGET	**34,908,844**	**34,205,828**

Item # 3

FOR CONSIDERATION
March 14, 2016

TO: The Directors

FROM: Thomas P. Dee

SUBJECT: Canalside - Public Space Management Contract

REQUEST FOR: Authorization to Approve the FY 2016-2017 Budget for Canalside; and Authorization to Take Related Actions

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I. Summary

Contractor:	Spectra, LP ("Spectra") 3601 South Broad Street Philadelphia, PA 19148
Scope of Services:	Canalside Public Space Management
FY 2015-2016 Budget Amount:	Not to exceed $2,029,930 ($1,479,930 Operating Support + $350,000 Capital Budget + $200,000 Contingency) for Year 3. The contract amount for each subsequent year(s) will be subject to ECHDC Board approval
Funding Source(s):	The funding source for the proposed contract is proceeds payable to ECHDC pursuant to the New York Power Authority Relicensing Agreement and common area maintenance charges generated from the project.

II. Background

As Erie Canal Harbor Development Corporation ("ECHDC" or the "Corporation") transitions Canalside from a public space to a true world-class destination, there is a continuing effort to include something for everyone. On the heels of its successes in 2015, ECHDC's goal was to take Buffalo's waterfront to the next level in 2016 in terms of programming and events, as well as private investments.

To this end, Spectra (formally Global Spectrum) was hired in January of 2014 to be the manager of Canalside. Spectra was chosen as the site manager after an exhaustive vetting process identified it as the most capable entity that responded to the competitive solicitation advertised in the *New York State Contract Reporter*. Thanks in part to Spectra's efforts, the 2015 summer season at Canalside exceeded all expectations, with another 1 million visitors making their way down to the waterfront destination for a diverse offering of festivals, activities for children, concerts, arts and culture, fitness and more. This past year Spectra assisted ECHDC in transitioning the Historically Aligned Canals from a winter ice skating rink to a summer water feature, which included paddleboat and remote control sailboat rentals. Local business owners set up shop at the Canals, including Just Fries and Buffalove Merchandise. Summer 2015 was truly our most successful yet, but we anticipate Summer 2016 to go above and beyond with new partners, events, concerts, and other programming.

Winter 2015-16 has also brought striking improvements and great success to The Ice at Canalside, New York State's largest ice rink. New amenities were introduced to the Ice this winter, including a heated tent for patron's to lace up their skates and a Winter Pavilion where visitors can enjoy food, beverages, live music, trivia, knitting classes, and more. Since opening in December 2014, the Ice at Canalside has drawn over 100,000 skaters. This attraction has transformed the attitude of the community who, in the past, had few outdoor activities in the winter months in Downtown Buffalo. Canalside has sustained its reputation as the "THE" place to go in Downtown Buffalo and the centerpiece of its Waterfront revitalization.

In addition to site management, Spectra started to bring in corporate sponsorships, including BlueCross BlueShield of WNY, Cricket Wireless, and Catholic Health System, to generate revenue from the site and help move toward the future financial sustainability of Canalside.

With Buffaloians and visitors alike having embraced Canalside as a winter destination, it is clear that the waterfront has truly become a year-round world class attraction.

III. Current Management Status

Pursuant to the contract between ECHDC and Spectra, the latter shall act as ECHDC's agent and be the sole manager and operator of the Managed Premises. The scope of work includes the services listed below:

Operations and Maintenance:

- Sanitation
- Security
- Horticulture
- Hospitality Services
- Capital Plant Maintenance

- Floating Dock Operations

Programming and Events Management:

- Programming Management
  - Programming Supervision and Coordination
  - Programming Development and Marketing
- Experiential Marketing and Third Party Event Management
  - Event Logistics Evaluation
  - Applications, Approvals, and Permitting
  - Staffing
  - Pre and Post Site Conditions
  - Site Fees and Production Costs
- Coordinate with the City of Buffalo
- Commercial Rights Sales and Activation
- Food and Beverage Management and Operations

Canal/Ice Rink Operations and Maintenance:

- Canal Mechanical Systems Operations and Maintenance
- Ice Rink Operations
  - Skating facilities and support services
  - Comprehensive ice rink programming and event management

IV. 2016-2017 Budget and Contract Terms

The contract entered into between ECHDC and Spectra, requires ECHDC to fund the operating deficit at Canalside pursuant to an established budget prepared by Spectra and approved by ECHDC. The proposed FY 2016-2017 Canalside budget is $2,029,930. This figure includes $1,479,930 in operating support, $350,000 in capital expenditures for fixtures, furnishings and equipment needed for year-round operations of the enlarged premise, and a $200,000 contingency. Notably, the FY 2016-2017 budget is approximately 17% lower than the final FY 2015-2016 budget of $2,449,121. This is in line with the efforts to improve upon the future financial sustainability of Canalside.

In FY 2016-2017 Spectra will be responsible for fixed assets and inventories related to the operations of Canalside. In addition Spectra must meet minimum reporting requirements for monthly, quarterly, flash, and budget variance reports. These reporting measures will provide efficient processes for identifying and correcting potential future budget variances.

ECHDC will continue to provide oversight of Canalside operations and will work closely with Spectra on all operations, event, sales and marketing initiatives. ECHDC will remain an active owner and ensure that Spectra adequately performs all designated duties.

V. Non-Discrimination and Contractor and Supplier Diversity

The Corporation's non-discrimination and contractor and supplier diversity policies will apply to this contract. ECHDC, as part of its responsibility, recognizes the need to promote the employment of minority group members and women and to ensure that certified minority and women-owned business enterprises have opportunities for maximum feasible participation in the performance of ECHDC contracts.

For purposes of this contract originally resulting from the Contract solicitation, ECHDC hereby establishes an overall goal of thirty percent for Minority and Women-Owned Business Enterprises (MWBE) participation related to the total value of ECHDC's funding for year three.

In addition, ECHDC hereby establishes a Minority and Women workforce participation goal of thirty percent.

VI. Environmental Review

The Canalside Project was the subject of a SEQRA EIS process. The Empire State Development Board of Directors issued a Findings Statement for the Project at their meeting of March 25, 2010 and the ECHDC Board of Directors issued Involved Agency Findings on March 12, 2010. These prior reviews and findings addressed all aspects of the Canalside Project, including the operation and maintenance of and programming for Canalside. Therefore, no further environmental review is required in connection with this action.

VII. Requested Action

The Directors are requested to (1) authorize the Corporation to approve the budget regarding the operations and management of Canalside to an amount not to exceed $2,029,930 ($1,479,930 – Operating Support + $350,000 – Capital Expenses + $200,000 – Contingency); and (2) authorize the Corporation to take all related actions.

VIII. Recommendation

Based on the foregoing, I recommend approval of the requested action.

Attachments
Resolution
Budget Sheet

March 14, 2016

ERIE CANAL HARBOR DEVELOPMENT CORPORATION – Canalside – Public Space Management – Authorization to Approve the 2016-2017 Budget; 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 is hereby authorized to approve the FY 2016-2017 budget contained in the Management Agreement ("Agreement") with Spectra, LP, for an amount not to exceed $2,029,930 ($1,479,930 – Operating Support + $350,000 – Capital Expenses + $200,000 – Contingency) (TWO MILLION TWENTY NINE THOUSAND NINE HUNDRED THIRTY DOLLARS) in accordance with 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, including amending the Management Agreement with Spectra, as may be necessary or appropriate to carry out the foregoing resolution.

* * *

Erie Canal Harbor Dev Corp
Canalside Spending Plan 2016-2017
Annual Spending Comparison

	Spending Budget 2015-2016	Projected Expense 2015-2016	Spending Budget 2016-2017
Operating	1,899,121	1,636,069	1,479,930
Capital	350,000	350,000	350,000
Contingency	200,000	200,000	200,000
TOTAL BUDGET	**2,449,121**	**2,186,069**	**2,029,930**

Item # 4

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

A Subsidiary of Empire State Development

FOR CONSIDERATION
March 14, 2016

TO: The Directors

FROM: Thomas P. Dee

SUBJECT: Buffalo Outer Harbor – Operations and Maintenance Memorandum

REQUEST FOR: Authorization to Enter into a Memorandum of Understanding Regarding Operations and Maintenance of Property at Buffalo's Outer Harbor and to Take Related Actions

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I. Project Summary

Recipient:	New York State Office of Parks, Recreation and Historic Preservation ("OPRHP")
Project Location:	Buffalo Outer Harbor Fuhrmann Blvd. Buffalo, NY 14202
Proposed Project:	Operation and maintenance of land associated with Erie Canal Harbor Development Corporation owned property on Buffalo's Outer Harbor.
Project Completion:	April 1 – November 1, 2016
Funding Amount:	Not to exceed $158,092 ($131,744-Base + $26,348-Contingency)
Funding Source(s):	New York Power Authority ("NYPA") Re-Licensing Agreement

II. Project Cost

Funding Uses	Estimated Cost
Operations and Maintenance Staff (1-PRA 6 @ $15.68/hr)	$18,816
Operations and Maintenance Staff (3-PRA 4 @ $12.48/hr)	$44,928

Maintenance Supplies		$ 8,000
Management Fee		$10,000
Capital/Maintenance Allowance		$50,000
Contingency (20%)		$26,348
	TOTAL Funding	**$158,092**

III. Background

In May of 2014, the Erie Canal Harbor Development Corporation ("ECHDC" or the "Corporation") acquired approximately 340 acres of property located on Buffalo's Outer Harbor from the Niagara Frontier Transportation Authority. As part of the overall transaction, ECHDC entered into an Operations and Maintenance agreement with OPRHP whereby OPRHP was charged with operating and maintaining a portion of the property consisting of Gallagher Beach and the former Small Boat Harbor marina. Thereafter, the property controlled by OPRHP was officially designated by Governor Cuomo as the Buffalo Harbor State Park, the 180th State Park in New York's system and the first in the City of Buffalo ("City"). The park is an integral part of the revitalization of the City's waterfront.

As OPRHP has maintenance responsibilities for the Buffalo Harbor State Park and as such, staff present on-site, ECHDC and OPRHP developed a maintenance plan to allow OPRHP and ECHDC to share services. OPHRP and ECHDC successfully completed scope of services (trash removal, facilities maintenance, general landscaping) in 2015, and are in agreement to extend the partnership through 2016. The interests of all parties will be best served by working conjunctively to offer connectivity on the 340 acres of waterfront property on Buffalo's emerging Outer Harbor.

The following services will be provided by OPRHP on ECHDC owned property: lawn mowing, trash collection/litter pick-up, as well as mutually agreed upon procurement of necessary equipment and services.

IV. Terms and Conditions

ECHDC and OPRHP will enter into a Memorandum of Understanding whereby ECHDC will reimburse OPRHP in an amount not to exceed $158,092 over a 7 month term to provide the following services:

1. OPRHP will provide services for cleaning and routine maintenance of Wilkeson Pointe restrooms, lawn mowing (10 ft. maximum on each side of the Greenbelt Pathway and designated public access areas of Wilkeson Pointe, Bell Slip and terminal buildings), as well as trash collection and litter pick-up in publically accessible areas and parking lots.

2. OPHRP will purchase necessary start-up equipment and maintenance supplies to fulfill its duties within this contract.

3. OPRHP will maintain responsibility for costs associated with routine preventative maintenance of purchased and leased equipment, significant repairs and associated parts, as well as necessary site furnishings. Any equipment purchased will be the property of ECHDC.

4. OPHRP and ECHDC will procure additional services/purchases (security, dock services), if necessary, from mutually approved third party vendors that occur on an emergent basis should they be beyond the ability of OPHRP personnel.

5. ECHDC will reimburse OPHRP for their services provided necessary documentation is presented in a manner and timeframe mutually agreed upon by both parties.

6. Any additional services not covered in scope must be requested and mutually agreed to at least two weeks prior to service date unless otherwise agreed to by OPRHP. Unless the services can be provided within the available work hours of State Park employees whose salaries are reimbursed by ECHDC pursuant to this agreement, additional cost for said services will be negotiated at that time.

V. Non-Discrimination/Affirmative Action

The Corporation's non-discrimination and affirmative action policy will apply to this agreement.

VI. Environmental Review

New York State Urban Development Corporation d/b/a Empire State Development ("ESD") staff has determined that the requested authorization constitutes a Type II action as defined by the New York State Environmental Quality Review Act and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the authorization.

VII. Requested Action

The Directors are requested to (1) authorize the Corporation to enter into a Memorandum of Understanding with the NYS Office of Parks, Recreation and Historic Preservation in an amount not to exceed $158,092 (including contingency) on the terms contained in these materials; and (2) take all related actions.

VIII. Recommendation

Based on the foregoing, I recommend approval of the requested actions.

IX. Attachments
Resolutions

March 14, 2016

ERIE CANAL HARBOR DEVELOPMENT CORPORATION – Buffalo Outer Harbor – Operations and Maintenance Memorandum - 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 FIFTY EIGHT THOUSAND NINETY TWO AND 0/100 DOLLARS ($158,092) 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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