



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

Wednesday
September 16, 2015 – 10:30 AM

PROPOSED AGENDA

EXECUTIVE SESSION

1. 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

CORPORATE ACTION

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

FOR INFORMATION

3. Outer Harbor Blueprint – Update
4. President’s Report – Oral Report

Item #2



FOR CONSIDERATION

September 16, 2015

TO: The Directors

FROM: Thomas P. Dee

SUBJECT: Children's Museum at Canalside

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

I. Background

In August 2010, the Board of Directors of the Erie Canal Harbor Development Corporation ("ECHDC" or the "Corporation") authorized the Corporation to develop a Canalside Cultural Master Plan that would integrate cultural projects, as well as refine the use of public spaces and special features, into Canalside. This cultural plan, recommended by the community-based Cultural Steering Advisory Group, was approved by the Board of Directors in January 2012. The Canalside Cultural Master Plan identified short-term and long-term opportunities for cultural attractions, entertainment, waterside and special events programming which maximize the use of the indoor and outdoor public spaces, increase the likelihood of commercial investment, and attract additional visitors to Canalside.

In January 2012, ECHDC advertised for the Canalside – Museum Operator in the New York State Contract Reporter. The advertisement was also provided to over 130 local not-for-profit organizations and museum operators, as well as to 15 Children's Museums throughout New York, New Jersey, and Pennsylvania. The Request for Proposal ("RFP") sought to identify qualified organizations with the goal of entering into a partnership with an experienced museum operator to develop, fundraise, fit-out, operate and maintain this important cultural attraction. The RFP also sought proposals that were consistent with the overall policies of the Canalside Project, including the Canalside Modified General Project Plan and Final Generic Environmental Impact Statement, Design Guidelines, and Canalside Cultural Master Plan Final Report.

On May 9, 2012, the Board of Directors authorized the Corporation to designate Explore & More Children's Museum as the Museum Operator and authorized the Corporation to enter into a contract with Explore & More Children's Museum for museum planning phase tasks. Its selection was based on: (a) its overall concept as it relates to the site (i.e., adaptability to

Canalside, its policies and goals, appropriateness to an Aud Block building parcel, and relationship to the Story of Buffalo through the museum's mission, exhibits, and/or programming); (b) its financial sustainability (i.e., achievable capital and operational cost structure; attractiveness to encourage and support nearby commercial operations, operational sustainability, and track record of funder support and successful capital campaigns); and (c) its marketability (i.e., high levels of repeat visitation; mass-market appeal with an emphasis on children and families, year-round appeal, and regional tourism appeal that adds to the City's offerings). The museum planning phase was required by ECHDC as part of its due diligence to (a) ensure that the selected operator was capable of fully realizing the Project and funding the required capital, and (b) verify the appropriateness of the Museum's exhibits and programming, its size and configuration, and its capital and operational structures.

On October 9, 2013, the Board of Directors authorized the Corporation to accept the Museum's Master Plan and Pre-Campaign Capital Feasibility study and enter a Non-Binding Memorandum of Understanding to address the roles and responsibilities of ECHDC and Explore & More Children's Museum as the project proceeded, including the building development schedule, funding requirements, the museum fundraising timeline, and other project-related milestones. Further Board approval was required prior to the execution of any binding agreements or the expenditure of funds by ECHDC to move the project forward.

Between 2013 and 2014, ECHDC and Explore & More collaborated on a museum design which was a component of a much broader, three-parcel South Aud Block development project. The design progressed through Schematic Design with an economic analysis being developed for the project. Eventually these documents became part of a private redevelopment RFP effort that was not successful. After reconsidering the scope and scale of the project, the ECHDC and Explore & More Children's Museum determined that proceeding with a standalone museum project would best fulfill each partner's goals and objectives. Although construction documents would be finalized in the future, it is assumed that this standalone facility would be located on Parcels A2.1, A2.4, and a section of "Lake Street" located on the South Aud Block and would involve an approximately 42,900-square-foot structure to house the museum.

Reconfirming our mutual commitment to the Children's Museum project, ECHDC and Explore & More Children's Museum have developed a set of terms that will govern binding agreements for development of the project. The terms detail the Museum's new location, anticipated size and cost, rights and responsibilities, obligations, design and construction schedule, project delivery method, and fundraising milestones for each Party. A copy of the Term Sheet is attached. It is expected that the and Explore and More will enter into a development agreement, lease and other related documents in accordance with the terms contained in the attached Term Sheet.

II. Environmental Review

The New York State Urban Development Corporation d/b/a Empire State Development ("ESD"), as lead agency, completed an environmental review of the Canalside Project, which included

development assumptions for the South Aud Block, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review, which was coordinated with involved agencies, including ECHDC, due to the Project's Type I classification, included the preparation of a Draft and Final Generic Environmental Impact Statement ("GEIS"). The ESD Board of Directors issued SEQRA findings for the Canalside Project on March 13, 2010. Because the proposed scale/uses associated with a proposed standalone facility to house the Explore & More Museum are well within the thresholds established for the South Aud Block in the Canalside Project Final GEIS and SEQRA findings, no further environmental review is required in connection with this action.

III. Non-Discrimination & Contractor and Supplier Diversity

ESD's Non-Discrimination and Contractor & Supplier Diversity policies will apply to this Project. The Contractor shall be required to include minorities and women in any job opportunities created, to solicit and utilize Minority and Women-owned Business Enterprises ("MWBEs") for any contractual opportunities generated in connection with the Project and shall be required to use Good Faith Efforts (pursuant to 5 NYCRR §142.8) to achieve an overall MWBE Participation Goal of 25%. The overall goal shall include a Minority-owned Business Enterprise Participation Goal of 15% and a Women-owned Business Enterprise Participation Goal of 10% related to the total value of ESD's funding.

IV. Requested Actions

The Directors are requested to: (1) authorize the Corporation to enter into all necessary agreements for development of a Children's Museum at Canalside in accordance with the terms contained in these materials; and (2) to take all related actions.

V. Recommendations

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

VI. Attachments

Resolution
Canalside – Children's Museum Term Sheet

September 16, 2015

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

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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