

General Project Plan

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

Canal Side Land Use Improvement Project

Adopted December 18, 2009

A. Introduction

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

The Project will consist of over 1 million square feet of commercial (retail, lodging, and office), cultural, and residential space along the Buffalo waterfront that will be designed to emphasize downtown Buffalo’s connection to the Lake Erie waterfront through the construction of a network of interpretive water elements evoking the character and vibrancy of the historic canals that once crossed the area, including segments of the Erie Canal, the Commercial Slip, and the Prime Slip. Anchored by a Bass Pro Outdoor World Store, a destination retailer, the Project will provide various year-round offerings and experiences, including restaurants, entertainment venues, retail outlets, cultural attractions, vast public spaces, and increased access to the Buffalo River, appealing to a wide demographic of visitors and residents.

The Project Area is adjacent to the Commercial Slip area and the Naval and Military Park, each recently redeveloped by ESDC and ECHDC as part of the decades-long effort led by the City, ESDC and many other stakeholders to create a vibrant Erie Canal Harbor area. These planning efforts by ESDC began in earnest with the development of a master plan for the waterfront in 1999 (“1999 Master Plan”) and continued with the establishment of ECHDC in 2005 as a subsidiary development agency with a singular focus on redevelopment of Buffalo’s downtown waterfront. Since its creation, ECHDC has facilitated the next phase of waterfront development

by guiding design and development of the Project, including negotiations and planning to attract destination retail and engage a private developer(s).

This GPP envisions that ECHDC will be primarily responsible for the development of public amenities and public spaces. Public amenities include the parking structure on the block that formerly housed Memorial Auditorium (“Aud Block”) and Canal Side Hall and Commons. Public spaces include the Central Wharf Green, the Skyway Plaza and the Canals and aquarium. See *Exhibits A and B*. Bass Pro Outdoor World LLC (“Bass Pro”) will be responsible for the development of the Bass Pro Outdoor World Store. Bass Pro has established many destination retail stores across the country. The balance of commercial and residential properties described herein will be developed by a private developer(s).

B. Project Location

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

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

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

C. Project Goals

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

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

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

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

In achieving these goals, the Project will serve a strong public need and will result in noticeable benefits to the local community, including enhanced services and facilities. This critical mass of destination retail, services and recreation opportunities located on Buffalo’s waterfront will attract not only residents of Western New York but also tourists from outside the area. Coupled with the residential and commercial developments that are envisioned under this GPP, it is anticipated that a year-round community will be created that will enliven and invigorate an underutilized area of the City.

The Project is also intended to boost the City’s economy by developing revenue-generating uses within an area that had been dormant for years. The Project will create additional temporary construction work and additional permanent employment opportunities that will expand the local economy. Also, the Project will generate significant local tax revenue (either directly or through Payments in Lieu of Taxes [PILOTS]) derived from additional commercial and residential uses within the Project Area and increasing property values in surrounding areas.

D. Project Description

1. Overview

The Project is the next major stage in a decades-long process of waterfront planning and development to create a hub of activity that supports increased economic development opportunities in the Erie Canal Harbor and its surroundings as well as a livable community environment that provides year-round entertainment and recreational activities. Long before the 1999 Master Plan, waterfront redevelopment had been an important priority for the community. In the 1960’s a comprehensive Urban Renewal Plan was prepared and adopted for the City’s

designated Waterfront Redevelopment Project (“Waterfront Urban Renewal Plan”). In the late 1970s, further planning efforts led to the opening of the original Naval Museum. In the 1980s, the Niagara Frontier Transportation Authority’s (“NFTA”) Light Rail Rapid Transit system (“Metro Rail”) was completed, and the downtown transit/pedestrian mall along Main Street was constructed. During this same period, the Horizons Waterfront Commission was formed to lead waterfront planning and development efforts. Each of the development projects completed under these prior planning efforts, from construction of HSBC Center and the Buffalo News building, to the HSBC Atrium and the HSBC Arena, has helped to create the foundation upon which Canal Side is being planned. Thus, while Canal Side is a new project and the first major undertaking for ECHDC, it is the next phase in a decades-long effort led by the City, ESDC and many other stakeholders to create a vibrant Erie Canal Harbor area, an asset of which the entire community can be proud.

Design Guidelines

To create an attractive, cohesive atmosphere that reflects the City’s unique history and provides visual interest, Design Guidelines will apply to all development parcels within Canal Side. See **Exhibit C**. The Design Guidelines provide for a general consistency of design intent, communicated through standards concerning such features as fenestration, materials, color, scale, lighting and signage. The Design Guidelines also encourage visual interest throughout the Project Area, achieved through a variety of forms and materials. At full build-out, the Project will have the appearance of a variety of buildings and spaces that have been built over time by different owners and designers. Several core principles served as a framework for various aspects of the Design Guidelines throughout the evolution of the Project including:

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

The Design Guidelines will be implemented through a review procedure by the ECHDC Board of Directors (“Board”) with the help of the Canal Side Design Committee (“Design Committee”). The Board will appoint three persons to the Design Committee, with input from the Mayor of the City of Buffalo. Design Committee members will be knowledgeable in matters

pertaining to architectural design and historical context as it relates to Canal Side. Once the Design Guidelines are adopted by the Board, the Board will refer site plans for each proposed development within Canal Side to the Design Committee for its evaluation and recommendation. The Board will consider the Design Committee's recommendation prior to the approval or disapproval of any proposed development in Canal Side and may consult with the Design Committee on any issues related to design or planning within Canal Side. Also, the initial phase of the Project, including the Bass Pro store, Aud Block development, Donovan Block, Webster Block, public infrastructure within the Project's 20+/- acres and the Commercial Slip parking structure, as well as subsequent phases will be presented to the City of Buffalo Planning Board for a review of consistency with the Design Guidelines.

Sustainability

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

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

Open Space

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

- Canal Side Commons, located on top of Canal Side Hall, will be used to provide unique outdoor recreational opportunities such as educational classes and outdoor skills workshops. Canal Side Commons will be connected to Canal Side walkways linking this open space venue with the Central Wharf Green and Commercial Slip.
- Water features (e.g., canals) providing year-round water uses such as ice skating, paddle boating, fishing classes, and demonstrations, will be lined with expansive towpaths, barges, benches and lighting proving a unique setting for outdoor cafés and retail shops.
- An extended Central Wharf Green will stretch to South Park Avenue connecting the Project Area to the Buffalo River trail system.
- The Prime Slip canal, as an interpretive water feature, will link the Central Wharf Green with the Winter Garden, expanding pedestrian opportunities for exploring the Project Area. This water feature will complement existing interpretive elements at the Erie Canal Harbor.
- The Skyway Plaza, located in the space underneath the Skyway stretching to the Commercial Slip parcel, will be dedicated to seasonal events, artistic expression and seasonal retail kiosks.
- Sidewalks and bicycle lanes will connect into existing systems linking the Project Area to other city- and region-wide resources.
- Additional seasonal floating dock space will be provided adjacent to the Central Wharf Green for Bass Pro boat sales and demonstrations.

Parking Program

Parking in the Project Area will be consolidated within several parking garages, with a few small surface lots and a limited number of on-street parking options also available. It is expected that the parking structures will be operated by ECHDC or its designee. The parking areas are described herein with reference to the Parcel Plan set forth in *Exhibit A*. In total, between 2,400 and 2,600 parking spaces will be provided within the Project Area.

The Commercial Slip Parking Garage, to be constructed on the current Marine Drive Apartments' surface lot, is the largest of the proposed parking garages with six levels and approximately 1,280 spaces. Beneath the Bass Pro store, a three-level garage will provide convenient parking. This parking garage will be accessed by two entries, one from Main Street and one from Lower Terrace. An approximately two-level, parking deck will be built on the north and east sides of the existing Donovan Building to provide on-site parking to Parcel D1. This parking garage will be accessible from Washington Street. A four-level Webster Block parking garage, on the east side of the block and will also be accessible from Washington Street.

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

In terms of on-street parking, it is anticipated that approximately 35 spaces will be available along Marine Drive; approximately 13 spaces will be available along Hanover Street; approximately ten spaces will be available along Prime Street; approximately five spaces will be available along Perry Street; and approximately 80 spaces will be available along Main Street. Parking along Main Street, however, is contingent upon the final design for the Main Street Multi-Modal Access and Revitalization Project (“Cars on Main Project”) currently being undertaken by the NFTA, the City and others.

In addition to standard parking spaces, the Project will include large-size recreational vehicle (“RV”) parking spaces along Perry Boulevard and on Parcel T3. These RV parking spaces are intended to primarily accommodate visitors to the Bass Pro store.

2. Public Improvements

The following are specific components that will be constructed by ECHDC with reference to the parcel numbers provided in *Exhibit A*¹:

Aud Block Parking Structure

On the Aud Block (Parcel A1), bounded by Lower Terrace, Pearl Street, Main Street, and Marine Drive, ECHDC will construct an underground three-level, 530 plus space parking structure to support the Bass Pro store located directly above. The parking levels will include space for boat service and equipment storage.

Street-level Canal System

Public canal features will be constructed by ECHDC on the Aud and Donovan Blocks. In front of Bass Pro will be street-level water features interpreting the alignment of the Erie Canal and Commercial Slip, which once crossed the Aud Block. The water features will be constructed to avoid impacting operation and maintenance of the Hamburg Drain.

The street-level canal system west of Main Street will consist of narrow water bodies that will emulate the original Erie Canal system. Several “barges” will be “anchored” in the canals.

¹The description of specific components provided herein (both public and private improvements) reflect current Project plans. It is noted that details may differ somewhat from the Project description of the Project provided in the DGEIS which was adopted on September 17, 2009. Project plans have been revised since the adoption of the DGEIS based on comments received on the DGEIS as well as continuing design refinement associated with the initial Project build-out. Additional Project changes are possible as the environmental review of the Project continues. Any such changes will be reflected in the final General Project Plan.

Restaurants and cafes could occupy these structures. Anticipated summertime uses will include boats on this canal including possibly display boats from Bass Pro, as well as paddle boats and/or row boats for rent. During winter months, it is anticipated that these water features will be drained out and ice skating rinks will be set up lining the Canal. Water depth for the canals will range from 18 inches to three feet. Finishes will be dark to enhance the appearance of depth and provide greater reflectivity at the water surface.

A circular fresh water aquarium will be located within the Canal. The aquarium will be approximately 20-feet-deep with an acrylic tunnel passing through on the ground floor between Canal Side Hall and the Bass Pro atrium.

South of the remodeled Donovan Building will be a “dry” canal bed, interpreting the former Hamburg Canal serving as the focal point of the Entertainment District, where waterfront restaurants and nightlife will be located. This section will evoke the feeling of an old canal where the water was drained out and barges settled to the bottom. It is anticipated that the dry canal will be designed as a sustainable garden and beach environment. Surrounding the East Canal on this block will be wide boardwalks for pedestrian and commercial use.

Canal Side Hall and Canal Side Commons

Across from Bass Pro and the canal, Canal Side Hall will be built slightly below grade at the intersection of Pearl Street and Marine Drive, and will be covered by a large public events space to be known as Canal Side Commons. This adaptable public space will have access to Bass Pro and Marine Drive. It will also serve as a venue for a variety of cultural events, including major Bass Pro events, throughout the year. A subterranean corridor, or “water tube”, linking Bass Pro and Canal Side Hall will be installed where visitors could be surrounded by an underwater interpretive display.

Canal Side Commons will be elevated from the street and canal levels and will be connected to the public environment and Bass Pro store by stairs, elevators, and a pedestrian bridge. Canal Side Commons will be located approximately 25 feet above the street level, directly atop Canal Side Hall and fronted by a museum/cultural facility and accessed by both elevators and stairs. Access to Canal Side Commons will include a ceremonial arrival with stairs rising at a more moderate slope so as to provide van access for event assembly. The stair access points will be the point of the gate closure for the events. A warming hut/fire place will be located in the space to provide heat during cold weather. The museum/cultural facility will be located contiguous to retail and Canal Side Commons so as to maximize cross-programming opportunities-both within and exterior to-the museum/cultural facility. The museum/cultural facility will contain exhibits, visitor amenities and support space.

3. Private Improvements

The following are specific components that will be constructed by either Bass Pro or a private developer(s) at Canal Side.

Bass Pro Store (Parcel A1)

As the anchor tenant of the Project and a destination for outdoor sporting goods, the Bass Pro store at Canal Side will be located on the Aud Block. Designed to resemble a canal-era warehouse, the store will be located above a three-level, 530 plus space parking garage. The parking levels will include space for boat service and equipment storage. The Bass Pro store will also have restaurant space. The Bass Pro store will be approximately 160 feet high at its highest point, with distinctive signage, and peaked roofs. Also, spaces for customer RV parking will be available along Perry Boulevard and on Parcel T3. Pedestrians will be able to enter the Bass Pro store either through the primary entrance on the West Canal or from an entrance off Main Street. In addition, it is anticipated that there will be a link to the store through a Water Tube that will pass through the West Canal and to the Canal Side Hall. Vehicular traffic will be able to enter/exit the parking garage from Main Street or on the north side of the store. Loading docks will be accessed off of Pearl Street.

The store's proposed location close to the riverfront also will provide the opportunity to have on-the-water boat demonstrations, guided fishing trips on Lake Erie, and water-based outdoor skills workshops. Bass Pro will utilize the waterfront for boat sales and demonstrations by locating thirty boat slips on the Buffalo River adjacent to the Riverfront District. The boat slips will be perpendicular to the shoreline and will be accessed by a controlled gangway from the Central Wharf Green. Several small structures (100-200 square feet) are planned for this area of the Central Wharf Green. One may be used by Bass Pro to house its boating operations. No on-site fueling facilities will be provided. The Bass Pro slips will be seasonal and removed at the end of the boating season, but while in operation, will be secured and segregated from the public transient boat slips to the north. The Central Wharf Green will remain open and accessible to the public.

Winter Garden (Parcel A2)

Next to Canal Side Hall and Canal Side Commons will be a retail development anchoring the start of the Prime Slip. The Winter Garden will be an approximate three-story facility that will house retail and restaurant uses. An arcade over the section of the Prime Slip north of Marine Drive will create an indoor atrium that will protect visitors from the seasonal climate changes and will include a water feature to evoke the former Prime Slip. An option still being explored will also mix residential and/or office uses on several levels above the Winter Garden.

Donovan Block (Parcels D1 and D3)

The Donovan Block will be bounded by the Thruway, Washington Street, Main Street, and Scott Street. To the east and north of the existing Donovan Building, surface parking will be maintained, along with a one-story parking structure built above it by a private developer(s). This parking area will provide approximately off-street parking for on-site use. This block will feature the Donovan Building, renovated by a private developer, which will be augmented and clad in a style consistent with the Design Guidelines and will be reused to house retail, office, and/or hotel space. The remodeled Donovan Building will have the ground story extended to eliminate most of the setbacks that currently surround the building. Located at the eastern

terminus of the East Canal will be one of the iconic elements of the Project, a Liberty Pole similar to the 1838 original, constructed to symbolize American independence.

While the proposed Project assumes the reuse of the existing Donovan Building, an option still being considered will include the demolition of the Donovan Building in order to construct a new parking garage with ground floor retail, residential units, and possible office and hotel uses above. On the South Donovan Block, across the dry canal bed feature from the Donovan Building, will be an additional development parcel constructed by a private developer(s) with first-floor retail space and residential units on the upper floors.

Webster Block (Parcel W1)

The Webster Block is bounded by Scott Street, Washington Street, Perry Street and Seymour H. Knox III Plaza. The Webster Block will front on Main Street and Perry Street to create a pedestrian-friendly atmosphere of boutiques, cafes and a destination hotel. With the Metro Rail easily accessible, this district will provide a welcoming gateway into the Project Area to those coming from other areas of Buffalo to work, live and play. A parking garage will be situated behind the buildings, thus hidden from Main Street and accessible from Washington Street. Other options still being considered for the Webster Block are creating an office tower on Scott Street, a residential structure fronting on Main Street, and consolidating the hotel program in a tower above.

Erie Canal Harbor Parcels (Parcels E1 – E11)

Riverfront Parcels (Parcels E1, E8 and E9)

The Riverfront Parcels will front on the Buffalo River, and will be located on the south end of the Central Wharf Green. They will include a boutique hotel building constructed by a private developer(s) and smaller structures for use by Bass Pro. The Riverfront District will include ample open public space for a variety of recreational activities and public events as well as additional boat docking space for Bass Pro boats sales and demonstrations.

Prime Slip Parcels (Parcels E2-E7)

The Prime Slip Parcels will be developed by a private developer(s) to accommodate a mix of uses centered on a water element evoking a re-watered Prime Slip and will be bordered by Lloyd Street, Marine Drive, Main Street and Prime Street. Streets will cross the Prime Slip water element at Prime Street and Marine Drive to facilitate vehicular and pedestrian movement, offering a “bridge-like experience”. Small-scale shops and community gathering space will dominate the area. On the parcels between Lloyd and Hanover Streets, development devoted to ground-level retail with office above will straddle the Prime Slip on each side of the Skyway.

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

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

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

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

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

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

4. Street Access

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

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

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

The sponsors for this project have completed an Environmental Assessment under NEPA and published the Notice of Completion in March 2009. FTA, as federal lead agency for this project,

issued a Finding of No Significant Impact in October, 2009. Final designs for each segment of the 1.2-mile-portion of Main Street affected by this project have commenced. While the two projects must relate well together, the Cars on Main Project and Canal Side Project are independent projects being undertaken by different entities. Thus, it is appropriate that these projects be evaluated through separate channels and the Cars on Main Project is not an action that is a part of this GPP. Nevertheless, Project maps include ECHDC’s latest understanding of the proposed design for the Cars on Main Project through the Project Area.

E. Project Funding

The Project budget is currently estimated at **\$294,829,687**. Funding Sources and Uses are set forth below:

1. Funding Uses

| Canal Side Funding Uses | |
|--------------------------------------|-----------------------|
| Public Canals & Atrium | \$ 47,870,090 |
| Below Grade Parking Garage | \$ 17,078,377 |
| Commercial Slip Parking Garage | \$ 24,503,000 |
| Streets | \$ 6,148,220 |
| Prime Slip | \$ 3,000,000 |
| Design Contingency | \$ 5,000,000 |
| Soft Cost | \$ 5,950,000 |
| Floating Docks | \$ 600,000 |
| Bass Pro Store ² | \$ 35,000,000 |
| Parking at Webster & Donovan Blocks | \$ 4,800,000 |
| Anchor Tenant Allowance ³ | \$ 4,000,000 |
| Private Development | \$ 140,880,000 |
| Total Project Cost: | \$ 294,829,687 |

² Includes core, shell, and fixtures, but excludes all equipment and furnishings—to be funded by Bass Pro and not included in the Project Budget.

³ Allowance is for an incentive to attract a second anchor tenant to the Project Area.

2. Funding Sources

| Anticipated Funding Sources | |
|--------------------------------|-----------------------|
| New York Power Authority | \$ 105,000,000 |
| Federal Transit Administration | \$ 11,800,000 |
| Federal Highway Administration | \$ 11,300,000 |
| New York State | \$ 21,000,000 |
| ESDC | \$ 5,000,000 |
| Private Development | \$ 140,880,000 |
| Total Funding Sources: | \$ 294,980,000 |

The Canal Side Project is currently estimated to cost \$294,829,687. The Project cost consists of public and private investment, as described above in the project description. ECHDC estimates \$154,100,000 of public investment towards the Project. The funds dedicated to the Bass Pro Store are allocated for the core, shell, and fixtures. These funds are not applicable to all equipment and furnishings for the Bass Pro Store. The equipment and furnishings will be funded by Bass Pro and are not a part of the Project Budget. The funds dedicated to an Anchor Tenant Allowance are an incentive to attract a second anchor tenant to the Project Area. The Project will be funded by various government agencies, including the New York Power Authority, Federal Transit Administration, Federal Highway Administration, New York State, Empire State Development Corporation Blueprint Grant, with the majority of the funding from the New York Power Authority.

3. Operations and Maintenance

The Operations and Maintenance Budget for Canal Side is currently estimated to be **\$2,362,006** annual expenditure for administration, security, maintenance and repairs, utilities, events, and insurance. The payment for the Operations and Maintenance will come from multiple sources: 1. Bass Pro annual rent, 2. Common Area Maintenance (“CAM”) charges, and 3. Parking Garage revenue. To off-set the costs of operating and maintaining the entire Project Area, a portion of the administration, security, maintenance and repairs, utilities, and insurance costs will be charged to the tenants at Canal Side and a private developer(s) as CAM charges. As per a non-binding predevelopment agreement, Bass Pro shall make annual CAM and/or rent payments; and a private developer(s) shall cause its tenants to pay CAM charges in an equitable amount to ECHDC to ensure that the common areas of the Project Area are adequately maintained. The CAM charges will be based on the square-footage of the tenant and private developers’ space.

The Operations and Maintenance program will directly cover the Below Grade Parking Garage; Commercial Slip Parking Garage; Surface Parking Lots; and the Canal Side Buildings, Walkways, and Canals. ECHDC assumes the Canal Side Project will require the services of 8 full-time employees that will comprise of administration staff, security personnel, and

maintenance labor. The maintenance and repairs will consist of the following: sweeping, snow plowing, salting and snow removal, storm drainage system maintenance, landscaping and pest control, cleaning services, materials and supplies, maintenance equipment, general building repairs, trash removal and recycling, light poles and lamps, and sidewalk maintenance and repairs for the entire Project Area. The Utilities are developed based on comparable sites and square-footage. The Events budget was modeled after ECHDC current contract with Buffalo Place, Inc. at the Central Wharf. The Insurance was based on comparable properties.

F. Site Ownership, Lease Structure

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

It is anticipated that ECHDC will acquire control of all parcels within the Project Area either through direct acquisition, long term lease, license or easement as necessary to complete the Project. The City will continue to own all public rights-of-way

Upon acquisition of title, ECHDC will lease the Bass Pro premises to Bass Pro for an initial term extending 20 years from the date of completion, with six 5 year renewal options. As a result of ECHDC ownership, the Bass Pro premises will be exempt from real estate taxes. Bass Pro will be required to pay rent of \$1 per year plus a common area maintenance charge of \$600,000 per year. Bass Pro will be responsible for all operation and repair costs and will be obligated to maintain the store as a first class facility comparable to other major Bass Pro stores in other locations.

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

ECHDC will also make available at its sole discretion a sum not to exceed \$4 million allocable to tenant improvements for one or more unique anchor tenant(s) to be located within the Project Area.

ECHDC will own all parking structures and will be responsible for their operation and maintenance. ECHDC will also be responsible for operating and maintaining the public open spaces such as the Skyway Plaza, which will utilize the cover of the Skyway deck to provide a year-round place for vendors to sell goods and produce at seasonal kiosks, the Central Wharf

Green and the Canal Side Common. NYSDOT will be consulted and any necessary approvals obtained with respect to all uses and improvements under the Skyway.

G. Economic Impact

ESDC has performed an independent economic analysis of the Project and has projected that the Project will have the following beneficial economic impacts over a thirty year period:

- (i) Construction of the Project (based on a construction cost of **\$289 million** and exclusive of costs for site preparation and demolition of the Memorial Auditorium and Donovan Building) will generate 1,894 new direct jobs and 3,182 total jobs (direct, indirect and induced);
- (ii) Direct personal income related to construction activities will be \$89.0 million and total personal income will be \$149.5 million (direct, indirect and induced);
- (iii) Total construction employment will generate \$11.9 million in local tax revenues and \$12.8 million in state revenues;
- (iv) Based on a completed build-out of the Project, once fully operational, it is projected that the Project will support 1,670 direct new jobs and 2,631 overall jobs (direct, indirect and induced);
- (v) The Project will generate \$1.608 billion in direct personal income and \$2.7 billion total income (direct, indirect and induced) over a 30 year period.
- (vi) On a present value basis, the Project will generate \$155.7 million in local tax revenues and \$184.6 million State tax revenue over a 30 years period.

H. Land Use Improvement Project Findings

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

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

Land Use Improvement Project Findings

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

The Project Area consists mainly of vacant parcels and surface parking lots, including the former site of the Memorial Auditorium which was recently demolished and the Donovan Building, an obsolete office building vacated by the New York State Office of General Services. Photographs of several Project Area view sheds demonstrate the poor visual quality of the Project Area. See *Exhibit D*. These photographs depict space that is desolate and lacking in human activity, natural features, publicly accessible open space or facilities providing public amenities or services. Views are dominated by the Skyway and ramp from the Skyway to the Thruway south along with the piers associated with both. Also, wide streets and a lack of pavement markings along with deteriorating sidewalks add to an unkept and unwelcoming pedestrian environment.

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

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

Therefore, the current environment of the Project Area hinders growth and development of the City and is detrimental to the City's goals of creating events and activities to increase public enjoyment and access to the waterfront, as articulated in the City of Buffalo Comprehensive Plan. The City's Waterfront Corridor Initiative also states as key initiatives improving accessibility to the waterfront, reconnecting neighborhoods to the waterfront and realizing the best possible use from waterfront parcels. Additionally, the 2004 Master Plan and Waterfront Redevelopment Project Urban Renewal Plan were detailed plans for development within the Project Area, which ECHDC has utilized in developing the Project. The Project is needed to implement these policies and contribute to economic growth within the City.

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

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

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

Although the Project includes substantial public improvements and the creation of numerous open spaces and public amenities, the plan specifically provides for a substantial amount of private development consistent with the overall plan for the development of the Buffalo waterfront. Specifically, the Bass Pro Store and other private development improvements (as described herein) will be privately developed and operated.

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

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

I. Project Schedule

ECHDC has commenced or completed certain remediation and demolition work within the Project Area, specifically the remediation of asbestos in the Donovan Building and the remediation and demolition of the Memorial Auditorium on the Aud Block. In addition, substantial design work has been undertaken in furtherance of the Project. Subject to necessary approvals, it is expected that Project commencement will occur in the beginning of 2010 and portions of the first phase of the Project (consisting of the Bass Pro Store, Aud Block improvements, Donovan Block improvements, Webster Block improvements and Commercial Slip Garage) will be completed in 2011. The entire Project is expected to be built out by 2018.

J. Affirmative Action

ESDC will administer and enforce an affirmative action program for the construction of the Project. ECHDC, Bass Pro and any private developer(s) will each agree to make a good faith effort to utilize minority and women business enterprises (“M/WBE’s”) in the construction of the Project and will ensure that minorities and women are adequately represented in the construction workforce for the Project.

A Project goal has been established of 20 % M/WBE participation in the construction of the Project and a minority and women workforce participation goal of 25%.

K. Override of Local Requirements

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

The City supports the Project and ESDC will exercise its statutory powers to facilitate the Project on the following terms:

1. The Bass Pro, Canal system and aquarium, Canal Side Hall, Donovan Block, Webster Block, Erie Canal Harbor Parcels, Commercial Slip Block described above will be included in the GPP as approved by the ESDC. Also the components will be developed pursuant to the Design Guidelines.
2. ECHDC will include all relevant City departments, agencies and boards including the Common Council, the Control Board and the Planning Board in the review process during the State Environmental Quality Review Act (“SEQRA”) review period.
3. At the conclusion of the SEQRA process, ESDC and ECHDC will work with the City to seek necessary approvals for the initial build-out of the Canal Side Project which will include the Bass Pro store, Aud Block development, Donovan Block, Webster Block, public infrastructure within the Project’s 20+/- acres and the Commercial Slip Parking Garage. Specifically, this phase will be presented to the Common Council in conjunction with the disposition of City properties to ECHDC in furtherance of the Project. In addition, this phase will be presented to the Planning Board to review consistency with the GPP and the Design Guidelines which will be incorporated into the GPP.
4. Subsequent build-out of the remainder of the Canal Side Project, which generally will incorporate all or parts of the Historic District as outlined in the 2004 ECHMP, will similarly be presented to the Common Council and the Planning Board.
5. In the event that there are any proposed changes to the GPP after its initial approval, ESDC will consult and seek input from pertinent City entities.

L. Public Approval and Environmental Review Process

ESDC, acting as the lead agency pursuant to the requirements of the SEQRA conducted an environmental review of the Project and prepared a DGEIS. The DGEIS was accepted as complete by ESDC and issued for public review in September, 2009, commencing a public

comment period that lasted until November 17, 2009. A public hearing was held on October 20, 2009 at the Albright-Knox Art Gallery in Buffalo to solicit comments on the DGEIS and to present the Project and environmental analysis to the public. After adoption of the GPP by ESDC, a Final Generic Environmental Impact Statement (“FGEIS”) will be issued that will include a description of any changes to the Project that have occurred since the issuance of the DGEIS, particularly those changes that have been made in response to public comments, as well as responses to all comments that were received on the DGEIS during the comment period.

Prior to its decision to undertake the Project, ESDC will issue a final SEQRA Findings Statement that will provide a rationale for its decision in the context of the environmental impacts, facts and conclusions disclosed in the FGEIS. Also, ESDC will certify that consistent with social, economic and other essential considerations from among the reasonable alternatives available, the Project is one that avoids or minimizes adverse environmental impacts to the maximum extent practicable, and that adverse environmental impacts will be avoided or minimized to the maximum extent practicable by incorporating as conditions to the decision those mitigative measures that were identified as practicable.

M. Conclusion

This Land Use Improvement Project will redevelop a historically vacant, underutilized and substandard area with a mixed-use project that provides for destination retail, restaurants, residences, hotels, cultural space, commercial development and publicly accessible open spaces that are needed to reconnect the City to its waterfront and create economic opportunities. This General Project Plan adopts a comprehensive vision that will eliminate the blighted and underutilized condition of the Project Area and create new, thoughtful and unique spaces that will provide connectivity with adjacent attractions, foster neighborhood characteristics and encourage a hub of activity at the City’s waterfront.

Attachments

Exhibit A – Parcel Plan

Exhibit B – Project Component Map

Exhibit C – Design Guidelines

Exhibit D –Project Area Photographs