

D. City of Buffalo – Erie Basin Marina Upstate City-by-City Capital (W905)

March 26, 2010

General Project Plan

- Grantee:** City of Buffalo (“Buffalo” or the “City”)
- ESD Investment:** A grant of up to \$1,000,000 to be used for a portion of construction and renovation costs of the Erie Basin Marina (the “Marina”).
- Project Location:** Erie Street, Buffalo, Erie County
- NYS Empire Zone (or equivalent):** N/A
- Project Completion:** May 2011
- Grantee Contact:** Mr. Steven J. Stepniak, Commissioner
Department of Public Works, Parks & Streets
502 City Hall
Buffalo, NY 14202
Phone: (716) 851-5636 Fax: (716) 851-4201
- Project Team:** Project Management Jean Bly
Affirmative Action Helen Daniels
Environmental Soo Kang
- Project Description:**

Background

The City, incorporated in 1832, is located in Erie County in Western New York State. The City is approximately forty-one square miles in area and has a current population of about 280,000 people. At the turn of the twentieth century, Buffalo was the eighth most populous city and hosted the fifth largest economy in the United States. The City, which is located at the western terminus of the Erie Barge Canal, became known as the “Queen City” of the Great Lakes. Today, Buffalo offers its residents and visitors a variety of historic, cultural and recreational attractions, including the Burchfield-Penney Art Center, Albright-Knox Art Gallery, Erie County Botanical Gardens, the Buffalo Zoo, the Buffalo Museum of Science, Shea’s Performing Arts Center, the Erie Canal Harbor, Lake Erie, and the Niagara River.

In the coming weeks, the City is expected to adopt Buffalo’s Local Waterfront Revitalization Plan (the “Plan”), which details a vision for Lake Erie and the Buffalo River waterfront (the “Waterfront”) to maintain and improve waterfront lands and community character, enhance economic prosperity, protect and enhance important natural resources, and improve public access to the Waterfront.

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March 26, 2010

The Marina, owned by the City and operated by Brand-On Services, Inc., was constructed in 1974 in the shape of a buffalo, and is located adjacent to Lake Erie, the Buffalo River and the Niagara River convergence. The Marina is open to the public from April 1st – November 1st, and includes a public boat launch; slip rental accommodating approximately 420 vessels; gas service; restrooms; a casual restaurant; and an observation tower with views of the City, Lake Erie, the Niagara River, and, depending on the weather, Ontario, Canada. The Marina generates approximately \$1 million in revenue annually for the City.

Consistent with the Plan, the City identified a need to upgrade and expand amenities at the Marina to include an observation platform and boardwalk, which would allow safe access to the water; however, the City lacked the financial resources to proceed with the construction/renovation project. The City-by-City grant will help fill this financing gap, which will allow this project to go forward.

Since 2002, the ESD Directors approved a \$49,984 Main Street New York grant on December 19, 2002 for The Downtown Streetscape Beautification Project; a \$3 million RESTORE I grant on March 15, 2007, which assisted the City with the demolition and site clearing of at least 208 single-family homes and one commercial property; a \$5,072,000 RESTORE II grant on April 17, 2008, to assist the City with the demolition and site clearing of up to 725 single-family homes; and a \$4,500,000 RESTORE II grant on July 17, 2008, to assist with interior and exterior building renovations to the former Trico Building on the Buffalo Niagara Medical Campus. The City received a \$14.32 million RESTORE III award in September 2009 consisting of grants for the demolition or renovation of blighted Buffalo commercial and residential properties. Of the \$14.32 million RESTORE III award, \$2 million was approved on December 16, 2009 for renovations to the Avant Building, and \$1.35 million was approved on February 19, 2010 for renovations to the Curtiss Building. The City is in compliance with the terms of all of its previous grants.

The Project

The \$1,247,600 project involves the design, construction and renovation of a new elevated, concrete boardwalk, and improvements to the pier decking, security fencing and public restroom facilities necessary to improve public access to the Waterfront and Marina. The project will be financed by ESD's grant and City equity.

The City will manage the project. It has selected the consulting firm of Conestago Rovers & Associates (Ontario, Canada), by competitive bid, to complete the feasibility study, detailed design, and provide bidding assistance and construction administration. The project began in mid-2009 and is scheduled for completion in May 2011.

Financing Uses	Amount	Financing Sources	Amount	Percent
Construction/Renovation Costs	\$ 1,000,000	ESD's Grant	\$ 1,000,000	80%
Design Costs	247,600	City Equity	247,600	20%
Total Project Costs	\$ 1,247,600	Total Project Financing	\$ 1,247,600	100%

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March 26, 2010

Financial Terms and Conditions:

1. At the time of disbursement, the City will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The City will be obligated to advise ESD of a materially adverse change in its financial condition prior to disbursement.
3. Up to \$1,000,000 will be disbursed to Grantee upon completion of the project substantially as described in these materials, and documentation of project costs totaling \$1,247,600, assuming that all project approvals have been completed and funds are available. Payment will be made upon presentation to ESD of an invoice and such other documentation as ESD may reasonably require. Expenditures must be incurred on or after April 1, 2008 to be considered eligible project costs.
4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$1,000,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

Environmental Review:

The City of Buffalo, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project to be an Unlisted Action, which would not have a significant effect on the environment. The lead agency issued a Negative Declaration on February 9, 2010. ESD staff reviewed the Negative Declaration and supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

Statutory Basis – Section 10 Findings – Upstate City-by-City Project:

Civic Project

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.

Tourism is one of the City’s primary economic development objectives. This project will contribute to the portfolio of cultural, architectural, historical, and recreational destinations in the City. The project will also complement and leverage the City’s other landmarks.

City of Buffalo – Erie Basin Marina Upstate City-by-City Capital (W905)

March 26, 2010

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.
The project will provide an expanded venue for recreational, community and public service, while enhancing the visitor experience to the Marina and the City.
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.
The project is owned and operated by the City, is self-sustaining and provides the City with annual revenues.
4. That the plans and specifications assure adequate light, air, sanitation and fire protection.
The project facility will meet the requirements for adequate light, air, sanitation and fire protection.
5. The requirements of Section 10(g) of the Act are satisfied.
No residential relocation is required because there are no families or individuals residing on the site.

March 26, 2010

Buffalo (Erie County) – City of Buffalo – Erie Basin Marina – Upstate City-by-City Capital
(Capital Grant) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the City of Buffalo – Erie Basin Marina – Upstate City-by-City Capital Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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