

USA NIAGARA DEVELOPMENT CORPORATION

Meeting of the Directors

At the offices of the
USA Niagara Development Corporation
222 First Street, 7th Floor
Niagara Falls, N.Y. 14303

Thursday

March 26, 2015 – 3:00 p.m.

AGENDA

I. CORPORATE ACTION

- A. Approval of Minutes of the November 24, 2014 Directors' Meeting

II. ADMINISTRATIVE ACTIONS

- A. USA Niagara Development Corporation – Annual Operating Budget and Annual Capital Expense Authorization – Approval of the Corporation's Annual Operating Budget and Annual Capital Expenses Authorization for Fiscal Year 2015-2016 (April 1, 2015 – March 31, 2016)
- B. Niagara Falls Convention and Conference Facility Civic Project and Old Falls Street – CY 2015 Operating and Capital Budgets; Approval of the Niagara Falls Convention and Conference Facility and Old Falls Street CY 2015 Operating and Capital Budgets; Approval of First Quarter 2016 Funding; Authorization to Disburse Funds

III. FOR INFORMATION

- A. Global Spectrum – (Oral Presentation)

DRAFT – SUBJECT TO REVIEW AND REVISION

**USA NIAGARA DEVELOPMENT CORPORATION
d/b/a Empire State Development Corporation**

Meeting of the Directors
held at the USA Niagara Offices
222 First Street – 7th Floor
Niagara Falls, New York 14303

and

ESD New York City Regional Office
633 Third Avenue
New York, New York 10017

November 24, 2014

MINUTES

In Attendance Directors:

Francine DelMonte – Chair
Monica Pellegrino Faix
Paul Nanula
Gary Smith
Michael Williamson

Present for USA Niagara:

Chris Schoepflin, President
Elizabeth R. Fine, General Counsel
Eileen McEvoy, Secretary
Holly Ortman
Paul Tronolone, Senior Project Manager
John Risio, Project Manager
Jocelyn Viola, Office Manager

**Present for ESD
(Downstate):**

Julia Borukhov, Financial Project Manager
Tom Brennan, Senior Vice President - Internal Audit
Thomas Conoscenti, Director - Real Estate Development
and Planning
Kalid Husain, Senior Accountant
Agnes Klosek, Staff Accountant

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**Present for ESD Western
New York Regional Office:** Stephen Gawlik, Senior Counsel
Laura Magee, Deputy Director – Public Affairs

**Present for the City
of Niagara Falls:** Mayor Paul Dyster

**Present for
Uniland Development:** Kellena Kane
Michael Montante

**Present for
Plati Niagara:** Frank Strangio

Also Present: The Press – Aaron Besecker – Buffalo News
Justin Sandel – Niagara Gazette
The Public

The meeting of the USA Niagara Development Corporation, a wholly-owned subsidiary of the New York State Urban Development Corporation d/b/a the Empire State Development (“ESD”), was called to order at 2:32 p.m. by Chair DeMonte. It was noted for the record that notices to the public and news media of the time and place of the meeting had been given in compliance with the New York State Open Meetings Law.

The Chair went on to note for the record the guidelines by which the public is allowed to comment on items on the Agenda.

The Chair then asked the Directors if any of them had a potential conflict of interest

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with regard to any of the items on the Agenda and if so, to make that information known at this time. If any potential conflicts exist, the Chair continued, the Directors would be reminded at the appropriate time to recuse themselves from the vote on any such item. It was noted that Director Nanula would recuse himself with regard to the vote on Uniland.

The Chair then called for the approval of the Minutes of the March 27, 2014 Directors' meeting. Upon motion duly made and seconded, the following resolution was unanimously adopted:

APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE MARCH 27,
2014 MEETING OF THE DIRECTORS OF THE USA NIAGARA DEVELOPMENT CORPORATION

RESOLVED, that the Minutes of the meeting of the Corporation held on March 27, 2014 as presented to this meeting, are hereby approved and all actions taken by the Directors present at such meeting as set forth in such Minutes, are hereby in all respect ratified and approved as actions of the Corporation.

* * *

Chair DelMonte then asked Christopher Schoepflin to present the remainder of the items on the Agenda.

First, Mr. Schoepflin asked the Directors to authorize the Corporation to enter into a Memorandum of Understanding ("MOU" or Agreement) with the City of Niagara Falls (the "City") in connection with the Niagara Convention Center and Conference Facility Civic Project.

Mr. Schoepflin explained that USA Niagara spent \$20,000,000 to develop the Niagara

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Falls Conference Center which the Corporation continues to own. He went on to note that USA Niagara invested an additional \$12.5 million to restore Old Falls Street, which the City owns.

Mr. Schoepflin further explained that since 2003, the City and USA Niagara had an agreement whereby the City contributes funds to the operations of the Conference Center. He continued and explained that since 2009, once the Old Falls Street work was completed, the City and USA Niagara had had an agreement whereby the City contributes funds for both the Conference Center and Old Falls Street. The only exception to that, Mr. Schoepflin added, was the year of 2013.

Mr. Schoepflin went on to note that today the Directors are being asked to authorize USA Niagara to enter into a new agreement with the City. The agreement, he noted, continues funding for the Conference Center and Old Falls Street. The City, Mr. Schoepflin stated, will fund projected operating and capital investment budgets in the aggregate amount not to exceed \$1.5 million per year.

Under the terms of the agreement, Mr. Schoepflin explained, the City's obligation to make payments to USA Niagara is expressly contingent upon the City receiving its annual share of casino revenues pursuant to the Gaming Compact Seneca entered into by and between the Seneca Nation of Indians and the State of New York.

Mr. Schoepflin further noted that if at any time during the agreement, USA Niagara

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receives funding from the State of New York or any other entity to undertake and/or carryout any or all of the activities contemplated by the Memorandum of Understanding, the City obligation as described in the MOU shall cease.

Mr. Schoepflin then noted that on September 29, 2014, the Niagara Falls City Council approved the City entering into this agreement with USA Niagara.

Following the full presentation, the Chair called for questions or comments. Hearing none and upon motion duly made and seconded, the following resolution was unanimously adopted:

USA Niagara Development Corporation – Niagara Falls Convention and Conference Facility Civic Project – Agreement with the City of Niagara Falls – Authorization to Enter into Agreement and Take All Related Actions.

RESOLVED, that in accordance with the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, the Directors authorize the Corporation to enter into an Agreement with the City of Niagara Falls, New York, for the payment of expenses related to the Conference Center Niagara Falls and Old Falls Street and such other matters as described herein, and be it further

RESOLVED, that the President, and his designee(s) be, and each of them hereby is, authorized to take all actions necessary or appropriate in furtherance of the foregoing resolution.

* * *

Mr. Schoepflin then presented an item relating to 333 Rainbow Boulevard, Niagara Falls, New York.

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Mr. Schoepflin provided the relevant background information with regard to this request, first noting that this site is a significant parcel in the heart of the City's downtown tourist district.

Mr. Schoepflin further noted that the site is in close proximity to the State Park, the Niagara Falls Conference Center, the Seneca Nations Casino Complex and a number of downtown hospitality establishments.

Mr. Schoepflin went on to explain that the project involves providing \$980,000 in assistance to facilitate a \$10.16 million mixed-use development on what has been for a long period of time, a vacant 1.8 acre land parcel along Rainbow Boulevard in downtown Niagara Falls.

The project, Mr. Schoepflin further noted, will consist of a new 65,000 square foot building containing 110 hotel rooms and ground-level food and beverage and/or retail operations open to the general public.

Mr. Schoepflin explained that the applicant for the project is Plati Niagara, Inc., a local Niagara Falls hotel development company. The Company, he added, has owned and operated the Quality Inn Hotel and Antonio's Banquet Hall on Niagara Falls Boulevard since 1991.

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Mr. Schoepflin went on to explain, among other things, the benefits that the project will create for the community including creating jobs and increasing bed tax revenues.

Following Mr. Schoepflin's full presentation, the Chair called for questions or comments. Director Smith and Director DelMonte spoke positively with regard to the project.

Mayor Dyster added that it was very gratifying to see all of the owners and operators of another very successful hotel and banquet facility operation making an investment in downtown.

There being no further questions or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted:

333 Rainbow Boulevard Proposed Industrial/Small and Medium-Sized Business Assistance Project – Land Use Improvement Project Findings Pursuant to Sections 10 (b), 10(f) and 10 (g) of the UDC Act; Adoption of General Project Plan; Authorization to hold a Public Hearing Under Section 16 of the UDC Act; Authorization to make a Determination of No Significant Effect on the Environment; Authorization to Enter into an Agreement with Plati; and Authorization to Take Related Actions.

BE IT RESOLVED, that on the basis of the materials presented to this meeting (the "Materials"), a copy of which is hereby ordered filed with the records of the USA Niagara Development Corporation (the "Corporation"), relating to the 333 Rainbow Boulevard Proposed Industrial/Small and Medium-Sized Business Assistance Project (the "Project"), the Corporation hereby makes the requisite findings pursuant to Sections 10 (b) and 10 (f) of the New York State Urban Development Corporation Act, as amended (the "Act"); and be it further

RESOLVED, that on the basis of the Materials which indicate that no families or individuals reside in nor are 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

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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 or other proper officers of the Corporation 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 or other proper officers of the Corporation 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 that upon such written finding being made, the President or other proper officers of the Corporation be, and each of them hereby is, authorized to enter into an agreement, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, including the commitment of Corporation funding in the total amount of \$980,000 for the Project, with such changes as the President or other proper officers of the Corporation may deem appropriate, 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; and be it further

RESOLVED, that the provision of USAN financial assistance is expressly contingent upon: (1) the approval of the Public Authorities Control Board, if applicable, and (2) receipt of all other necessary approvals; and be it further

RESOLVED, that the President of the Corporation or other proper officers 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 related actions as he may in his sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

* * *

The Directors were then asked by Mr. Schoepflin to authorize the Corporation to designate Uniland Development Company as the preferred developer to undertake an Adaptive Re-use of the Former Rainbow Centre Mall.

Mr. Schoepflin briefly outlined the process involved in the selection of Uniland as the developer and went on to explain that Uniland proposes to transform the former mall into the

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Wonder Falls Resort, a new complex featuring a hotel tower with world-class amenities, restaurants and entertainment facilities, including a water park and various other retail and food and beverage venues.

Mr. Schoepflin added that the project will create more than 300 permanent jobs and more than 1,500 jobs during construction.

Mr. Schoepflin further noted that preliminary estimates indicate that the project will involve a total investment of \$150 million. He added that it is anticipated that the project will receive funding under the Buffalo Billion initiative.

The level of public investment, Mr. Schoepflin noted, will be determined as part of the subsequent approval of a development agreement for this project at a later date.

Mr. Schoepflin went on to provide various terms and conditions and other information regarding the conditional designation of Uniland. He then introduced Michael Montante, the Vice President of Uniland to those present at the meeting.

Mr. Montante then asked Kellena Kane to provide the Directors with an overview of the proposed project.

Ms. Kane first provided information on Uniland Development Company and then went

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on to provide a PowerPoint presentation regarding the project.

Following the full presentation, the Chair called for questions or comments. The Chair then spoke at length with regard to her enthusiasm for the project which she noted had been contemplated for a long time. She went on to express her appreciation to Uniland and its corresponding partners regarding the project.

Director Smith added that USA Niagara is fortunate to have such respected developers. He then asked if there was any preliminary thought with regard to a build out schedule.

Mr. Montante stated that once the construction starts, it will take approximately two years.

The Chair then asked if the water park and the hotel will be built simultaneously and Mr. Montante stated that both will be built at the same time.

In answer to a further question from the Chair, Mr. Montante stated that the hotel will have 300 rooms.

Mayor Dyster then noted, among other things, that for decades, people have decried the lack of family oriented attractions in downtown Niagara Falls and that the vision for this project is very responsive to that need.

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The Mayor added that this project moves in a direction that will assist the community in overcoming some of the negative aspects of urban renewal.

In closing, the Mayor thanked the developer for helping the people realize their vision for downtown Niagara Falls.

There being no further questions or comments, and upon motion duly made and seconded, the following resolution was unanimously adopted (It was noted for the record that Director Nanula recused himself with regard to the vote on the following resolution.):

USA NIAGARA DEVELOPMENT CORPORATION - Adaptive Re-Use of Former Rainbow Mall – Preferred Developer – Determination of Responsibility with Respect to Uniland Development Company as the Proposed Preferred Developer; Authorization to Designate Uniland Development Company as the Preferred Developer for the Adaptive Re-Use of the Former Rainbow Mall Project; Authorization to Accept a Deposit of \$50,000; Approval to Reimburse Uniland for an Amount Not to Exceed \$150,000 for Third Party Reports; and Authorization to Take All Related Actions

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 USA Niagara Development Corporation (the “Corporation”) , the Corporation hereby finds Uniland Development Company (“Uniland”) to be responsible; and be it further

RESOLVED, that the Corporation is hereby authorized to designate Uniland as the Preferred Developer for the proposed adaptive re-use of the former Rainbow Centre Mall; and be it further

RESOLVED, that the Corporation is hereby authorized to accept a Development Deposit of FIFTY-THOUSAND DOLLARS (\$50,000) from Uniland to secure Uniland’s obligation for timely submission of all documents and information deemed necessary by USAN as outlined under the General Terms and Conditions contained in the Adaptive Re-Use of the former Rainbow Centre Mall request for proposals; and be it further

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RESOLVED, that the Corporation is hereby authorized to reimburse Uniland for an amount not to exceed ONE-HUNDRED FIFTY THOUSAND DOLLARS (\$150,000) for Third Party Reports, if only in the event Uniland, USAN and the City determine not to enter into a Development Agreement; 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.

* * *

There being no further business, the meeting was adjourned at 3:07 p.m.

Respectfully submitted,

Eileen McEvoy
Corporate Secretary



FOR CONSIDERATION

March 26, 2015

TO: The Directors

FROM: Christopher Schoepflin

SUBJECT: USA Niagara Development Corporation – Annual Operating Budget and Annual Capital Expense Authorization

REQUEST FOR: Approval of the Corporation’s Annual Operating Budget and Annual Capital Expense Authorization for Fiscal Year 2015-16 (April 1, 2015 – March 31, 2016)

I. Background:

Attached for your review and approval are the proposed Annual Operating Budget (“operating budget”) and Annual Capital Expense Authorization for USA Niagara Development Corporation (“USAN” or the “Corporation”) for Fiscal Year (“FY”) 2015-16 (April 1, 2015 – March 31, 2016).

The FY 2015-2016 operating budget proposes a total of \$599,446 in personal services (salaries and benefits for 5 employees) and a total of \$110,282 in non-personal services (primarily office occupancy and other administrative expenses). The total budget for all personal and non-personal is \$709,728, which represents an increase of 7.2% over projected FY 2014-2015 expenses – mostly as a result of increases in personal services costs. Consistent with previous years’ operating budgets, the FY 2015-16 operating budget will be advanced with Empire State Development (“ESD”) corporate funds, with the expectation of reimbursement at a later date.

For FY 2014-15 the approved operating budget was \$689,394 (\$561,373 in personal services and \$128,021 in non-personal services). Actual operating costs for FY 2014-15 are projected to total \$662,017 (\$571,539 in personal services and \$90,478 for non-personal services) which represents a \$27,377 (3.9%) cost savings compared to budget. These savings were realized primarily as a result of lower than expected costs for a number of non-personal services including insurance and office occupancy expenses.

The Corporation’s FY 2015-16 Annual Capital Expense Authorization is \$15,630,000. This includes: construction costs of \$12,130,000; design and other soft costs of \$1,900,000; legal costs of \$100,000; and property management/maintenance costs of \$1,500,000. It is anticipated that the proposed funding will cover capital costs associated with investments in

the \$34.9 million Hyatt Place Hotel Project at 310 Rainbow Boulevard and the \$27 million DoubleTree Hotel Project at 401 Buffalo Avenue.

Funding for the Corporation's Annual Capital Expense Authorization is from USAN/City MOU Funds made available to the Corporation under the 2009 and 2014 Agreements with the City of Niagara Falls in support of the Conference Center Niagara Falls/Old Falls Street and economic development projects located within the Corporation's development district. Individual project expenses will be approved by the Directors under separate actions. No USAN Corporate funds are included in the Annual Capital Expense Authorization.

II. Environmental Review:

ESD staff had determined that the action, which involves the adoption of an annual budget in which expenditure items would be presented to the USAN Directors for review, approval and environmental determination as necessary and applicable, would constitute a Type II action as defined by the New York State Environmental Quality Review Act and implementing regulations of the New York State Department of Environmental Conservation. No further review is required.

III. Requested Action:

The Directors are requested to ratify and approve the Corporation's proposed FY 2015-16 Annual Operating Budget in the amount of \$709,728 and the Annual Capital Expense Authorization in the amount of \$15,630,000 (subject to individual project approvals), and to authorize the Corporation to undertake tasks and incur expenditures consistent with advancing the scope of work contemplated in the proposed operating budget.

IV. Attachments:

Resolution

The Corporation's proposed FY 2015-16 Operating Budget

The Corporation's proposed FY 2015-16 Annual Capital Expense Authorization

March 26, 2015

USA Niagara Development Corporation -- Approval of the Corporation's Annual Operating Budget and Annual Capital Expense Authorization for Fiscal Year 2015-16 (April 1, 2015 – March 31, 2016)

RESOLVED, that based on the materials presented at this meeting and ordered filed with the Corporation (the "Materials"), the Corporation's proposed FY 2015-16 Annual Operating Budget and Annual 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 Corporation is hereby authorized to undertake tasks and incur expenditures consistent with advancing the scope of work contemplated in the proposed operating budget, subject to the availability of funds; and be it further

RESOLVED, that the Directors shall make individual approvals and authorizations for items under the Annual Capital Expense Authorization; 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; and be it further

RESOLVED, that the President or his designees be, and the same hereby are authorized to take any action necessary and appropriate to carry out the foregoing.

* * *

**Empire State Development
USA Niagara Development Corp
Spending Plan FY 2016**

	Actual	Spending	Projected	Spending
	Expense FY 2014	Plan FY 2015	Expense FY 2015	Plan FY 2016
<u>PERSONAL SERVICES (PS)</u>				
Salaries	385,513	402,989	414,084	434,381
Fringe Benefits	158,742	158,384	157,455	165,065
TOTAL PERSONAL SERVICES	544,255	561,373	571,539	599,446
HEADCOUNT	5	5	5	5
<u>NON-PERSONAL SERVICES (PS)</u>				
Professional Fees				
Legal / Accounting Fees	440	0	0	0
Consultant Fees	0	0	0	0
Total Professional Fees	440	0	0	0
Other Non-Personal Services				
Employee Travel & Meals	579	500	57	500
On-line Services/ Due & Subscriptions	2,031	2,700	1,719	2,500
Office Occupancy Expenses	66,850	65,895	57,300	57,300
Insurance	23,620	26,926	9,992	17,732
Repairs/ Maint /Prop Mgmt/ Outside Serv.	3,124	7,250	2,012	7,500
Telephone/Fax/Internet	17,252	16,000	15,501	16,000
Office Supplies / Printing / Advertising	1,761	3,750	315	3,750
Computers/Software/Equipment	6,540	5,000	3,582	5,000
Total Other Non Personal Services	121,757	128,021	90,478	110,282
TOTAL NON-PERSONAL SERVICES (NPS)	122,198	128,021	90,478	110,282
TOTAL PS & NPS	666,453	689,394	662,017	709,728

**Empire State Development
USA Niagara Development Corp
Capital Spending Plan FY2016**

	Actual Expense FY 2014	Spending Plan FY 2015	Projected Expense FY 2015	Spending Plan FY 2016
Acquisition Costs	0	0	0	0
Design & Other Soft Costs	82,533	1,666,100	0	1,900,000
Legal Costs	20,112	20,000	0	100,000
Property Management/Maintenance Costs	1,101,473	1,500,000	1,179,121	1,500,000
Insurance	0	0	0	0
Demolition & Site Clearance	0	0	0	0
Construction Costs	247,829	7,489,900	265,527	12,130,000
Other Misc. Costs	0	3,900,000	200	0
Total Capital	<u>1,451,946</u>	<u>14,576,000</u>	<u>1,444,848</u>	<u>15,630,000</u>



FOR CONSIDERATION

March 26, 2015

TO: The Directors

FROM: Christopher Schoepflin

SUBJECT: Niagara Falls Convention and Conference Facility Civic Project and Old Falls Street – CY 2015 Operating and Capital Budgets

REQUEST FOR: Approval of the Niagara Falls Convention and Conference Facility and Old Falls Street CY 2015 Operating and Capital Budgets; Approval of First Quarter 2016 Funding; Authorization to Disburse Funds

I. Background:

Attached for your review and approval are the proposed operating and capital budget requests (the “Budgets”) for the Niagara Falls Convention and Conference Facility, known as The Conference & Event Center Niagara Falls (“CCNF”) and Old Falls Street (“OFS”) for 2015.

USA Niagara Development Corporation (“USAN”) is the owner and developer of CCNF. USAN first contracted with Global Spectrum, LP (“Global Spectrum”) in January 2009 to operate CCNF for a five-year term. USAN also approved an agreement with Global Spectrum to provide management services for OFS in October 2009. After a competitive procurement process was conducted, the USAN Board of Directors on December 16, 2013, authorized USAN to enter into new five-year agreements with Global Spectrum to operate and manage both CCNF and OFS.

Per the 2014 Memorandum of Understanding (“MOU”) between USAN and the City of Niagara Falls (the “City”), the City has provided, and will continue to provide up to \$1.5 million annually towards the combined annual operating and capital budgets of CCNF and OFS through 2018. The source of the MOU funds is the City’s annual share of casino revenues from the State of New York pursuant to the Gaming Compact entered into by and between the Seneca Nation of Indians and the State of New York in 2002 (“USAN/City MOU Funds”). These funds are the funding source for the Budgets. No USAN Corporate funds will be used to fund the Budgets.

The proposed Calendar Year (“CY”) 2015 Operating Budget for CCNF is \$296,634 (with incentive fees the total is \$326,654). The Operating Budget for OFS is \$678,489 (with incentive fees the total is \$686,424). The total Operating Budget for CCNF and OFS is \$975,123 (with incentive fees the total Operating Budget is \$1,013,078).

The proposed CY 2015 Capital Budget is \$499,812. This amount includes a total of \$360,612 in funding for CCNF and a total of \$139,200 in funding for OFS. Global Spectrum will make the proposed Capital Budget purchases on behalf of USAN through state contracts where cost effective and through competitive bids and comparable pricing where state contracts are not available.

The combined Operating and Capital Budgets (with incentive fees) total \$1,512,890. As the proposed budget may exceed the aforementioned \$1,500,000 allocation of USAN/City MOU Funds, USAN will fund the remaining \$12,890 from excess funds remaining from prior years' USAN/City MOU allocations if necessary. The proposed Operating and Capital Budgets are attached.

The Directors have approved the USAN operating and capital budgets and the CCNF and OFS budgets in March of each year as the Corporation's fiscal year is April 1st to March 31st. However, the CCNF and OFS fiscal year is January 1st to December 31st, which has led to delays in first quarter funding for CCNF and OFS. To address this gap, USAN has advanced Global Spectrum \$178,448 in order to fund first quarter operations in 2015 and proposes that the Directors approve at this time CCNF and OFS funding for the first quarter of 2016 (calendar quarter) in the amount not to exceed \$250,000. The CCNF and OFS budgets for 2016 will remain subject to approval by the Directors before the start of the Corporation's fiscal year.

II. Environmental Review:

ESD staff had determined that the action, which involves the adoption of an annual budget consisting of capital expenditure items all involving regular maintenance and operational items with no expansion of the CCNF or Old Falls Street, would constitute a Type II action as defined by the New York State Environmental Quality Review Act and implementing regulations of the New York State Department of Environmental Conservation. No further review is required.

III. Requested Action:

The Directors are requested to approve USAN's proposed CY 2015 CCNF and OFS Operating and Capital Budgets in the amount not to exceed \$1,512,890; to approve CCNF and OFS funding for the first quarter of 2016 (calendar quarter) in the amount not to exceed \$250,000; and to disburse funds in accordance with the CY 2015 CCNF and OFS Operating and Capital Budgets attached hereto.

IV. Attachments:

Resolution

Proposed CY 2015 CCNF Operating Budget

Proposed CY 2015 OFS Operating Budget

Proposed CY 2015 CCNF & OFS Capital Budgets

March 26, 2015

USA Niagara Development Corporation -- Approval of the CY 2015 Niagara Falls Convention and Conference Facility and Old Falls Street Operating Capital Budgets; Approval of First Quarter 2016 Funding; Authorization to Disburse Funds

RESOLVED, that based on the materials presented at this meeting and ordered filed with the Corporation (the "Materials"), the Corporation's proposed CY 2015 Niagara Falls Convention and Conference Facility and Old Falls Street Operating and Capital Budgets in the amount not to exceed \$1,512,890 is 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, the Corporation's proposal for first quarter 2016 (calendar quarter) funding for the Niagara Falls Convention and Conference Facility and Old Falls Street in the amount not to exceed \$250,000 is 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 actions of the President or his designees relating to the CY 2015 Niagara Falls Convention and Conference Facility and Old Falls Street Operating Capital Budgets be approved and ratified, and the same hereby are, authorized to disburse funds substantially in accordance with the CY 2015 Niagara Falls Convention and Conference Facility and Old Falls Street Operating and Capital Budgets with such changes as the President or his designee deems necessary or appropriate; 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; and be it further

RESOLVED, that the President or his designees be, and the same hereby are authorized to take any action necessary and appropriate to carry out the foregoing.

* * *

CONFERENCE CENTER NIAGARA FALLS
GLOBAL SPECTRUM
FISCAL YEAR 2015 (January 1- December 31)

BUDGET PROPOSAL

**BUDGET
2015**

# OF EVENTS	215
ATTENDANCE	84,123
REVENUE	
DIRECT EVENT REVENUE	547,326
ANCILLARY REVENUE	1,902,809
OTHER REVENUE	18,000
TOTAL ESTIMATED GROSS REVENUE	2,468,135
EXPENSE	
EVENT EXPENSE	746,296
INDIRECT EXPENSE (SALIERIES & OVERHEAD)	2,018,472
TOTAL ESTIMATED EXPENSE	2,764,768
NET INCOME / (SUBSIDY)	(296,634)
FEES	
F&B INCENTIVE FEE - 25%	28,842
MANAGEMENT INCENTIVE FEE	1,178
TOTAL FEES	30,020
Net Income/Loss	(326,654)

OLD FALLS STREET
GLOBAL SPECTRUM
FISCAL YEAR 2015 (January 1- December 31)

BUDGET PROPOSAL

BUDGET
2015

# OF EVENTS	259
ATTENDANCE	43,656
REVENUE	
DIRECT EVENT REVENUE	27,940
ANCILLARY REVENUE	105,800
OTHER REVENUE	37,000
TOTAL ESTIMATED GROSS REVENUE	170,740
EXPENSE	
EVENT EXPENSE	248,752
INDIRECT EXPENSE (SALIERIES & OVERHEAD)	600,477
TOTAL ESTIMATED EXPENSE	849,229
NET INCOME / (SUBSIDY)	(678,489)
FEES	
F&B INCENTIVE FEE - 7.5%	7,935
TOTAL FEES	7,935
Net Income/Loss	(686,424)

Item #	2015 Conference & Event Center Capital Budget	Cost	Purpose
C-1	A/V Equipment	\$46,000	Built-in Projector Breakouts
C-2	Meeting Room Carpet	\$82,000	Replace Meeting Room Carpet
C-3	Paint Event Center	\$16,560	
C-4	Upholstering of Public Space Furniture	\$7,500	Public Space Furniture
C-5	Banquet Tables and Equipment	\$11,752	Silver Tops, Black Spandex, Serps, Serp Tops, Serp Spandex, White P&D, 8' Silver Tops, 8' Spandex, Risers
C-6	Accessibility Entrance	\$7,300	
C-7	HVAC Repairs	\$115,000	
C-8	System Updates / Emergency	\$65,000	
C-9	Kitchen Repairs and Updates	\$9,500	Replacement of Kitchen Equipment / Updates
	CCNF TOTAL	\$360,612	
Item #	2015 Old Falls Street Capital Budget	Cost	Purpose
O-1	Grouting	\$25,000	Street Grouting
O-2	OFS Horticulture/Trees	\$20,000	OFS Beds/ First Street Bed
O-3	Site Improvements	\$58,800	Bike Kiosk, Lampost, Planters, Rack, Bike Covers
O-4	Interactive Activities	\$30,400	Mini Golf, Shuffelboard, Game Tent
O-5	Misc. OFS	\$5,000	
	OFS TOTAL	\$139,200	
	CCNF & OFS CAPITAL BUDGETS GRAND TOTAL FOR 2015	\$499,812	