

RESOLUTION

Sponsors: Michael J. LoCurto, David A. Franczyk

RE: Community Benefits Agreement for the Canal Side Development Project

WHEREAS: Buffalo, NY is the third poorest mid-sized city in the nation, with nearly 30% of its population living below the federal poverty line of \$22,050 for a family of four; and

WHEREAS: Our region has seen higher paying jobs replaced by lower paying service Occupations, with nearly 125,000 people in the greater Buffalo region now working in occupations where the median income is less than \$20,000 per year, including 20,170 retail salespeople (\$19,060), 18,780 cashiers (\$16,360), and 55,920 food prep/servers (\$17,300); and

WHEREAS: The City of Buffalo has a Living Wage Ordinance that protects working families; and

WHEREAS: The Canal Side Development Project is a \$294 million development project intended to revitalize the waterfront and foster economic growth, overseen by the Erie Canal Harbor Development Corporation; and

WHEREAS: The Erie Canal Harbor Development Corporation (ECHDC), a public authority created in 2007 as a subsidiary of the Empire State Development Corporation, with a state-appointed Board of Directors, has been vested with full control of the Canal Side Development Project, including eminent domain; and

WHEREAS: Over 50% of the Canal Side Development Project is being financed by public dollars; and

WHEREAS: The City of Buffalo, County of Erie, and State of New York are subsidizing Bass Pro Outdoor World Shop via the remediation and demolition of the former Memorial Auditorium, a direct payment to Bass Pro of \$35 million dollars for development of their local facility, as well as an exemption from sales tax for construction materials, rent of only \$1/year, parking and marina use provisions, DOT funded highway signs and the like; and

WHEREAS: Bass Pro annually grosses approximately \$2.65 billion dollars; and

WHEREAS: Whoever is named as the Master Developer of ALL private development within the project area will be responsible for further retail, hospitality, commercial, and residential enterprises for Canal Side; and

WHEREAS: The Master Developer is expected to secure indirect subsidies in the form of Empire Zone credits and will receive \$4 million from ECHDC to lure businesses; and

WHEREAS: The ECHDC estimates that between Bass Pro and additional development, approximately 1,600 permanent jobs will be created, most of which will be retail jobs with an average salary of only \$22,500; and

WHEREAS: Subsidizing retail jobs has been proven to be a misuse of tax payer money, as retail jobs are typically low-pay, zero or low-benefit, often part-time, and public dollars should not be used to fund poverty level jobs; and

WHEREAS: Any job quality, building design and construction standards, objectives for minority hiring and local or small businesses and mixed income housing goals for the project are only established as “good faith” initiatives and Board Directives, save state mandated requirements; and

WHEREAS: Heavily subsidized projects, such as the Canal Side Development Project, should integrate legally enforceable assurances that certain standards, including preferences for locally owned businesses, will be met and taxpayers will receive a good return on their investment; and

WHEREAS: A Community Benefits Agreement (CBA) is a legally binding contract negotiated between organizations representing community interests and the developer or lead on a specific development project; and

WHEREAS: Community Benefits Agreements have been used as effective tools for protecting taxpayer interests in development projects across the country, in cities such as Los Angeles, Seattle, Pittsburgh, Denver, and New Haven; and

WHEREAS: The Yale-New Haven Hospital CBA was negotiated in March 2006 by the Connecticut Center for a New Economy (CCNE), which set aside money for housing, economic development, youth programs and job training and included strong environmental standards, job training and a local hire program; and

WHEREAS: The Hill District CBA in Pittsburgh, PA was negotiated in August 2008 by Pittsburgh UNITED. It sets out a comprehensive list of community benefits as part of the publicly financed development of the new Penguins Arena and its ancillary development. Benefits include control of all future development throughout the Hill District, funding to encourage the establishment of a full service grocery store, a neutrality agreement for all permanent jobs as part of the development, local hire requirement, and a multi-purpose family center; and

WHEREAS: A CBA or like agreement for the Canal Side Development Project would insure a quality development project that is reflective of the broader community and guarantee a return on investment; and

WHEREAS: The Erie Canal Harbor Development Corporation and its parent authority, Empire State Development Corporation, should not enter into any contracts, sub-contracts, lease agreements, or the like without negotiating a Community Benefits Agreement or like agreement, with community partners; and

WHEREAS: The Community Benefits Agreement or like agreement would include a guarantee of the following:

- Job quality provisions, including living wage requirements for all businesses in the Project area; and
- Green building and operations requirements, with all buildings meeting the equivalent of LEED-Silver and Energy Star and including effective storm water management and water conservation plans; and
- Affordable housing, with a least one-third of the units affordable; and
- A local business plan, with 75% of retail space outside of Bass Pro reserved for locally owned, independent businesses; and
- Local and minority hiring goals for temporary and permanent jobs outside of government mandated objectives.

NOW, THEREFORE, BE IT RESOLVED, that the Common Council of the City of Buffalo (“the Council”) fully support the creation and enactment of a Community Benefits Agreement or like agreement for the Canal Side Project to ensure a strong and long-term return on the public’s multi-million dollar investment; and

BE IT FURTHER RESOLVED, that the Council go on record as opposed to Erie County providing further subsidies to the Erie Canal Harbor Development Corporation, Bass Pro, and the Master Developer unless a CBA or like agreement, acceptable to all parties, is negotiated;

BE IT FURTHER RESOLVED, that the Council will not transfer the thirteen acres of City-controlled property, without a CBA or like agreement, acceptable to all parties;

BE IT FURTHER RESOLVED, that the Council encourage ECHDC, Bass Pro, and the Master Developer to continue communications regarding the negotiation of a CBA or like agreement with the community organizations concerned with the current project proposal;

BE IT FINALLY RESOLVED, that certified copies of this resolution be sent to Governor Patterson, the WNY State Delegation, the ECIDA, the Empire State Development Corporation, the Erie Canal Harbor Development Corporation, and the Erie County Legislature.

David A. Franczyk

Michael J. LoCurto