

REPORT AND RECOMMENDATIONS OF THE WESTERN NEW YORK COALITION FOR PROGRESS ON THE PROPOSED BASS PRO/MEMORIAL AUDITORIUM REHABILITATION PROJECT

JULY 5, 2005

WESTERN NEW YORK COALITION FOR PROGRESS

WWW.WNYPROGRESS.ORG

726 EXCHANGE STREET, SUITE 800 BUFFALO, NEW YORK 14210

MAIL@WNYPROGRESS.ORG



REPORT AND RECOMMENDATIONS OF THE WESTERN NEW YORK COALITION FOR PROGRESS ON THE PROPOSED BASS PRO/MEMORIAL AUDITORIUM PROJECT

INTRODUCTION

After years of broken promises, countless studies and unfulfilled dreams of waterfront development, Buffalonians are justifiably wary and weary of "silver bullet" proposals, which promise a lot but deliver nothing.

Recently, a Memorandum of Understanding ("MOU") was signed by state and local representatives and Bass Pro Outdoor World, LLC ("Bass Pro"). Bass Pro proposes to transform the mothballed Memorial Auditorium ("Aud") into a 250,000 square foot superstore using public and private financial sources. This MOU confirmed the details of the proposed project as revealed at a November 28, 2004 press conference attended by many elected officials and representatives of Bass Pro.

The Western New York Coalition for Progress and its WNY Development & Economic Affairs Working Group have examined the MOU, and conducted some further investigation in order to develop an analysis of the Bass Pro proposal, and to make appropriate recommendations. This analysis was done objectively, with no preconceptions or prejudices.¹

ABOUT US

The Western New York Coalition for Progress is a nonpartisan organization, (with pending nonprofit status), of hundreds of western New Yorkers dedicated to making our community and America a better place to live, work and raise a family. We are bound together by a common commitment to progressive values and we aspire to ensure that our national and local policies reflect these values. We work to find progressive and pragmatic solutions to significant problems and develop policy proposals that foster a government that is "of the people, by the people, and for the people."

¹ Cf. James Ostrowski, "The Bass Pro MOU Raises More Questions than Answers". http://www.freebuffalo.org/articles/basspro--mou--analysis.pdf, May 11, 2005.

You can find the Western New York Coalition for Progress on the Internet at www.wnyprogress.org.

THE BASS PRO MOU

The MOU is available in its original form, in adobe acrobat (.pdf) format, at this address:

http://www.city-buffalo.com/Files/1 2 1/common council/BassProMemo.pdf

- The MOU notes that there shall be a total of \$66 million in public investment in the project ² in and around the Aud. Specifically:
- The federal government has committed a combined total of \$31 million to the project, together with State and local matching funds, for the design and construction of a 1000 space parking facility which incorporates an Intermodal Transportation Center as well as the design and construction of the Erie Canal Heritage/Great Lakes Museum, at an estimated cost of \$16 million dollars.
- The Intermodal Transportation Center will include a Metro Rail station, and an Amtrak/intercity rail station, thereby eliminating the need for the antiquated and "hidden" Exchange Street Amtrak station.
- The Empire State Development Corporation ("ESDC") shall commit \$21 million towards the project.

² See Memorandum of Understanding, dated as of January 31, 2005, by and among Bass Pro Shops Outdoor World, LLC, the New York State Urban Development Corporation d/b/a the Empire State Development Corporation, the County of Erie, and the City of Buffalo at section (B)(5).

³ See Memorandum of Understanding, dated as of January 31, 2005, by and among Bass Pro Shops Outdoor World, LLC, the New York State Urban Development Corporation d/b/a the Empire State Development Corporation, the County of Erie, and the City of Buffalo at sections (B)(5) and (B)(8).

⁴ See Memorandum of Understanding, dated as of January 31, 2005, by and among Bass Pro Shops Outdoor World, LLC, the New York State Urban Development Corporation d/b/a the Empire State Development Corporation, the County of Erie, and the City of Buffalo at section (A)(1).

⁵ See Memorandum of Understanding, dated as of January 31, 2005, by and among Bass Pro Shops Outdoor World, LLC, the New York State Urban Development Corporation d/b/a the Empire State Development Corporation, the County of Erie, and the City of Buffalo at section (B)(5)(b).

- The City of Buffalo and Erie County shall commit \$14 million towards the redevelopment of the Aud.⁶
- The state owned Donovan building shall be razed to accommodate the Intermodal Transportation Center, and the state offices therein shall be relocated elsewhere in Buffalo.⁷
- The City of Buffalo will sell the Aud to the ESDC, as-is, for One Dollar (\$1.00). The ESDC shall, in turn, deliver the Aud, as-is, to Bass Pro, at \$1.00 annually through a long-term lease. As noted in the MOU, "It is expected that the general project plan will provide that ESDC or a subsidiary will lease the Memorial Auditorium to Bass Pro for forty-nine (49) years."
- Bass Pro shall retain and assume the sole responsibility and expense for the maintenance and operation of the Memorial Auditorium throughout the term of the lease.⁹
- \$4 million of the City's and County's \$14 million dollar contribution shall be used to demolish the Aud's interior seating bowl. 10
- The Federal government will fund and construct an Erie Canal Heritage / Great Lakes-themed museum for a minimum cost of \$16 million dollars.

⁶ See Memorandum of Understanding, dated as of January 31, 2005, by and among Bass Pro Shops Outdoor World, LLC, the New York State Urban Development Corporation d/b/a the Empire State Development Corporation, the County of Erie, and the City of Buffalo at section (B)(8).

⁷ See Memorandum of Understanding, dated as of January 31, 2005, by and among Bass Pro Shops Outdoor World, LLC, the New York State Urban Development Corporation d/b/a the Empire State Development Corporation, the County of Erie, and the City of Buffalo at section (B)(7).

⁸ See Memorandum of Understanding, dated as of January 31, 2005, by and among Bass Pro Shops Outdoor World, LLC, the New York State Urban Development Corporation d/b/a the Empire State Development Corporation, the County of Erie, and the City of Buffalo at section (B)(8).

⁹ *Id*.

¹⁰ *Id*.

¹¹ See Memorandum of Understanding, dated as of January 31, 2005, by and among Bass Pro Shops Outdoor World, LLC, the New York State Urban Development Corporation d/b/a the Empire State Development Corporation, the County of Erie, and the City of Buffalo at section (B)(9).

The museum is anticipated to have a gross building area of approximately 30,000 square feet and to occupy a development site on the Erie Canal Harbor project site near the planned Commercial Slip. ¹²

- Bass Pro agrees to provide, at its cost, all staff required to operate the Erie Canal Heritage/Great Lakes Museum. Net operating costs or deficits incurred after revenues and non-staff expenses will accrue to the owner of the museum.¹³
- Parking in the adjacent ramp shall be free to Bass Pro patrons. The City will retain 300 parking spaces for monthly rental to commuters. Bass Pro will determine the location of those 300 spaces, and its employees will have the right to reserve and rent those spaces before they are offered to the general public. The ramp will be offered to Sabres fans for a fee during games.¹⁴
- The ESDC shall retain architects and design consultants to plan and design an adjacent Erie Canal Heritage/Great Lakes Museum (the "Museum").¹⁵
- The City of Buffalo shall retain architects and design consultants to plan and design a parking ramp/Intermodal Transportation Center.¹⁶

¹² *Id*.

¹³ See Memorandum of Understanding, dated as of January 31, 2005, by and among Bass Pro Shops Outdoor World, LLC, the New York State Urban Development Corporation d/b/a the Empire State Development Corporation, the County of Erie, and the City of Buffalo at section (B)(12).

¹⁴ See Memorandum of Understanding, dated as of January 31, 2005, by and among Bass Pro Shops Outdoor World, LLC, the New York State Urban Development Corporation d/b/a the Empire State Development Corporation, the County of Erie, and the City of Buffalo at section (B)(13).

¹⁵ See Memorandum of Understanding, dated as of January 31, 2005, by and among Bass Pro Shops Outdoor World, LLC, the New York State Urban Development Corporation d/b/a the Empire State Development Corporation, the County of Erie, and the City of Buffalo at section (B)(9).

¹⁶ See Memorandum of Understanding, dated as of January 31, 2005, by and among Bass Pro Shops Outdoor World, LLC, the New York State Urban Development Corporation d/b/a the Empire State Development Corporation, the County of Erie, and the City of Buffalo at section (B)(3).

- "Bass Pro agrees to invest not less than \$57 million dollars inclusive of any enabling funding received from the parties as outlined herein to redevelop Memorial Auditorium and ancillary facilities within the Project into a minimum 250,000 square feet Outdoor World Store, which may also include a hotel and a full service restaurant (subject to market feasibility and final design), at a minimum cost of not less than \$57 million dollars. Bass Pro expects to open the Outdoor World Store to be open no later than Spring, 2007."
- Bass Pro is solely responsible for the construction of the Bass Pro Outdoor World, and possibly a hotel and/or restaurant. 18

ANALYSIS

THE ESSENTIAL TERMS OF THE MOU MAY BE BINDING

A memorandum of understanding is not necessarily a binding contract. See Sanders v. Pottlitzer Bros. Fruit Co., 99 Sickels 209, 63 N.Y.St.Rep. 76 (1894). However, it can be. A New York State Supreme Court Justice in Erie County recently held that the Seneca Nation could not promise in a memorandum of understanding to build a casino in Buffalo, and later decide to choose Cheektowaga. Huron Group, Inc. v. Pataki, 5 Misc.3d 648, 785 N.Y.S.2d 827 (Erie Co. Sup. Ct. 2004.)

The language of the Bass Pro MOU as to the key terms of the contract, (*i.e.*, outlining what each entity agrees to do and pay), is definitive, and not open to future discussion. Each party to the MOU "agrees" and "shall" undertake the tasks assigned under the agreement. However, the MOU states that, "[n]otwithstanding anything to the contrary contained herein, the parties [sic] obligations are subject to the negotiation and execution of satisfactory development agreement, project documents and related agreements." ¹⁹ Bass

¹⁷ See Memorandum of Understanding, dated as of January 31, 2005, by and among Bass Pro Shops Outdoor World, LLC, the New York State Urban Development Corporation d/b/a the Empire State Development Corporation, the County of Erie, and the City of Buffalo at section (B)(4).

¹⁸ *Id*.

¹⁹ See Memorandum of Understanding, dated as of January 31, 2005, by and among Bass Pro Shops Outdoor World, LLC, the New York State Urban Development Corporation d/b/a the Empire State Development Corporation, the County of Erie, and the City of Buffalo at section (B)(20).

Pro also makes its obligations contingent upon obtaining adequate zoning approvals, and on the public investments. ²⁰

Specific Issues

1. INARTFUL DRAFTING

The portion of the MOU that deals with Bass Pro's own investment in the overall project has come under considerable criticism, rightly so, because of inartful language. Specifically, the MOU states "Bass Pro agrees to invest not less than \$57 million dollars *inclusive* of any enabling funding received from the parties as outlined herein to redevelop Memorial Auditorium and ancillary facilities within the Project into a minimum 250,000 square feet Outdoor World Store..." ²¹

Later on in that same sentence, however, Bass Pro re-states its commitment, and repeats that the store, as well as a possible hotel and restaurant, shall be built by Bass Pro "at a minimum cost of not less than \$57 million dollars." ²² Thus while the language used in the MOU can be described as inarticulate at best, it would appear that Bass Pro has committed itself to spending at least \$57 million dollars towards the completion of the project.

Bass Pro has confirmed to a member of the Western New York Coalition for Progress its commitment to produce that \$57 million expenditure. In a recent telephone interview, Larry Whiteley, Bass Pro's corporate public relations manager, clarified that Bass Pro has pledged to invest \$57 million of its own money into transforming the Aud into a Bass Pro megastore. ²³ Specifically, Mr. Whiteley indicated that Bass Pro had done its homework about the projected success of a Buffalo store in the Aud, and that they would not spend that kind of money on something they think will fail. ²⁴

²⁰ See Memorandum of Understanding, dated as of January 31, 2005, by and among Bass Pro Shops Outdoor World, LLC, the New York State Urban Development Corporation d/b/a the Empire State Development Corporation, the County of Erie, and the City of Buffalo at section (B)(18).

²¹ See Memorandum of Understanding, dated as of January 31, 2005, by and among Bass Pro Shops Outdoor World, LLC, the New York State Urban Development Corporation d/b/a the Empire State Development Corporation, the County of Erie, and the City of Buffalo at section (B)(4) italics added.

²² Id.

²³ Telephone conversation of Alan Bedenko and Larry Whiteley dated April 4, 2005.

²⁴ Id.

2. PUBLIC RETURN ON PUBLIC INVESTMENT

Pursuant to the MOU, and as corroborated by our research and findings of all available information on the subject, not one penny of public money will be paid directly to Bass Pro as an incentive to site a store in the Aud. Instead, the public money is exclusively to be used for improvements to, and construction of, public infrastructure.

When up and running in 2007, the store, restaurant and hotel are expected to generate a total of \$16.6 million in tax revenue per year between sales, property and payroll taxes. Thus, if these proposed tax revenues are realized, it is fair to say that within a short period of time following the opening of the project the City of Buffalo and County of Erie will have fully recaptured their investment, and will start to realize a gain on what is now non-producing publicly owned property.

As noted above, the County and City will spend \$4 million to demolish the Aud's seating bowl. It may be possible for these entities to recoup additional money by auctioning off any salvageable contents from the old Aud, much like the City of Boston did after the Boston Garden's demolition.²⁵

The remaining local, state, and federal public money will go to construct the parking ramp and Intermodal Transportation Center, to demolish the Donovan Building and relocate those State employees, and to construct a Great Lakes Heritage Museum.

On June 2nd, the Erie County Legislature voted 10-4 to commit \$14 million toward the completion of the public infrastructure work incidental to the Bass Pro project.²⁶ All of that money came from the tobacco settlement fund – money that cannot be used for operating expenses.²⁷

Bass Pro shall staff the museum at its own cost.

Unfortunately, because Bass Pro is a privately held corporation, Mr. Whiteley would not discuss with the Western New York Coalition for Progress'

²⁵ See, e.g., http://www.larrybird.com/BostonGarden.htm; http://search.catalogkid.com/search/item_detail.jsp?id=14246

²⁶ http://www.wivb.com/Global/story.asp?S=3427322&nav=0Rapacd4: "Legislature Upholds Bass Pro Commitment." WIVB-TV June 3, 2005.

²⁷ http://www.wstm.com/Global/story.asp?S=3427442: "Tobacco money will go toward building Buffalo's waterfront project." WSTM-TV June 3, 2005.

representative the sort of remuneration and benefits that Bass Pro employees receive.

Based on discussions that Coalition members have held with elected and union officials in Auburn, New York, we have learned that the unions are not opposed to Bass Pro. In fact, during construction of the Auburn, New York Bass Pro Outdoor World, unionized building tradesmen were used.²⁸

Although we have no specific wage or benefit information for Bass Pro's local managerial or retail employees, it should be noted that the local unions in Auburn have received no anecdotal or formal complaints about working conditions at that store. Furthermore, Bass Pro insists that its salespeople are enthusiasts at whatever activity corresponds with the department in which they work. In other words, salespeople in the hunting department are expected to be avid hunters. We would expect that Bass Pro would pay accordingly for that expertise and enthusiasm.

2A. THE BASS PRO EFFECT

Much criticism has been directed at the fact that Bass Pro itself will create about 400 jobs. Setting aside for a moment the fact that the project itself will be a boon to the local construction industry, a proper analysis of Bass Pro must look beyond the four walls of the store itself.

The Bass Pro store proposed for the Aud will have 250,000 square feet of space. It will be the third-largest Bass Pro Outdoor World in the chain. By comparison, the three closest Bass Pro stores are much smaller in size. The Bass Pro store in Auburn, NY takes up 85,000 square feet. A Bass Pro in Vaughan, (Toronto), ON is 150,000 square feet in area, and the store in Auburn Hills (Detroit), MI is 130,000 square feet.

Bass Pro, which is headquartered in Springfield Missouri, boasts that its flagship store in that city is Missouri's most popular tourist attraction. Four million people visit that store each year, despite the fact that similar Bass Pro megastores are located mere hours away in St. Louis, Columbia, Memphis, and Branson. Thus, Bass Pro has achieved prior success driving shoppers to its large Outdoor World locations even though it has other smaller stores nearby.

²⁹ Telephone conversation of Alan Bedenko and Robert K. Bergan of the Auburn Local Development Agency, June 14, 2005.

8

²⁸ Telephone conversation of Ellen Poch and Marc Spatafore of the AFL-CIO Central New York, June 6, 2005.

Moreover, Missouri is not the only state that can boast that its number one tourist destination is an outdoor/hunting/fishing/recreation super store. It has been reported that Cabela's, one of Bass Pro's primary rivals, lures over 6 million visitors a year to its 225,000 square foot superstore in Dundee, Michigan and is Michigan's number one tourist destination.³⁰ The arrival of that store in 1999 led to an explosion in the Dundee, Michigan economy, including other development surrounding the superstore that has increased Dundee's tax base over ten times – from 23 million in 1999 to 280 million dollars in assessed value last year. ³¹

Although Bass Pro has never before transformed a mothballed public asset, such as the Aud, to new use, it has occupied and renovated vacant department stores in failing malls. Those failing malls, specifically the one in Auburn, NY and one in Savannah, GA, have seen a 300% jump in traffic after Bass Pro came in.³² Bass Pro has completely and single-handedly revitalized the entire mall. Furthermore, the introduction of a Bass Pro store brings with it other businesses, including hotels and restaurants.

Even the comparatively small Auburn store boasts visitors from as far away as Quebec, Massachusetts, and Pennsylvania.³³ For a large Outdoor World like that proposed for Buffalo, it is estimated that shoppers will drive an average of 3-4 hours, and come from a 4-5 state area.³⁴ According to Larry Whiteley, each store has a unique character and there are Bass Pro enthusiasts who actually make it a point to visit each and every store.

Specifically, the Auburn, NY store contributed to a 7% sales tax revenue increase in Cayuga County, as compared with the previous year. In that same period, Cayuga County's unemployment rate dropped to 4.4% from 5.3% the year before.³⁵

Bass Pro has never closed a store.

³⁰ See <u>Lansing State Journal</u>, July 13, 2003, "Michigan Play at Home: Metro Detroit, Cabela's top destinations for state's tourists."

³¹ See <u>Northwest Indiana Times</u>, May 1, 2005, "Dundee Economy explodes with Arrival of Cabela's."

³² Telephone conversation of Alan Bedenko and Larry Whiteley dated April 4, 2005

³³ See <u>Buffalo News</u>, March 24, 2005, page B7, "Put on your hospitality face; Bass Pro will bring multitudes to Town, Auburn Manager Says."

³⁴ *Id*.

³⁵ See Syracuse Post-Standard, June 9, 2005, "Mall nets a winner: Bass Pro's first year an economic boon to Cayuga County."

Bass Pro operates something akin to a concierge service in its stores; a staffed booth offering materials and information for nearby businesses and attractions. Furthermore, it has been reported that Bass Pro intends to be a good corporate citizen in Western New York, and contributes regularly to community charities, and provides free outdoor education. That has been the experience of the Auburn, New York community.³⁶

Robert K. Bergan, who worked with the Auburn Local Development Agency to land the Auburn store, is unequivocal that Bass Pro has had a very positive impact on Cayuga County. According to Mr. Bergan, Bass Pro put a lot of effort, design & money into their store, and local people are very happy with it. He said that the mall in which Bass Pro is located was teetering on the edge of closing, but that this \$15 million project completely turned the mall around. He said that new stores have come in, the mall has been renovated, and that there are always cars in the parking lot. ³⁷

Rather than being just another retail store, Bass Pro's representative Larry Whiteley likens going to a Bass Pro store to a museum or gallery experience - it's not just shopping, but entertainment. ³⁸ According to Mr. Whiteley, Bass Pro has received numerous awards for conservation, and wants people not just to hunt and fish, but to really enjoy the outdoors. ³⁹

3. WHY DO IT?

While the initial public outlay to the Bass Pro project is large, there are a number of valid reasons for public investment in this project. One such reason would be the possibility such a project would have on increasing downtown housing. The expansion of Buffalo's downtown housing is dependent on the introduction of retail services to support it. As one author noted:

"It's hard to convince people to come into your neighborhood if they don't have that (services)." The added benefit for cities is that retail provides sales and property tax revenue and requires fewer services. It also helps in wooing office jobs.

³⁶ Telephone conversation of Alan Bedenko and Robert K. Bergan of the Auburn Local Development Agency, June 14, 2005.

³⁷ *Id*.

³⁸ Telephone conversation of Alan Bedenko and Larry Whiteley dated April 4, 2005.

³⁹ *Id*.

"If you have a good strong retail base, it's easier to attract other businesses," says Bill Shelton, principal at The Buxton Co., a consulting firm that has worked with 130 communities in 28 states to help develop incentive packages. ⁴⁰.

Another reason would be to spur other potential retail development in the downtown district. As it stands now, Buffalo's Main Street is a ghost of its former vibrant self. It is in fact failing in its stated purpose of being the "main" street of Buffalo. The antiquated Main Place Mall is practically empty, as are most atgrade storefronts. It is a fair assessment to say that retail establishments that serve the community do not exist in most sections of downtown Buffalo.

With the right planning, a Bass Pro Outdoor World store could bring people into the downtown core seven days a week, year-round. It also can be a catalyst for other commercial and retail development in Western New York's urban core. For example, soon after the MOU was finalized, a local investment group announced plans to renovate a block of the nearby Cobblestone District.⁴¹

Bass Pro has sought, received, and faced local opposition to incentive packages elsewhere. But Bass Pro pointed out that a store in Oklahoma City, partially funded with public money incentives, helped rejuvenate the Bricktown district, re-activate long-stalled plans for a multiscreen cinema, and spurred a Missouri developer to build a \$35 million hotel complex nearby. 42

The expansion of retail business on Main Street downtown would provide jobs, along with sales tax, income tax, and parking revenue. The Bass Pro shop, which backs right up into the Erie Canal Terminus project, together with the Great Lakes Heritage Museum, will fit in perfectly with plans to redevelop Buffalo's inner harbor. When looked at in the grand scheme of the future of downtown Buffalo and the Buffalo River harbor, Bass Pro is just one piece, though a large one at that, in the redevelopment that already includes:

- The Erie Basin Marina;
- The Naval and Servicemen's Military Park;
- The Erie Canal terminus redevelopment:
- HSBC Arena; and
- The Cobblestone District.

⁴⁰ See David Koch, "Desperate Towns", Retail Traffic Magazine, April 1, 2005.

⁴¹ See <u>Buffalo News</u>, January 10, 2005, Page B1, "2 Developers Team Up in Cobblestone District."

⁴² Telephone conversation of Alan Bedenko and Larry Whiteley dated April 4, 2005.

The Aud and its immediate surroundings are ugly and in disrepair. (See Appendix). As part of the Bass Pro project, all possible steps should be taken to enhance the look of the Aud and surrounding area. If done right, the conversion of the Aud into a Bass Pro Outdoor World store can be part of a grand waterfront gateway into the City of Buffalo, and a tourist destination for decades to come.

Ideally, the entire Erie Canal terminus area, including Bass Pro, would benefit greatly from the removal of the Skyway, and its replacement with an atgrade draw or lift bridge crossing.

The recent announcement that the City of Buffalo is moving forward with plans to re-introduce vehicular traffic to Main Street is also a positive development in the immediate vicinity of the Aud.

CONCLUSION AND CAVEATS

The Western New York Coalition for Progress supports the use of public money, as detailed in the MOU, to make improvements to public infrastructure in order to lure Bass Pro Outdoor World, LLC to Buffalo's Memorial Auditorium.

While we support this project, we do not look at it as a silver bullet that will save downtown Buffalo. Instead the members of the Western New York Coalition for Progress support this project because it is a very important step forward in the redevelopment of downtown Buffalo and its adjacent inner harbor. If done right, the spin-off development resulting from the Bass Pro project will more than pay for the initial public infrastructure investment.

While it would be more desirable for Bass Pro to fund the entire project on its own, this particular deal involves the use of public money for the improvement of public assets, rather than a direct incentive to Bass Pro.

Therefore, the Western New York Coalition for Progress supports the Bass Pro project as detailed in the MOU, with the following caveats:

- That the success of Bass Pro in particular, and the inner harbor in general, would be greatly enhanced if the Skyway was removed and replaced with an at-grade lift or drawbridge crossing, or similar alternative;
- 2. That the project take into account the walkability of the area surrounding the Aud, and ensure that pedestrians have a safe, convenient, and aesthetically pleasing way to reach nearby shops, businesses, and restaurants;
- 3. That Bass Pro employees receive good benefits and remuneration for their services and expertise;

- 4. That efforts be made in the final agreement to minimize the risk that Bass Pro abandons the Aud project before its lease expires;
- 5. That efforts be made to secure payments in lieu of taxes (PILOT) or a ground rent from Bass Pro in consideration for its lease of the Aud at very favorable terms.
- 6. That Bass Pro actually spends the \$57 million as pledged in the MOU.
- 7. To spur development and shopping in the downtown corridor, the Erie County Legislature, in conjunction with any necessary approval of the state legislature, might consider waiving a portion of the county sales tax generated for any sales made in a specially designated downtown shopping district.

APPENDIX A



The Aud from Perry Blvd



The Aud from Marine Drive



The corner of Main and Exchange (Aud to the right, HSBC to the left)



Crumbling sidewalk at the entrance to the Aud



The Aud and the Skyway (Hanover St)



The Aud and the Skyway (Hanover St)



The view up Perry Blvd from the Aud



The view from the front of the Aud



Looking away from the Aud, up Pearl Street