

# Greene Lodging & Water Park Project

## Frequently Asked Questions

As the IDA has worked to formulate this project a number of recurring questions have come to our attention. We have attempted to summarize the general tone of these questions and present factual answers. Additional information is available on a special project website at [www.greenewaterpark.com](http://www.greenewaterpark.com). The IDA welcomes specific inquiries to [info@greenewaterpark.com](mailto:info@greenewaterpark.com) and will work to provide answers and documentation. Version 12/05/11

### ***Will Greene County (the "County") provide County funding to the project sponsor?***

No, the funding that the County will invest is strictly for public infrastructure in the form of water, wastewater, roads, utilities, and undertaking environmental mitigation necessary to achieve permits for the development. The project sponsor will not receive any County funding.

### ***Is the debt service expense associated with the new infrastructure project paid solely by the County?***

No, while a portion of the debt payments will be paid by the County using **NEW** revenues in the form of sales tax and PILOT payments, the Town of New Baltimore and the Project Sponsor are also contributing to the payment of debt service. The Town is providing a fairly nominal contribution with new PILOT revenues. The Project Sponsor has agreed to charge a Public Infrastructure Support Fee (PISF) in the form of a tax applied against room revenue. The fee starts at 2% in year 1 and escalates to 2.5% year 7, 3.0% year 8, 3.5% year 9 and levels off at 4% in years 10-30. Over the period of the bonds the PISF is projected to contribute \$28 million (estimate is based on 80% of the project market feasibility projections) which will go directly to the County to be applied against the debt service.

### ***I have heard that the investment by Greene County in the infrastructure will only benefit the water park developer.***

This is incorrect. The investment by the County will provide the necessary infrastructure for development of a 400-room hotel water park as well as provide capacity for significant new development of other related users on adjacent lands. The infrastructure is designed to accommodate expansion to support additional development beyond the initial phases of the project.

### ***Will the project mean that the taxpayers of Greene County will see increased taxes to pay for the infrastructure bonds?***

No, it is anticipated that all infrastructure debt service expense will be covered by three revenue sources including a Public Infrastructure Support Fee ("PISF") similar to a hotel occupancy tax that will be charged by the project sponsor against room sales at the hotel, new sales tax dollars

generated at the project, and a contribution from the Town of New Baltimore and County from new property tax revenues generated at the project.

### ***What happens if the revenues anticipated in the market feasibility and economic impact analysis do not materialize?***

The market feasibility and economic impact analysis were prepared by an independent consultant (Hotel and Leisure Advisors) and provided the basis for estimating the Public Infrastructure Support Fee ("PISF") and project specific sales tax revenues. The Hotel and Leisure Advisors report concludes the project will generate successful operating results. Notwithstanding these conclusions, we have evaluated and estimate that a 40% reduction in the PISF and project specific sales tax revenues will still provide adequate revenues to meet County debt service expenses.

### ***How will this project impact the existing Zoom Flume water park in Durham?***

The Greene County Industrial Development Agency ("GCIDA") has executed an enforceable agreement with the project sponsor prohibiting an outdoor water park and the sale of day passes during the period between Fathers Day and Labor Day when the Zoom Flume is open. This enforceable and non-cancellable agreement will continue in perpetuity. The project is expected to positively impact Zoom Flume through the project sponsors commitment to make referrals to the Zoom Flume when at full capacity or when contacted by visitors looking for a day pass during the prohibited timeframe.



***If Greene County agrees to undertake the bonding to implement the required infrastructure is the project a definite go-ahead?***

No, while the County is requested to approve a bond resolution in the first quarter of 2012, the vote is conditioned on several items that must be met prior to the issuance of County bonds. The project sponsor must demonstrate that they have secured the required project financing, performance guarantees, and an acceptable operating agreement with Great Wolf to the County's satisfaction. If these conditions are not met, the bonding resolution is rescinded and the project does not move forward. The sponsors ability to secure the private capital financing will in itself provide an additional level of project due diligence as potential investors and lenders will independently evaluate the project economics.

***What, if any help can Greene County expect from NYS in the form of financial assistance?***

While state grant funds are uncertain at this time, the County was successful in having the project listed as a "transformational" project under tourism in the recently adopted Capitol Region Economic Development Council's five year strategic plan. The GCIDA has submitted an application for \$2MM in grants to help pay for the infrastructure. The grants are expected to be announced in December 2011 and any grants received will reduce the amount that needs to be bonded.

***What improvements will be required to Route 9W to allow for this project, will a round-about be needed?***

No, very minor changes will be required to Route 9W. Under this initial phase, the only required improvements are the addition of a traffic light at 9W and Houghtaling Road.

***If the GCIDA offers the developer a Payment in Lieu of Taxes (PILOT) on their property tax, doesn't this mean the rest of the tax payers pick up the balance?***

No, while this "concept" is often used as an argument by opponents to the use of a PILOT, the essence of the issue is that without the PILOT the project sponsor will select an alternative location where the benefit is offered. Without the project development, no new taxes are generated beyond what is currently assessed. GCIDA strongly believes that the PILOT is an important catalyst for the project and it is clearly beneficial to receive PILOT revenues, incremental economic development benefits and job creation rather than the alternative of no development and status quo on property tax revenues. Between 2015 and 2043 the PILOT will generate over \$28MM in taxes while a no-build scenario would produce approximately \$800,000 over that same period if the land remains vacant.

***Doesn't this project need to follow the requirements under the State Environmental Quality Review Act (SEQRA)?***

The required review of this project under SEQRA has been completed. Between 2007 and 2008 the GCIDA completed a Generic Environmental Impact Statement concluding with the adoption of a Findings Statement on 6/19/08. As proposed, the current Phase I activities as well as eventual expansion to Phase II and III have been addressed in the SEQRA process.

***What types of jobs will be created at this project and how will I learn when they will start to hire?***

The project is estimated to provide as many as 577 jobs. These will be primarily full time positions (+/- 422 positions) with some part time (+/- 156) positions. Employment opportunities will include different levels of management, house keeping and others. Employment will include salaried as well as hourly positions with skilled and non skilled positions. If the project stays on schedule it will open in 2015 after a two year construction window. The GCIDA will work with the developer and operator to make sure local residents are informed of these new positions and will host a number of job fairs in advance of the opening to help secure a workforce.

***What exactly is the public infrastructure that needs to be constructed using County bonds?***

Infrastructure for the project is primarily focused on the construction of a new waste water treatment plant, extension of water lines, a 2400 linear foot access road, utility extensions and environmental mitigation costs related to wetlands and habitat. The budget for the project is approximately \$14.8MM which includes a \$2MM contingency item that will be refined as detailed designs are completed should the project go forward.

***Why is the project planned for the location in New Baltimore?***

The project site was selected long before this specific development proposal based on the close access to the Thruway and the traffic that comes past exit 21B. Projects of this type do best when highly visible and when they are close to transportation resources.

***What other development may happen in this area?***

The GCIDA projects that this site will be highly desirable for outlet type retail uses and other attractions. Great Wolf resorts typically draw secondary development of this type and the GCIDA has had significant interest in secondary development if the anchor project can be accomplished. The GCIDA will work aggressively to draw other users that will support tourism in the County.