

**COUNTY OF GREENE
TOWN OF NEW BALTIMORE
SPECIAL MEETING
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OPENING OF SPECIAL MEETING

The meeting was called to order at 6:30 pm by Supervisor Susan O'Rorke and followed by the Pledge of Allegiance. In attendance: Councilwoman Finke, Councilman Norris, Highway Superintendent Jordan, and 23 members of public who signed attendance sheet. Absent: Councilman Meredith (death in family), Councilman Byas, and Town Clerk Brooks (ill).

PRESENTATION- GREENE IDA –Alexander Mathes, Executive Director

Water Park Project has been heard about for awhile now; a lot of encouraging activity and biggest challenge is raising capital, a minimum 60% equity needed; the ratio being discussed is 40% equity and 60% debt. First issue is \$17 million in infrastructure. Phase 1 is hotel/water park-map is on the website- Thruway bridge north, see billboards, the property to be developed is the high land, east side of that will be hotel/water park-about 50 acres, 400 rooms, 80,000 square foot, and indoor water park.

Phase 2, next to that, would be the retail: destination retailer, 100-125,000 square feet, space for 1400 parking spots, and outlets, and includes the front of Kalkberg, Empire Merchants and Serta.

Project was shifted toward Kalkberg as the purchase of Subaru land exceeded the budget. Pulling into Kalkberg, two roads, go to end of cul de sac, Serta, go directly north beside pump station to the 50 acres on the hill, use gravel bank at end of VanGurpin west, connect back to short of antique center and the Johns' property, won't go as far as the bridge over Thruway..Also, when proceeding into Kalkberg, an immediate left would also connect to VanGurpin. If you are visiting the retail, you'll go to the left; straight will take you to hotel; a pedestrian walking bridge/trail will connect the two.

\$25 million has been pared to \$17 million for Phase 1 with substantial (almost \$10 million) water and sewer work; highway improvements are moved to Phase 2. New sewage treatment plant separate from the Village of Cocksackie, independent as a housing development would be. Water capacity and quality will be improved after the current \$4mil project that will be completed this summer. A \$2mil new tank in Scheller Park area will improve pressure and storage to feed sprinkler systems for intense minute or two. Highway improvements, \$3mil, will include enhancing Thruway exit, Kalkberg entrance, maybe intersection roundabouts; improve section of 9W, with turn lane, connecting those two roundabouts, and extending road from the cul de sac to the waterpark. Land to purchase is Warren parcel, have a couple of others with options; mitigations to purchase must be grassland, little portion of the Fascinelli land that is grassland, back to the Mabey farm, option expired, minimum 2 acres of grassland taken out of future development in exchange for the space to be developed. There are environmental things to do also.

How to pay? Companies putting in a \$110 mil project, they are putting on a self-imposed 5% room tax (3.5% to back up their bond debt); remaining 1.5% (\$500,000/year) will go to IDA/bondholder for debt reduction/public purpose from which some community benefit money will be carved out.

Regarding sharing of sales tax from the facility, the county share projected is \$1.8 mil/year from the studies owned now that must be updated. Also, in year one, \$250,000 may be generated by outside, offsite sales.

Out of that, debt service (\$1.5 million) must be paid; highways can be bonded for 15-20 years, water and wastewater can be bonded for 25-30 years but interest rates change based on length.

Worst case is debt payment is made in year one and \$1mil goes to Greene County in sales tax to use where they feel their priorities are.

Phase 1 is hotel/water park construction, 1500 construction jobs for 18 months, 500 jobs at facility upon opening (370 fulltime, 130 parttime), and the rest of the land is permitted and ready to go.

The highway work is left. Additional challenge is how to put additional money from the project toward the debt, to lower the debt and increase the availability of public money to local communities.

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Mr. Mathes is trying to handle expectations, Phase 1 is not for getting rich, it is for getting infrastructure; Phase 2, the retail, expects to generate \$6-7 million in new sales tax with more square footage, pay the highway crew. The last ones in will pay more and more in taxes, beginning to negotiate a fair amount of taxes, and provide more money to town and county. Delaware Engineering is doing a good job with current water project for Village of Cocksackie. New Baltimore Water District 2, that includes Serta, can be expanded, creation may already include the Fascinelli/Subaru land, the boundaries simply need to be expanded, done at project cost, without any cost (lawyers, engineers, etc.) to the Town of New Baltimore; the project will fund this.

There will be another opportunity for the Town of New Baltimore to extend infrastructure along 9W corridor. Decisions will need to be made how far up 9W to extend the water. Phase 1 will not run water on 9W, but Phase 2 will by way of the increase in sales tax revenue. IDA's commitment will be at least to the Holiday Inn Express; since the road will be dug up, it is logical time for water and wastewater. Intense discussions are happening with outlet developers; if they were ready to go today, it could be the same time frame as hotel/waterpark. With Phase 2 happening, it is just a matter of time.

Mr. Mathes predicts retail open in a 3 year cycle- but money to do that must come from Phase 2. IDA needs the community to understand; some would say the county *is taking* a risk, some say the county must take a risk.

Regarding wastewater, Village's system doesn't have capacity, is under INI now from NYSDEC, and when it rains there is more water than waste. New plant must serve a new northern town sewer district: from Red's Restaurant north, behind Cumberland Farms, north on both sides of 9W, incorporate the Greene Plaza. Also occurring is discussion with Town of Cocksackie to include south to Correctional Facility traffic light.

Regarding New Baltimore's wastewater district: Holiday Inn Express to Albright's corners would be logical, find business to generate state money, observe the development nodes. (Supervisor has copy prepared by Lisa Nagle.) Village of Cocksackie would not own that; IDA would set up a public authority to run the sewer district, set rates based on debt and contract with someone to run a 400-450,000 gallons/day capacity, and make further development possible under the current zoning. IDA will look to the Town Board to set the boundaries on 9W.

Already looking for sample pro forma, of that current district and current users, to develop sample rates and hookup fees; it will have to be self-sufficient, as folks outside the district do not pay for those expenses.

Highway modification will require work on two intersections; main expense will be extending the road from the cul de sac up to that hill.

Site plan approval will engage the Town Board for Planned District Development process, hoping process will parallel the permitting process. During the generic impact statement the theory was discussed; NYSDOT, NYSDEC, Army Corps of Engineers, and Historic Preservation have to be in order.

Spring/summer of 2012 the Town has approved the site plan, how it looks, infrastructure signed and ready, and awarding the highway and wastewater bids, fall of 2013 infrastructure done. On 2014 property tax roll, will be a PILOT 25year locked in payment, September 2014 school tax bill, and 2015 Town and county taxes. There is an Empire Zone there, usually good news as the state reimburses for 10 years 100% of taxes. The challenge is years 1-3 during construction, March 2013 there may be a partial assessment. School gets 63-8% of taxes, county 15%, and town about the same; will share to pay for debt. Hoping for public presentation to legislature end of April, including cost of everything, projected debt number and what's left for the county; May cycle of legislature hopefully picks it up.

The county does part of debt, excellent credit rating, outlining the options in great detail, they have to commit some of that new sales tax towards debt, the county gets less money in year one for their own purposes; trying to finalize documents, hopefully people will see the value.

A retail agricultural outlet for local agriculture community, food, meats, etc to metro NYC population, and a visitors' center to market the rest of Greene County, (i.e. golf, ski, hiking biking trails). There is a challenge getting over the perception of risk; there is risk, but looking at numbers, and public, "risk" is what happens if they close the doors five years from now. If doors close, no sales tax is generated to pay the debt. To strengthen the overall numbers, smart people want to spend the money on the project, IDA will be

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working closely with the operator of the facility, will be Great Wolf, who have 10 such parks, it is most credible waterpark owner (www.GreatWolf.com), not Lake George, brand is much stronger; \$320/night, no day passes. A trip is planned for elected officials. Great Wolf wants to be the operator and equity partner. Mr. Mathes asked for good communication, and stressed cooperation, partnership, willingness to work Village of Cossackie, Town of New Baltimore, and Town of Cossackie, and wants to be 'joined at the hip'. With 9W corridor working together, we can gain commercial growth to provide critical revenue to school districts and to face common challenges.

Supervisor O'Rorke asked if would be fair to say that PILOT and sharing on the part of the Town is what will allow the Town to get the infrastructure that we all would benefit from and can use to attract other business. Mr. Mathes said it is a less painful way for the Town to utilize parts of new money and not go into its budget; historically, the Town of New Baltimore has chosen not to contribute, whether the expansion of the water treatment plant, or some other payments into that system. New Baltimore has to contribute to the cost of infrastructure; the fairest way is to share new money and get tax relief, dedicate it towards debt, and that's the way New Baltimore handles the cost with its history.

Supervisor has asked how to attract business- infrastructure is the opportunity. She met with neighboring supervisors and mayors, and started discussion about an intermunicipal agreement, hope to meet with Department of State with their new round of grants, may be behind the curve.

Mr. Mathes said a regional approach to infrastructure and shared services will be hot trend and more efficient use of taxpayers money, and the state may provide setups for communities to do that. With state budget done, attention will shift to rest of us, how to do our jobs better. Mr. Mathes believes if you're not having discussions with neighbors, someone's going to force that; he'd rather choose than have a 'shotgun marriage'.

Supervisor O'Rorke hear the Department of State expects 2x's the money for grants for shared services and intermunicipal partnerships. She said, from original conversation about a wastewater treatment plant, it is appealing to be able to push headaches off to someone else, but with water we don't have, we must negotiate with neighbors. She asked if Mr. Mathes believed the authority would have equal representation from New Baltimore and Cossackie controlling its fate; Mr. Mathes said there is no plan yet for structure of the authority; he sees a separate and distinct board of directors, reflective of area of service, with private contracts for maintenance, due to the challenge of finding talented and certified water or sewer plant operators.

Supervisor confirmed that Delaware Engineering would be bringing back rates and fee structure; if piping is in ground, want hookups.

Mr. Mathes said there will be mandated hookup; property is greatly enhanced with the presence of water and sewer lines. Water rate from the Village is determined from the district. Sewer, as an entity, will have to be self-sufficient; he asked for pro forma based on current hookups will be, Serta, SaveALot, then how to handle hookup fees, will they be required to do, since they will reflect economics. There is desire to be close to the artificially-low current rate because those benefiting from the services must pay for it. Supervisor said PILOTs have different effect on school districts; Mr. Mathes said the state aid received by school districts is affected by incomes, or perceived incomes, and by property values. Athens Gen, on the tax roll as \$800 mil, makes Catskill Schools look rich and lose state aid. Paying it outside that system, it doesn't impact the state aid. School districts will benefit by ratio of overall number, but not the state aid. This could be a substantial assessment. PILOTs don't impact special districts; fire, ambulance districts 'assessment-times-the-rate' still applied and the special district is made whole. Supervisor asked when the Town could get the PDD; Mr. Mathes answered at the time the permitting process begins, July, and talk of the site plan. He expects no issues due to the quality and the parking since everything has been discussed up front and is out there now, and talked about signage, not backlit.

Supervisor said most of Planning Board is in attendance this night.

Councilman Norris asked, re PDD, for a preliminary sketch plan; Mr. Mathes said as soon as he has it and what he has now he would call the preliminary/working site plan: the park, the road, building, infrastructure road. He said next will be landscaping, lighting

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plan; they are not reinventing their designs and just opened one in TX. Councilman Norris asked if the incentive for the PILOT locked for 25 years, Mathes said it is being negotiated now. Councilman Norris said for the Town 15%/63% and the Town's 15% would be split 50/50 with IDA. Mr. Mathes said yes, and Phase 2 will be a new negotiation and could substantially increase. Councilman Norris asked longterm is 15% PILOT; Mr. Mathes said each year will be some shifting based on the Town's tax rate percentage (when all three taxes are added, the rate is a percentage of \$31/\$1000), if New Baltimore's percentage goes higher than the county next year, the Town will shift; as a number that changes, whatever year the PILOT is adopted will lock those numbers and that will be all new money. Mr. Mathes said some money is being paid for by the Warren estate, minimal; the Town may get \$500.

Supervisor asked that the IDA provide the assessor, who looked at the park in the Poconos, with the projected numbers.

Mr. Mathes will provide assessor with detail of benefit, initial project will be same size as that, but have the potential to grow by 200 rooms, in year 4 or 5 may do a major outdoor attraction to go with it, and is still being negotiated; IDA's feasibility update study will address that: possible traffic generated within the SEQR, and the traffic improvements being done without the \$30mil flyover bridge. Feasibility study has not dealt with that part of the project, the new study will. A surcharge is felt to be needed on those tickets to pay for infrastructure; a bite of the apple for Town and for them. The first business or developer has leverage, they are exerting it pleasantly, IDA is pushing back for contributions to infrastructure. In Phase 2 the price of the land becomes higher as do the taxes; cannot be greedy in Phase 1 because there's not a lot to be greedy with.

Councilman Norris asked what Great Wolf expects for occupancy rate; answer: in last year it dropped about 1/2% nationally, they are still almost 72% average; Councilman Norris said the average occupancy was low 50%'s. Mr. Mathes said they have a track record, they build their parks in a 2-3 hour commute, they loved the site, looked demographics of a 2-hour circle, Poconos is bursting at the seams and cannot expand. Mr. Mathes said using that occupancy rate you project the sales tax, surcharge and how to pay the debt; IDA Board and Greene County Legislature need confidence those numbers are all credible; this is not a standalone new developer, Great Wolf has 10 of these parks.

Councilman Norris asked for job forecast-

Mr. Mathes said 1500 construction jobs for 18 months, and need grasp of benefits to local communities during construction. When Athens Gen built, there was huge bubble in sales tax. Once open, 500 jobs for facility- 370 full-time with benefits/130 part-time-Mr. Mathes wasn't crazy about the part-time rates, \$8-8.50/hour, but full-time have some decent salaries. Great Wolf expects an additional 800 jobs created over 5 years in our community; IDA is asking for more detail on that. Phase 2 will have retail full-time and many part-time. A lot of Greene County people who need 2-3 incomes in home, and they were part-time, and they were leaving the county for those jobs, can now be local. Mr. Mathes said, in 500,000 square feet of retail, there could be 500 jobs in one store.

Supervisor thanked Sandy Mathes, who offered to return for roundtable discussion anytime.

Special Meeting was adjourned at 7:40 pm.

Respectfully submitted,

Janet A. Brooks
Town Clerk