

FOR CONSIDERATION

June 15, 2010

TO: The Directors

FROM: Dennis M. Mullen

SUBJECT: Cortland (Cortland County) – SUNY Cortland/NY Jets 2010-15 Summer Training Camp Capital & SUNY Cortland/NY Jets 2010-15 Summer Training Working Capital – Empire State Economic Development Fund – General Development Financing (Capital Grant and Working Capital Grants)

REQUEST FOR: Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make Grants and to Take Related Actions; Determination of No Significant Effect on the Environment

General Project Plan

I. Project Summary

Grantee: State University of New York College at Cortland (“SUNY Cortland” or the “College”)

ESD* Investment: Grants of up to \$575,000, pending passage of the New York State budget, to be used for a portion of the cost of improvements including building renovations, the creation of an additional grass playing field, and reduction of the annual New York Jets (the “Jets”) Summer Training Camp user fee for up to 5 years.

* The New York State Urban Development Corporation doing business as the Empire State Development Corporation (“ESD” or the “Corporation”)

Project Location: 17 Graham Avenue, Cortland, Cortland County

NYS Empire Zone

(or equivalent): N/A

Proposed Project: Facility improvements and related operating costs to accommodate the Jets Summer Training Camp (the “Camp”) for the next three to five years.

ESD Incentive Offer Accepted: March 22, 2010

Project Completion: July 2015

Grantee Contact: Mary K. Murphy, Associate Vice President for Finance
17 Graham Avenue
Cortland, New York 13045
Phone: (607) 753-2303
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Anticipated
Appropriation
Source: Empire State Economic Development Fund

ESD Project No.(s): X049, X057

Project Team:	Origination	Judith Garner
	Project Management	Glendon McLeary
	Affirmative Action	Helen Daniels
	Environmental	Soo Kang

II. Project Cost and Financing Sources

<u>Financing Uses</u>	<u>Amount</u>
New natural grass playing field	\$181,000
Renovation - Whitaker Residence Hall	80,000
Upgrades - Corey Student Union	59,000
User fee reduction	<u>375,000</u>
Total Project Costs	<u>\$695,000</u>

<u>Financing Sources</u>	<u>Amount</u>	<u>Percent</u>
ESD- Capital Grant (X049)	\$200,000	28%
ESD- Working Capital Grant (X057)	375,000	52%
New York Jets	<u>120,000</u>	<u>20%</u>
Total Project Financing	<u>\$695,000</u>	<u>100%</u>

III. Project Description

A. Background

Located in Cortland County in Central New York, the State University of New York College at Cortland (the “College”) was founded in 1868 and became a part of the SUNY system in 1948. SUNY Cortland is a comprehensive college of arts and sciences offering over 100 undergraduate and graduate programs in the liberal arts, sports management and a variety of professional fields. The College currently has approximately 7,300 students and expects enrollment to increase in the upcoming years.

The New York Jets (the “Jets” or the “Team”) is a professional football team that is a part of the National Football League and plays at the Meadowlands Sport Complex in East Rutherford, New Jersey. The Team also maintains a training facility in Florham Park, New Jersey. In 2009, the Jets were seeking an alternative summer training venue that offered a less urban setting and provided an environment more conducive to team building. The Jets issued a competitive Request for Proposals in early April 2009, and SUNY Cortland was the successful respondent. In order to accommodate the Camp, SUNY Cortland needed to upgrade its facilities at considerable cost. The College approached New York State for financial assistance to help defray these costs; and New York State, through ESD, approved a \$410,000 grant in May 2009, payable directly to SUNY Cortland.

With ESD’s grant to the College for infrastructure improvements and related costs, the Jets completed the Camp at the College and made it to the 2009 National Football League playoffs. A study undertaken by SUNY Cortland faculty members also revealed that the Jets’ decision to hold the Camp at the College attracted 34,000 visitors and generated approximately \$4.26 million in economic activity in Cortland County. As a result of this successful endeavor, the Jets have agreed to hold the Camp at the College for the next three to five years. New York State, through ESD, will provide a \$200,000 capital grant and \$375,000 working capital grant, payable directly to the College, to assist with the cost of the project.

B. The Project

The College must undertake a series of additional capital and non-capital expenditures to prepare the SUNY Cortland campus and support on-going services for the New York Jets 2010 through 2015 Summer Training Camps. For the 2010 Camp, the Jets will relocate approximately 200 players and staff members to SUNY Cortland from July 19th through August 22nd. Players will live in the SUNY Cortland dormitories and will train for three weeks at the College’s sports

facilities; staff members will reside in other campus housing. Upgrades to the College facilities will accommodate both short- and long- term uses.

The project's capital expenses include: creation of a new natural grass playing field; renovation of the Whitaker Residence Hall; upgrading of the Corey Student Union building; and the purchase of two heavy duty industrial washers. SUNY Cortland is currently in the procurement process for its capital expenditures. Non-capital expenses include a reduction of the Jets annual fee of \$175,000 by \$75,000 for up to five years. The Team has entered into a contract with SUNY Cortland to hold summer training camp at the College for the next three years with a two-year extension option. ESD will reimburse SUNY Cortland upon verification of payment of the annual fee. ESD will not be obligated to disburse any funds if the Jets opt not to exercise the two-year extension option.

SUNY Cortland plans to build on the successful 2009 New York Jets summer training camp at the College to grow tourism and sports-related activities in the Cortland area. It is projected that as a result of the Jets' presence in Cortland, visitors to the area will increase from approximately 34,000 in 2009 to approximately 70,000 to 100,000 in 2010. Additionally, the Jets have agreed to partner with ESD's "I Love NY" campaign to provide marketing through a variety of Jets owned and operated vehicles. The Jets will also broadcast the "I Love NY" message through Jets radio and TV outlets, stadium signage, and various print and media products.

C. Financial Terms and Conditions

1. The Grantee shall pay a commitment fee of 1% of the \$575,000 capital and working capital grants (\$5,750) upon execution of the grant disbursement agreement. In addition, at the time of disbursement, the Grantee will reimburse ESD for all out-of-pocket expenses incurred in connection with the project.
2. The Grantee will be obligated to advise ESD of a material adverse change in its financial condition prior to disbursement.
3. The Grantee or the Grantee's shareholders will ensure contribution of at least 10% in equity to the Project. Equity is defined as any non-debt source of capital, and should be auditable through Grantee financial statements or Grantee accounts, if so requested by ESD.
4. Up to \$575,000 will be disbursed to the Grantee as follows:

EDF Capital Grant (X049)

Up to \$200,000 will be disbursed to the Grantee as follows:

An amount equal to 100% of the grant (\$200,000) will be disbursed to the Grantee upon completion of the project substantially as described in these materials and documentation of facility improvements project costs totaling \$320,000, assuming that all project approvals have been completed and funds are available.

Payment will be made upon presentation to ESDC of an invoice and such other documentation as ESDC may reasonably require. Expenses must be incurred on or after

March 22, 2010 to be considered eligible project costs. All disbursements must be requested by April 1, 2011.

EDF Working Capital Grant (X057)

Up to \$375,000 will be disbursed to the Grantee as follows:

Up to five annual installments of an amount equal to 20% of the grant (\$75,000) will be disbursed to the Grantee, with the initial installment upon completion of the project substantially as described in these materials and upon evidence that the Jets have submitted the annual payment (\$100,000 reduced rate annual fee) for the use of the College's facility for the Jets' Summer Training Camp 2010 season, assuming that all project approvals have been completed and funds are available. Subsequent installments may be requested annually for up to four additional years, upon submission of documentation evidencing the Jets' payment of additional Jets Summer Training Camp annual fees.

Payment will be made upon presentation to ESDC of an invoice and such other documentation as ESDC may reasonably require. Expenses must be incurred on or after March 22, 2010 to be considered eligible project costs. All disbursements must be requested by April 1, 2016.

4. ESD may reallocate the project funds to another form of assistance, at an amount no greater than \$575,000, for this project if ESD determines that the reallocation of the assistance would better serve the needs of the Grantee and the State of New York. In no event shall the total amount of any assistance to be so reallocated exceed the total amount of assistance approved by the Directors.

IV. Statutory Basis

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms.
As a result of this project, the Jets will hold their annual summer training camp in New York State for the next three to five years. The project is expected to generate 70,000 to 100,000 visitors in Cortland resulting in increased economic activity in the region.
2. The proposed project would be unlikely to take place in New York State without the requested assistance.
The New York Jets considered several locations to hold its annual summer training camp for the next three to five years. ESD's assistance helped to reduce costs and make the project feasible in New York.
3. The project is reasonably likely to accomplish its stated objectives and the likely benefits of the project exceed costs.

Evaluated over a five-year period, the following are anticipated project impacts (dollar values are present value):

- Fiscal benefits to NYS government from the project are estimated at \$3,009,791;
- Fiscal cost to NYS government is estimated at \$575,000;
- Project cost to NYS government per direct job is \$28,543;
- Project cost to NYS government per job (direct plus indirect) is estimated at \$23,230;
- Ratio of project fiscal benefits to costs to NYS government is 5.23:1;
- Fiscal benefits to all governments (state and local) are estimated at \$3,584,937;
- Fiscal cost to all governments is \$575,000;
- All government cost per direct job is \$28,543;
- All government cost per total job is \$23,230;
- The fiscal benefit to cost ratio for all governments is 6.23:1;
- Economic benefits (fiscal plus total net resident disposable income from project employment) are estimated at \$8,876,236, or \$355,049 per job (direct and indirect);
- The economic benefit to cost ratio is 15.44:1;
- Project construction cost is \$311,000 which is expected to generate 3 direct job years and 2 indirect job years of employment;
- For every permanent direct job generated by this project, an additional 3.97 indirect jobs are anticipated in the state's economy;

(See Project Summary Benefit-Cost Evaluation attached for detail and definitions.)

Note: The estimated jobs are the average annualized number of direct and indirect jobs related to the Jets team and visitor spending over the 3-week training period. The estimated impacts reflect a 5-year period of analysis and are not directly comparable to the benchmarks in the Project Summary table of results. The benchmarks are based on a 7-year period of analysis which is the period used in the benefit cost evaluation of typical ESD projects.

4. The requirements of Section 10(g) of the Act are satisfied.

No residential relocation is required because there are no families or individuals residing on the site.

V. Environmental Review

The State University of New York College at Cortland, as lead agency, has completed an environmental review of the proposed project, pursuant to the requirements of the State Environmental Quality Review Act ("SEQRA") and the implementing regulations of the New York State Department of Environmental Conservation. This review found the project would not have a significant effect on the environment. ESD staff reviewed the supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

VI. Affirmative Action

ESD's Non-discrimination and Affirmative Action policy will apply. SUNY Cortland is

encouraged to use its best efforts to achieve a Minority Business Enterprise participation goal of 5% and a Women Business Enterprise participation goal of 3% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the construction work related to the project, and to include minorities and women in any job opportunities created by the project.

VII. ESD Employment Enforcement Policy

ESD's Employment Enforcement Policy will not apply since the project will not directly create or retain jobs.

VIII. ESD Financial Assistance Subject to Availability of Funds and Additional Approval

The provision of ESD financial assistance is contingent upon the availability of funds and the approval of the State Division of the Budget.

IX. Additional Submissions to Directors

Resolutions
New York State Map
Cost-Benefit Analysis

June 15, 2010

Cortland (Cortland County) – SUNY Cortland /NY Jets 2010-15 Summer Training Camp Capital & SUNY Cortland /NY Jets 2010-15 Summer Training Working Capital – Empire State Economic Development Fund - General Development Financing (Capital and Working Capital Grants) – Findings and Determinations Pursuant to Sections 16-m and 10 (g) of the Act; Authorization to Adopt the Proposed General Project Plan; Authorization to Make Grants and to Take Related Actions

RESOLVED, that on the basis of the materials presented to this meeting, a copy of which is hereby ordered filed with the records of the Corporation, relating to the SUNY Cortland/NY Jets 2010-15 Summer Training Camp Capital & SUNY Cortland/ NY Jets 2010-15 Summer Training Working Capital – Empire State Economic Development Fund – General Development Financing (Capital and Working Capital Grants) Projects (the “Projects”), the Corporation hereby determines pursuant to Sections 16-m and 10 (g) of the New York State Urban Development Corporation Act of 1968, as amended (the “Act”), that

1. The proposed project would promote the economic health of New York State by facilitating the creation or retention of jobs or would increase activity within a municipality or region of the state or would enhance or help to maintain the economic viability of family farms;
2. The project would be unlikely to take place in New York State without the requested assistance;
3. The project is reasonably likely to accomplish its stated objectives and that the likely benefits of the project exceed costs;
4. There are no families or individuals to be displaced from the project area; and be it further

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 Chairman and Chief Executive Officer of the Corporation or his designee(s) 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 Chairman and Chief Executive Officer of the Corporation or his designee(s) 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 Chairman and Chief Executive Officer of the Corporation or his designee(s) be, and each of them hereby is, authorized to make to State University of New York College at Cortland grants for a total amount not to exceed Five Hundred and Seventy-Five Thousand Dollars (\$575,000) from the Empire State Economic Development Fund, for the purposes, and substantially on the terms and conditions, set forth in the materials presented to this meeting, with such changes as the Chairman and Chief Executive

Officer of the Corporation or his designee(s) may deem appropriate, subject to the availability of funds and the approval of the State Division of the Budget; and be it further

RESOLVED, that the Chairman and Chief Executive Officer of the Corporation or his designee(s) be, subsequent to the making of the grant, and each of them hereby is, authorized to take such actions and make such modifications to the terms of the grant as he or she may deem necessary or appropriate in the administration of the grant; and be it further

RESOLVED, that the provision of ESD 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 Chairman and Chief Executive Officer of the Corporation or his designee(s) 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 actions as he or she may in his or her sole discretion consider to be necessary or proper to effectuate the foregoing resolutions.

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April 15, 2010

Cortland (Cortland County) – SUNY Cortland/ NY Jets 2010-15 Summer Training Camp Capital & SUNY Cortland/ NY Jets 2010-15 Summer Training Working Capital – Empire State Economic Development Fund - General Development Financing (Capital Grant and Working Capital Grants) – Determination of No Significant Effect on the Environment

RESOLVED, that based on the material submitted to the Directors with respect to the SUNY Cortland SUNY Cortland/ NY Jets 2010-15 Summer Training Camp Capital & SUNY Cortland/NY Jets 2010-15 Summer Training Working Capital Projects, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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