

## OCIDA PROJECT UPDATE MEMO – MARCH 29, 2019

### **Deployed Resources, LLC**

164 McPike Rd., City of Rome (formerly GAFB weapons storage area)

**Owners:** Richard Stapleton, Rome; Robert Napior, Brookline NH (50/50)

### **Project Scope Background**

#### 2017 Plan

The initial, finalized 2017 plan was to (1) renovate and expand Building 917 (32,000 sf) from a warehouse into a manufacturing facility; (2) renovate Building 916 (8,000 sf) into a warehouse; (3) renovate Building 832 (8,000 sf) from manufacturing into R&D and light assembly space; (4) construct a 10,000 sf addition to Building 917 for storage. The Agency granted this project a sales tax exemption up to \$208,600.

#### 2018 Plan

In August 2018, Deployed updated the project to expand the scope of the renovations to Building 832. The Agency increased the value of the sales tax exemption to \$300,000. The changes were intended to maximize production capacity and energy efficiency.

#### 2019 Plan

As explained in the company-provided materials attached, as the project advanced, the company determined that it would be more cost-effective to (1) reduce the planned expenditures on Building 832, and divert the funds to Building 916, which will now be used for production, rather than warehousing; (2) constructed a 2,400 sf addition to Building 917 to be used for product finishing/warehousing; (3) created a 1,000 sf second floor within Building 917. Building 832 will continue to be used for R&D, and will also support overflow manufacturing and product finishing. Deployed claims that the plan will also allow separation of its yard team from its fabrication team, which will provide a safer and healthier environment for employees.

**Current Project Total: - \$8,511,906 (up \$1,740,074 from 2018 plan)**

### **Employment as of December 31, 2018**

Current: 60 FTE (up from 30 in 2017)

### **Incentives Estimated Value:**

- (1) Manufacturing PILOT - **\$193,268** (initially estimated to be \$251,669)
- (2) Sales Tax Exemption: **\$300,000** (although project costs have increased, there is no request for additional financial assistance)



22 MARCH 2019

Oneida County Industrial Development Corp  
584 Phoenix Drive  
Rome NY 13441

Attn: Shawna Papale, Executive Director

Re: Request for Consideration for Applicable Exemptions for Additional Renovation Costs and change in Scope as Part of the 917 Renovation Project.

Dear Ms. Papale,

I am writing to request an amendment to the scope of our project that resulted in the Oneida County Industrial Development Agency authorizing a sales tax exemption to Deployed Resources, LLC, 164 McPike Road in Rome.

In our most recent application, we requested and were granted, a sales tax exemption amount of \$300,000 for renovations to Bldg 917 and renovations to Bldg 832. Our intent was to increase our production capacity and improve our energy efficiency. As our project has advanced, we have determined that we will reduce costs and improve our utility by redirecting our attention to Bldg 916 and reducing the overall renovation effort to Bldg 832. It's more efficient to improve Bldg 916 to assist with our production capacity. This warehouse will be renovated to create even more available space than Bldg 832 would have provided as well as allow for the separation of our yard and fabrication teams, providing a safer, healthier environment for employees. Furthermore, while increasing building capacity and reducing costs. In addition, we are also adding on new construction of an additional adjacent building to our main manufacturing Bldg 917 to be more efficient in our manufacturing efforts.

Listed on the attached sheet, please find our 3 column budget for your review outlining the original cost estimate, our current actual costs and newly proposed costs for our overall project. Notes have been provided off to the side explaining how the scope was changed, adding and removing originally proposed and new proposed renovations.

We respectfully request approval of our change in scope, resulting in no additional funds in sales tax exemptions as a result of these changes.

We continue to remain committed to this project, and appreciate the IDA's assistance in supporting us with this project

Sincerely,

Mel P Booker

Chief Financial Officer

Part IX: Estimated Project Cost and Financing - form will auto sum  
 Deployed Resources, LLC.

11(a) List the costs necessary for the construction, acquisition or renovation of the facility.

	Project Costs – Original Application Estimated	Project Costs – Original Application Actual	Proposed Add-On Project
Acquisition of Land (if vacant)	\$ 50,000	\$ 50,000	\$ -
Acquisition of Existing Building(s)	\$ 167,000	\$ 173,204	\$ -
Renovation Costs of Existing Building(s)	\$ 4,568,600	\$ 4,158,360	\$ 517,500
New Construction of Buildings	\$ 1,711,000	\$ 900,000	\$ 1,110,064
Machinery and Equipment (other than furniture costs)	\$ 1,066,000	\$ 962,147	\$ 103,853
Fixtures	\$ 95,000	\$ 138,007	\$ -
Installation Costs	\$ 220,000	\$ -	\$ -
Fees & Permits (other than your own broker and legal fees)	\$ 310,000	\$ 180,000	\$ -
Legal Fees (IDA legal fees, Applicant legal fees)	\$ 22,000	\$ 22,000	\$ -
Architectural/Engineering	\$ -	\$ 154,422	\$ -
Interest on Financing Charges			
Other (specify) Furniture & moving	\$ -	\$ -	\$ -
Subtotal	\$ 8,209,600	\$ 6,738,141	\$ 1,731,417
Agency Fee1	\$ 41,048	\$ 33,691	\$ 8,657
<b>Total Project Cost</b>	<b>\$ 8,250,648</b>	<b>\$ 6,771,832</b>	<b>\$ 1,740,074</b>

<b>CHANGES:</b>	
<b>Original Estimate</b>	
Bldg 917 Renovations	\$ 4,568,600
<b>CHANGES:</b>	
Bldg 916(warehouse renovation)	\$ 517,500
Bldg 832(corrected from 829)	\$ (811,000)
New Const: Orig Paint Booth Est	\$ (266,727)
<b>Proposed add on</b>	
Warehouse/Cold Storage	\$ 592,564
Finish Bldg(add to Bldg 916)	\$ 517,500
<b>Other Costs</b>	
Bldg 917 Architect/Eng Firm	\$ 154,422
Other Construction Firms	\$ 256,566