
APPLICATION FOR FINANCIAL ASSISTANCE

Oneida County Industrial Development Agency

584 Phoenix Drive
Rome, New York 13441-1405
(315) 338-0393 telephone
(315) 338-5694 fax

Shawna M. Papale, Executive Director

A non-refundable application fee of \$500.00 must be submitted at the time of application.

Please submit the original application and sixteen copies.

All applications must be submitted 10 days prior to meeting.

Griffiss Local Development Corporation

Name of Applicant

Number (to be provided by the agency)

Note to Applicant:

The information requested by this form is necessary to determine the eligibility of your project for Agency benefits. Please answer **all** questions, inserting "none" or "not applicable" where appropriate. If you are providing an estimate, please indicate by inserting "est" after the figure. Attach additional sheets if more space is needed for a response than is provided.

Return the original application and sixteen copies with a check in the amount of \$500.00 made payable to: **Oneida County Industrial Development Agency**, 153 Brooks Road, Rome, New York 13441-1405, Attn.: Shawna M. Papale, Executive Director.

All information contained in this application will be treated confidentially, to the extent permitted by law. Be advised that any action brought before the OCIDA is public information. All agenda's for the OCIDA are issued prior to full agency meetings and posted in public domain

By signing and submitting this Application, the Applicant acknowledges that it received a copy of the Uniform Tax Exemption Policy adopted by the Agency and Agency Memorandums pertaining to the benefits of projects financed through the Agency.

A project financed through the Agency involves the preparation and execution of significant legal documents. Please consult with an attorney before signing any documents in connection with the proposed project.

Part I: Applicant Information

Note: In responding to the following questions, please keep in mind that the Applicant will be party to all of the documents and is the individual or entity which will receive the actual financial assistance from the Agency.

Applicant

1(a) Applicant's Legal Name: Griffiss Local Development Corporation

1(b) Principal Address: 584 Phoenix Drive
Rome, NY 13441

1(c) Telephone/Facsimile Numbers: Telephone: (315) 338-0393
Facsimile: (315) 338-5694

1(d) Email Address: sjdimeo@mvedge.org

1(e) Federal Identification Number: 16-1471446

1(f) Contact Person: Steven J. DiMeo, Authorized Representative

1(g) Is the Applicant a
[X] Corporation:
If yes, Public [] Private [X]
If public, on which exchange is it listed?

[] Subchapter S

[] Sole Proprietorship

[] General Partnership

[] Limited Partnership

[] Limited Liability Corporation/Partnership

[] DISC

[X] Other(specify) Not-For-Profit Local Development Corporation

1(h) State of Organization (if applicable) ___ New York _____

Applicant’s Stockholders, Directors and Officers (or Partners)

2(a) Provide the following information with respect to parties with 15% or more in equity holdings:

<u>Name</u>	<u>Home Address</u>	<u>Social Security No.</u>	<u>Percentage of Ownership</u>
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Applicant is a not-for-profit local development corporation. There are no persons or entities which have “equity holdings” in Applicant. The members of Applicant are its voting directors. Applicant’s members have no interest in the earnings, assets or property of Applicant.

2(b) Is the Applicant, or any of the individuals listed in 2(a) above, related directly or indirectly to any other entity by more than 50% common ownership? If so, indicate name of such entity and the relationship.

Applicant holds a 99.99% membership interest in Cardinal Griffiss Realty, LLC (“CGR”), a New York limited liability company. Therefore, CGR is a subsidiary of Applicant. CGR’s address is 584 Phoenix Drive, Rome NY 13441.

2(c) Is the Applicant affiliated with any other entity, directly or indirectly, other than as listed in the response to 2(a) above? If yes, please indicate name and relationship of such other entity and the address thereof:

No.

Applicant’s Counsel and Accountant

3(a). Applicant’s Attorney

Name/Title: Joseph E. Saunders , Esq.
Firm: Saunders Kahler, LLP
Address: 185 Genesee Street , Suite 1400
Utica, New York 13501-2194
Telephone/Fax: Telephone: (315) 733-0419; Facsimile: (315) 724-8522

3(b) Applicant's Accountant

Name/Title: Julianne Cardone
Firm: Mohawk Valley EDGE

Address: 584 Phoenix Drive
Rome, New York 13441

Telephone/Fax: Telephone: (315) 338-0393; Facsimile (315) 338-5694

Business Description

4(a) Describe the nature of your business and principal products and/or services. Attach additional sheets if necessary.

The Applicant is the entity primarily responsible for the re-development of the former Griffiss Air Force Base ("Griffiss AFB"), including that 1,600± acre portion thereof known as the Griffiss Business & Technology Park (the "Griffiss Business Park"). Applicant has developed, and is developing, the Griffiss Business Park in accordance with the Master Reuse Strategy for Griffiss AFB prepared by Hamilton, Rabinowitz & Alschuler, Inc. and others (circa 1995).

Part II: Project Information

5(a) Explain your project in detail. This description should include explanation of all activities which will occur due to this project. Attach additional sheets if necessary.

In the 1940's, the United States of America (the "Government") began assembling the parcels of land in the City of Rome (the "City") and Town of Floyd (the "Town") which ultimately became a 3,552± acre aviation field and military installation known as the Griffiss Air Force Base ("Griffiss AFB"). As the Government acquired each such parcel of land, the same was removed from the taxable portion of the City and Town tax rolls, as applicable, and placed on the wholly-exempt portion of such tax rolls.

From the 1950's through the 1980's, Griffiss AFB grew substantially as Congress increased defense spending and strengthened the nation's military. By the late 1980s, Griffiss AFB had become the largest employer in the Mohawk Valley Region and a far-reaching annual economic impact on our area's economy.

As the Cold War began winding down in the late 1980's, and the Berlin Wall fell in 1989, the Government initiated the process of changing our national defense posture to fit the strategic and economic realities of a post-Cold War world. Thus, in 1990, pursuant to the provisions and authority of the Defense Base Closure and Realignment Act of 1990 (the "Base Closure Act"), the Government announced its intention to close and/or realign various military installations or portions thereof located throughout the United States and created the Defense Base Closure and Realignment Commission (the "BRAC Commission") to review proposals made by the Secretary of Defense for such closures and/or realignments and make recommendations with respect thereto. At the time, the consensus view of our defense

establishment was that such military installations or portions thereof were no longer necessary or affordable.

In many instances, the military installations slated for closure and/or realignment were among the oldest and largest, if not the oldest and largest, employers in their local communities. Obviously, the closure and/or realignment of such military installations would have a crushing long-term impact, both economic and psychological, on the affected communities. In order to "soften the blow" to any community in which a closed and/or realigned military installation was located, the Base Closure Act authorized the Government to enter into an Economic Development Conveyance Agreement and/or Public Benefit Conveyance Agreement with the affected municipality or other "local reuse authority" whereby it would transfer any excess or surplus property resulting from the pending base closure and/or realignment to local control so that the future economic re-use and re-development thereof could be overseen by the people most directly impacted thereby, to wit: the members of the affected local community itself.

In 1993, pursuant to the recommendations and/or decisions of the BRAC Commission, the Secretary of the Air Force (the "Secretary") issued a Record of Decision wherein he declared 1,562± acres of real property at Griffiss AFB (together with the buildings and other improvements situate thereon) to be excess or surplus property (the "BRACC 1993 Property") and ordered its closure and disposal. The BRACC 1993 Property consisted primarily of those facilities which were once used by the United States Air Force (the "Air Force") to support the overall operation of Griffiss AFB including base housing and dormitories, the commissary, the post exchange, administrative offices, machine shops, officers' quarters, weapons storage areas and the like.

In response to the Secretary's 1993 decision ordering the closure and disposal of the BRACC 1993 Property, an ad hoc citizens group known as the Griffiss Re-development Planning Council ("GRPC") was formed and thereafter commissioned the preparation by Hamilton, Rabinovitz & Alschuler, Inc., et al. of a Master Reuse Strategy for Griffiss AFB (the "Master Reuse Strategy"). GRPC's members envisioned that the Master Reuse Strategy would serve as the blueprint for the future re-use and re-development of Griffiss AFB.

Not long after GRPC was formed, it was determined that the re-development of Griffiss should be undertaken by a formal corporate entity. Thus, in 1994, Applicant was incorporated as a New York not-for-profit local development corporation to succeed GRPC for the purposes, among others, of overseeing, promoting and coordinating the economic re-use and re-development of those portions of Griffiss AFB being closed and disposed of by the Secretary including, without limitation, the BRACC 1993 Property and, to the extent feasible or desirable, implementing the Master Reuse Strategy with respect thereto. Applicant's corporate purposes and mission are more particularly set forth in its Certificate of Incorporation, a copy of which is attached to this Application and made a part hereof as **Exhibit A**.

In 1995, pursuant to the recommendations and/or decisions of the BRAC Commission, the Secretary issued a Record of Decision wherein he declared an additional 1593± acres of property at Griffiss AFB (together with the buildings and other improvements situate thereon) to be excess or surplus property (the "BRACC 1995 Property") and ordered its closure and disposal. The BRACC 1995 Property consisted primarily of those facilities which were once

used by the Air Force to directly support aircraft flight operations at the Griffiss AFB airfield such as the tower, the main runway, ancillary runways, various taxiways, aircraft apron and/or parking areas, hangar buildings and the like.

Needless to say, the closure and/or realignment of Griffiss AFB that resulted from the 1993 and 1995 BRAC rounds devastated our area's economy. Over 1,341 civilian and approximately 4,400 military jobs were eliminated. Besides the loss of the aforesaid direct jobs, the consequent loss of indirect jobs and population is well-documented as is the severe regional economic dislocation which followed.

In December of 1998, Applicant, the Agency, the City, the Town and the County of Oneida (the "County") finalized the terms of a Memorandum of Understanding which they then signed on or about January 12, 1999 (said Memorandum of Understanding, as the same may have been amended from time to time, being hereafter referred to as the "MOU"). The MOU set forth the parties' intentions with respect to the future re-use and/or re-development of (a) the BRACC 1993 Property as a business park to be known as the Griffiss Business & Technology Park (the "Griffiss Business Park") and (b) the BRACC 1995 Property and certain related parcels located adjacent thereto as a public airport to be known as the Griffiss Airfield (and subsequently re-named as the Griffiss International Airport).

Under the MOU, the Agency agreed to act as the "local reuse authority" for the purpose of receiving title from the Secretary to the BRACC 1993 Property (pursuant to an Economic Development Conveyance Agreement) and the County agreed to serve as an eligible municipality for the purpose of receiving title from the Secretary to the BRACC 1995 Property (pursuant to a Public Benefit Conveyance Agreement). At the time, at least insofar as the BRACC 1993 Property was concerned, the MOU parties anticipated that the Secretary would convey all of said property to the Agency by the end of 1998. The Agency, in turn, was to lease said property to Applicant under a triple-net lease agreement which imposed all of the obligations typically associated with property ownership upon Applicant and obligated Applicant to acquire the underlying fee title for nominal consideration at the end of the lease (thereby making Applicant the beneficial owner of such property). Concurrently therewith, the Agency and the Applicant were to enter into a 10-year Payment-in-Lieu-of-Tax Agreement whereby Applicant would owe no PILOT payments (a "Zero PILOT Agreement"), but would owe payments to the City known as "Service Fee Payments" with respect to certain buildings.¹ Under this arrangement, the Agency was to act only as the legal title holder of the property; it was to have no responsibility to manage or develop such property. Rather, Applicant was the corporate entity responsible, financially and otherwise, to oversee, facilitate and promote the economic re-use and re-development of the BRACC 1993 Property and assist the County in its efforts to develop the Griffiss International Airport.

Contrary to the parties' expectations as expressed in the MOU, the Secretary did not convey all of the BRACC 1993 Property to the Agency by the end of 1998. Instead, the Secretary began conveying various parts of the BRACC 1993 Property to the Agency in a piecemeal fashion (such parts of the BRACC 1993 Property being commonly referred to as "F

¹ Service Fee Payments are more particularly discussed in the certain Service Fee Payment Agreement dated as of October 1, 2003 by and among Applicant, the City, the County, Rome City School District and the Agency. To date, Applicant has made all Service Fee Payments to the City which it was obligated to make.

Parcels”). The Secretary conveyed the first of these F Parcels – Parcel F1, Parcel F9A and Parcel F9B – to the Agency by means of deeds dated March 21, 2000. As the Secretary conveyed to the Agency each such F Parcel, the Agency would, in turn, lease the same to Applicant pursuant to a 10-year lease agreement (each, an “Existing Lease Agreement” and, collectively, the “Existing Lease Agreements”) and enter into an accompanying 10-year Zero PILOT Agreement with Applicant pertaining to such F Parcel(s) (each, an “Existing Zero PILOT Agreement” and, collectively, the “Existing Zero PILOT Agreements”). A list of said Existing Lease Agreements for GLDC Facility I through GLDC Facility XII and GLDC Facility XIV (each a “GLDC Facility” and, collectively the “GLDC Facilities”), and the dates on which such Existing Lease Agreements were entered into and either have expired or are scheduled to expire, is attached to this Application and made a part hereof as **Exhibit B**.

Although the Air Force’s piecemeal conveyance of the F Parcels to the Agency complicated Applicant’s re-development efforts at Griffiss, nonetheless Applicant was able to re-develop a significant portion of the BRACC 1993 Property as the Griffiss Business Park and help facilitate the County’s efforts to redevelop the BRACC 1995 Property as the Griffiss International Airport. Due in no small part to the Existing Zero PILOT Agreements entered into by and between Applicant and the Agency, Applicant’s efforts have led to the creation and/or retention of nearly 6,000 jobs at Griffiss and have resulted in over \$4 million/year in tax revenues and/or PILOT Payments for the benefit of the City of Rome, the Rome City School District and the County of Oneida. Applicant is particularly proud of the success it has had over the years in retaining and/or growing the remaining Government operations at Griffiss including the Defense Finance Accounting Service (“DFAS”), the Eastern Air Defense Sector (“EADS”) and, most importantly, the Air Force Research Lab – Rome Research Site (the “AFRL-Rome”). In addition, largely due to Applicant’s efforts, the Mohawk Valley Region was able to fend-off attempts to down-size AFRL-Rome during the 2005 BRAC round. Since then, Applicant’s development strategy at Griffiss has focused on retaining and strengthening AFRL-Rome while simultaneously developing the Griffiss Business Park by, among other things, fostering synergistic relationships between AFRL-Rome and various defense contractors including, BAE, Excelis and AIS. Applicant, through its support of Griffiss Institute Inc., is also working hard to facilitate AFRL-Rome/private sector business relationships in the fields of cyber-security and information assurance, all of which has contributed to the improvement of our area’s economy.

Notwithstanding Applicant’s successful efforts to date in developing the Griffiss Business Park and in assisting the County in its efforts to develop the Griffiss International Airport, and further notwithstanding the importance that these efforts have had in restoring the Mohawk Valley Region’s economy, all of which is more particularly described in a December 16, 2011 Powerpoint presentation by Applicant entitled “Revitalizing the Upstate Economy – Role of Griffiss Business & Technology Park”, a copy of which is attached to this Application and made a part hereof as **Exhibit C**, approximately 795 acres of real property (together with the buildings and other improvements thereon) are still titled in the name of the Agency and leased by the Agency to Applicant under the aforesaid Existing Lease Agreements (collectively, the “Remaining Property”). The Remaining Property is more particularly described in the Schedule of Remaining Property attached to this Application and made a part hereof as **Exhibit D**. The Existing Lease Agreements (and the Existing Zero PILOT Agreements accompanying the same) for the GLDC I Facility, the GLDC II Facility and the GLDC III Facility have expired (although Applicant continues to holdover with respect to such GLDC Facilities. The Existing

Lease Agreements (and accompanying Existing Zero PILOT Agreements) with respect to the GLDC IV Facility, the GLDC V Facility, the GLDC VI Facility, the GLDC VII Facility, the GLDC VIII Facility, the GLDC IX Facility, the GLDC X Facility, the GLDC XI Facility, the GLDC XII Facility and the GLDC XIV Facility will begin expiring later this year. It is vital to the continued success of Applicant's efforts to re-develop the Griffiss Business Park and assist the County in its efforts to re-develop the Griffiss International Airport, that Applicant have a Zero PILOT Agreement in place with respect to all of Applicant's Remaining Property for at least another ten (10) full years as well as sales tax and mortgage recording tax exemptions.

Because Applicant is a not-for-profit local development corporation exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), and uses the Remaining Property in furtherance of its exempt purposes, Applicant believes that the Remaining Property would be exempt from real property tax under Section 420-a of the Real Property Tax Law in its own right. However, based on the fact that the Rome City Assessor has denied the application of Griffiss Utility Services Corporation (which, like Applicant, is also a not-for-profit local development corporation exempt from federal income taxation under Section 501(c)(3) of the Code, and uses its property at Griffiss in furtherance of its exempt purposes), for a tax exemption pursuant to Section 420-a of the Real Property Tax Law, and has publicly indicated that he does not believe that Applicant would qualify for a Section 420-a tax exemption as to its Remaining Property (thereby, in effect, pre-judging the merits of any application for a Section 420-a exemption that Applicant might choose to file), Applicant hereby requests that the Agency (a) release all of the Remaining Property from the Existing Lease Agreements and Existing Zero PILOT Agreements, (b) lease said Remaining Property to Applicant pursuant to a new master lease agreement (the "Master Lease Agreement") having a term of at least ten (10) years, and (c) enter into a new master PILOT Agreement with Applicant, with a term which is coterminous with the Master Lease Agreement, under which Applicant would make no PILOT payments in lieu of taxes (the "Master Zero PILOT Agreement"). Applicant also requests that it be granted exemptions from sales tax and mortgage recording tax. Applicant makes this request, among other things, to eliminate any uncertainty as to whether the Remaining Property is, in fact, tax-exempt, to facilitate its continued re-development of Griffiss, to assist in its efforts to retain and/or strengthen AFRL-Rome and the defense contractor community associated with it, and to maintain existing facilities at Griffiss (many of which are themselves Agency projects).

The importance of granting Applicant's request cannot be overstated. In light of recent developments, our area's economic future appears once again to be at risk. The Department of Defense ("DoD") budget, at a minimum, faces \$487 billion in cuts over the next ten (10) years. DoD cuts over that period could even increase by an additional \$600 billion if federal sequestration takes effect. Thus, it is conceivable that DoD could see its budget cut by more than \$1 trillion over the next ten (10) years. Undoubtedly, DoD cuts of this magnitude would have a profound, adverse impact on the remaining federal functions at Griffiss in general, and on AFRL-Rome, in particular. Early indications of what's on the horizon have already occurred.

In February of 2012, the President sent his FY 2013 budget proposal to Congress. Under the President's proposed FY 2013 budget, the combined S&T 6.2 and 6.3 funding for all AFRL Directorates (which includes AFRL-Rome) would be reduced by \$64.3 million over its FY 2012 level. Among all of the AFRL Directorates around the country, the President has

proposed that AFRL-Rome absorb \$30.7 million of the combined cuts – 47.8% of the total. Stated another way, the President has proposed that AFRL-Rome’s FY 2013 S&T 6.2 and 6.2 funding be reduced by 18.5% over its FY 2012 S&T 6.2 and 6.3 funding. By comparison, other AFRL Directorates would see their FY 2013 S&T 6.2 and 6.3 funding be reduced by an average of only 9% over FY 2012 levels.

In addition, there are legitimate concerns about perceived Air Force attempts to mandate joint investment strategies going-forward. If implemented, these strategies could result in AFRL-Rome’s losing control of certain Program Elements (PEs) that are cyber-oriented, which PEs may instead be aligned with the Air Force’s electronic warfare mission headquartered at AFRL’s Sensors Directorate at Wright-Patterson AFB. To make matters worse, the Secretary of Defense has proposed that Congress authorize two (2) additional BRAC rounds in 2013 and 2015 to reduce base infrastructure.

Clearly, proposed budget cuts and planned adjustments in force structure pose a serious threat to AFRL-Rome in their own right as well as in any upcoming BRAC round. At this juncture, neither Applicant nor anyone in Oneida County or the Mohawk Valley Region can afford to be complacent. AFRL-Rome, which is Central New York’s chief economic engine, is again at risk. This is not the time for Applicant to be paying taxes on the Remaining Property (which virtually everyone but the Rome City Assessor believes would be tax-exempt in its own right) or spending its money on legal fees arguing with the Rome City Assessor and/or any of the affected tax jurisdictions over the taxability or value of the Remaining Property (especially since, under Section 420-a of the Real Property Tax Law, such arguments can recur annually). Instead, Applicant needs to direct its limited financial resources to further develop Griffiss and maintain the existing facilities located thereat, particularly AFRL-Rome. To that end, Applicant recently helped form, financially supports, and is working with, a not-for-profit corporation known as Central New York Defense Alliance Ltd. d/b/a Cyber New York Alliance to help retain and strengthen AFRL-Rome’s presence at Griffiss, to reverse and/or reduce the pending AFRL-Rome budget cuts, to shield AFRL-Rome from the efforts of others to have its missions transferred elsewhere, and to present a unified message to all federal, state and local stakeholders on matters pertaining to AFRL-Rome.

Additional supporting information regarding Applicant and its operations can be found on Applicant’s website at <http://griffissldc.org/>.

Applicant understands that if the Agency were to grant Applicant’s request herein, it would be deviating from its Uniform Tax Exemption Policy (“UTEP”). In considering whether to deviate from its UTEP, Applicant requests that the Agency consider the following:

The Nature of the Proposed Facility

As noted above, the proposed Facility would consist of the Remaining Property, *i.e.*, whatever lands, buildings and other improvements were originally leased by the Agency to Applicant pursuant to the Existing Lease Agreements minus (a) the lands, buildings, and other improvements which have been or are conveyed to third parties prior to the execution and delivery of the Master Lease Agreement and Master Zero PILOT Agreement and (b) the lands, buildings and other improvements which have been or are leased by the Agency to Applicant

pursuant to separate, stand-alone lease agreements and which are accompanied by their own separate, stand-alone PILOT Agreements (i.e., the Building 770/774 Property; the Building 796/798 Property; the Building 776/778 Property; and the Building 780 Property). The Remaining Property consists of approximately 795 acres of mostly vacant land. Generally, most of the buildings or other structures situate on the Remaining Property are scheduled for eventual demolition, depending upon the availability of funds. While portions of the Remaining Property are not readily developable for commercial or industrial purposes (e.g., because they are landfills or environmentally sensitive areas, or are encumbered by infrastructure such as streets, electric transmission lines, steam lines, sanitary sewer lines, steam sewer lines and drainage ditches, and water distribution lines, landfills, easements, right-of-ways, etc.), they nonetheless constitute an integral part of the Griffiss Business Park either because they are part of the so-called “open space” area or for other aesthetic reasons. As part of the former Griffiss AFB, the Remaining Property is unquestionably “unique”, a fact which the parties expressly recognized in Section 3.2.5 of the MOU.

The Nature of the Facility Before the Project Begins

The nature of the Facility (i.e. the Remaining Property) before the project begins is described above. However, to reiterate, at present the Facility (i.e., the Remaining Property) consists of approximately 795 acres of mostly vacant land. To the extent that there are any buildings situate thereon, such buildings are candidates for demolition. Applicant is actively trying to lease and/or sell the developable portions of the Remaining Property to commercial and/or industrial businesses. Applicant’s ability to do so depends, in large part, on its ability to structure transactions which are attractive and competitive from a real property tax, sales tax and mortgage tax perspective. Applicant’s success in bringing new businesses into the Griffiss Business Park will help maintain and strengthen the overall viability of the entire Griffiss Business Park, will spread the cost of Griffiss Business Park common area maintenance out over a larger pool of companies, will help Applicant put together deals which enable it to finance the construction and/or installation of much-needed infrastructure and related improvements in the Griffiss Business Park, and will facilitate Applicant’s efforts to assist the County in developing the Griffiss International Airport. As the viability of the Griffiss International Airport improves so does Applicant’s ability to attract new businesses to the Griffiss Business Park.

The Economic Condition of the Area of the Time of the Application

All of the land inside the Griffiss Business Park (including the Remaining Property) is in a HUB zone, New Market Tax Credit Eligible zone and an Empire Zone. Therefore, it constitutes a “highly distressed area” as defined in Section 854(18) of the New York General Municipal Law.

The Extent to Which the Facility Will Retain Permanent, Private Sector Jobs

As previously noted, there are nearly 6,000 jobs at Griffiss today of which approximately 3,756 are permanent, private sector jobs. If the Agency were to grant Applicant’s request that the Remaining Property be exempted from real property tax, sales tax and mortgage recording tax for at least the next ten (10) years, Applicant will be able to use the monies it thereby saves to fund its economic development activities which include job retention and creation,

infrastructure development within the Griffiss Business Park, efforts to protect AFRL-Rome and the permanent, private-sector defense contractor community at Griffiss which is associated with it.

The Estimated Value of the Tax Exemptions to be Provided

As noted above, as a not-for-profit local development corporation exempt from federal income taxation under Section 501(c)(3) of the Code which is using the Remaining Property in furtherance of its exempt purposes, Applicant believes that such Remaining Property would be exempt from real property tax under Section 420-a of the Real Property Tax Law in its own right. If Applicant's interpretation of Section 420-a of the Real Property Tax Law is correct, then the value the real property tax exemption requested by Applicant from the Agency would be zero (except for the value of the legal costs that Applicant would avoid in the event that the Rome City Assessor were to deny its application for a tax exemption under Section 420-a of the Real Property Tax Law thereby necessitating that Applicant litigate the issue).

If, on the other hand, Applicant's interpretation of Section 420-a of the Real Property Tax Law is incorrect and the Remaining Property would ordinarily be subject to real property tax, the value of the real property tax exemption requested by Applicant from the Agency would depend on the Remaining Property's fair market value. Applicant has not had occasion to have the Remaining Property appraised and would not want to hazard a guess as to the Remaining Property's fair market value without having such an appraisal in hand. Based on its tentative 2012 numbers, the Rome City Assessor has assigned the Remaining Property on aggregate land assessment of \$15,112,206 and an aggregate total assessment (which would include buildings) of \$90,922,940. Applicant is uncertain what methodology the Rome City Assessor used to develop these numbers, but believes that the Rome City Assessor is relying on outdated information from the days when Griffiss AFB was an active military installation. Applicant believes that the Rome City Assessor has substantially overvalued the land (much of which is encumbered by streets, electric transmission lines, steam lines, sanitary and storm sewers, water distribution lines and drainage ditches, streets, landfills and other infrastructure), has assessed buildings which have long since been demolished, has substantially overvalued whatever buildings remain (most of which have no value and are slated for demolition), and may otherwise be double-counting. In any event, based on the Rome City Assessor's tentative total assessment of \$90,922,940 for the Remaining Property, and assuming that such total assessment and the current combined tax rate/thousand remain constant, the estimated value of the real property tax exemption requested by Applicant would be \$5,217,158 on an annual basis.

As for the estimated value of the sales tax exemption and mortgage tax exemption requested by Applicant, such values cannot be quantified at present. Instead, if, as and when Applicant is able to bring a specific commercial and/or industrial project to fruition on some portion of the Remaining Property which necessitates such exemptions, presumably the values thereof can then be determined.

The Impact of the Facility and the Proposed Tax Exemptions on Affected Tax Jurisdictions

As noted above, the Remaining Property was tax exempt during the entire 50+ year period it was owned by the Government and has remained tax-exempt during the 10+ year period it has been owned by the Agency. Given that the Remaining Property has historically been tax-exempt, the continuation of such tax-exempt status would not have an adverse impact on the affected tax jurisdictions; it would merely be a continuation of the status quo.

In Applicant's view, continuing the Remaining Property's tax-exempt status will, among other things, facilitate the future development thereof, help maintain existing facilities at Griffiss, and assist Applicant in its job retention and creation efforts (which help stabilize and grow the population), all of which would have a positive impact on the affected tax jurisdictions.

The Impact of the Proposed Facility on Existing and Proposed Businesses and Economic Development Projects in the Vicinity

If recent history is any guide, the impact that developing the Remaining Property will have on existing and proposed businesses and economic development projects in the vicinity will be substantial. Such development will enable the long-term build out of the Griffiss Business Park to move forward. This long-term build out will not only attract new business and investment to the Griffiss Business Park, but will also help existing businesses located at and in the vicinity of the Griffiss Business Park to grow and prosper.

The Amount of Private Sector Investment Generated or Likely to be Generated by the Proposed Facility

Although it is difficult to estimate the amount of private sector investment generated or likely to be generated by the Remaining Property over the next ten (10) years, some guidance can be drawn from development which has occurred to date in the Griffiss Business Park. Since 1995, nearly \$458 million in investment has been made in the Griffiss Business Park, much of which is private-sector investment. Applicant anticipates that development of the Remaining Property will enable it to attract substantial amounts of additional private-sector investments to Griffiss.

The Likelihood of Accomplishing the Proposed Facility in a Timely Fashion

Although Applicant has achieved tremendous success since 2000, much work remains to be done. Thus, while Applicant is hopeful that it will accomplish its economic development objectives vis-à-vis the Griffiss Business Park in general, and the Remaining Property in particular, within the next ten (10) years, it has no way of predicting what will occur with any degree of certainty. All Applicant can do is promise that it will use its best efforts.

The Extent to Which the Proposed Facility will Provide Additional Services of Revenue for Municipalities and School Districts in which the Project is Located

As noted above, Applicant's development of the Griffiss Business Park to date is currently generating over \$4 million/year in tax revenues and/or PILOT payments for the benefit of the County of Oneida, the City of Rome and the Rome City School District. Applicant submits that its development of the Remaining Property will likely generate additional tax revenues and/or PILOT payments for the benefit of the affected tax jurisdictions.

The Extent to Which the Proposed Facility Will Provide a Benefit (Economic or Otherwise) Not Otherwise Available Within the Municipality in Which the Project is Located

Applicant's development of the Remaining Property will not only provide economic benefits to the City of Rome and the other affected tax jurisdictions (for all of the reasons outlined above) but will also enable the continued aesthetic development of the Griffiss Business Park (e.g., the Sculpture Park, hiking, jogging and bike trails, and other amenities of a cultural nature). Such development will enhance the area's quality of life – an important component of any economic development plan.

Applicant submits the following additional documents in support of this Application (which documents are attached to this Application and made a part hereof) as **Exhibits E** through **L**, inclusive, and asks that the Agency give due consideration to the same:

<u>Exhibit</u>	<u>Description</u>
E	Press release from Congressman Richard Hanna dated February 24, 2012 regarding the importance of AFRL - Rome.
F	Utica Observer-Dispatch reprint of a press release from Senator Griffo and Assemblyman Brindisi dated February 18, 2012 regarding the importance of AFRL - Rome.
G	Powerpoint presentation made by the Cyber New York Alliance entitled "The Central New York Economy and Cyber Technology Looking Forward" regarding the organization and mission of, and the potential threats to AFRL - Rome.
H	Guest View of Congressman Richard Hanna printed in the Utica Observer-Dispatch on March 4, 2012 regarding the importance of AFRL - Rome.
I	Applicant's 2011 audited financial statements (which detail Applicant's financial condition).
J	Applicant's 2011 Annual Report (which outlines Applicant's activities).
K	Rome Research Site Economic Impact Analysis for Fiscal Year 2011 (detailing AFRL-Rome's economic impact on the area).

- L Mohawk Valley Regional Economic Development Council Strategic Plan dated November, 2011 (which cites the Griffiss Business Park as being a regional asset).

Reasons for Project

6(a) Please explain in detail why you want to undertake this project.

Since its formation in 1994, Applicant’s mission and corporate purposes have been to oversee and promote the full re-development of the former Griffiss AFB and, during the 17+ years of its existence, Applicant has worked hard to achieve that goal. However, Applicant’s efforts to fully redevelop the former Griffiss AFB, particularly that portion thereof known as the Griffiss Business Park, are far from being complete. Approximately 795 acres of undeveloped property together with the buildings and other improvements situate thereon (collectively, the “Remaining Property”) still remains at Griffiss. In addition to continuing its efforts to develop commercial and/or industrial projects on the Remaining Property, Applicant needs to undertake additional demolition projects, infrastructure improvements, aesthetic improvements and the like thereon. Much work still needs to be done in order for the former Griffiss AFB to realize its full potential from an economic development standpoint. By undertaking the project proposed herein, Applicant will be able to move toward its goal of fully re-developing the former Griffiss AFB, particularly the Griffiss Business Park. Among other things, the project will enable Applicant to maintain and strengthen existing facilities located in the Griffiss Business Park and continue its efforts to assist the County in developing the Griffiss International Airport.

6(b) Why are you requesting the involvement of the Agency in your project?

The Agency’s involvement is necessary in order for Applicant to obtain sales tax and mortgage recording tax exemptions, and to assure that Applicant’s Remaining Property will be exempt from real property taxes.

6(c) How will the Applicant’s plans be affected if Agency approval is not granted?

The possibility exists that the Applicant will be unable to successfully continue the economic re-use and re-development of the former Griffiss AFB, including the Griffiss Business Park, which economic re-use and re-development is desired by the leadership of the affected tax jurisdictions, most members of the Rome Chamber of Commerce and other regional business leaders, most of the area’s federal, state and local elected representatives, and most of the area’s citizenry.

6(d) Is the proposed project reasonably necessary to discourage the Applicant from removing such other plant or facility to a location outside the State of New York?
[] Yes [] No **If yes, please explain briefly.**

N/A

Is the proposed project reasonably necessary to preserve the competitive position of the Applicant in its respective industry? [] Yes [] No **If yes, please explain briefly.**

N/A

- 6(e) Will financing by the Agency result in the removal or abandonment of a plant or other facility of the applicant or any related entity presently located in another area of New York State?
 Yes No **If yes**, please explain briefly the reason for the move.

N/A

- 6(f) Has the Applicant or any related entity previously secured financial assistance in Oneida County (whether through the Agency, the Empire State Development Corporation, or any other entity)? Yes No
If yes, please explain (indicate date of benefit, location of facility and outstanding balance).

Since its formation in 1994, the Applicant has secured financial assistance in terms of its funding from various sources including the Federal Government and the State of New York to assist it with its mission of redeveloping Griffiss.

- 6(g) Has the Applicant or any related entity secured financial assistance anywhere within the United States within the last 90 days or does the Applicant or any related entity anticipate receiving financial assistance within the next 90 days? Yes No
If yes, please explain.

- 6(h) Check all categories best describing the **type of project**:

- Manufacturing
- Industrial Assembly or Service
- Research and Development
- Warehousing
- Commercial or Recreational
- Pollution Control (specify) _____
- Other (specify)

Re-development of former USAF Facility. General economic re-use and re-development of former Griffiss AFB.

- 6(i) Check all categories best describing the **scope of the project**:

- Acquisition of land
- Acquisition of existing building
- Renovations to existing building
- Construction of addition to existing building

- Demolition of existing building
- Construction of a new building
- Acquisition of machinery and/or equipment
- Installation of machinery and/or equipment
- Other (specify)

Re-development of former USAF Facility. General economic re-use and re-development of former Griffiss AFB.

6(j) Please indicate the financial assistance you are requesting of the Agency, and provide the estimated value of said assistance.

Assistance	Estimated Value
<input checked="" type="checkbox"/> Real Property Tax Abatement	\$___ unknown _____
<input checked="" type="checkbox"/> Mortgage Tax Exemption	\$___ unknown _____
<input checked="" type="checkbox"/> Sales and Use Tax Exemption	\$___ unknown _____
<input checked="" type="checkbox"/> Issuance by the Agency of Tax Exempt Bonds	\$___ unknown _____

Part III: Facility Information

Facility (Physical Information) If multiple locations please provide information on all.

7(a) Street Address of Facility: The Remaining Property, which consists of vacant land does not have a specific street address.

7(b) City, Town and/or Village: Rome, NY

*(Note: It is important that you list **all** incorporated municipalities in which the facility lies. This information will be used in scheduling a public hearing as required by statute.)*

7(c) School District: Rome City School District

7(d) Tax Account Number(s):

243.000-1-1.2, 243.000-1-1.3, 243.000-1-1.6, 243.000-1-1.9, 243.000-1-1.11, 243.000-1-1.12, 243.000-1-1.25, 243.000-1-1.22, 244.000-3-3.1, 224.000-1-2, 243.000-1-1.14, 224.000-1-3.1, 206.000-2-76, 224.000-1-6.1, 224.000-1-7, 243.000-1-1.33, 243.000-1-1.62 and 224.000-1-8.

There may be other tax account numbers assigned to the Remaining Property. The tax account numbering system used by the Rome City Assessor's office for properties at Griffiss is difficult to follow in some instances.

Attach copies of the most recent real property tax bills. Include copies for all taxing jurisdiction for the site/ facility that IDA assistance is being sought.

7(e) For what purpose was the facility site most recently used (i.e., light manufacturing, heavy manufacturing, assembly, etc.)? Applicant currently uses the facility site (i.e., the Remaining Property) in furtherance of its exempt purposes. Prior thereto, the facility site was part of Griffiss AFB and was used for multiple purposes associated with an active military installation.

7(f) Zoning Classification of location of the project: Planned development

7(g) Please describe in detail the facility to be acquired, constructed or renovated (including number of buildings, square footage, number of floors, type of construction,) and attach plot plans, photos or renderings, if available. **Please be as specific as possible.**

Please see answer to questions 5 (a) above.

7(h) Has construction or renovation commenced? Yes No
N/A

If yes, please describe the work in detail, including the date of commencement.
N/A

If no, indicate the estimated dates of commencement and completion:

Construction commencement: _____

Construction completion: _____

7(i) Will the construction or operation of the facility or any activity which will occur at the site require any local ordinance or variance to be obtained or require a permit or prior approval of any state or federal agency or body (other than normal occupancy and/or construction permits)?

Yes No

If yes, please describe.

N/A

7(j) Will the project have a significant effect on the environment? Yes No

Important: please attach Environmental Assessment Form to this Application.

7(k) What is the useful life of the facility? unknown

7(l) Is the site in an Empire Zone? [] Yes [X] No

If yes, which Empire Zone: _____

Is the business Empire Zone certified at this location: [] Yes [] No

Attached a copy of the last Business Annual Report filed. If not certified, explain why not:

Facility (Legal Information)

8(a) With respect to the **present owner** of the facility, please give the following information:
(Note: the present owner is not necessarily the user of the facility, but that party which holds legal title to the facility.)

Legal Name: Oneida County Industrial Development Agency

Address: 584 Phoenix Drive, Rome NY 13441

Telephone: (315) 338-0393

Balance of Mortgage: N/A

Holder of Mortgage: N/A

If the Applicant is not the present owner of the facility, please attach any written agreements and contracts concerning the acquisition of the real property and/or equipment.

Please refer to Applicant's answer to Question 5(a) above.

8(b) Is there a legal relationship, directly or indirectly, by virtue of common control or through related persons, between the Applicant and the present owner of the facility?
[] Yes [X] No. If yes, please explain.

8(c) Will a related real estate holding company, partnership or other entity, be involved in the ownership structure of the transaction?
[] Yes [X] No. If yes, please explain.

8(d) Will the title owner of the facility/ property also be the user of the facility?
[] Yes [X] No. If no, please explain.

The title holder of the GLDC Facilities is the Agency. The user of the GLDC Facilities is the Applicant.

8(e) Is the Applicant currently a tenant in the facility? [X] Yes [] No

8(f) Are you planning to use the entire proposed facility? [X] Yes [] No

If no, please give the following information with respect to tenant(s) which will remain in the facility after the completion of the project:

<u>Name of Tenant</u>	<u>Floors Occupied</u>	<u>Square Feet Occupied</u>	<u>Nature of Business</u>
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8(g) Are any of the tenants related to the owner of the facility?

[] Yes [X] No

If yes, please explain

8(h) Will there be any other users other than the applicant to the IDA be utilizing the facility?

[] Yes [X] No

If yes, please explain. Provide detail of the contractual arrangement including any financial exchange for the use of the site or property.

Equipment

9(a) List the principal items or categories of equipment to be acquired as part of the project. (As soon as one is available but prior to final authorizing resolution, please submit a detailed inventory of said equipment.)

N/A

9(b) Please provide a brief description of any equipment which has already been purchased or ordered, attach all invoices and purchase orders, list amounts paid and dates of expected delivery. Attach a sheet if needed.

N/A

9(c) What is the useful life of the equipment? N/A

Part IV: Employment Information

10(a) Estimate how many construction and permanent jobs will be created or retained as a result of this project.

Construction Jobs ___ unknown _____

Permanent Jobs to be created by Project at Applicant's facility ___ unknown _____

Permanent Jobs to be retained by Project at Applicant's facility ___ unknown _____

Due in large part to Applicant's job creation and or job retention efforts at Griffiss there are nearly 6,000 jobs at Griffiss today.

10 (b) What is the applicant entity's current level of employment in Oneida County at the time of application.

At location to be assisted with the requested IDA benefits N/A

Other locations in Oneida County N/A

Part V: Estimated Project Cost and Financing

11(a) List the costs necessary for the construction, acquisition or renovation of the facility. Do **not** include working capital needs, moving expenses, work in progress, stock in trade, Applicant's debt repayment, real estate broker fees or your legal fees.

Acquisition of Land	0	
Acquisition of Building(s)	0	
Renovation Costs	unknown	
New Construction of Buildings	unknown	
Machinery and Equipment (other than furniture costs)	unknown	
Fixtures	unknown	
Installation Costs	unknown	
Fees (other than your own broker and legal fees)	unknown	
Legal Fees (IDA legal fees, Applicant legal fees)	unknown	
Architectural/Engineering	unknown	
Interest on Interim Financing	unknown	
Other (specify)	unknown	
	Subtotal	unknown
	Agency Fee¹	unknown
	Commitment Fee	<u> \$ </u>

Total Project Cost unknown _____

¹See Attached Fee Schedule (Page 19) for Agency Fee amount to be placed on this line

11(b) What amount of the Total Project Cost is the Applicant requesting financing by the Agency?

none

Real Estate Taxes

12(a) For each tax parcel which comprises the facility, please provide the following information, using figures from the most recent tax year:

Tax Acct #	Current Assessed Value (Land)	Current Assessed Value (Building)	Real Estate Taxes

Please refer to the Schedule of GLDC Facilities on City of Rome Wholly Exempt Roll (2012) which is attached hereto and made a part hereof as **Exhibit M**.

12(b) Address of Receiver of Town and/or Village Taxes:

City of Rome
Receiver of Taxes, Rome City Hall,
198 North Washington Street, Rome NY 13440
Attn: City Treasurer

12(c) Address of Receiver of School Taxes:

Rome City School District
District Treasurer
409 Bell Road
Rome, NY 13440

12(d) Will the completion of the proposed project result in the increase of the assessment of any of the parcels named above? [] Yes [X] No

If yes, please indicate which tax account numbers will be affected.

Financial Information

13(a) Has the Applicant contacted any bank, financial/lending institution or private investor with respect to the financing of the proposed project?

Yes No

If yes, please provide details.

13(b) Has the Applicant received a commitment letter for said financing?

Yes No

If yes, please submit a copy of said commitment letter along with this Application.

13(c) Please complete the Cost/Benefit Analysis form and attach to this Application.

REPRESENTATIONS AND CERTIFICATION BY APPLICANT

The undersigned requests that this Application be submitted for review to the Oneida County Industrial Development Agency's Board of Directors.

Approval of the Application can be granted solely by this Agency's Board of Directors. The undersigned acknowledges that Applicant shall be responsible for all costs incurred by the Agency and its counsel in connection with the attendant negotiations whether or not the transaction is carried to a successful conclusion.

The Applicant further understands and agrees with the Agency as follows:

1. **Annual Sales Tax Filings.** In accordance with Section 858-b(2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, in accordance with Section 874(8) of the General Municipal Law, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors retained by the Applicant.
2. **Annual Employment Reports.** The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency, on an annual basis, reports regarding the number of people employed at the project site as well as tax benefits received with the action of the OCIDA.
3. **Absence of Conflict of Interest.** The Applicant has received from the Agency a list of the members, officers and employees of the Agency. No member, officer, or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as herein after described:
4. **Hold Harmless.** Applicant hereby releases Oneida County Industrial Development Agency and the members, officers, servants, agents and employees thereof (the "Agency") from, agrees that the Agency shall not be liable for and agrees to indemnify, defend and hold the Agency harmless from and against any and all liability arising from or expense incurred by (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project; including without limiting the generality of the foregoing, all causes of action and attorneys' fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects

the Application, or if the Agency or the Applicant are unable to reach final agreement with respect to the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of the Application, including attorneys' fees, if any.

- 5. The applicant acknowledges that the OCIDA has disclosed that the actions and activities of the OCIDA are subject to the Public Authorities Accountability Act signed into law January 13, 2006 as Chapter 766 of the 2005 Laws of the State of New York.

The Applicant and the individual executing this Application on behalf of the Applicant acknowledge that the Agency will rely on the representations made herein when acting on this Application and hereby represent that the statements made herein do not contain any untrue statement of a material fact and do not omit to state a material fact necessary to make the statements contained herein not misleading.

Griffiss Local Development Corporation
(Applicant)

By: Steven J. DiMeo

Name: Steven J. DiMeo
Title: Authorized Represented

Date: April, 2012

If the application has been completed by or in part by other than the person signing this application for the applicant please indicate who and in what capacity:

By: Julianne Cardone

Name: Julianne CARDONE

Title: CHIEF FINANCIAL OFFICER

Date: April 28, 2012

Return the original and sixteen copies of the application with a check in the amount of \$500.00 made payable to: **Oneida County Industrial Development Agency**, 153 Brooks Road, Rome, New York 13441-1405, Attn.: Shawna M. Papale, Executive Director.

Agency Fee Schedule

Commitment Fee: \$1,000 – due following the initial inducement but prior to scheduling of the public hearing; this amount is non-refundable if the applicant fails to close on the project before the IDA. Upon closing with the IDA this amount is applied to the legal closing fees.

Bond Fees: ½ of 1% of total bond amount

IDA Agency Fee: PILOT, Mortgage Recording Exemption, Sales Tax Exemption:

- Up to a \$1.0 Million project - \$5,000
- Above \$1.0 Million project up to \$10.0 Million project – ½ of 1% of total project cost.
- Above \$10.0 Million project – ½ of 1% of total project cost up to \$10.0 Million plus incremental increase of ¼ of 1% of total project above \$10.0 Million.

Agency Counsel fee:

Set by Bond/Transaction Counsel based upon the nature and complexity of the transaction. This applies to bond and non-bond transactions (leasebacks, sale-leasebacks, etc).

Agency Counsel fees in Bond and non bond transactions will not normally exceed the greater of (a) 2% of the Bond amount or project costs or (b) a minimum is in customary transactions \$6,500 to \$8,500.

Annual Fee:

For the term in which the property remains in the IDA's name, an annual lease payment is due in the amount of \$500. This amount is due on the anniversary date of the first date of the month in which the IDA documents were executed. For annual fees not paid and delinquent, a late charge of \$50 per month will be levied until such time the fee plus late charges are paid.

Other fees:

For an IDA property which requires follow up action – a 1/8 of one percent of the total reissuance, redemption, new or revised mortgage, refinancing, spreading agreement or other transaction requiring action of the IDA shall be 1/8 of one percent of total project amount for a minimum payment to the IDA of \$500.

LIST OF EXHIBITS

<u>Exhibit</u>	<u>Description</u>
A	Certificate of Incorporation of Griffiss Local Development Corporation.
B	List of Existing Lease Agreements for GLDC Facilities.
C	December 16, 2011 Powerpoint presentation by Applicant entitled “Revitalizing the Upstate Economy – Role of Griffiss Business and Technology Park”.
D	Schedule of Remaining Property.
E	Press release from Congressman Richard Hanna dated February 24, 2012 regarding the importance of AFRL - Rome.
F	Utica Observer-Dispatch reprint of a press release from Senator Griffo and Assemblyman Brindisi dated February 18, 2012 regarding the importance of AFRL - Rome.
G	Powerpoint presentation made by the Cyber New York Alliance entitled “The Central New York Economy and Cyber Technology Looking Forward” regarding the organization and mission of, and the potential threats to AFRL - Rome.
H	Guest View of Congressman Richard Hanna printed in the Utica Observer-Dispatch on March 4, 2012 regarding the importance of AFRL - Rome.
I	Applicant’s 2011 audited financial statements.
J	Applicant’s 2011 Annual Report.
K	Rome Research Site Economic Impact Analysis for Fiscal Year 2011.
L	Mohawk Valley Regional Economic Development Council Strategic Plan dated November, 2011 (which cites the Griffiss Business Park as being a regional asset).
M	Schedule of GLDC Facilities on City of Rome Wholly Exempt Roll (2012).

EXHIBIT A

Certificate of Incorporation of Griffiss Local Development Corporation

F941101000499

CT-07

CERTIFICATE OF INCORPORATION

CT 07

of

GRIFFISS LOCAL DEVELOPMENT CORPORATION

Under Section 1411 of the Not-for-Profit Corporation Law

The undersigned, a natural person of 18 years of age, desiring to form a corporation pursuant to the provisions of the Not-for-Profit Law of the State of New York, hereby certifies:

FIRST. The name of the corporation is GRIFFISS LOCAL DEVELOPMENT CORPORATION. The corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-for-Profit Corporation Law and is a Type C Corporation under Section 201 of said law.

SECOND. The corporation is a not-for-profit local development corporation organized under Section 1411 of the Not-for-Profit Corporation Law and operated exclusively for the charitable and public/quasi-public purposes of participating in the development and implementation of a comprehensive strategy to maintain, strengthen and expand the uses and viability of the former Griffiss Air Force Base in the City of Rome and Oneida County, including, without limitation, the Rome Laboratory ("Lab"); working with the United States Air Force, Department of Defense and other federal, state and local officials and with the private sector to redevelop and expand the uses of the facilities within the former Griffiss Air Force Base; developing and overseeing strategies to minimize the overhead and operating costs of the Lab and other properties within the former Griffiss Air Force Base; enhancing the Lab's competitive position;

promoting and providing for additional employment within the City of Rome; carrying on research and development projects associated with the former Griffiss Air Force Base (including the Lab), and enhancing and cultivating linkages between federal, business, academia, State and local entities and the former Griffiss Air Force Base facilities, including the Lab; and otherwise lessening the burdens of government and acting in the public interest. The Corporation shall cooperate and coordinate its activities and plans with local governments in the City of Rome, Oneida County and the City of Utica and shall coordinate its efforts with the Oneida County Industrial Development Corporation, Rome Industrial Development Corporation and City of Utica Department of Urban and Economic Development, and other state and local economic development organizations that may be appropriate. In furtherance of said purposes, the corporation shall have all of the powers now or hereafter set forth in Section 1401(c) of the Not-for-Profit Corporation Law and, in addition, all other powers now or hereafter conferred by law including, without limitation, the following powers:

- a. To develop, construct, acquire, rehabilitate and improve for use by others the Lab and other structures, buildings and facilities located within the former Griffiss Air Force Base in the City of Rome; to assist financially in such development, demolition, construction, acquisition, rehabilitation and improvement; to maintain, manage and administer such structures, buildings and facilities for others; and to disseminate information and furnish advice,

technical assistance and liaison with federal, state and local authorities with respect to the fulfillment of its purposes;

b. To acquire by purchase, lease, gift, bequest, devise or otherwise real or personal property or interests therein;

c. To borrow money and to issue negotiable bonds, notes and other obligations therefor; provided that if the corporation accepts a mortgage loan or loans from the New York job development authority, such corporation shall be dissolved in accordance with the provisions on dissolution set forth in paragraph eight hereof upon repayment by or other discharge in full of such corporation of all such loans;

d. To the extent permitted by law, to sell, lease, mortgage or otherwise dispose of or encumber, without leave of court, any structures, buildings or facilities or any other real or personal property or any interest therein upon such terms as it may determine.

e. In connection with loans from the New York State Urban Development Corporation and from other sources, to enter into covenants and agreements and to comply with all the terms, conditions and provisions thereof, and otherwise to carry out its corporate purposes and to foster and

encourage the location, retention or expansion of industrial or manufacturing plants, research and development facilities, (including the Lab), educational, commercial, residential, office, warehouse, and public recreation facilities (including provision for open space) and other structures, buildings and facilities within the former Griffiss Air Force Base in the City of Rome; and

f. To do all and everything suitable for the accomplishment of any of the foregoing purposes.

THIRD. The corporation shall be a not-for-profit corporation. All income and earnings of the corporation shall be used exclusively for its corporate purposes. No part of the income or earnings of the corporation shall inure to the benefit or profit of, nor shall any distribution of its property or assets be made to, any member or private person, corporate or individual, or any other private interest, provided that the corporation may repay loans made to it and may repay contributions (other than dues) made to it if and to the extent that any such contribution may not be allowable as a deduction in computing taxable income under the Internal Revenue Code of 1986, as amended.

FOURTH. The corporation shall not attempt to influence legislation by propaganda or otherwise, or participate or intervene, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office.

FIFTH. The principal office of the corporation is to be located in the City of Rome in the County of Oneida.

SIXTH. The number of directors of the corporation shall be fifteen.

SEVENTH. Notwithstanding any other provision of this certificate of incorporation, the corporation is organized exclusively for charitable purposes, as specified in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or corresponding provisions of any subsequent Federal tax laws (hereinafter "Section 501(c)(3)"), and shall not carry on any activities not permitted to be carried on by a corporation exempt from Federal income tax under Section 501(c)(3).

EIGHTH. Upon the dissolution of the corporation, no private person, corporate or individual, or other private interest, shall be entitled to any distribution or division of its remaining funds and other property and rights and interests in property, and the balance thereof, after the payment of all its debts and liabilities of whatsoever kind and nature (including the payment of loans and contributions, the repayment of which has been authorized herein), shall be distributed equally to the City of Rome and Oneida County for the furtherance of the purposes now or hereafter set forth in Section 1411(a) of the Not-for-Profit Corporation Law, but in no event for the furtherance of purposes other than those set forth in Section 501(c)(3), as may be

provided by order of the Supreme Court of the State of New York.

NINTH. The Secretary of State of the State of New York is hereby designated the agent of the corporation upon whom process against it may be served. The post office address to which the Secretary of State shall mail a copy of any process against the corporation served upon the Secretary of State as agent of the corporation is Griffiss Redevelopment Planning Council, 153 Brooks Road, Griffiss Air Force Base, New York 13441-4501, Attention: Executive Director.

IN WITNESS WHEREOF, this Certificate of Incorporation has been signed, and the statements made herein are affirmed as true, under the penalties of perjury, this 28 day of October, 1994.



Sole Incorporator
Sander Lehrer
1211 Avenue of the Americas, 43rd Floor
New York, New York 10036

State of New York }
Department of State } ss:

I hereby certify that I have compared the annexed copy with the original document filed by the Department of State and that the same is a correct transcript of said original.

NOV - 1 1994

Witness my hand and seal of the Department of State on



Adil I. Shaffer

Secretary of State

EXHIBIT B

List of Existing Lease Agreements for GLDC Facilities

LIST OF EXISTING LEASES FOR GLDC FACILITIES

<i>GLDC FACILITY</i>	<i>LEASED PREMISES</i>	<i>AS OF LEASE DATE</i>	<i>EXPIRATION DATE</i>
GLDC I	Parcel F1 and Parcels F9A and F9B	5/1/2000	4/20/2010
GLDC II	Parcel F2	6/1/2001	5/31/2011
GLDC III	Parcel F4B	12/1/2001	11/30/2011
GLDC IV	Parcel F6A and Parcels F4A and F12A	12/1/2002	11/30/2012
GLDC V	Parcels F11 A and F11C	12/1/2002	11/30/2012
GLDC VI	Parcel F7, Parcel No. 2 and Building 750 Parcel	7/1/2003	7/29/2013
GLDC VII	Parcels F3A and F3B	4/1/2004	
GLDC VIII	Parcel F10A	3/1/2005	7/27/2015
GLDC IX	Parcel F4C, Parcel A, Parcel F4C, Parcel B, Parcel F10B	9/1/2005	8/26/2016
GLDC X	Parcel F11D-A and Parcel F11D-B	9/1/2006	7/26/2016
GLDC XI	Parcel F3A, Exception No. 2 and Exception No. 3; Parcels F5-1, F5-2 and F5-3	3/1/2008	12/31/2017
GLDC XII	Easements for Water Distribution, Sanitary Sewer and Storm Sewer Systems	3/1/2008	12/31/2017
GLDC XIII	Building 302 Property	Pending	
GLDC XIV	Parcel F10C	9/1/2011	6/30/2023
GLDC XV	Parcel F6B-16	Pending	


EXHIBIT C

**December 16, 2011 Powerpoint Presentation by Applicant
Entitled “Revitalizing the Upstate Economy – Role of Griffiss
Business and Technology Park”**

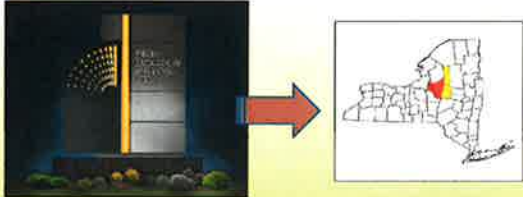


Revitalizing the Upstate Economy Role of Griffiss Business & Technology Park

Presented to OCIDA
December 16, 2011



Overview




Griffiss Business & Technology Park is a key development project for the Mohawk Valley and Upstate economy.









Griffiss Business and Technology Park





BRAC History

- 1993/95 BRAC round substantially realigned Griffiss:
 - 1,341 civilian & approximately 4,400 military jobs eliminated
- BRAC action resulted in relocation of:
 - 416th Bomb Wing & Tanker Refueling Wings [BRAC 1993]
 - 485th EIG [BRAC 1993]
 - Airfield designated as "minimum essential airfield" through NYANG for Fort Drum [BRAC 1993, reversed in BRAC 1995]
 - Transfer of NEADS from Air Force to NYANG [BRAC 1993]
- Rome Laboratory retained as a stand alone operation [Threatened with relocation but retained in BRAC 1995 & 2005]
- DoD located DFAS operation at Griffiss in 1994 [Threatened with relocation, but expanded as a result of BRAC 2005]

Griffiss Facts 1993/1995

- Griffiss AFB consists of approximately 3,552 acres
 - 3,312 acres declared excess under BRAC 93 & 95 base closure rounds
 - Approximately 240 acres retained by Air Force and other federal agencies for AFRL, EADS, DFAS & VA
- City within a City:
 - 5 Million + Sq. Ft. of building stock, 55 lane miles of roads
 - Military airfield & aviation facilities
 - Rail Spur
 - Water & sewer distribution systems
 - Air Force owned:
 - telecommunications
 - steam and electric distribution system
 - Not under jurisdiction of City of Rome for police & fire
 - Not part of City of Rome Zoning Ordinance
- Griffiss was listed as a Superfund Site - 2,218 acres delisted in 2009

Redevelopment Process

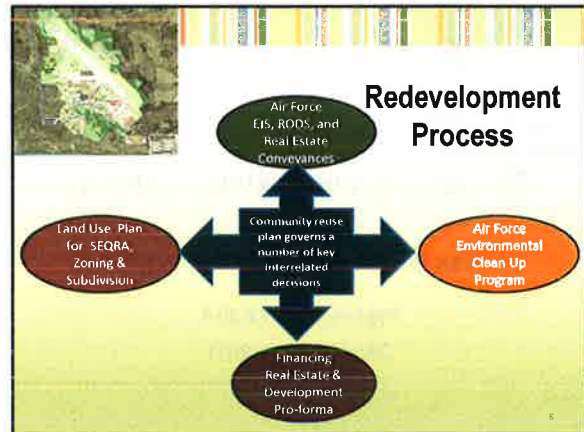

- Ad hoc citizens group, Griffiss Redevelopment Planning Council (GRPC), was formed to develop area's response to base closure/realignment
- GRPC responsibilities included:
 - Development of Master Plan (1994)
 - Overseeing Community Outreach efforts
 - Applying for Grants to support initial planning and development activities
 - Coordinating with Air Force, DoD and other state agencies on transitioning of Griffiss, including preparation of Caretaker activities
 - Transitioning from ad-hoc to permanent corporate structure for redevelopment






Role of the Oneida County Industrial Development Agency

- OCIDA was the conduit to facilitate transfer of property from Air Force to support GLDC redevelopment activities
- OCIDA provided Master PILOT Agreement and other tax exemptions
- OCIDA tax incentive authority has played an instrumental role in furthering development of Griffiss B&T Park
 - PILOT (Payment in Lieu of Tax)
 - Sales Tax Exemption
 - Mortgage Recording Tax Exemption
 - Bonding
 - PILOT Increment Financing





Reuse Plan Guiding Principles

- Master Reuse Plan guiding principles focus on a reuse strategy that :
 - Generates jobs that replace or exceed the number of civilian jobs lost and provide wages commensurate with or better than those in the Mohawk Valley region.
 - Concentrates on realistic implementation – must not pursue short-term opportunities at the expense of long term objectives.
 - Promotes uses that are compatible with Rome Lab and other DoD uses, prevailing market trends and other uses in the plan.
 - Minimizes fiscal and economic burden on local jurisdictions, and has a positive impact on the GLDC's balance sheet.
 - Fulfills community development needs, consistent with local planning policy.



Griffiss Master Reuse Plan



- Reuse Plan recommended development of mixed-use Business & Technology Park
- Primary focus was to leverage Rome Laboratory
 - 2011 Economic Impact of AFRL is over \$288 Million.
- Plan outlined key targeted capital improvements and other development priorities:
 - Demolition of obsolete and excess building stock to reduce O&M costs and create vacant development parcels
 - Develop partnership with Air Force to construct new lab facilities
 - Construction of "spine road" (now known as Route 825)
 - Targeted renovation of key buildings with reuse potential
 - Establish capital improvement priorities by Development District for phased implementation
- GLDC prepared Master Plan Update in 2009



Griffiss International Airport





- In 2005 Oneida County relocated County Airport to Griffiss
- Funding provided through Military Airport Program (MAP) along with County and NYS funding.
- General Aviation Airport
- MVCC A&P Program
- FBO – Million Air
- Aviation tenants:
 - Premier Aviation Overhaul Center, Ltd.
 - Mid Air
 - DS-2 (C-5 military work)



Griffiss Redevelopment Process




- Griffiss Local Development Corporation created in 1994 to oversee Griffiss Development
 - Local Development Corporation formed under Section 1411 of the NFPC law.
 - Originally a 15 Member Board with appointments from County Executive, Mayor of Rome, Governor, Assembly and Senate. Now a 13 person self-perpetuating Board.
- GLDC is principal developer of GBTP.
- NYS agreed to provide funding for administrative support & Capital Funding
 - Leveraged federal funds secured for capital improvements
 - GLDC involved in subsequent BRAC efforts.


Griffiss Redevelopment Process






- Excess property was conveyed to support Master Reuse Plan:
 - GLDC negotiated for conveyance of non-airfield property from 1993 & 1995 BRAC rounds under an "Economic Development Conveyance"
 - Oneida County used "Public Benefit Conveyance" mechanism for conveyance of Griffiss airfield property (1995 BRAC)





Griffiss Investment



- Nearly \$458 Million of private and public investment has been made at Griffiss Park since 1995:
 - Infrastructure: \$ 59.7 M
 - Demolition: \$ 7.0 M
 - Renovations: \$ 93.9 M
 - New Construction: \$ 275.5 M
 - A/E & Soft Costs \$ 21.8 M
 - Total: \$ 457.9 M
- GLDC has used PILOT Increment Financing & has secured bank financing for several key projects

Tax Base & Fees




- As an AFB, Griffiss generated \$0 in tax revenue
- Over \$4,000,000 of tax revenue was generated in GBTP in 2010 & 2011: (PILOT, Property Tax Revenue and Service Fee Payments)

	2010	2011
Oneida County	\$ 1.2 M	\$ 1.0 M
City of Rome	\$ 1.3 M	\$ 1.3 M
Rome City School District	\$ 1.6 M	\$ 1.8 M
TOTAL	\$ 4.1 M	\$ 4.1 M

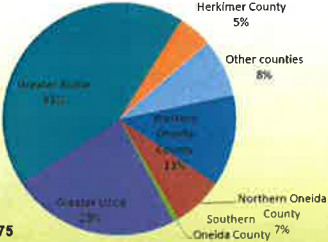
- Water and sewer fees paid based on metered usage vs. lower bulk fee rate for single customer (USAF)
- GLDC has lowered governmental capital requirements with targeted improvements to roads, and infrastructure systems
- GLDC has set up capital reserve from sale of property to offset other development obligations

Griffiss Business & Tech Park Employee Catchment Area



92% of employees in GBTP come from Oneida & Herkimer Counties

8% come from 17 other counties



There are approximately 75 employers at Griffiss with nearly 6,000 employees in 2011

Griffiss Park Landowners Association



- Common Area Maintenance (CAM) fees are assessed on landside park occupants (except not-for-profit & government occupants)
- CAM fees are administered through the Griffiss Park Landowners Association, of which GLDC is a member
- Fees are used for Griffiss signage, landscaping and grounds maintenance, and certain capital improvements (e.g., trail system & pedestrian walkways, and sculpture park)
- CAM fees total approximately \$320,000/year





Transportation Projects




Griffiss Rail Spur Refurbishment for Sovena USA expansion



Route 825 Project

Hangar Improvements & Big Box Site



B101 Without Improvements



B101 Hangar Renovation & Expansion for EAC/ Premier



Former Alert Apron Site



Family Dollar Distribution Center

Small Depot Sites



Sovena, USA



Goodrich Corporation



WWII era Depot Buildings



MGS Manufacturing

Flight Simulator Bldg. Conversion



Former Flight Simulator



Griffiss Institute

AIS Corporate Headquarters



Demolition of WWII era Building 301 Complex



New Corporate Headquarters for Assured Information Security

Skyline Development



Redevelopment of former Skyline Base Housing Area



**Creation of Skyline Summit Business Center
115 acre Site**

Commercial & Community Uses



Wingate Hotel



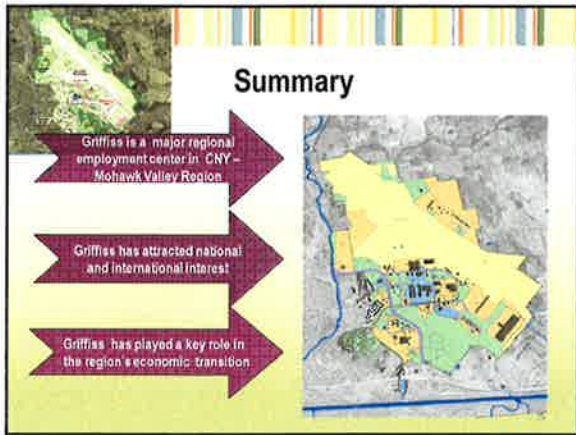
Rome Free Academy



AmeriCu



Onelda Financial Center



Summary

- Griffias is a major regional employment center in CNY - Mohawk Valley Region
- Griffias has attracted national and international interest
- Griffias has played a key role in the region's economic transition

The slide features a decorative header with vertical stripes in yellow, green, and blue. On the left, there is a small satellite image of a landscape. On the right, a larger map shows a geographical area with yellow and green highlighted regions, and a blue line representing a river or road. Three purple arrows point from the text on the left towards the map.

EXHIBIT D

Schedule of Remaining Property

The Remaining Property consists of whatever lands, buildings and other improvements were originally leased by the Agency to Applicant pursuant to the Existing Lease Agreements minus (a) the lands, buildings, and other improvements which have been or are conveyed to third parties prior to the execution and delivery of the Master Lease Agreement and Master Zero PILOT Agreement and (b) the lands, buildings and other improvements which have been or are leased by the Agency to Applicant pursuant to separate, stand-alone lease agreements and which are accompanied by their own separate, stand-alone PILOT Agreements (i.e., the Building 770/774 Property; the Building 796/798 Property; the Building 776/778 Property; and the Building 780 Property).

The Remaining Property contains of approximately 795 acres of mostly vacant land. Generally, most of the buildings or other structures situate on the Remaining Property are scheduled for eventual demolition, depending upon the availability of funds.

EXHIBIT E

**Press Release from Congressman Richard Hanna Dated February 24, 2012
Regarding the Importance of AFRL - Rome**

Armed Services Committee Chairman: Hanna a 'tireless advocate for Rome'

UTICA, N.Y. – U.S. Rep. Richard Hanna is supporting a bill that would modify cuts to America's military in an effort to avoid dramatic cuts to the military in 2013.

H.R. 3662, the Down Payment To Protect National Security Act is an effort to pay for the first year of potential sequestration cuts without doing serious harm to the military. It is sponsored by Rep. Howard P. "Buck" McKeon, Chairman of the House Armed Services Committee.

"This is a sensible plan to save money over a decade without compromising our commitment to our men and women in the military," Hanna said. "This bill would allow us to avoid subjecting our national security to unnecessary risks while still reining in excessive spending. I am hopeful that Congress will consider this important legislation before automatic defense cuts go into effect."

The failure of the super committee to find \$1.2 trillion in savings over the next 10 years triggered equivalent cuts in discretionary spending. Without preventative action, America's military would be cut by \$500 billion. The Down Payment To Protect National Security Act imposes a reduction of the federal workforce by 10 percent through attrition and applies the savings to pay for one year of sequestration, for defense and non-defense categories. A 10 percent reduction will be achieved over 10 years by only hiring one federal employee for every three who retire, and would save the military from additional catastrophic cuts beyond the \$487 billion in the President's FY13 budget request that Secretary Panetta has described as "the most dangerous risk of all" to our national security.

Unlike other sectors of the government, the Department of Defense must plan for personnel costs, weapons systems, and other operational needs years before they are needed. Decisions that will impact the Fiscal Year 2013 budget are being made now. Many of those decisions, like canceling procurement projects, separating troops, and closing facilities, are irrevocable.

"Having visited Congressman Hanna's district, I know how important the Rome area defense operations are to not only the local economy, but also national security,"

Chairman McKeon said. "Congressman Hanna has been a tireless advocate for Rome Lab, DFAS, and EADS in Washington. I'm pleased he's supporting this effort to lessen the impact of spending cuts to our military."

EXHIBIT F

**Utica Observer-Dispatch Reprint of a Press Release from Senator Griffo
And Assemblyman Brindisi Dated February 18, 2012 Regarding the
Importance of AFRL - Rome**



UTICA AOD.COM
OBSERVER-DISPATCH / THE MOHAWK VALLEY'S INFORMATION SOURCE

Start working now to protect Rome operation

United effort needed to keep lab programs intact

OBSERVER-DISPATCH

Posted Feb 18, 2012 @ 08:00 PM

Suggested Stories

Former area doctor surrenders medical license - Utica, NY - The Observer-Dispatch, Utica, New York

4 face alcohol charges after Amish buggy hits police car - Utica, NY - The Observer-Dispatch, Utica, New York

Agreement made on teacher, principal evaluation system - Utica, NY - The Observer-Dispatch, Utica, New York

From the Web

FBI warns of new banking scam (Bankrate.com)

Grandfather Gets Arrested for Holding Burglar at Gunpoint While Waiting for Police to Arrive (The Stir By CafeMom)

Calling in Sick: 7 Good Reasons, 7 Lame Reasons (Salary.com)

Sponsored content **What's this?**

While President Obama's federal budget unveiled Monday is certainly a work in progress, one thing is likely: Whatever battles take place in Congress during this election year, spending cuts are inevitable.

Our region must be ready to protect our most vulnerable assets at Griffiss Business and Technology Park because any weakening of the operations there could set the stage for something much worse in the future.

Obama's budget reveals that Pentagon officials are looking to cut \$260 billion over the next five years, including an 18 percent cut — more than \$30 million — to key programs at the Air Force Research Laboratory in Rome. The request is part of a proposed \$1 billion cut to the Air Force's total funding for research, development, test and evaluation programs.

That should sound an alarm in the Mohawk Valley. Defense Secretary Leon Panetta recently proposed the possibility of new Base Realignment and Closure Commission (BRAC) rounds in 2013 and 2015. We got clobbered in 1993 when BRAC officials decided to close Griffiss Air Force Base, and we had to stave off other BRAC attacks in 1995 and 2005. Since, local officials and economic development agencies like Mohawk Valley EDGE and Griffiss Local Development Corp. (GLDC) have focused their efforts on rebuilding the base. Today about 5,800 people are employed at the park.

That largely consists of the military operations — the Eastern Air Defense Sector, the Defense Finance and Accounting Service (DFAS) office and the lab. They account for nearly 3,000 employees, and in addition have been the catalyst for numerous private technology firms that have sprung up around the lab.

But it's not enough just to tell the Pentagon to go away and leave us alone because we've been ravaged before. When it comes to defense cuts, like in any business, there needs to be solid justification for maintaining specific operations. And as EDGE President Steven DiMeo recently pointed out, if today's budget cuts impact things such as personnel levels at the Griffiss installations, they could be in a weaker position tomorrow and become targets during a future BRAC initiative.

That's why having a team of leaders at all levels — local, state and federal — in place now to promote and protect the Griffiss operations is critical.

Some of that work is under way. Last year, elected officials and representatives from Griffiss park businesses formed the Central New York Defense Alliance, whose stated goal is to increase the region's visibility with the Department of Defense. Last December, state Sen. Joseph Griffo, R-Rome, secured funding for both the alliance and GLDC to be used to boost the image of the area as a defense hub. In doing so, Griffo said, it's vital that every installation be prepared to make a fact-based case to defend its assets.

Meanwhile, Assemblyman Anthony J. Brindisi, D-Utica, has urged Gov. Cuomo to include funding in his budget to help ensure that the Griffiss military operations are well-positioned. And Rep. Richard Hanna said months ago that said he has set up a Congressional working group to help protect New York state's installations, including Griffiss operations. More recently, Hanna joined forces with Rep. Bill Owens, D-Plattsburgh, and Sens. Charles Schumer and Kirsten Gillibrand and wrote a letter to the Air Force opposing the proposed program cuts, arguing the Rome lab conducts vital research to keep America safe from cyber attacks.

The united effort will be critical, especially in the wake of comments this week from Defense Secretary Panetta, who told the Senate Armed Services Committee that budget cuts will hit all 50 states and that the reductions have been carefully planned with little room for changes.

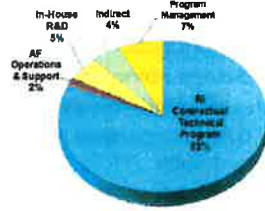
A successful comprehensive plan involving local leaders at all levels was put into place in 2005 before the last round of cuts. Not only did the lab and DFAS survive the cuts, they flourished. No less of an effort is needed now.

EXHIBIT G

**Powerpoint Presentation Made by the Cyber New York Alliance
Entitled “The Central New York Economy nad Cyber Technology Looking
Forward” Regarding the Organization and Mission of, and the Potential
Threats to AFRL - Rome**

AFRL Information Directorate

- ~ \$120 million *appropriated* annual revenue
- ~ \$630 million in “external” R&D funds
 - Other military services
 - Intelligence agencies
 - Other government agencies
- Subject areas
 - Cyber Science and Technology
 - Autonomy, Command and Control, and Decision Support
 - Processing and Exploitation
 - Connectivity and Dissemination



The Central New York Economy and Cyber Technology

Looking Forward



John Bay, Chief Scientist, AIS, Inc.

Mary Carol Chruscicki, Exec Director, CNYA

AFRL/RI's Unique CNY Assets

- Information Assurance and Cyber Science Technology Laboratory
- Re-configurable Cyber Experimentation Environment
- Fusion and Advanced Visualization Laboratory
- CONDOR: a 500 TFLOPS supercomputer, the DoD's largest interactive parallel processing facility
- Many accredited secure facilities
- Newport and Stockbridge remote RF and UAV testing facilities
- Ground Moving Target Indicator Center of Excellence
- *Four* (of only ten nation-wide) multi-million-dollar DoD Information Analysis Centers



Cyber Security and New York State

- Air Force Research Laboratory *Information Directorate*
 - ~\$750 million in annual revenue
 - ~\$288 million in annual local economic impact
 - ~1300 on-site employees (government and contractor)
- Local sites for defense contractors
- Science and technology for intelligence agencies
- Local and national support for university research



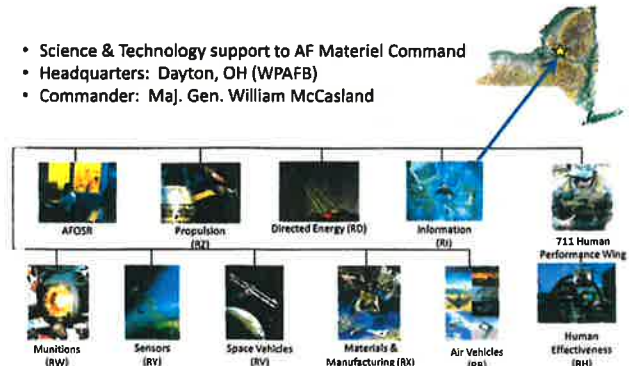
Griffiss Business and Technology Park

- *Total employment:* 5,800+ at 75 employers
- *Total Public & Private Investment:* \$460 Million & growing
- *Industry Clusters:* manufacturing, aviation, distribution, information technology, cyber-security, government, and commercial
- Over \$4M a year in tax revenue
- Federal and State investment in redevelopment of Griffiss approximately \$69 M
 - \$12 M in NYS funding to leverage \$12 M in AF MILCON funds for new Information Directorate Complex (completed in 2004)
- Core part of redevelopment effort has been leveraging AFRL to attract Cyber, Information Technology and Defense Contractors.



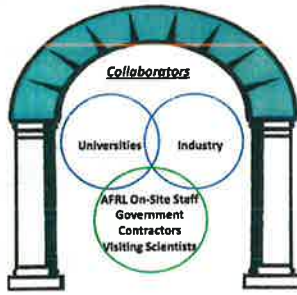
Air Force Research Laboratory

- Science & Technology support to AF Materiel Command
- Headquarters: Dayton, OH (WPAFB)
- Commander: Maj. Gen. William McCasland



National Cyber Research Institute Vision

- An *independent*, world class research center in New York
 - A staff of on-site and remote cyber researchers
 - Collaboration with academic and industrial centers of excellence in supporting technologies
 - Classified and sensitive research
 - Product development
 - New and exciting research directions
- Federally-Funded R&D Center (FFRDC) or University-Affiliated Research Center (UARC)



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Threats to AFRL/RI and consequently, CNY and NYS

- AFRL plans to consolidate geographically-separated units
 - We have already seen AFRL-directed migration of workforce to Ohio
- AFRL plans to re-distribute cyber S&T
 - AFRL is planning a disproportionate cut in cyber research funding to the Information Directorate, in favor of Dayton-based directorates
- Base re-alignment and closure proposed by SECDEF
 - Potential closure of all AFRL Rome operations
- Lack of single-voice advocacy for the Information Directorate and Rome
 - Powerful political and financial lobbies favoring closure of AFRL in Rome
 - Government employees forced to sign non-disclosure agreements



National Cyber Research Institute Affiliated Capabilities

- X-CYBER: Unique Cyber Test Bed
 - World-class/unique facilities classified and sensitive available to partners to evaluate new technologies, perform vulnerability assessments and showcase ideas to customers
 - NYS-wide network connecting participating universities and industry to evaluate cyber threats and solutions
- X-CYBER/NANO: Unique facility at SUNY Quad-C to explore nanotechnology solutions to cyber problems



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Cyber New York Alliance

- Incorporated in April 2011 as *Central New York Defense Alliance*, a 501(c)6 not-for-profit corporation
- A collaborative force for NYS
 - Businesses
 - Government agencies
 - Universities
 - Residents
- Currently 27 dues-paying members

CNYA Mission
To promote the Central New York region as a recognized national center of excellence in cyber and information technology



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Why a National Cyber Research Institute

- Organize the excellent NYS cyber research resources and establish the NYS region as a recognized Center of Excellence in cyber research
 - Collaboration of existing NYS world class research centers in government, academia and industry
 - Instigate new partnerships between researchers and cyber users in public and private sectors of NYS
 - Defense (AFRL/RI and other defense agencies)
 - Wall Street
 - NYS and local law enforcement for cyber crime
 - Power grids and water supply systems
 - DHS anti-cyber terrorism



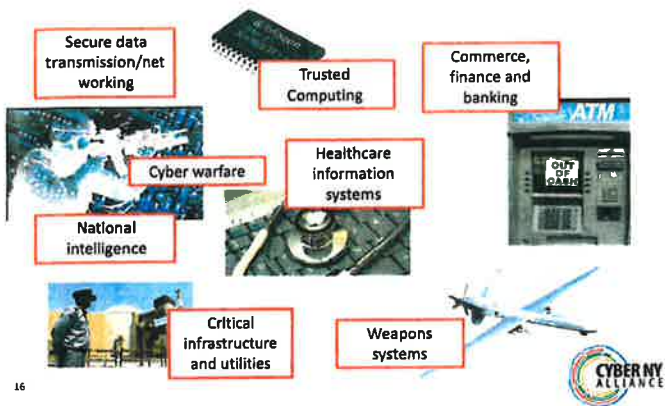
12

NATIONAL CYBER RESEARCH INSTITUTE

A Proposal of the Cyber New York Alliance



National Cyber Research Institute *Research Applications*



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Why a Cyber Research Institute

- Strengthen NYS position in possible future defense cuts
- Establish an environment for classified and sensitive cyber research not suited for an open academic environment – e.g. Lincoln Lab/MIT Model
- Be the trusted advisor on cyber vulnerabilities and solutions
- Need a national cyber institute to counter the growing cyber threat
- Leverage SUNY nano resources to explore the intersection of the cyber and nano domains

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Potential Industry Collaborators

- NYS Businesses
 - AIS Inc.
 - Cyber NY Alliance members
 - Griffiss Institute
 - IBM Watson Research Center, Hawthorne NY
 - Cloud computing, service oriented architectures, high performance computers
- National cyber industry leaders

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National Cyber Research Institute *Implementation*

- Located on Griffiss Business and Technology Park, affiliated with SUNY
 - NYS fund a SUNY-wide chaired cyber professorship - ~\$5M
 - Attract a national cyber research leader
 - Build a world class NYS research team
 - Build a nationally recognized cyber academic program with CNY presence
 - Leverage AFRL/RI >\$700M R&D cyber investment
 - Leverage SUNYIT partnership with CNSE
 - » Research in trusted computing
- NCRI Branch at SUNY-IT
- SUNY-IT establishes collaborations with other NYS institutions
 - Other NYS Institutions provide staff for the institute

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Potential Defense and Federal Collaborators

- US Air Force
 - Air Force Research Laboratory
 - *Potential UAV test range in Northern NY, in collaboration with Ft. Drum and the 174th Fighter Wing (ANGB Hancock)*
- US Cyber Command
- DARPA: Defense Advanced Research Projects Agency
- IARPA: Intelligence Advanced Research Projects Agency
- DHS: Dept of Homeland Security
- DOJ: Department of Justice
- State and local law enforcement

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Payoffs

- National security
 - Counter the growing cyber threat
 - Nation-state
 - Domestic
 - Terrorism
- Cyber and nano jobs in NYS
- Cyber workforce development
- Higher education and academic research
- Attract federal cyber and nano R&D funding

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Potential Academic Collaborators

- SUNY
 - SUNY-IT, Buffalo, Albany, Stonybrook, Binghamton
- Clarkson University
- Syracuse University
 - And CASE center
- Rensselaer Polytechnic Institute
- Rochester Institute of Technology
- University of Rochester
- Cornell University
- New York State Centers for Advanced Technology
- Utica College
- MVCC



NCRI Components and Costs

First year

- Executive Director and startup staff -- \$1.5M
- Chaired professorship -- \$3M
- Additional research staff -- \$900K
- Project costs -- \$1M
- Research support at regional universities -- \$2M
- Equipment and Infrastructure -- \$2M
- Facilities (office space) -- \$300K
- Operating costs --

~ \$11 million



CNYA Contacts

- Mary Carol Chruscicki, Executive Director
- CNYA Board of Directors
 - Ray Urtz, Chair
 - John Bay, Vice-Chair
 - Mark Pfisterer, Treasurer
 - Don Hanson
 - John Graniero



EXHIBIT H

**Guest View of Congressman Richard Hanna Printed in the Utica
Observer-Dispatch on March 04, 2012 Regarding the Importance
Of AFRL - Rome**



UTICA AOD.COM
OBSERVER-DISPATCH / THE MOHAWK VALLEY'S INFORMATION SOURCE

Guest view: Rome Lab is best our nation has to offer

By **REP. RICHARD HANNA**

Special to the Observer-Dispatch

Posted Mar 04, 2012 @ 09:02 AM

Suggested Stories

Police: West Utica man stole refrigerator, washer/dryer - Utica, NY - The Observer-Dispatch, Utica, New York

4 face alcohol charges after Amish buggy hits police car - Utica, NY - The Observer-Dispatch, Utica, New York

Death at Jell-O Museum leads to lawsuit - Utica, NY - The Observer-Dispatch, Utica, New York

From the Web

19 Signs That America Has Become A Crazy Control Freak Nation Where Almost Everything Is Illegal (YOLOHUB)

Men: Cancer Symptoms You're Most Likely to Ignore (Caring.com)

95-Year-Old Left In Car For 2 Hours As Caregiver Gambled, Police Say (AOL Jobs)

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What's this?

President Obama recently suggested Rome Lab's budget be cut by 18 percent, which is approximately \$30 million. That would be a mistake.

As a nation, we're beginning to realize that we need to do more with less and spending cuts are unavoidable. But there is a case to be made for Rome Lab and the argument isn't simply "because it's in our backyard." That argument isn't good enough and will not advance our purpose.

Rome Lab should be fully funded because it is a critical component of our cyber defense initiatives, advanced research, high-tech security developments, and Unmanned Aerial Vehicle missions. The work performed is vital to our defense operations and we should work to grow the lab – not shrink it.

Lab has proud history

Rome Lab has some of the world's leading computer scientists working on information technology for the U.S. Air Force. The facility has been around since 1951 when it began monitoring radar. Like any good business, over time it adapted to reflect modern-day needs.

In 1993, when Rome was rocked by the closure of Griffiss Air Force Base – thanks to a Base Realignment and Closure Commission (BRAC) – the lab survived. Then it grew. It found its niche in the industry and became a leader. That's what I hope to see for all our military entities in Rome.

But it's not enough to hope. A recent editorial headline in this newspaper blared: "Start working now to protect Rome operation." That message is spot on, and it has been a theme that my office has been advocating since my first day as your representative.

Team effort under way

That's why U.S. Senators Chuck Schumer and Kirsten Gillibrand joined me and North Country Rep. Bill Owens to express our concerns about the president's proposed cuts. We implored the Air Force to re-evaluate the funding.

The four of us are committed to working together with state and local leaders to ensure our valuable assets in Rome – including the numerous private technology firms – will continue to lead the nation in the cyber security industry.

I'm pleased we're working with Gov. Andrew Cuomo's office, Lt. Gov. Robert Duffy, state Sen. Joseph Griffo, Assemblyman Anthony Brindisi, as well as other local advocates and informed leaders in the field to make sure that we present the strongest facts-based approach possible. It is imperative that this region speaks with one unified voice.

I founded the bipartisan New York Defense Working Group for House members from New York state to join together to promote, protect, and highlight the value of our defense assets. Of course locally, this means Rome Lab, the Defense Finance and Accounting Service (DFAS), Eastern Air Defense Sector (EADS), and all the defense-related entities in Rome.

This group includes 15 members of Congress. We've met twice since the president's budget was released, including one gathering last week. The working group understands the importance of staying vigilant and unified, and I'm pleased to see a bipartisan collaboration to help our defense facilities.

State-of-the-art

The Air Force Research Laboratory in Rome is home to one of the top 40 fastest computers in the world – the largest in the Department of Defense. The innovative computer scientists who call Rome Lab home engineered it from something most teenagers are familiar with: a PlayStation 3.

Well, not just one video game console, but 1,700. The PlayStation 3s combined provide enormous amounts of detailed footage for analysts to sort through – gathered by surveillance flights to monitor happenings across the globe.

That's the kind of innovation being implemented at Rome Lab. Right here in Oneida County we are establishing this community as a leader in 21st century national security surveillance.

Partnerships key

Our defense operations in Rome also enjoy collaborative partnerships with institutions like Utica College, SUNYIT, Mohawk Valley Community College and Herkimer County Community College. They can utilize cooperative grant programs,

academic co-ops, and exploratory research initiatives to work with our students of today who will become the workforce of tomorrow. These efforts cannot be duplicated elsewhere and I will continue to foster and push to build upon these established relationships for the benefit of our region.

On New Year's Day, I had the opportunity to share my vision for the year ahead on this same page. Among my top priorities was protecting defense operations in Rome. That priority was amplified when President Obama suggested drastic cuts to a cutting edge facility.

The administration says it's committed to advancing cyber-security and high-tech research operations, yet these budget figures paint a much different story.

I'm working at the federal level to make sure the advanced jobs and essential research conducted at Rome Lab are not only protected, but bolstered. The Mohawk Valley can, and should, be the premier site for cyber security in the nation.

Work has just begun

We have much to be proud of here. During a meeting in Rome with DFAS employees, I explained that it's not just about defending the businesses and jobs we have in this community, it's about promoting and growing.

One positive note in the president's budget request is a call to increase DFAS funding by 46 percent nationwide. While it's too early to say how this could affect Rome DFAS, it is encouraging. With so many service men and women returning from overseas, the quality skills of our DFAS workforce will be more important than ever to manage the finance and accounting needs - particularly travel vouchers so they can return to their loved-ones with ease.

The president's budget request is just that - a request. It is not authorized or finalized until Congress votes. We'll need to work together and use one voice to tell the story of Rome and its achievements and its importance to our national security.

We know Rome's defense entities are among the top in the nation. Together, we can showcase our talents nationally and grow this community.

Rep. Richard Hanna, R-Barneveld, represents the 24th U.S. Congressional District.

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No Charging Your iPad

OTCBB: DOMK rolls out hottest new iPad accessory!
www.SolaWerks.com

No-Salt Water Softener

Hard Water Conditioner & Descaler System. Free S&H.
www.equinox-products.com

Mortgage Rates Hit 2.50%

If you owe under \$729k you may qualify for 3.01% APR Govt
www.MortgageRatesExperts.com

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It's funny to see a Republican complain about cuts made by President Obama - after all they say his stimulus spending has not created a single job. Of course federal spending does create jobs like the ones in Rome and create spinoff and secondary jobs. The Republicans continuously call upon Obama to cut spending and then complain when he does. It is past time for them to stop this nonsense and start to be honest with the people. Login or register to post a user comment.

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EXHIBIT I

Applicant's 2011 Audited Financial Statements

**GRIFFISS LOCAL
DEVELOPMENT
CORPORATION AND
SUBSIDIARY**

**For the Year Ended
December 31, 2011**

**CONSOLIDATED
FINANCIAL STATEMENTS
AND SUPPLEMENTAL
SCHEDULES**

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

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D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

120 Lomond Court, Utica, N.Y. 13502-5950
315-735-5216 Fax: 315-735-5210

Independent Auditor's Report

Board of Directors
Griffiss Local Development Corporation and Subsidiary

We have audited the accompanying consolidated statements of financial position of Griffiss Local Development Corporation and Subsidiary as of December 31, 2011 and 2010, and the related consolidated statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Griffiss Local Development Corporation and Subsidiary as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental schedules, as described in the table of contents, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

D'Arcangelo & Co., LLP

March 24, 2012

Utica, New York

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2011 and 2010

	2011	2010
Assets		
Current Assets		
Cash	\$ 4,636,012	\$ 8,912,378
Grants Receivable	751,632	1,017,606
Accounts Receivable, Net	97,512	71,811
Notes Receivable from Related Organization - Current	126,008	120,671
Due from Related Organizations	395	250,063
Prepaid Expenditures	<u>21,328</u>	<u>194,436</u>
Total Current Assets	<u>5,632,887</u>	<u>10,566,965</u>
Property		
Land	583,233	583,233
Construction in Progress	0	2,358,736
Building and Site Improvements	33,333,559	24,738,955
Roadways and Improvements	5,203,440	5,203,440
Railways and Improvements	1,686,767	1,686,767
Utility Improvements	582,831	582,831
Signage	222,687	215,291
Office Equipment	342,435	188,906
Vehicles and Automotive Equipment	<u>211,961</u>	<u>191,808</u>
Total Property	42,166,913	35,749,967
Accumulated Depreciation	<u>16,745,267</u>	<u>15,433,256</u>
Net Property	<u>25,421,646</u>	<u>20,316,711</u>
Other Long-Term Assets		
Notes Receivable from Related Organization	741,151	856,885
Note Receivable	6,622,200	6,622,200
Project Costs (Net of Accumulated Amortization)	7,740,597	8,356,289
Goodwill	<u>132,000</u>	<u>0</u>
Total Other Long-Term Assets	<u>15,235,948</u>	<u>15,835,374</u>
Total Assets	<u>\$ 46,290,481</u>	<u>\$ 46,719,050</u>

(Continued)

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31, 2011 and 2010

(Continued)

	2011	2010
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	\$ 492,263	\$ 864,093
Current Maturities of Debt	1,252,096	1,100,302
Refundable Advances	83,768	31,471
Deposits	14,700	7,500
Due to Related Organization	192	7,645
Total Current Liabilities	1,843,019	2,011,011
Long-Term Liabilities		
Capital Improvement Reserve	167,999	230,700
Compensated Absences	18,710	19,437
Long-Term Debt	19,339,143	19,088,519
Total Long-Term Liabilities	19,525,852	19,338,656
Net Assets		
Members' Accumulated Deficit	(376,441)	(912,903)
Unrestricted	25,298,051	26,282,286
Total Net Assets	24,921,610	25,369,383
Total Liabilities and Net Assets	\$ 46,290,481	\$ 46,719,050

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Revenue and Support		
New York State Grants	\$ 750,000	\$ 1,798,253
Building Lease Income	1,959,671	1,726,888
Other Lease Related Income	417,552	362,375
Gain on Sale of Property	168,711	680,370
Payments In Lieu of Taxes	1,151,814	1,196,163
Project Development Fees	0	8,069
Reimbursements and Refunds	104,629	1,372,606
Interest Income	227,522	131,613
Other Income	424,917	233,888
Total Revenue and Support	<u>5,204,816</u>	<u>7,510,225</u>
Expenses		
Program Services		
Redevelopment and Leasing	5,374,263	5,467,061
Marketing and Promotion	30,578	23,377
Supporting Services		
Management and General	247,748	229,169
Total Expenses	<u>5,652,589</u>	<u>5,719,607</u>
Increase (Decrease) in Net Assets	(447,773)	1,790,618
Net Assets, Beginning of Year	<u>25,369,383</u>	<u>23,578,765</u>
Net Assets, End of Year	<u>\$ 24,921,610</u>	<u>\$ 25,369,383</u>

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2011 and 2010

	2011	2010
Cash Flows from (Used By) Operating Activities		
Increase (Decrease) in Net Assets	\$ (447,773)	\$ 1,790,618
Adjustments for Noncash Transactions		
Depreciation and Amortization	1,927,703	1,799,165
(Gain) on Sale of Property	(168,711)	(680,370)
Change in Allowance for Uncollectibles	4,057	0
(Increase) Decrease in Assets		
Grants Receivable	265,974	48,796
Accounts Receivable	(29,758)	168,635
Due from Related Organizations	249,668	(249,599)
Prepaid Expenditures	173,108	340
Increase (Decrease) in Liabilities		
Accounts Payable	(371,830)	(1,097,689)
Refundable Advances	52,297	(268,534)
Deposits	7,200	0
Due to Related Organization	(7,453)	(354,967)
Compensated Absences	(727)	4,834
Net Cash Flows from Operating Activities	1,653,755	1,161,229
Cash Flows from (Used By) Investing Activities		
Proceeds on Sale of Property	168,711	140,862
Loans Granted	0	(6,622,200)
Collections on Loans	110,397	115,107
Capital Improvement Reserve	(62,701)	(80,957)
Capital Expenditures	(6,258,946)	(4,449,799)
Acquisition of a Business	(290,000)	0
Net Cash (Used By) Investing Activities	(6,332,539)	(10,896,987)
Cash Flows from (Used by) Financing Activities		
Proceeds of Line of Credit	0	1,500,000
Payment of Line of Credit	0	(1,500,000)
Proceeds of Long-Term Debt	2,542,016	14,089,506
Payment of Long-Term Debt	(2,139,598)	(878,031)
Net Cash Flows from Financing Activities	402,418	13,211,475
Net Increase (Decrease) in Cash	(4,276,366)	3,475,717
Cash, Beginning of Year	8,912,378	5,436,661
Cash, End of Year	<u>\$ 4,636,012</u>	<u>\$ 8,912,378</u>

Supplemental Cash Flow Disclosures

Cash Paid During the Year For:

Interest	\$ 525,429	\$ 352,696
Income Taxes	\$ 0	\$ 0

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Operations

Griffiss Local Development Corporation (GLDC) is a nonprofit organization whose primary purpose is to redevelop the former Griffiss Air Force Base in Rome, New York, among other things, developing the Griffiss Business and Technology Park. To accomplish this objective, GLDC maintains contact with the U.S. Air Force, Department of Defense, related Federal agencies, and other agencies of State and local government, encourages community input for redevelopment plans, borrows funds and may buy, sell, improve, maintain, and lease former Base property. A significant portion of GLDC's activities are funded by revenues derived from the leasing and sale of property along with revenues generated from interest income on deposits, other income, payments in lieu of taxes (PILOTs) and other related income. In addition, GLDC receives grants from New York State. These grants are generally earmarked for capital improvements and economic development activities within the Griffiss Business and Technology Park.

Principles of Consolidation

The consolidated financial statements include the accounts of GLDC and its subsidiary, Cardinal Griffiss Realty, LLC (CGR). Intercompany transactions have been eliminated.

CGR was formed during 2010 with GLDC as the 99.99% owner. The primary purpose was to acquire certain property, construct a building, and to enter into a sublease agreement with Assured Information Security, Inc. Economic Development Growth Enterprises Corporation (EDGE) holds the non-controlling (.01%) interest in CGR.

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. These consolidated financial statements, presented on the accrual basis of accounting, have been prepared to focus on the entity as a whole and present balances and transactions according to the existence or absence of donor-imposed restrictions. This is accomplished by reporting information regarding financial position and activities according to three classes: permanently restricted, temporarily restricted, or unrestricted. At December 31, 2011 and 2010, GLDC only maintained unrestricted net assets.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Receivables

Receivables are recorded at cost, less an allowance for uncollectibles. A provision has been established for accounts receivable which may ultimately prove to be uncollectible. The basis for the provision is an analysis of current accounts. The allowance for doubtful accounts was \$20,663 and \$16,606 at each of the years ended December 31, 2011 and 2010. Grants receivable and notes receivable have been deemed to be fully collectible, and an allowance has not been established.

Property and Depreciation

GLDC capitalizes certain expenditures for land, building and site improvements, roadways and improvements, railways and improvements, utility improvements, signage, and vehicles and automotive equipment located in the Griffiss Business and Technology Park. GLDC also capitalizes expenditures for office equipment which exceed \$500. Expenditures for improvements to property used in the property rental program are capitalized and depreciated over the life of the lease. All other capitalized expenditures are depreciated over the useful life of the property and recorded at historical cost if purchased or fair value if contributed. Depreciation is provided using the straight-line method as follows:

	<u>Estimated Useful Lives</u>
Building and Site Improvements, Roadways and Improvements, Railways and Improvements, and Utility Improvements	3-20 Years
Signage, Office Equipment, and Vehicles and Automotive Equipment	5 Years

CGR has recorded the total costs incurred for construction of a building. These costs include interest costs on related debt, which were capitalized until the building was placed in service. The building will be depreciated over 39.5 years, the estimated useful life, using the straight-line method of depreciation.

Project Costs

GLDC has developed and financed a portion of the infrastructure and site improvements necessary to support the Family Dollar Services, Inc. Distribution Center (Family Dollar) that opened in 2006 at the Griffiss Business and Technology Park. GLDC is being reimbursed for these costs, which totaled \$6,624,606 at each of the years ended December 31, 2011 and 2010, through a Payment in Lieu of Tax (PILOT)/Tax Incentive Financing (TIF) agreement. The agreement is for a 15 year period of time ending in 2022. The PILOT/TIF agreement includes the Oneida County Industrial Development Agency (OCIDA), County of Oneida, City of Rome, Rome City School District as well as Family Dollar and GLDC. The PILOT/TIF agreement requires Family Dollar to pay the entire annual PILOT amount directly to the OCIDA each year, from the PILOT payments made

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

by Family Dollar. Each year, OCIDA reimburses GLDC in an amount equal to GLDC's annual debt service on Family Dollar Project Cost and then pays each taxing jurisdiction their share of the PILOT payment. GLDC amortizes the project costs over the same 15 year period of time as the PILOT. The net balance of the project costs after amortization is \$4,355,659 and \$4,810,162 at December 31, 2011 and 2010, respectively. The impact of the project on GLDC is revenue/expenditure neutral.

GLDC has also developed and financed a portion of the infrastructure and site improvements necessary to support the Sovena USA Distribution Center (collectively the Sovena USA Project Costs) that opened in 2007 at the Griffiss Business and Technology Park. Sovena USA reimburses GLDC for these costs, which totaled \$4,029,689 at each of the years ended December 31, 2011 and 2010, through a PILOT/TIF. The agreement is for 25 years ending in 2032. The PILOT/TIF agreement includes the OCIDA, County of Oneida, City of Rome, Rome City School District as well as Sovena USA and GLDC. The PILOT/TIF agreement requires Sovena USA to pay the entire PILOT amount directly to the OCIDA annually from the PILOT payment made by Sovena USA each year OCIDA reimburses GLDC in the amount equal to GLDC's annual debt service on the Sovena USA Project Cost, and then pays to each taxing jurisdiction its share of the remaining PILOT payments. GLDC amortizes these costs over the same 25 year period of time as the PILOT. The net balance of these costs after amortization is \$3,384,938 and \$3,546,127 at December 31, 2011 and 2010, respectively. The impact of the project on GLDC is revenue/expenditure neutral.

Goodwill

Intangible assets not subject to amortization consist of goodwill in the amount of \$132,000 obtained through acquisition of a business during 2011. Goodwill will be tested for impairment annually. No adjustments were made for impairment losses for the year ended December 31, 2011.

Advertising

GLDC expenses all advertising costs as incurred. For the years ended December 31, 2011 and 2010, amounts expensed to advertising and promotion totaled \$16,947 and \$21,501, respectively.

Refundable Advances

Refundable advances consist of grant monies received in excess of related expenditures.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statements of Activities. Certain costs have been allocated among the following program and supporting services as follows:

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Redevelopment and Leasing - Includes all direct and indirect expenses necessary for the planning and implementation of the redevelopment of real estate within the Griffiss Business and Technology Park.

Marketing and Promotion - Includes all direct and indirect expenses attributable to the marketing and promotion of the Griffiss Business and Technology Park facilities.

Management and General - Includes all administrative expenses necessary to operate GLDC which are not specifically identifiable to program services.

Reclassification

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year consolidated financial statements.

NOTE 2 INCOME TAXES

GLDC qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and utilizes December 31 as its year end. The Corporation has also been determined to be other than a private foundation, as it is an organization described in Section 509(a)(1) of the Internal Revenue Code. The Corporation's Federal and State informational returns for the years 2008 through 2010 remain subject to examination by the respective taxing authorities.

Cardinal Griffiss Realty, LLC is treated as a partnership for income tax purposes. Due to the members' (GLDC and EDGE) not-for-profit status, the LLC is considered a disregarded entity and is not subject to income taxes. Consequently, no provision for income taxes is required in the accompanying consolidated financial statements.

NOTE 3 CONCENTRATION OF CREDIT RISK

Financial instruments which potentially subject GLDC and its subsidiary to a concentration of credit risk consist principally of cash. At December 31, 2011 and 2010 GLDC maintained bank accounts at three financial institutions which were in excess of Federal Deposit Insurance Corporation (FDIC) coverage limits; however management considers this to be a normal business risk.

NOTE 4 PROPERTY/BUILDING LEASES

GLDC has entered into certain lease agreements with the United States Air Force (USAF) for various buildings located in the Griffiss Business and Technology Park. The terms of the lease with the USAF range from 1 to 40 years. There are no lease payments due to the USAF from GLDC for the property covered by these leases based on an agreement made between both parties. The USAF conveyed various parcels of the property at the base known as "F Parcels" to OCIDA. GLDC leases the F Parcels from OCIDA pursuant to various leases having a term of ten years. GLDC also has the right to sublease these parcels.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 4 PROPERTY/BUILDING LEASES (Continued)

GLDC subleases the commercial space to several third parties under noncancelable operating leases. The terms of the leases range from 1 to 5 years with various renewal options with lease payments ranging from \$12,000 to \$475,780 annually over the terms of the leases. Total lease income received for the years ended December 31, 2011 and 2010, was \$1,847,457 and \$1,726,888, respectively.

The future minimum lease payments to be received by GLDC over the next 5 years are as follows:

<u>Year</u>	<u>Lease Income</u>
2011	\$ 1,765,000
2012	\$ 1,733,000
2013	\$ 1,762,000
2014	\$ 1,802,000
2015	\$ 1,821,000

During 2011, CGR sub-leased a 46,305 square foot building constructed at 153 Brooks Road, Rome, NY to Assured Information Security, Inc. The lease, which is non-cancelable, is for an original term of 15 years and contains 2 options to renew the lease in 5-year increments. Lease revenue for the year ended December 31, 2011 was \$112,214.

The following is a schedule of future minimum rentals for lease income under terms of the lease agreement in effect at December 31, 2011:

<u>Year</u>	<u>Amount</u>
2012	\$ 692,036
2013	\$ 785,796
2014	\$ 785,796
2015	\$ 785,796
2016	\$ 796,809

NOTE 5 NOTES RECEIVABLE

GLDC has an outstanding note receivable from GLDC Investment Fund, LLC in the amount of \$6,622,200 at December 31, 2011 and 2010. The proceeds of the loan were used to make a qualified equity investment in the Enhanced Capital New Market Development Fund V, LLC (the CDE). The CDE in turn has made a low-income community investment in Cardinal Griffiss Realty, LLC. The transaction enables receipt of Federal New Markets Tax Credits, helps finance certain acquisition and construction costs in connection with the Assured Information Security Project, and assists in payment of transactional costs and expenses. The note is collateralized by a first priority security interest in the CDE. Currently, the borrower is making monthly interest-only payments at a rate of 2.39% per annum until October 5, 2017. Commencing on September 1, 2017, payment of principal and interest calculated based on full amortization of the loan will begin, until maturity on February 1, 2035.

At December 31, 2011 and 2010, GLDC had an outstanding note receivable of \$867,159 and \$977,556, respectively, from EDGE for the purpose of investing in 394 Hangar Road Corporation. The note is due January 1, 2018, and is being repaid by monthly payments of \$13,693 including interest at 4.73%.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT

At December 31, 2011 and 2010, long-term debt consisted of the following:

	<u>2011</u>	<u>2010</u>
<u>GLDC</u>		
<u>Related-Party Debt</u>		
Loan payable to EDGE for the Family Dollar Project. The loan is being repaid by monthly payments of \$3,954 including interest at 5.00% per annum, and includes a final balloon payment of \$209,523 due on April 1, 2016. The loan is collateralized by a subordinated position in the proceeds of the Payment in Lieu of Tax/Tax Incentive Financing Agreements that pertain to the Family Dollar Distribution Center Project as described in Note 1.	\$ 353,296	\$ 382,288
Loan payable to EDGE due May 1, 2020 for the expansion and improvement of a building at 725 Daedalian Drive, Rome, NY. The loan is unsecured and is currently being repaid by monthly payments of \$1,961, including interest at 4.00% per annum.	167,965	177,646
Loan payable to EDGE due May 1, 2020 for the expansion and improvement of a building at 725 Daedalian Drive, Rome, NY. The loan is unsecured and is currently being repaid by monthly payments of \$2,208, including interest at 4.00% per annum.	189,101	200,000
Loan payable to EDGE due November 1, 2031 to assist in financing the Assured Information Security, Inc. project. The loan is secured by a second position lien pro-rata co-equal with Rome Industrial Development Corporation (RIDC) and Mohawk Valley Rehabilitation Corporation mortgage on a building and other property located at 725 Daedalian Drive, Rome, NY. The loan is currently being repaid by monthly interest-only payments of \$1,667 until November 1, 2018. Beginning on December 1, 2018, monthly payments of \$4,116, including interest at 4.00% per annum, will be made.	500,000	500,000
Loan payable to RIDC due November 1, 2026 due November 1, 2026 to assist in financing the Assured Information Security, Inc. project. The loan is secured by a second position lien pro-rata co-equal		

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT (Continued)

	<u>2011</u>	<u>2010</u>
with EDGE and Mohawk Valley Rehabilitation Corporation mortgage on a building and other property located at 725 Daedalian Drive, Rome, NY. It is currently being repaid by monthly interest-only payments of \$250 until October 1, 2011. Beginning on November 1, 2011, monthly payments of \$555, including interest at 4.00% per annum, will be made.	74,389	75,000
<u>Other Long-Term Debt</u>		
Loan payable to M&T Real Estate, Inc. due July 1, 2012 which was being reduced by monthly payments of \$7,998 including interest at 2.75% per annum. This note was collateralized by the first position in the leases of and first mortgage on building #776. The loan balance was paid off during 2011.	0	148,180
Loan payable to Berkshire Bank due March 1, 2014, which was being reduced by monthly payments of \$8,804 including interest at 3.25% per annum. This note was collateralized by the leases of and mortgages on building #778. The loan balance was paid off during 2011.	0	325,411
Loan payable to NBT Bank due May 1, 2016, which is being reduced by monthly payments of \$54,734 including interest at 4.81% per annum. This note is collateralized by a first position in the proceeds of the Payment in Lieu of Tax/Tax Incentive Financing Agreements that pertain to the Family Dollar Distribution Center Project as described in Note 1.	2,588,593	3,113,462
Loan payable to Mohawk Valley Rehabilitation Corporation due April 1, 2016, which is being reduced by monthly payments of \$1,147 including interest at 5.00% per annum. The monthly payments are based upon a 15-year amortization schedule with a balloon payment of \$61,652 due on April 1, 2016. This note is collateralized by a third position in the proceeds of the Payment in Lieu of Tax/Tax Incentive Financing Agreements that pertain to the Family Dollar Distribution Center Project as described in Note 1.	102,490	110,864

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT (Continued)

	<u>2011</u>	<u>2010</u>
<p>Loan payable to M&T Bank due January 9, 2017, which is being repaid by monthly interest payments at 6.89% per annum, annual principal payments of \$60,000 and a principal payment of \$960,000 due on January 9, 2017. The annual interest rate will be adjusted on February 1, 2012 to the then current Federal Home Loan Bank five (5) year fixed interest rate plus 1.70%. This note is collateralized by a first position in the proceeds of the Payment in Lieu of Tax/Tax Incentive Financing Agreements that pertain to the Sovena USA Project as described in Note 1.</p>	1,252,163	1,320,000
<p>Loan payable to the New York State Department of Transportation (DOT). Funds provided through the DOT Industrial Access Program for roadway improvements to support the Family Dollar project. The loan is interest free and is repayable over 5 years beginning in 2010, in accordance with a repayment schedule provided by the NYS Department of Transportation.</p>	462,000	594,000
<p>Loan payable to MORECO due June 1, 2022, which is being reduced by monthly payments of \$877 including interest at 5.00% per annum and a principal payment of \$82,674 due June 1, 2022. This note is collateralized by a third position in the proceeds of the Payment in Lieu of Tax/Tax Incentive Financing Agreements that pertain to the Sovena USA Project as described in Note 1.</p>	134,467	138,165
<p>Loan payable to Oneida Savings bank for the expansion and improvement of a building at 725 Daedalian Drive, Rome, NY. The loan is secured by an assignment of leases and mortgage in a building and other property located at 725 Daedalian Drive, Rome, NY. It is currently being repaid by monthly payments of \$4,238, including interest at 6.10% per annum until April 10, 2015.</p>		

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT (Continued)

	<u>2011</u>	<u>2010</u>
The annual interest rate may change on this date based on the weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of 5 years plus 2.75%. The minimum rate is 5.75%.	331,579	361,219
Loan payable to Mohawk Valley Rehabilitation Corporation due November 1, 2026 to assist in financing the Assured Information Security, Inc. project. The loan is secured by a second position lien pro-rata co-equal with EDGE and RIDC mortgage on a building and other property located at 725 Daedalian Drive, Rome, NY. It is currently being repaid by monthly interest-only payments of \$667 until November 1, 2018. Beginning on December 1, 2018, monthly payments of \$2,438, including interest at 4.00% per annum, will be made.	200,000	200,000
Loan payable to Oneida Savings Bank due September 1, 2020 for improvements to building 798 at 581 Phoenix Drive, Rome, NY. The loan is secured by an assignment of leases and mortgage in a building and other property located at 725 Daedalian Drive, Rome, NY. It is being repaid by monthly payments of \$8,699, including interest at 6.10% until September 1, 2015. The annual interest rate may change on this date to the rate of the U.S. Treasury Index plus 2.50%, subject to a minimum rate of 4.50%.	706,409	765,726
Loan payable to Oneida Savings Bank due September 1, 2026 to assist in financing the Assured Information Security, Inc. project. The loan is secured by an assignment of leases and mortgage in a building and other property located at 725 Daedalian Drive, Rome, NY. It is currently being repaid by monthly interest-only payments of \$10,413 until September 1, 2011. Then, monthly payments of \$23,358, including interest at 5.95% per annum, will be made until September 1, 2016. After that, the annual interest rate may change every		

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT (Continued)

	<u>2011</u>	<u>2010</u>
5 years thereafter, to a rate equal to the weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of 5 years plus 2.50%, subject to a minimum rate of 4.50%. GLDC is eligible for several grants, which upon receipt, have been Board directed to accelerate principal payments on this loan.	2,037,485	2,776,860
Loan payable to NBT Bank due October 12, 2021 to finance improvements to building 440. The loan is secured by a first priority mortgage and assignment of leases and rents covering the building. The loan is being repaid with monthly payments of \$6,337, including interest at 4.14% per annum.	611,662	0
Loan payable to NBT Bank due October 12, 2021 to finance improvements to building 780. The loan is secured by cash collateral and a third priority mortgage and assignment of leases and rents, covering building 780. The loan is being repaid with monthly payments of \$2,249, including interest at 4.14% per annum.	217,041	0
Loan payable to T.J.L. Enterprises, Inc. due January 28, 2016, proceeds of which were used for acquisition of a business. The loan is unsecured and is being repaid with monthly payments of \$1,661, including interest at 4.0% per annum.	74,983	0
Loan payable to T.J.L. Enterprises, Inc. due January 28, 2012, proceeds of which were used for acquisition of a business. The loan is unsecured and is being repaid with monthly payments of \$2,200, including interest at 4.0% per annum.	2,200	0

Cardinal Griffiss Realty, LLC

Loan payable to Enhanced Capital New Market Development Fund V, LLC to finance the Assured Information Security Project for construction of a building. The loan is secured by an assignment of mortgage, leases, and rents covering the land, building, and improvements, as well as a security interest in the deposit accounts maintained. The

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 6 LONG-TERM DEBT (Continued)

	<u>2011</u>	<u>2010</u>
loan is to be paid with interest-only payments at 1.86% per annum until September 29, 2017. Beginning on that date, monthly payments of \$40,114 will commence until maturity.	9,000,000	9,000,000
Loan payable to Oneida Savings Bank dated September 1, 2010, to provide additional financing for construction of a building. The loan is secured by an assignment of mortgage, leases, and rents covering the land, building, and improvements. Advances on the loan were applied up to the maximum principal balance of \$1,585,416. The loan is being repaid with interest-only payments at 4.5% per annum through December 1, 2011. Beginning on January 1, 2012, monthly payments of \$11,313 will be paid at 5.95% interest per annum. Beginning on December 1, 2016, an annual variable interest rate change may apply until maturity.	<u>1,585,416</u>	<u>0</u>
Total	20,591,239	20,188,821
Less Current Maturities of Debt	<u>1,252,096</u>	<u>1,100,302</u>
Total Long-Term Debt	<u>\$19,339,143</u>	<u>\$19,088,519</u>

The following are maturities of long-term debt for the next five years and thereafter:

<u>Years</u>	<u>Amount</u>
2012	\$ 1,252,096
2013	1,301,396
2014	1,421,381
2015	1,280,077
2016	992,256
Thereafter	<u>14,344,033</u>
Total	<u>\$ 20,591,239</u>

NOTE 7 MEMBERS' ACCUMULATED DEFICIT

The changes in GLDC's member accumulated deficit are as follows:

Balance at Beginning of Year	\$ (912,903)
Net Income of Cardinal Griffiss Realty, LLC	672,331
Consolidating Entry	<u>(135,869)</u>
Balance at End of Year	<u>\$ (376,441)</u>

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 8 PENSION PLAN

GLDC contributes to a defined contribution pension plan for all of its employees. Employees are eligible for immediate membership in the plan but will not become fully vested until completion of 1 year of service. Contributions paid to the plan are based upon 10% of participants' compensation. The amount of contributions paid to the plan on behalf of the employees of GLDC for 2011 and 2010 amounted to \$23,003 and \$22,534, respectively. At December 31, 2011 and 2010, GLDC did not have any unpaid contributions due to the plan.

NOTE 9 RELATED ORGANIZATIONS

GLDC has a staff services agreement with EDGE, whereby EDGE provides GLDC with professional staff, general administration, and overhead type services. GLDC paid \$486,447 and \$458,913 in administrative service fees to EDGE for the years ended December 31, 2011 and 2010, respectively. At December 31, 2011 and 2010, respectively, GLDC had amounts due from EDGE of \$395 and \$44,659 for services provided by EDGE and 394 Hangar Road Corporation.

GLDC has several long-term loans payable to EDGE and RIDC used to finance construction projects. See Note 6 for details.

GLDC leases various buildings from the OCIDA for \$1.00 annually.

GLDC has an outstanding receivable from OCIDA at December 31, 2011 and 2010, for \$0 and \$190,978, respectively, for a PILOT payment collected by them. GLDC also has a receivable from Griffiss Park Landowner's Association of \$0 and \$14,426 for reimbursement of administrative services at December 31, 2011 and 2010.

GLDC has a note receivable from EDGE used for investing in 394 Hangar Road Corporation. See Note 5 for details.

NOTE 10 LINE OF CREDIT

GLDC has a \$1.5 million unsecured line of credit with one local financial institution at a current interest rate of 4.00%. GLDC did not have an outstanding balance at December 31, 2011 and 2010. The line of credit is in place until August 2012.

NOTE 11 CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment principally by the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable program. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although GLDC expects such amounts, if any, to be immaterial.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 11 CONTINGENCIES (Continued)

GLDC has an indemnification agreement with Gaetano Construction in connection with the CGR/AIS Project. This amount cannot be determined at this time.

GLDC has entered into various commercial agreements including loan agreements, real property sales agreements, leases (as either a tenant or a landlord), and other agreements pursuant to which it has agreed to indemnify the other party or parties. For the most part, the indemnities granted by GLDC cover premises liability-related matters, including environmental matters, and are considered by GLDC to be either commercially required or commercially reasonable under the circumstances of the transaction in question. With respect to most, but not all, of these indemnities, GLDC has arranged for liability insurance, including environmental liability insurance, in an amount it deems adequate (less applicable deductibles) to cover its potential exposure under such indemnities.

GLDC is one of the guarantors on a limited portion of the bank indebtedness incurred by Premier Aviation Overhaul Center, Ltd. in connection with the Premier Aviation Project. GLDC's maximum exposure on the guarantee is \$312,500.

NOTE 12 SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 24, 2012, the date on which the consolidated financial statements were available to be issued.

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

December 31, 2011

Assets	<u>GLDC</u>	<u>CGR</u>	<u>Combined Balance</u>	<u>Consolidation Elimination</u>	<u>Consolidated Balance</u>
Current Assets					
Cash	\$ 3,994,597	\$ 641,415	\$ 4,636,012	\$ 0	\$ 4,636,012
Grants Receivable	1,632	750,000	751,632	0	751,632
Accounts Receivable, Net	97,512	0	97,512	0	97,512
Note Receivable from Related Organization - Current	126,008	0	126,008	0	126,008
Due from Related Organizations	395	0	395	0	395
Prepaid Expenditures	<u>21,328</u>	<u>0</u>	<u>21,328</u>	<u>0</u>	<u>21,328</u>
Total Current Assets	<u>4,241,472</u>	<u>1,391,415</u>	<u>5,632,887</u>	<u>0</u>	<u>5,632,887</u>
Property					
Land	20,733	562,500	583,233	0	583,233
Building and Site Improvements	24,791,028	8,542,531	33,333,559	0	33,333,559
Roadways and Improvements	5,203,440	0	5,203,440	0	5,203,440
Railways and Improvements	1,686,767	0	1,686,767	0	1,686,767
Utility Improvements	582,831	0	582,831	0	582,831
Signage	215,291	7,396	222,687	0	222,687
Office Equipment	342,435	0	342,435	0	342,435
Vehicles and Automotive Equipment	<u>211,961</u>	<u>0</u>	<u>211,961</u>	<u>0</u>	<u>211,961</u>
Total Property	33,054,486	9,112,427	42,166,913	0	42,166,913
Accumulated Depreciation	<u>16,709,141</u>	<u>36,126</u>	<u>16,745,267</u>	<u>0</u>	<u>16,745,267</u>
Net Property	<u>16,345,345</u>	<u>9,076,301</u>	<u>25,421,646</u>	<u>0</u>	<u>25,421,646</u>
Other Long-Term Assets					
Investment in Subsidiaries	1,587,800	0	1,587,800	(1,587,800)	0
Notes Receivable from Related Organization	741,151	0	741,151	0	741,151
Note Receivable	6,622,200	0	6,622,200	0	6,622,200
Project Costs (Net of Accumulated Amortization)	7,740,597	0	7,740,597	0	7,740,597
Goodwill	<u>132,000</u>	<u>0</u>	<u>132,000</u>	<u>0</u>	<u>132,000</u>
Total Other Long-Term Assets	<u>16,823,748</u>	<u>0</u>	<u>16,823,748</u>	<u>(1,587,800)</u>	<u>15,235,948</u>
Total Assets	<u>\$ 37,410,565</u>	<u>\$ 10,467,716</u>	<u>\$ 47,878,281</u>	<u>\$ (1,587,800)</u>	<u>\$ 46,290,481</u>
Liabilities and Net Assets (Deficit)					
Current Liabilities					
Accounts Payable	\$ 233,522	\$ 258,741	\$ 492,263	\$ 0	\$ 492,263
Current Maturities of Debt	1,201,470	50,626	1,252,096	0	1,252,096
Refundable Advances	83,768	0	83,768	0	83,768
Deposits	14,700	0	14,700	0	14,700
Due to Related Organization	<u>192</u>	<u>0</u>	<u>192</u>	<u>0</u>	<u>192</u>
Total Current Liabilities	<u>1,533,652</u>	<u>309,367</u>	<u>1,843,019</u>	<u>0</u>	<u>1,843,019</u>
Long-Term Liabilities					
Capital Improvement Reserve	167,999	0	167,999	0	167,999
Compensated Absences	18,710	0	18,710	0	18,710
Long-Term Debt	<u>8,804,353</u>	<u>10,534,790</u>	<u>19,339,143</u>	<u>0</u>	<u>19,339,143</u>
Total Long-Term Liabilities	<u>8,991,062</u>	<u>10,534,790</u>	<u>19,525,852</u>	<u>0</u>	<u>19,525,852</u>
Net Assets (Deficit)					
Members' Accumulated Deficit	0	(376,441)	(376,441)	0	(376,441)
Unrestricted	<u>26,885,851</u>	<u>0</u>	<u>26,885,851</u>	<u>(1,587,800)</u>	<u>25,298,051</u>
Total Net Assets (Deficit)	<u>26,885,851</u>	<u>(376,441)</u>	<u>26,509,410</u>	<u>(1,587,800)</u>	<u>24,921,610</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 37,410,565</u>	<u>\$ 10,467,716</u>	<u>\$ 47,878,281</u>	<u>\$ (1,587,800)</u>	<u>\$ 46,290,481</u>

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATING SCHEDULE OF ACTIVITIES

For the Year Ended December 31, 2011

	<u>GLDC</u>	<u>CGR</u>	<u>Consolidated Balance</u>	<u>Consolidation Elimination</u>	<u>Final Balance</u>
Revenue and Support					
New York State Grants	\$ 0	\$ 750,000	\$ 750,000	\$ 0	\$ 750,000
Building Lease Income	1,847,457	112,214	1,959,671	0	1,959,671
Other Lease Related Income	417,552	0	417,552	0	417,552
Gain on Sale of Property	168,711	0	168,711	0	168,711
Payments In Lieu of Taxes	1,151,814	0	1,151,814	0	1,151,814
Reimbursements and Refunds	137,706	0	137,706	(33,077)	104,629
Interest Income	211,089	16,433	227,522	0	227,522
Other Income	<u>424,917</u>	<u>0</u>	<u>424,917</u>	<u>0</u>	<u>424,917</u>
Total Revenue and Support	<u>4,359,246</u>	<u>878,647</u>	<u>5,237,893</u>	<u>(33,077)</u>	<u>5,204,816</u>
Expenses					
Program Services					
Redevelopment and Leasing	5,201,024	206,316	5,407,340	(33,077)	5,374,263
Marketing and Promotion	30,578	0	30,578	0	30,578
Supporting Services					
Management and General	<u>247,748</u>	<u>0</u>	<u>247,748</u>	<u>0</u>	<u>247,748</u>
Total Expenses	<u>5,479,350</u>	<u>206,316</u>	<u>5,685,666</u>	<u>(33,077)</u>	<u>5,652,589</u>
Increase (Decrease) in Net Assets	(1,120,104)	672,331	(447,773)	0	(447,773)
Net Assets (Deficit), Beginning of Year	<u>28,005,955</u>	<u>(1,048,772)</u>	<u>26,957,183</u>	<u>(1,587,800)</u>	<u>25,369,383</u>
Net Assets (Deficit), End of Year	<u>\$ 26,885,851</u>	<u>\$ (376,441)</u>	<u>\$ 26,509,410</u>	<u>\$ (1,587,800)</u>	<u>\$ 24,921,610</u>

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION

December 31, 2010

Assets	GLDC	CGR	Combined Balance	Consolidation Elimination	Consolidated Balance
Current Assets					
Cash	\$ 3,006,034	\$ 5,906,344	\$ 8,912,378	\$ 0	\$ 8,912,378
Grants Receivable	1,017,606	0	1,017,606	0	1,017,606
Accounts Receivable, Net	71,811	0	71,811	0	71,811
Note Receivable from Related Organization - Current	120,671	0	120,671	0	120,671
Due from Related Organizations	389,111	0	389,111	(139,048)	250,063
Prepaid Expenditures	<u>194,436</u>	<u>0</u>	<u>194,436</u>	<u>0</u>	<u>194,436</u>
Total Current Assets	<u>4,799,669</u>	<u>5,906,344</u>	<u>10,706,013</u>	<u>(139,048)</u>	<u>10,566,965</u>
Property					
Land	20,733	562,500	583,233	0	583,233
Construction in Progress	249,399	2,109,337	2,358,736	0	2,358,736
Building and Site Improvements	24,738,955	0	24,738,955	0	24,738,955
Roadways and Improvements	5,203,440	0	5,203,440	0	5,203,440
Railways and Improvements	1,686,767	0	1,686,767	0	1,686,767
Utility Improvements	582,831	0	582,831	0	582,831
Signage	215,291	0	215,291	0	215,291
Office Equipment	188,906	0	188,906	0	188,906
Vehicles and Automotive Equipment	<u>191,808</u>	<u>0</u>	<u>191,808</u>	<u>0</u>	<u>191,808</u>
Total Property	33,078,130	2,671,837	35,749,967	0	35,749,967
Accumulated Depreciation	<u>15,433,256</u>	<u>0</u>	<u>15,433,256</u>	<u>0</u>	<u>15,433,256</u>
Net Property	<u>17,644,874</u>	<u>2,671,837</u>	<u>20,316,711</u>	<u>0</u>	<u>20,316,711</u>
Other Long-Term Assets					
Investment in Subsidiaries	1,587,800	0	1,587,800	(1,587,800)	0
Notes Receivable from Related Organizations	856,885	0	856,885	0	856,885
Note Receivable	6,622,200	0	6,622,200	0	6,622,200
Project Costs (Net of Accumulated Amortization)	<u>8,356,289</u>	<u>0</u>	<u>8,356,289</u>	<u>0</u>	<u>8,356,289</u>
Total Other Long-Term Assets	<u>17,423,174</u>	<u>0</u>	<u>17,423,174</u>	<u>(1,587,800)</u>	<u>15,835,374</u>
Total Assets	<u>\$ 39,867,717</u>	<u>\$ 8,578,181</u>	<u>\$ 48,445,898</u>	<u>\$ (1,726,848)</u>	<u>\$ 46,719,050</u>
Liabilities and Net Assets (Deficit)					
Current Liabilities					
Accounts Payable	\$ 376,188	\$ 487,905	\$ 864,093	\$ 0	\$ 864,093
Current Maturities of Debt	1,100,302	0	1,100,302	0	1,100,302
Refundable Advances	31,471	0	31,471	0	31,471
Deposits	7,500	0	7,500	0	7,500
Due to Related Organization	<u>7,645</u>	<u>139,048</u>	<u>146,693</u>	<u>(139,048)</u>	<u>7,645</u>
Total Current Liabilities	<u>1,523,106</u>	<u>626,953</u>	<u>2,150,059</u>	<u>(139,048)</u>	<u>2,011,011</u>
Long-Term Liabilities					
Capital Improvement Reserve	230,700	0	230,700	0	230,700
Compensated Absences	19,437	0	19,437	0	19,437
Long-Term Debt	<u>10,088,519</u>	<u>9,000,000</u>	<u>19,088,519</u>	<u>0</u>	<u>19,088,519</u>
Total Long-Term Liabilities	<u>10,338,656</u>	<u>9,000,000</u>	<u>19,338,656</u>	<u>0</u>	<u>19,338,656</u>
Net Assets (Deficit)					
Members' Accumulated Deficit	0	(1,048,772)	(1,048,772)	135,869	(912,903)
Unrestricted	<u>28,005,955</u>	<u>0</u>	<u>28,005,955</u>	<u>(1,723,669)</u>	<u>26,282,286</u>
Total Net Assets (Deficit)	<u>28,005,955</u>	<u>(1,048,772)</u>	<u>26,957,183</u>	<u>(1,587,800)</u>	<u>25,369,383</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 39,867,717</u>	<u>\$ 8,578,181</u>	<u>\$ 48,445,898</u>	<u>\$ (1,726,848)</u>	<u>\$ 46,719,050</u>

GRIFFISS LOCAL DEVELOPMENT CORPORATION AND SUBSIDIARY

CONSOLIDATING SCHEDULE OF ACTIVITIES

For the Year Ended December 31, 2010

	<u>GLDC</u>	<u>CGR</u>	<u>Consolidated Balance</u>	<u>Consolidation Elimination</u>	<u>Final Balance</u>
Revenue and Support					
New York State Grants	\$ 1,798,253	\$ 0	\$ 1,798,253	\$ 0	\$ 1,798,253
Building Lease Income	1,726,888	0	1,726,888	0	1,726,888
Other Lease Related Income	362,375	0	362,375	0	362,375
Gain on Sale of Property	680,370	0	680,370	0	680,370
Payments In Lieu of Taxes	1,196,163	0	1,196,163	0	1,196,163
Project Development Fees	1,731,738	0	1,731,738	(1,723,669)	8,069
Reimbursements and Refunds	1,372,606	0	1,372,606	0	1,372,606
Interest Income	114,494	17,119	131,613	0	131,613
Other Income	<u>233,288</u>	<u>600</u>	<u>233,888</u>	<u>0</u>	<u>233,888</u>
Total Revenue and Support	<u>9,216,175</u>	<u>17,719</u>	<u>9,233,894</u>	<u>(1,723,669)</u>	<u>7,510,225</u>
Expenses					
Program Services					
Redevelopment and Leasing	4,536,439	2,654,291	7,190,730	(1,723,669)	5,467,061
Marketing and Promotion	23,377	0	23,377	0	23,377
Supporting Services					
Management and General	<u>229,169</u>	<u>0</u>	<u>229,169</u>	<u>0</u>	<u>229,169</u>
Total Expenses	<u>4,788,985</u>	<u>2,654,291</u>	<u>7,443,276</u>	<u>(1,723,669)</u>	<u>5,719,607</u>
Increase (Decrease) in Net Assets	4,427,190	(2,636,572)	1,790,618	0	1,790,618
Net Assets, Beginning of Year	23,578,765	0	23,578,765	0	23,578,765
Capital Contribution	<u>0</u>	<u>1,587,800</u>	<u>1,587,800</u>	<u>(1,587,800)</u>	<u>0</u>
Net Assets (Deficit), End of Year	<u>\$ 28,005,955</u>	<u>\$ (1,048,772)</u>	<u>\$ 26,957,183</u>	<u>\$ (1,587,800)</u>	<u>\$ 25,369,383</u>

EXHIBIT J

Applicant's 2011 Annual Report



Griffiss Business & Technology Park 2011 Year In Review



Overview

- Griffiss Park is a regionally significant project for the Mohawk Valley and Upstate New York.
- Griffiss has attained national recognition for transforming a former Air Force installation into a vibrant business and technology park.



Tax Revenue Generated

- As an AFB, Griffiss generated \$0 in tax revenue
- \$4,100,000 of tax revenue was generated in GBTP in 2011.

Oneida County	\$ 1.0 M
City of Rome	\$ 1.3 M
Rome City School District	\$ 1.8 M
TOTAL	\$ 4.1 M



Investment



- In 2011, over \$26 million was invested in private and public capital projects at Griffiss Park, including building construction, transportation improvements, and infrastructure development.



Investment

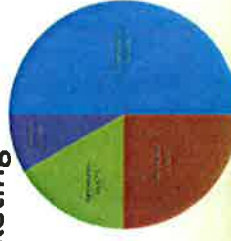
- Nearly \$458 Million of private and public investment has been made at Griffiss Park since 1995:

Infrastructure	\$ 59.7 M
Demolition	\$ 7.0M
Renovations	\$ 93.9M
New Construction	\$ 275.5M
A/E and soft costs (not in above)	\$ 21.8M
TOTAL	\$ 457.9M



2011 Marketing

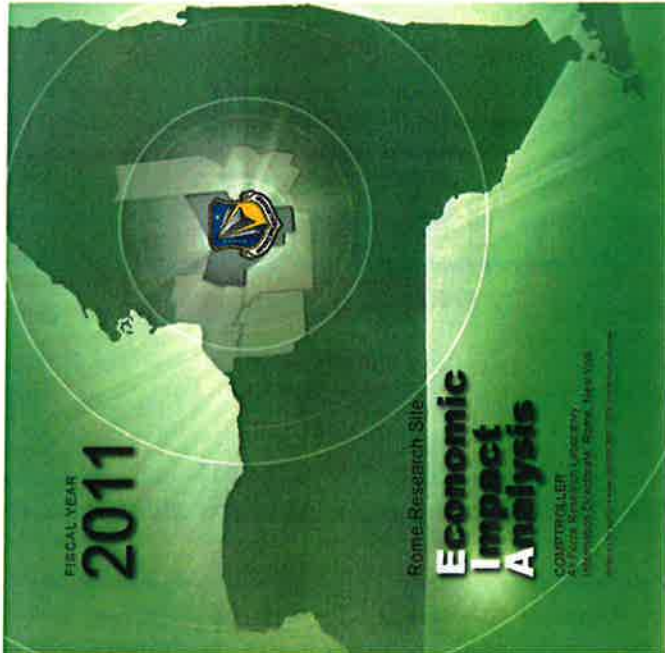
- GBTP exhibited at MRO (Maintenance Repair & Overhaul) Trade Show in Miami, FL
- Staff presented GBTP updates to:
 - City of Rome
 - Rome Chamber of Commerce
 - Chamber Alliance of the Mohawk Valley
 - Oneida County Legislators



How are leads generated?

EXHIBIT K

Rome Research Site Economic Impact Analysis for Fiscal Year 2011



Director's Note

The purpose of this Economic Impact Analysis is to provide information on the economic benefits and jobs created by the Rome Research Site. This report provides information on the economic benefits and jobs created by the Rome Research Site. It includes information on the economic benefits and jobs created by the Rome Research Site. It includes information on the economic benefits and jobs created by the Rome Research Site.



Preface

This report is a result of the information provided by the Rome Research Site. It includes information on the economic benefits and jobs created by the Rome Research Site. It includes information on the economic benefits and jobs created by the Rome Research Site.



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The Mission of the AFRL Information Directorate

To lead the discovery, development, integration of state-of-the-art information technologies in the AFRL Information Directorate.

The Information Directorate's Core Technology Competencies:

- Advanced Computing
- Information Systems
- Networking and Operations
- Open Enterprise and Technology

The History of Rome Research Site

The Rome Research Site has a long history of providing advanced information technology and research services to the AFRL Information Directorate. It has been a leading center of research and development in the field of information technology for many years.

Information Directorate Organization



Site Map



2011 Economic Impact Analysis | Rome Research Site

Expenditures for Construction, Services, and Procurement of Materials, Equipment and Supplies in FY 2011

Construction	1,000,000
Materials	500,000
Equipment	200,000
Supplies	100,000
Total	1,800,000

Estimated Number and Dollar Value of Indirect Job Output

Estimated Number of Jobs	100
Estimated Dollar Value	10,000,000

Perceived by Classification

Classification	Jobs	Value
Advanced Computing	50	5,000,000
Information Systems	40	4,000,000
Networking and Operations	30	3,000,000
Open Enterprise and Technology	20	2,000,000

2011 Annual Economic Impact Estimate FY 2011

Direct Employment	1,200
Indirect Employment	800
Total Employment	2,000
Direct Output	\$10,000,000
Indirect Output	\$6,000,000
Total Output	\$16,000,000

Total Jobs Impacted

Facility	Total Jobs Impacted
Approved Facility	1,172
Approved Facility (2011)	1,172
Approved Facility (2012)	1,172
Approved Facility (2013)	1,172
Approved Facility (2014)	1,172
Approved Facility (2015)	1,172
Approved Facility (2016)	1,172
Approved Facility (2017)	1,172
Approved Facility (2018)	1,172
Approved Facility (2019)	1,172
Approved Facility (2020)	1,172
Approved Facility (2021)	1,172
Approved Facility (2022)	1,172
Approved Facility (2023)	1,172
Approved Facility (2024)	1,172
Approved Facility (2025)	1,172
Approved Facility (2026)	1,172
Approved Facility (2027)	1,172
Approved Facility (2028)	1,172
Approved Facility (2029)	1,172
Approved Facility (2030)	1,172
Approved Facility (2031)	1,172
Approved Facility (2032)	1,172
Approved Facility (2033)	1,172
Approved Facility (2034)	1,172
Approved Facility (2035)	1,172
Approved Facility (2036)	1,172
Approved Facility (2037)	1,172
Approved Facility (2038)	1,172
Approved Facility (2039)	1,172
Approved Facility (2040)	1,172

State-of-the-Art Facilities

Located at the exciting new site of the Department of Defense's new research facility, the new research facility will provide a state-of-the-art research environment for the Department of Defense's research and development efforts. The new research facility will provide a state-of-the-art research environment for the Department of Defense's research and development efforts. The new research facility will provide a state-of-the-art research environment for the Department of Defense's research and development efforts.

Remote Research Facilities

The remote research facilities are located in various locations across the United States, providing a state-of-the-art research environment for the Department of Defense's research and development efforts. The remote research facilities will provide a state-of-the-art research environment for the Department of Defense's research and development efforts.

Capital Assets & Unique Facilities

The capital assets and unique facilities are located in various locations across the United States, providing a state-of-the-art research environment for the Department of Defense's research and development efforts. The capital assets and unique facilities will provide a state-of-the-art research environment for the Department of Defense's research and development efforts.

Turning Science into Capability

The turning science into capability program is a state-of-the-art research environment for the Department of Defense's research and development efforts. The turning science into capability program will provide a state-of-the-art research environment for the Department of Defense's research and development efforts.

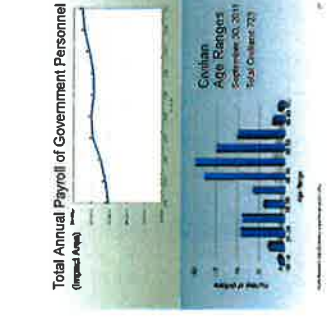
Into Capability

The into capability program is a state-of-the-art research environment for the Department of Defense's research and development efforts. The into capability program will provide a state-of-the-art research environment for the Department of Defense's research and development efforts.

Turning Science into Capability

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Personnel Facts

Scientists and Engineering (SAE) Population

- SAE population is the largest and most diverse of the RRBs
- At present 142,000 SAE, 10% of the total RRB population
- 23,000 SAE were recruited in the last 5 years

RRB Civilian Population

- RRB civilian population is 1,000,000
- 2011 RRB civilian population is 1,000,000
- RRB civilian population is 1,000,000

Community Involvement

AFSB Community Involvement

- AFSB is committed to the community
- AFSB is committed to the community
- AFSB is committed to the community

Loyd Blakey A. O'Neil Scholarship

AFSB is pleased to announce the award of the Loyd Blakey A. O'Neil Scholarship to a deserving student. The scholarship is awarded annually to a student who has demonstrated exceptional academic achievement and leadership qualities.

Combined Federal Campaign

The purpose of the CFC is to support the military and civilian personnel of the Department of Defense and the United States Coast Guard. The CFC is a voluntary campaign that allows employees to contribute to a variety of charitable organizations.

Internal Organizations

Federal Women's Program (FWP)

The FWP is a program that provides support and resources for female employees. The program includes a variety of services, including career counseling, mentorship, and networking opportunities.

Junior Force Council (JFC)

The JFC is a program that provides support and resources for young employees. The program includes a variety of services, including career counseling, mentorship, and networking opportunities.

Voluntary Protection Program (VPP)

The VPP is a program that provides support and resources for employees who are involved in safety and health activities. The program includes a variety of services, including training, resources, and recognition.

Information Institute

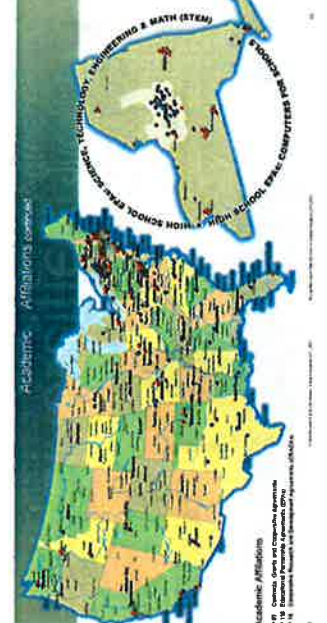
The Information Institute is a leading organization in the field of information technology. The institute provides a variety of services, including training, consulting, and research. The institute is committed to providing the highest quality of service to its clients.

Relief Camp July 2011

The Relief Camp is a program that provides support and resources for employees who are affected by natural disasters. The camp provides a variety of services, including food, shelter, and medical care. The camp is open to all employees who are affected by a natural disaster.

Assumed Check Comprising July

The Assumed Check Comprising July is a program that provides support and resources for employees who are affected by a natural disaster. The program provides a variety of services, including food, shelter, and medical care. The program is open to all employees who are affected by a natural disaster.



Academic Affiliations

The map shows the following affiliations:

- Academic Affiliations
- Academic Affiliations
- Academic Affiliations

Attendance at Local Colleges for Air Force-Sponsored Courses

The following table shows the attendance at local colleges for Air Force-sponsored courses:

Course	Attendance
Course 1	100
Course 2	100
Course 3	100
Course 4	100
Course 5	100
Course 6	100
Course 7	100
Course 8	100
Course 9	100
Course 10	100

Contract Summary

Total Contracts Awarded in FY 2011	
Number of Contracts	105
Total Contract Value	\$1,130,100,000
Number of Contracts	105
Total Contract Value	\$1,130,100,000

Contracts Awarded by New York State Contractor in FY 2011	
Number of Contracts	105
Total Contract Value	\$1,130,100,000

Total Active New York State Contracts	
Number of Contracts	105
Total Contract Value	\$1,130,100,000



Analysis Methodology

The research was conducted using data from the State of New York's Office of General Services (OGS) and the Office of Information Systems (OIS). The data was analyzed to determine the distribution of contract awards by contractor type and area. The methodology involved a review of the OGS and OIS databases to identify all active contracts awarded in FY 2011. The data was then categorized by contractor type and area to determine the percentage of awards for each category.



Rome Research Site Heritage

1968 - Site identified as a potential research site.
 1969 - Initial research conducted.
 1970 - Further research and site mapping.
 1971 - Research site designated as a National Historic Landmark.
 1972 - Further research and site mapping.
 1973 - Research site designated as a National Historic Landmark.
 1974 - Further research and site mapping.
 1975 - Research site designated as a National Historic Landmark.
 1976 - Further research and site mapping.
 1977 - Research site designated as a National Historic Landmark.
 1978 - Further research and site mapping.
 1979 - Research site designated as a National Historic Landmark.
 1980 - Further research and site mapping.
 1981 - Research site designated as a National Historic Landmark.
 1982 - Further research and site mapping.
 1983 - Research site designated as a National Historic Landmark.
 1984 - Further research and site mapping.
 1985 - Research site designated as a National Historic Landmark.
 1986 - Further research and site mapping.
 1987 - Research site designated as a National Historic Landmark.
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 2003 - Research site designated as a National Historic Landmark.
 2004 - Further research and site mapping.
 2005 - Research site designated as a National Historic Landmark.
 2006 - Further research and site mapping.
 2007 - Research site designated as a National Historic Landmark.
 2008 - Further research and site mapping.
 2009 - Research site designated as a National Historic Landmark.
 2010 - Further research and site mapping.
 2011 - Research site designated as a National Historic Landmark.

Rome Research Site Heritage continued

2012 - Further research and site mapping.
 2013 - Research site designated as a National Historic Landmark.
 2014 - Further research and site mapping.
 2015 - Research site designated as a National Historic Landmark.
 2016 - Further research and site mapping.
 2017 - Research site designated as a National Historic Landmark.
 2018 - Further research and site mapping.
 2019 - Research site designated as a National Historic Landmark.
 2020 - Further research and site mapping.
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 2042 - Further research and site mapping.
 2043 - Research site designated as a National Historic Landmark.
 2044 - Further research and site mapping.
 2045 - Research site designated as a National Historic Landmark.
 2046 - Further research and site mapping.
 2047 - Research site designated as a National Historic Landmark.
 2048 - Further research and site mapping.
 2049 - Research site designated as a National Historic Landmark.
 2050 - Further research and site mapping.

Notes

The research was conducted using data from the State of New York's Office of General Services (OGS) and the Office of Information Systems (OIS). The data was analyzed to determine the distribution of contract awards by contractor type and area. The methodology involved a review of the OGS and OIS databases to identify all active contracts awarded in FY 2011. The data was then categorized by contractor type and area to determine the percentage of awards for each category.

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African Forest Research Institute

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EXHIBIT L

**Mohawk Valley Regional Economic Development Council Strategic
Plan Dated November, 2011 (Which Cites the Griffiss Business Park
As Being a Regional Asset)**

Located at:

<http://nyworks.ny.gov/content/mohawk-valley>

EXHIBIT M

Schedule of GLDC Facilities on City of Rome Wholly Exempt Roll (2012)

**GLDC FACILITIES
ON
CITY OF ROME
WHOLLY EXEMPT ROLL (2012)**

<u>GLDC Facility #</u>	<u>Tax Account #</u>	<u>Owner</u>	<u>Property Class</u>	<u>Acreage</u>	<u>Assessments</u>
GLDC I	243.000-1-1.2	OCIDA	652	88.08	1,326,921 Land 53,855,077 Total
	243.000-1-1.3	OCIDA	652	38.38A	633,000 Land 11,084,400 Total
GLDC II	243.000-1-1.6	OCIDA	652	73.93A	1,148,600 Land 1,258,218 Total
GLDC III	243.000-1-1.9	OCIDA	652	17.29	285,350 Land 292,730 Total
GLDC IV	243.000-1-1.11	OCIDA	652	33.06	431,117 Land 1,728,157 Total
	244.000-3-3.1	OCIDA	652	66.27A	1,302,794 Land 2,501,314 Total
GLDC V	243.000-1-1.12	OCIDA	652	151.79A	2,574,984 Land 2,574,984 Total
GLDC VI	224.000-1-2	OCIDA	652	2.01	40,200 Land 138,200 Total
	243.000-1-1.14	OCIDA	330	2.00	34,000 Land 34,000 Total

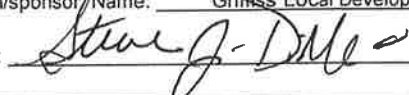
**GLDC FACILITIES
ON
CITY OF ROME
WHOLLY EXEMPT ROLL (2012)
(Cont'd)**

<u>GLDC Facility #</u>	<u>Tax Account #</u>	<u>Owner</u>	<u>Property Class</u>	<u>Acreege</u>	<u>Assessments</u>
GLDC VII	224.000-1-3.1	OCIDA	652	90.25A	1,306,640 Land 1,733,760 Total
GLDC VIII	206.000-2-76	OCIDA	330	11.05A	11,000 Land 11,000 Total
GLDC IX	224.000-1-6.1	OCIDA	652	140.26A	4,710,000 Land 5,523,300 Total
GLDC X	243.000-1-1.22	OCIDA	330	14.02A	231,700 Land 231,700 Total
GLDC X	243.000-1-1.25	OCIDA	330	44.67A	746,300 Land 746,300 Total
GLDC XI	224.000-1-7	OCIDA	280	1.92A	83,500 Land 222,500 Total
GLDC XII	243.000-1-1.33	OCIDA	652	11.05A	221,100 Land 262,300 Total
GLDC XII	243.000-1-1.62	OCIDA	826	N/A	0 Land 8,700,000 Total
GLDC XIV	224.001-1-8	OCIDA	330	50.32A	25,000 Land 25,000 Total
				AGGREGATE LAND	15,112,206
				AGGREGATE TOTAL	90,922,940

PROJECT I.D. NUMBER

617.21
Appendix C
State Environmental Quality Review
SHORT ENVIRONMENTAL ASSESSMENT FORM
For UNLISTED ACTIONS Only

PART I - PROJECT INFORMATION (To be completed by Applicant or Project sponsor)

1. APPLICANT/SPONSOR Griffiss Local Development Corporation	2. PROJECT NAME Master PILOT-Master Lease
3. PROJECT LOCATION: Municipality City of Rome County Oneida	
4. PRECISE LOCATION (Street address and road intersections, prominent landmarks, etc., or provide map) <p style="text-align: center;">Various locations within the former Griffiss Air Force Base</p>	
5. IS PROPOSED ACTION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Expansion <input type="checkbox"/> Modification	
6. DESCRIBE PROJECT BRIEFLY: Request for a new 10-year lease and 10-year PILOT.	
7. AMOUNT OF LAND AFFECTED: Initially <u>795 ± acres</u> Ultimately <u>795 ± acres</u>	
8. WILL PROPOSED ACTION COMPLY WITH EXISTING ZONING OR OTHER EXISTING LAND USE RESTRICTIONS? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe briefly	
9. WHAT IS PRESENT LAND USE IN VICINITY OF PROJECT? <input checked="" type="checkbox"/> Residential <input checked="" type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input checked="" type="checkbox"/> Agriculture <input checked="" type="checkbox"/> Park/Forest/Open space <input type="checkbox"/> Other Describe:	
10. Does Action Involve A Permit Approval, Or Funding, Now Or Ultimately From Any Other Governmental Agency (Federal, State Or Local)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, List Agency Name And Permit/Approval Building And Occupancy Permit From	
11. DOES ANY ASPECT OF THE ACTION HAVE A CURRENTLY VALID PERMIT OR APPROVAL? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If yes, list agency name and permit/approval OCIDA approved 10-year PILOT	
12. AS A RESULT OF PROPOSED ACTION WILL EXISTING PERMIT/APPROVAL REQUIRE MODIFICATION? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE TO THE BEST OF MY KNOWLEDGE	
Application/sponsor Name: <u>Griffiss Local Development Corporation</u>	
Date: <u>April 27, 2012</u>	
Signature: 	

If the action is in the Coastal Area, and you are a state agency, complete the Coastal Assessment Form before proceeding with this assessment

PART II – ENVIRONMENTAL ASSESSMENT (To be completed by Agency)

<p>A. DOES ACTION EXCEED ANY TYPE I THRESHOLD IN 6 NYCRR, PART 617.12? If yes, coordinate the review process and use the FULL EAF</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>B. WILL ACTION RECEIVE COORDINATED REVIEW AS PROVIDED FOR UNLISTED ACTION IN 6NYCRR, PART 617.6? If No, a negative declaration may be superseded by another involved agency.</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>C. COULD ACTION RESULT IN ANY ADVERSE EFFECTS ASSOCIATED WITH THE FOLLOWING: (Answers may be handwritten, if legible)</p> <p>C1. Existing air quality, surface or groundwater quality or quantity, noise levels, existing traffic patterns, solid waste production or disposal, potential for erosion, drainage or flooding problems? Explain briefly:</p> <p>C2. Aesthetic, agricultural, archaeological, historic, or other natural or cultural resources; or community or neighborhood character? Explain briefly:</p> <p>C3. Vegetation or fauna, fish, shellfish or wildlife species, significant habitats, or threatened or endangered species? Explain briefly:</p> <p>C4. A community's existing plans or goals as officially adopted, or a change in use or intensity of use of land or other natural resources? Explain Briefly:</p> <p>C5. Growth, subsequent development, or related activities likely to be induced by the proposed action? Explain briefly:</p> <p>C6. Long term, short term, cumulative, or other effects not identified in C1-5? Explain briefly:</p> <p>C7. Other impacts (including changes in use of either quantity or type of energy)? Explain briefly:</p>
<p>D. WILL THE PROJECT HAVE AN IMPACT ON THE ENVIRONMENTAL CHARACTERISTICS THAT CAUSED THE ESTABLISHMENT OF A CEA?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>E. IS THERE, OR IS THERE LIKELY TO BE, CONTROVERSY RELATED TO POTENTIAL ADVERSE ENVIRONMENTAL IMPACTS?</p> <p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>

PART III – DETERMINATION OF SIGNIFICANCE (To be completed by Agency)

INSTRUCTIONS: For each adverse effect identified above, determine whether it is substantial, large, important or otherwise significant. Each effect should be assessed in connection with its (a) setting (i.e. urban or rural); (b) probably of occurring; (c) duration; (d) irreversibility; (e) geographic scope; and (f) magnitude. If necessary, add attachments or reference materials. Ensure that explanations contain sufficient detail to show that all relevant adverse impacts have been identified and adequately addressed.

<p><input type="checkbox"/> Check this box if you have identified one or more potentially large or significant adverse impacts which MAY occur. Then proceed directly to the FULL EAF and/or prepare a positive declaration.</p> <p><input type="checkbox"/> Check this box if you have determined, based on the information and analysis above and any supporting documentation, that the proposed action WILL NOT result in any significant adverse environmental impact AND provide on attachments as necessary, the reasons supporting this determination:</p>	
<p>_____</p> <p>Name of Lead Agency</p>	
<p>_____</p> <p>Print or Type Name of Responsible Officer in Lead Agency</p>	<p>_____</p> <p>Title of Responsible Officer</p>
<p>_____</p> <p>Signature of Responsible Officer in Lead Agency</p>	<p>_____</p> <p>Signature of Prepared (If different from responsible officer)</p>
<p>_____</p> <p>Date</p>	

**ONEIDA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
COST/BENEFIT ANALYSIS
Required by §859-a(3) of the
New York General Municipal Law**

Name of Applicant: _____
GLDC Master PILOT

Description of Project: _____

Name of All Sublessees or Other Occupants of Facility: _____

Principals or Parent of Applicant: _____

Products or Services of Applicant to be produced or carried out at facility: _____
Wholesale distributor

Estimated Date of Completion of Project: _____

Type of Financing/ Structure:

_____	Tax-Exempt Financing
_____	Taxable Financing
x	Sale/ Leaseback
_____	Other: _____

Type of Benefits being Sought by Applicant:

_____	Taxable Financing
_____	Tax-Exempt Bonds
X	Sales Tax Exemption on Eligible Expenses Until Completion
X	Mortgage Recording Tax Abatement
X	Real Property Tax Abatement

Est. Project Costs

Land	0
demo & site	4,000,000
Existing Bldg. Rehab	
Construction of New Building	10,000,000
Addition or Expansion	
Engineering/ Architectural Fees	200,000
Equipment	
Legal Fees (Bank, Bond, Transaction, Credit Provider, Trustee)	150,000
Finance Charges (Title Insurance, Environmental Review, Bank Commitment Fee, Appraisal, Etc.)	100,000
Agency Fee	
Other (provide detail)	
TOTAL COST OF PROJECT	14450000

Assistance Provided by the Following:

EDGE Loan:	
MVEDD Loan:	
Grants - Please indicate source & Amount:	
Other Loans - Please indicate source & Amount:	

Company Information

Existing Jobs
Created Jobs (over three years)
Retained Jobs

6200
150
6200

Average Salary of these Positions

52000
45000
52000

(2010 Survey should average \$52,000)

Earnings Information for Oneida County

Average Salary of Direct Jobs for Applicant
Average of County Indirect Jobs
Average of Construction Jobs

45000
25000
32000

Note: \$1,000,000 in construction expenditures generates 22 person - years of employment
Construction Person Years of Employment:

75

Calculation of Benefits (3 Year Period)

Direct Jobs

Total Earnings

Created	20250000
Existing	967200000

Revenues

860625
41106000

Indirect Jobs

Created	28125000
Existing	1162500000

1195312.5
49406250

Construction - only one year

Person Years

0

(assume no construction in yr 1)

TOTALS Calculation of Benefits (3 Year Period)

2178075000

92568188

TAXABLE GOODS & SERVICES

	Spending Rate	Expenditures	State & Local Sales Tax Revenues
Direct Jobs			
Created	36%	7290000	710775
Existing	0.36	348192000	33948720
Indirect Jobs			
Created	0.36	10125000	987187.5
Existing	0.36	418500000	40803750
Construction - only one year			
Person Years	0.36	0	0
TOTAL TAXABLE GOODS & SERVICES		784107000	76450433

Local (3 year) real property tax benefit (assuming 60% of jobs existing and created own a residence) with an average assessment of \$80,000 and the remainder of jobs existing created pay real property taxes through rent based on an average assessment per apartment of \$50,000.

Tax Rate for School District where facility is located:
 Tax Rate for Municipality where facility is located:
 Tax Rate for County: 57.38
 Real Property Taxes Paid: 24776684

COSTS:

Real Property Taxes Abated on Improvements Only annual : 5,000,000.
 based upon current \$90M assessment & current tax rate
 Mortgage Tax Abated (1.0%) tdb
 Estimated Sales Tax Abated During Construction Period (8.75%) tdb

Amount of Taxes that would be abated by applying PILOT:
 1.40% of the construction and Rehab costs times the NYS & Local Sales tax

NOTE: if there is a tax-exempt financing of all or a portion of the project cost, there is a neutral cost/benefit because of lower interest rates by reason of exclusion of interest from gross income of bondholders for purposes of Federal and State income taxes. Taxable financing carries the same cost/benefit for State Income Tax purposes. Such cost/benefits cannot be quantified.

**GLDC FACILITIES
ON
CITY OF ROME
WHOLLY EXEMPT ROLL (2011)**

<u>GLDC Facility #</u>	<u>Tax Account #</u>	<u>Owner</u>	<u>Property Class</u>	<u>Acres</u>	<u>Assessments</u>
GLDC I	243.000-1-1.2	OCIDA	652	90.17A	Land 1,326,921 Total 53,855,077
GLDC II	243.000-1-1.6	OCIDA	652	73.93A	Land 1,148,600 Total 1,258,218
GLDC III	243.000-1-1.9	OCIDA	652	20.68A	Land 341,220 Total 348,600
GLDC IV	243.000-1-1.11	OCIDA	652	40.58A	Land 431,117 Total 1,728,157
GLDC V	244.000-3-3.1	OCIDA	652	66.27A	Land 1,302,794 Total 2,501,314
GLDC VI	243.000-1-1.12	OCIDA	652	151.79A	Land 2,574,984 Total 2,574,984
GLDC VII	224.000-1-2	OCIDA	652	52.09A	Land 859,535 Total 1,050,335
	243.000-1-1.14	OCIDA	330	2.46A	Land 40,700 Total 40,700
	224.000-1-3.1	OCIDA	652	90.25A	Land 1,306,640 Total 1,733,760

Parcel ID	Parcel Description	Disposal Authority:	Recipient	Total Acres	Remarks:
Griffiss-40	Building 131	Economic Development Conveyance	OCIDA	1.00 (1)	Awaiting Legal Description from LRA
Griffiss-41	Parcel F6B-1	Economic Development Conveyance	OCIDA	13.90 (1)	FOST presently being drafted F6b-1, 2, 3, 4, and 5 will be in one package.
Griffiss-42	Parcel F6B-2	Economic Development Conveyance	OCIDA	7.10 (1)	FOST presently being drafted F6b-1, 2, 3, 4, and 5 will be in one package.
Griffiss-36	F6b-3; F6B-4 & F6b-5	Economic Development Conveyance	OCIDA	7.97 (1)	FOST presently being drafted F6b-1, 2, 3, 4, and 5 will be in one package.
Griffiss-26	Parcel F-13 & F3p, Bldg 101	Economic Development Conveyance	OCIDA	30.98 (1)	Requires a revised Proposed Plan, public comment and Record of Decision followed by a Findings of Suitability to Transfer.
Griffiss-34	Parcels F6B-6, F6b-7, F10C-2, F10C-3, & F11B	Economic Development Conveyance	OCIDA	75.72 (2)	Final FOSET is at AFRPA HQ for signature. Will require a USEPA Covenant Deferral and NYS Governor's concurrence.
Griffiss-35	Parcels A2, A4, & A5	PBC - Public Airport	OCAA (Oneida County)	55.14 (2)	Final FOSET is at AFRPA HQ for signature. Will require a USEPA Covenant Deferral and NYS Governor's concurrence. (Surveys are completed based on the Air Field Transfer)
				191.81	
	Installation Acres:			3,638.20	
	AF Retained Acres:			136.10	
	Total Acres To Be Conveyed:			3,502.10	
	Acres Conveyed To Date:			3,310.30	
	Acres Remaining To Be Conveyed:			191.81	
	Acres Projected To Be Conveyed:			191.81	
	Notes: (1) FOST; (2) FOSET; (3) FEC				
	Report Sorted by Projected Date of Disposal				
	Page 2 of 2				
	3/14/2012				

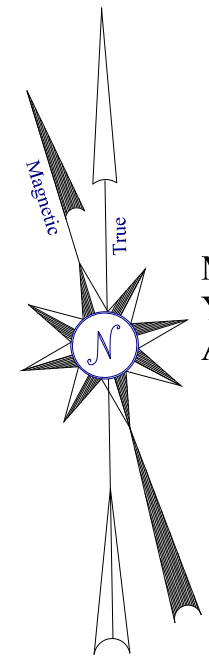
Unauthorized alteration or addition to a survey map bearing a licensed surveyors seal is a violation of section 7209, sub-division 2 of the New York State Education Law

The alteration of boundary survey maps by anyone other than the original preparer is misleading, confusing, and not in the general welfare and benefit of the public. Land Surveyors shall not alter survey maps, survey plans, or survey plats prepared by others.

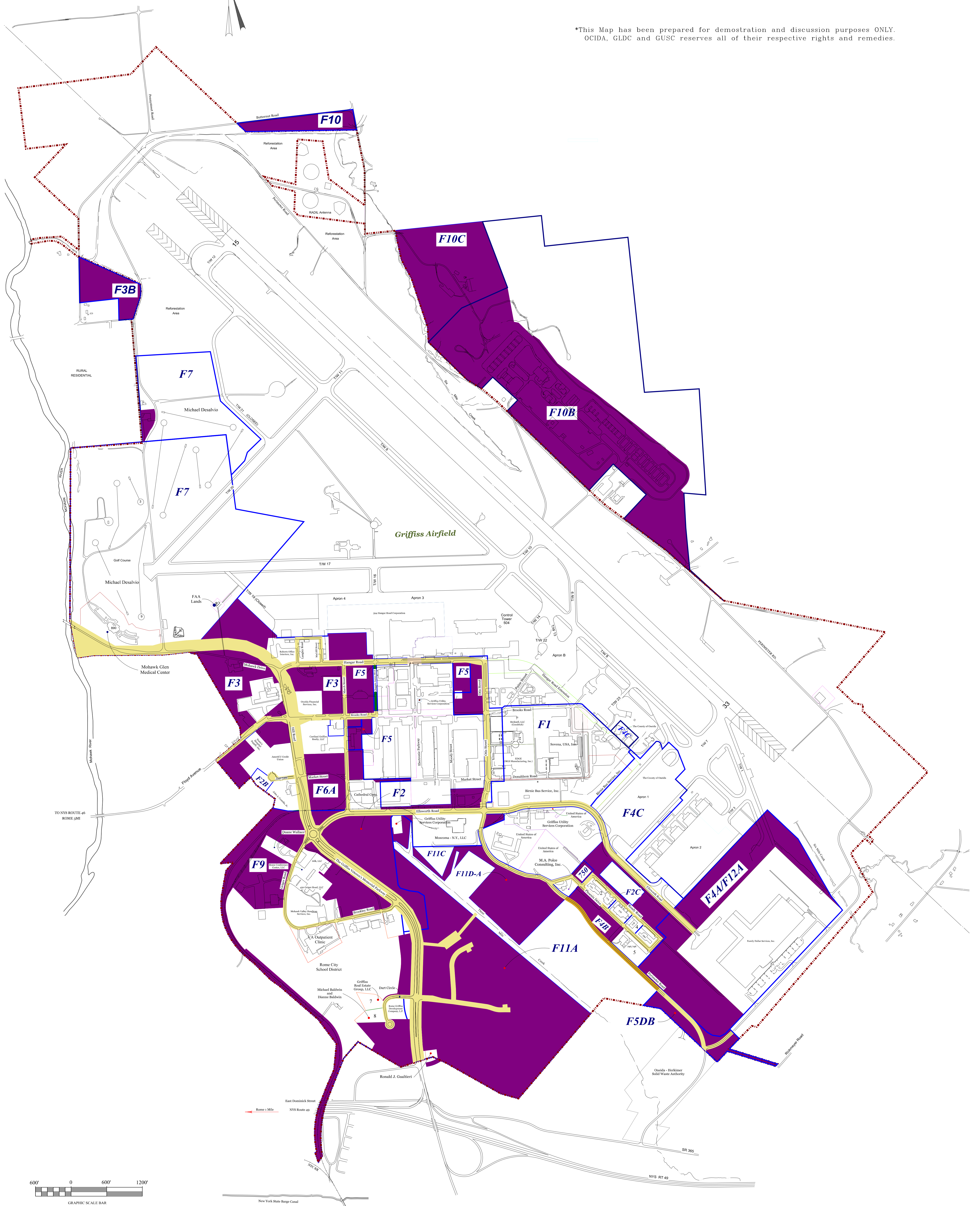
Legend

- Property to be Conveyed by GLDC to The State of New York, County of Oneida or The City of Rome for Public Highway/Streets
- Boundary Former Griffiss Air Force Base
- Lands Under GLDC Master Lease / Pilot

*This Map has been prepared for demonstration and discussion purposes ONLY. OCIDA, GLDC and GUSC reserves all of their respective rights and remedies.



Magnetic Declination: 13° 02' West
Year: 2009
Annual Change: 0° 02' East



Scale: 1"=600'	Revisions
06/16/12	
park.dgn	
11.25.01	

MAP
SHOWING LANDS UNDER
GLDC Master Lease / Pilot
CITY OF ROME COUNTY OF ONEIDA STATE OF NEW YORK

WATERS LAND SURVEYING
1307 North James Street
Rome, New York 13440
315.334.9759
P.L.S. No. 050027