

Company:

Griffiss Local Development Corporation

Property Location:

Griffiss Business & Technology Park – see parcels listed below

Project:

The Properties consist of 795 ± acres of mostly vacant land located in the Griffiss Business and Technology Park, Rome, New York (the “Griffiss Business Park”). Generally, most of the buildings or other structures situate thereon are scheduled for eventual demolition, depending upon the availability of funds.

The Properties can be generally described as the land and improvements previously leased by the Agency to the Company pursuant to the following ten (10) year Lease Agreements, (the “Existing Lease Agreements”), with accompanying ten (10) year zero-payment PILOT Agreements (the “Existing Zero PILOT Agreements”), excluding land and improvements previously released from the Existing Lease Agreements and transferred to third parties in connection with development of the Business Park.

GLDC FACILITY	LEASE DATE	EXPIRATION DATE
GLDC I	5/1/2000	4/20/2010
GLDC II	6/1/2001	5/31/2011
GLDC III	12/1/2001	11/30/2011
GLDC IV	12/1/2002	11/30/2012
GLDC V	12/1/2002	11/30/2012
GLDC VI	7/1/2003	7/29/2013
GLDC VII	4/1/2004	7/28/2014
GLDC VIII	3/1/2005	7/27/2015
GLDC IX	9/1/2005	8/26/2016
GLDC X	9/1/2006	7/26/2016
GLDC XI	3/1/2008	12/31/2017
GLDC XII	3/1/2008	12/31/2017

GLDC XIII	Pending	
GLDC XIV	9/1/2011	6/30/2023
GLDC XV	Pending	

The Agency proposes to release the Properties from the Existing Lease Agreements and Existing Zero PILOT Agreements and lease the Properties to the Company pursuant to a new master lease agreement (the "Master Lease Agreement") with a term of approximately ten (10) years. The Agency is also considering providing financial assistance to the Company by granting exemptions from sales tax and mortgage recording tax, and abatement of real property taxes on the Properties for ten (10) years, during which time the Company shall pay no taxes. The Agency's proposed financial assistance is a deviation from the Agency's Uniform Tax Exemption Policy.

The Agency is deviating from its policy for the following reasons:

1. **The nature of the Company and the Properties:** The Company is a not-for-profit local development corporation that is exempt from federal income tax under Internal Revenue Code Section 501(c)(3). Pursuant to its Certificate of Incorporation, the Company is 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 . . ." The Agency and the Company have been working together since the Company was first established in 1994 to jointly promote redevelopment of the former Griffiss AFB.

The Agency's lease of the Properties to the Company, and the Agency's related financial assistance to the Company, will promote, encourage and assist the Company in its redevelopment of the Properties and will thereby advance the job opportunities, general prosperity and economic welfare of Oneida County residents.

2. **The economic condition of the area:** The Properties are located in an area that has been designated an economic development zone (Empire Zone) pursuant to Article 18-B of the General Municipal Law, and is therefore located in a "highly distressed area" (as defined in Section 854(18) of the New York General Municipal Law). Redevelopment of this particular area (the former Griffiss AFB) is a priority for state and local government officials.

3. **The extent to which financial assistance for the Properties will create or retain permanent, private sector jobs:** There are nearly 6,000 jobs at Griffiss Business Park of which approximately 3,756 are permanent, private sector jobs. The Company has been successful in facilitating redevelopment of the former Griffiss AFB, and the proposed Agency financial assistance will support the Company in achieving further success.

4. **The estimated value of tax exemptions to be provided:** The Company is a not-for-profit local development corporation, exempt from federal income taxation under Section 501(c)(3) of the Code, and is using the Properties in furtherance of its exempt purposes. As such, it is the Company's position that the Properties would be exempt from real property tax under Section 420-a of the Real Property Tax Law in their own right.

5. **Impact of the proposed tax exemptions on affected tax jurisdictions:** The Properties were tax exempt during the 50+ years they were owned by the Government and the 10+ years they have been owned by the Agency. The continuation of the tax-exempt status would not reduce the amount of tax revenue presently realized by the affected tax jurisdictions.

6. **Impact on existing and proposed businesses and economic development projects in the vicinity:** Developing the Properties will attract new businesses and investment to the Griffiss Business Park and will also help existing businesses to grow and prosper.

7. **The amount of private sector investment generated or likely to be generated:** Since 1995 nearly \$458 million in investment has been made in the Griffiss Business Park, much of which is private-sector investment. Developing the Properties will attract substantial amounts of additional private sector investments to Griffiss Business Park.

8. **The extent to which additional sources of revenue for municipalities and school districts will be created:** The Company's development of the Griffiss Business Park is generating over \$4 million per 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. Development of the Properties will generate additional tax revenues and/or PILOT payments.

9. **The extent to which redevelopment will provide a benefit (economic or otherwise) not otherwise available within the municipality:** Development of the Properties will not only provide economic benefits, it will also enable the continued aesthetic development of the Griffiss Business Park (e.g., the Sculpture Park, hiking, jogging and bike trails, and other cultural amenities). Such development will enhance the area's quality of life.

Benefits being requested: Ten (10) year zero-payment PILOT Agreements (the "Existing Zero PILOT Agreements")