

## **B. GLDC – Griffiss Air Force Base Redevelopment (W674)**

October 22, 2009

- Grantee:** Griffiss Local Development Corporation  
("GLDC" or the "Organization")
- ESD Investment:** A grant of up to \$1,053,000 to be used for expenses related to the redevelopment of the former Griffiss Air Force Base (the "Base").
- Project Location:** Griffiss Business and Technology Park ("GBTP" or the "Park"),  
Oneida County
- NYS Empire Zone  
(or equivalent):** Rome and Oneida-Herkimer Counties Empire Zones
- Project Completion:** December 31, 2009
- Grantee Contact:** James Castilla, Vice President, Economic Development  
153 Brooks Road  
Rome, NY 13441-4105  
Phone: 315-338-0393 Fax: 315-338-5694
- Project Team:**
- |                       |                      |
|-----------------------|----------------------|
| Project Management    | Sheri A. Lippowitsch |
| Affirmative Action    | Denise Ross          |
| Design & Construction | Joseph Burkard       |
| Environmental         | Soo Kang             |

### **Project Description:**

#### Background

Formed in 1994 by New York State legislation, GLDC is a private not-for-profit organization charged with implementing the reuse plan for the Griffiss Business and Technology Park, the site of the former Griffiss Air Force Base. GLDC is the driving force in the development and implementation of the master plan for the Park, and its major role is to oversee the redevelopment of Base property and to stimulate the local economy through the attraction of new businesses and jobs. The redevelopment of the Base is represented in the reuse plan accepted by the community and US Department of Defense ("DOD") in the mid-1990s.

Operated by an authorized representative, with a professional staff of planners, economic developers and facility managers, GLDC is directed by a board of fifteen unpaid directors, who represent the diverse interests and needs of the community. The Organization has a well-defined committee structure that oversees and delegates the handling of daily functions to the staff.

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Since 1995, the ESD Directors approved more than \$17.7 million in funding (legislative/executive sponsored grants) for redevelopment efforts at the GBTP, as well as \$6.4 million (both legislative/executive sponsored grants and ESD discretionary funding) for GBTP's primary tenant, Empire Aero Center ("EAC"). In addition, the Directors approved a total of \$12 million in grant funding (legislative/executive sponsored grants) for the consolidation and modernization of the Air Force Research Lab ("AFRL") at the Base.

As of 2008, recent GBTP highlights include:

- Investment of more than \$28 million in private and public capital projects, including building construction, transportation improvements and infrastructure development;
- In late 2007, Mascoma Corporation moved to GBTP, citing the need to be closer to biomass sources and the suitability of the former Base as a company facility. The proposed demonstration plant is expected to produce 500,000 gallons per year of cellulosic ethanol, and started limited production of ethanol in the spring of 2008. The project calls for an investment of approximately \$15 million in 2008 and 2009. As of the end of 2008, the company exceeded its employment projection by 3, with 10 employees;
- Birnie Bus Company and Leonard Bus Company have embarked on a \$3 million project to construct a maintenance and office facility to expand the capacity of both companies; and
- Perimeter Road was expanded to allow connection to NYS Route 365, providing another access point to the Park and thus alleviating some of the traffic congestion at peak drive times. This extension represented an investment of approximately \$1.1 million.

Since 1995, ESD funding assisted GLDC in reaching the following milestones at the GBTP:

- Road and infrastructure improvements totaling \$44.1 million;
- Demolition of unusable buildings totaling \$5.7 million; and
- Renovations and new construction totaling \$289 million.

The economic impact of the above actions includes:

- EAC, a subsidiary of Israeli Aircraft Industries ("IAI"), has begun the process of pursuing Embraer 190 regional jets as a new product line. This addition to EAC's portfolio requires the purchase of specialized tooling and the expansion of EAC's hangar space. It is anticipated that this additional business, once secured, will keep the company on track to reach its employment goal of more than 833 employees by 2013. For 2006-2009, IAI has committed \$12.4 million and EAC is projecting additional IAI investments of \$10.5 million for the period of 2010 – 2013.
- The Defense Finance and Accounting Service ("DFAS"), a benefactor of the 2005 Base Realignment and Closure ("BRAC") round, reached 1,060 employees and expects employment to cap at not less than 1,100 by the end of 2010;

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- The Northeast Air Defense Sector completed construction on a new \$9.6 million headquarters building adjacent to its operation center. The new facility opened in late 2008; and
- The establishment of a Griffiss Landowners Association became a reality in 2009. One of the first actions of the association, in conjunction with GLDC, was to establish a public arts project throughout the Park. The project showcases art along walking paths and near corporate buildings.

For the above-mentioned projects, ESD monies have leveraged more than \$355 million in private and other public funds to aid in the redevelopment of the former Base.

### The Project

Work continues on the construction of a 45,000-square-foot building that the AFRL's mod and fab shop – currently located in B101/Hangar Bay #4 - can move into, clearing the way for EAC to expand its business into B101 to accommodate its growth. Other potential construction activity includes the construction of a 45,000-50,000-square-foot building for Project Cardinal, which is a cyber security business representing more than a \$10 million investment, the retention of 90 jobs and the addition of 110 new jobs over 5+ years. Project Cardinal is still in the planning phase, and no decision has been made by the company. The architectural and engineering activities included as part of this grant are generic enough in nature that, if the company decides not to follow through with the project, GBTP would still benefit from these activities.

As developable property within the Park's limits declines, building demolition is now a top priority. While some of these buildings are among the more costly to take down, it's imperative that they be removed, as they're also sitting on some of the most developable property in the Park – along NYS Route 825, the main road through the Park. Bidding was conducted for the demolition projects, and the contract was recently awarded to Cambria Associates (Lockport, NY).

The stability of AFRL in Rome is critical to the overall success of the Park, and is a foundational component of the region's economy. In addition, strong private sector businesses are an essential part of the Base's reuse plan. Freeing space at B101 for EAC's expansion is necessary for the company's continued growth in the Mohawk Valley region. Building a new facility for the AFRL's mod and fab shop will help to ensure the lab's continued presence in New York State. The retention and ultimate expansion of Project Cardinal is critical to strengthening the region's technology-based businesses and its high-technology workforce. Building upon the region's technology assets is a top priority of GLDC.

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Financing Uses	Amount	Financing Sources	Amount	Percent
Construction costs	\$200,000	ESD Grant	\$1,053,000	100%
A&E Fees	200,000			
Demolition costs	653,000			
Total Project Costs	\$1,053,000	Total Project Financing	\$1,053,000	100%

### **Design and Construction:**

The project calls for the continued funding of construction costs for the 45,000-square-foot AFRL mod and fab shop, along with architectural and engineering costs associated with a proposed 45,000+-square-foot building for Project Cardinal. Additionally, the project will fund asbestos abatement and demolition costs for abandoned dormitory buildings B438, B444, B446, B452, and B468, dining hall building B443 and data processing building B311.

Design and Construction (“D&C”) staff will review and approve final construction documents, addendum and cost estimates for all work, along with monitoring the bid and contract award process. D&C will, at its option, attend construction meetings and monitor construction progress. D&C will review and approve change orders and contractor requisitions and verify that all requirements have been satisfied prior to completion and final payment.

### **Environmental Review:**

The Oneida County Industrial Development Agency, as lead agency, has completed an environmental review of the AFRL mod and fab shop and 2009 demolition program, pursuant to the requirements of the State Environmental Quality Review Act (“SEQRA”) and the implementing regulations of the New York State Department of Environmental Conservation. This review found the projects would not have a significant effect on the environment. ESD staff reviewed the supporting materials and concurs. It is recommended that the Directors make a Determination of No Significant Effect on the Environment.

ESD staff has determined that the proposed architecture and engineering work for Project Cardinal constitutes a Type II action as defined by SEQRA and the implementing regulations of the New York State Department of Environmental Conservation. No further environmental review is required in connection with the project.

### **Affirmative Action:**

ESD’s Non-Discrimination and Affirmative Action policy will apply. GLDC is encouraged to use its best efforts to achieve Minority and/or Women-owned Business Enterprise participation of not less than 5% of the total dollar value of work performed pursuant to contracts or purchase orders entered into in connection with the preconstruction and construction costs related to the project, and to include minorities and women in any job opportunities created by the project.

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**Statutory Basis – Aid to Localities – Base Redevelopment:**

The project is authorized in the 2009-2010 New York State budget. No residential relocation is required as there are no families or individuals residing on the site.

**Disclosure and Accountability Certifications:**

The Grantee has provided ESDC with the required Disclosure and Accountability Certifications. Grantee's certifications indicate that Grantee has no conflict of interest or good standing violations and, therefore, staff recommends that the Corporation authorize the grant to the Grantee as described in these materials.

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(Oneida County) – GLDC – Griffiss Air Force Base Redevelopment – Aid to Localities – Base Redevelopment (Capital Grant) – Determination of No Significant Effect on the Environment

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RESOLVED, that based on the material submitted to the Directors with respect to the GLDC – Griffiss Air Force Base Redevelopment Project, the Corporation hereby determines that the proposed action will not have a significant effect on the environment.

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