

**Griffiss Local Development Corporation
Board of Directors Meeting Minutes
584 Phoenix Drive - Rome, NY
May 16, 2019 - 4:00 p.m.**

Members Present: Dave Russell, Elis Delia, Frank Vetrone, Deb Grogan, Jim Cusack, Kevin Martin, Franca Armstrong, Erin Weiman

Others Present: Steve DiMeo, Shawna Papale, Maureen Carney, Jen Waters, Jef Saunders, Frank Sanzone, Kate Jarosh, Mayor Izzo

Mr. Delia called the meeting to order at 4:01 p.m.

Upon a motion by Mr. Cusack, and seconded by Mr. Vetrone, the board unanimously approved the minutes from the April 18th board meeting.

Financials

Ms. Carney presented the interim monthly financial statements. She noted no major changes.

Committee Reports

Audit Committee reported that the IRS Form 990 is on extension.

New Business

Mr. DiMeo reported that in collaboration with the City of Rome, late last year GLDC solicited developer interest for the former B240 site at Griffiss as part of a Request for Expressions of Interest (RFEI). Bonacio Construction was the only developer who submitted a proposal for the B240 site in response to the RFEI. The Bonacio proposal is consistent with the development plan envisioned by GLDC for this site and complements the City's plans along the Floyd Avenue corridor as it extends from Griffiss to the Rome MVCC campus and the former Wright Park Manor/Woodhaven sites. After reviewing the proposal and negotiating business terms for redevelopment of the B240 site, it is recommended that GLDC approve a Purchase and Sale Agreement with Bonacio for a 4.2± acre portion of the B240 site known as "Phase 1". Mr. DiMeo stated that the selling price will be \$70,000 per acre and Bonacio will have right of first refusal for the balance of the B240 site. The Sales price is consistent with the appraisal prepared for GLDC by Stropp Appraisal.

A Memo from Mr. DiMeo to the GLDC Board outlined the terms and conditions associated with the transaction in a memo dated, May 15, 2019. The Memo identified to options on the financial terms of the proposal. Based on discussions and negotiations between GLDC and Bonacio Construction the Option 2 proposal will be the basis for the Purchase and Sales Agreement.

Option 2 would require B240 LLC to provide a \$10,000 deposit that would be credited against the purchase price with an initial payment at closing of \$137,000. B240 LLC would provide GLDC with a note for the balance that would have the remaining balance of the purchase price (\$147,000) with interest accruing from the date of the note due the earlier of 48 months or upon the project achieving 80% occupancy (would need to have rights to financial information on revenues, expenditures, and lease roll for residential and ground floor commercial space). GLDC would require all members of B240

LLC with an ownership interest of 20% or higher to personally guarantee the note all subject to legal counsel review.

The memo outlined the option rights that would be provided for the balance of the property and a Right of First Refusal that would kick in if the Option rights are extinguished.

Mr. DeLia questioned why we would give Bonacio a right of first refusal in addition to the option rights outlined in the proposed Purchase and Sales Agreement.. Mr. Saunders responded that they are the first ones to take a risk in this marketplace and they would want complimentary development to take place.

Kate Jarosh from Bonacio addressed the board and showed the site plan and potential renderings of the buildings to be constructed. She stated the goal would be to have construction finished by September of 2020. Mayor Izzo stated that the City of Rome is in desperate need of updated housing to match the needs of our high tech workforce and Griffiss is a great place to start this type of new development.

On a motion by Mr. Cusack, seconded by Mr. Russell, the Board voted unanimously to enter into a contract with Bonacio Construction for the sale of 4.2 ± acres (actual acreage to be confirmed by a metes and bounds survey prepared by GLDC)) on the Building 240 Site, subject to legal counsel review pursuant to the financial terms referenced in the Memo dated May 15, 2019 and that the final documents be acceptable to legal counsel for GLDC prior to execution of the Purchase and Sales Agreement and all other documents relative to the transaction. Any material changes in the deal structure would be revisited by GLDC.

Griffiss International Airport approached GLDC authorized representatives to request an avigation easement which would allow them to remove the trees identified in a completed study, as well as any in the future that grow to become obstructions.

Pursuant to an obstruction study, completed by the Aerometric Geospatial Solutions in July 2013, identified a number of FAR Part 77 obstructions located in the approach, transitional, horizontal, and conical surfaces that include tree canopies, individual trees, poles, buildings, and terrain. A number of trees were identified to the north of the runway on GLDC property. In order to comply with FAA regulations, the obstructions to air navigation should be removed, marked, or lighted in accordance with FAA guidelines.

Consideration for the easement will be determined by an FAA-approved appraisal of the subject properties prior to execution. Consideration cannot exceed the final appraised value.

Oneida County is requesting a permanent avigation easement subject to consideration determined by appraisal and approved by the Federal Aviation Administration (FAA) prior to closing.

On a motion by Mr. Vetrone, seconded by Ms. Grogan, the Board voted unanimously to grant Oneida County with a permanent avigation easement subject to consideration determined by appraisal and approved by the FAA and subject to legal counsel review prior to closing.

Because of the pending B240 development, GLDC is requested an amendment to the 2017 RIDC Financing Commitment to include updated terms. This will be used to reduce outstanding debt related to the redevelopment for the B240 access road construction.

On a motion by Mr. Martin, seconded by Ms. Weiman, the Board voted unanimously to accept the new proposed financing package with Rome Industrial Development Corporation.

On a motion by Mr. Cusack, seconded by Ms. Grogan, the Board voted unanimously to enter into executive session to discuss the potential sale or lease of real property at 4:47 p.m.

On a motion by Ms. Grogan, seconded by Mr. Vetrone, the Board voted unanimously to exit executive session at 5:00 p.m.

There being no further business, the meeting was adjourned by consensus at 5:01 PM.

Respectfully Submitted,

Jennifer Waters
Secretary