

**Griffiss Local Development Corporation
Board of Directors Meeting Minutes
584 Phoenix Drive, Rome NY 13441
September 16, 2021 - 4:00 p.m.**

Members Present: Franca Armstrong, Frank Vetrone, Evan DeGennaro, Kevin Martin, Dave Winberg, Chad Lawrence, Erin Weiman

Others Present: Jennifer Waters, Steve DiMeo, Shawna Papale, Maureen Carney, Jef Saunders

Mr. Delia called the meeting to order at 4:06 p.m.

Upon a motion by Mr. Vetrone, and seconded by Ms. Armstrong, the board unanimously approved the minutes from the July 15th Board meeting. The minutes from the Executive Committee will need to be approved at the next Executive Committee Meeting.

Financials:

Ms. Carney presented the interim monthly financial statements and noted no major items to bring up. She noted that they have closed on the GLDC refinancing and that 2022 budget discussion are ongoing.

Committee Reports:

Nominating committee noted that they have received a resignation from Eric Pietrowski and are working to identify a replacement.

A motion to enter Executive Session at 4:10 p.m. to discuss purchase and sale of property was made by Ms. Weiman and seconded by Mr. Vetrone.

A motion to exit Executive Session at 4:41 p.m. was made by Mr. Vetrone and seconded by Ms. Armstrong.

New Business:

Mr. DiMeo presented the board to act on two proposed property sales.

In 2019 GLDC approved a Purchase and Sales Agreement (PSA) with B 240 LLC for the former B240 site, which consists of 20.52 + net acres. The PSA provided the purchaser with the right to acquire the property in phases and included an Option and Right of First Refusal Agreement to allow the purchaser to exercise its development rights within specific time frames and contingent on satisfactory performance of prior development phases.

Besides the Phase 1 (4.2 + acres for Buildings 1A and 1B) parcel purchased in 2019, B240 LLC exercised its right of purchase and Phase 2 (6.655 + acres for Buildings 2A and 2B) in 2020.

The Phase 1 project includes 84 market rate apartments and approximately 29,000 SF of ground floor commercial space. 100% of the Phase 1 apartments are under lease and the developer has 22% of the ground floor commercial space under lease. The Phase 2 project is still under construction. The

developer has pre-leasing commitments for 50% of the apartments, which is still under construction. Phase 2 will have one building completed by November and the other building will be completed by February 2022.

B240 LLC proposes to exercise its right to acquire two (2) parcels of land adjoining Lot 2A so that it can commence construction of a multi-story residential apartment building on each of said parcels (collectively, the "B240 LLC Phase 3 Project").

- "Consolidation Parcel X", containing 0.926± acres of land, and
- "Consolidation Parcel Y", containing 0.748± acres of land.
- "Consolidation Parcel X and Y combined total 1.674+ acres

B240 LLC plans to add Consolidation Parcel X and Consolidation Parcel Y to Lot 2A thereby increasing the size of said Lot 2A from 6.655± acres to 8.329± acres. Once the two parcels are added to Lot 2A, said lot will be redesignated as "Lot 2B".

The Developer will construct two, 4-story buildings consisting of 100 market rate apartments. This will result in 256 market rate units in Air City. This phase will not include any ground floor commercial space. B240 LLC has created over 50,000 SF of commercial space and absorption of the commercial space is taking more time, which is primarily due to COVID-19 impacts with the commercial real estate market.

The proposed purchase price for this purchase would be \$117,180 (1.674 acres x \$70,000/Acre). The proposed purchase price is consistent with the purchase price negotiated in the original project agreement and is the price agreed to on subsequent phases of development pursuant to the Option Agreement previously approved and agreed to by GLDC and the developer.

The proposed property purchase differs from the original phasing strategy. As a result, GLDC will need to finalize the execution of various documents including an Amended and Restated Option Agreement, an Amended and Restated Right of First Refusal Agreement, and a Real Estate Purchase and Sales Agreement.

GLDC is also requested to provide a license agreement that would enable the developer to commence pre-development site work now while all of the various documents are completed and a closing can be scheduled. GLDC has authorized license agreements for the initial two phases of the project.

With this sale, the balance of the property remaining to be developed under B240 LLC's Amended and Restated PSA and Option Agreements are as follows:

- Lot 3B: 2.641 + acres (lot fronts onto Floyd Avenue)
- Lot 4B: 3.726 + acres (lot is northerly parcel that is bounded by NYS Route 825)

More than likely Lot 3B will be reserved for a free standing commercial building and the developer is looking at multiple development options on Lot 4B. Attached is a copy of the recent presentation that

the developers provided to OCIDA on the status of the Air City Lofts project. It is recommended that GLDC authorize the sale of the 1.674-acre parcel subject to counsel finalizing the terms of the Amended and Restated Agreements.

On a motion by Ms. Armstrong seconded by Mr. Vetrone, the Board unanimously approved the phase 3 development phasing strategy for B240 LLC, exercise the option earlier than originally intended, and execute a license for early entry to the site.

Mr. DiMeo also discussed B212, the Former Parachute Shop Building.

Staff has been working with Bonacio construction on the redevelopment of the former Parachute Shop Building (B212) that fronts along Hangar Road and the Hangar Road Roundabout at NYS 825. The site include a 13,980 + SF building with 3.75 + acres of land. The building was used by the Air Force as a parachute shop and has been vacant since 1995.

The developer intends to redevelop this property as an additional life style amenity that will add to the vibrancy of Griffiss and the City. The proposed reuse would be a state-of-the-art space for craft brewing, with a tasting room and indoor/outdoor performance venue. Total project investment is more than \$5.0 million for refurbishment, expansion and fit-out of the space. Details on the project will be made by the developer.

The building is in very poor condition. A significant part of the exterior brick is falling off the building. The building contains asbestos and will require complete overhaul of mechanical systems, plumbing and electrical and likely will require a new roof. CT Male prepared an asbestos report on the building and estimates that the abatement costs would be approximately \$314,000, which adds to the cost to renovate the building and adapt it for the proposed commercial use.

GLDC had an appraisal of the property earlier this year. With adjustments for the acreage that would be part of the project (reduced the land area from 4.72 + acres to 3.75 + acres, eliminated 0.97-acres that is part of the parkway corridor and therefore is not part of the sale parcel) the total estimated fair market value of the property is \$377,318. With these adjustments, the appraiser estimated the value of the building ("as is") at \$77,000 and the land value (with reduced acreage) is \$300,318.

The appraisal did not take into account asbestos in the building and the proposed land area is also encompassed by easements for above ground and below ground utilities that would be justification on discounting of the purchase price to what is being proposed for GLDC approval.

To facilitate the project, GLDC recommends that the purchase price be adjusted to take into account the deteriorated state of the building and the potential liability to GLDC if this building remains vacant. The conveyance of this building to a developer relieves GLDC of the cost to abate and demo the building. As a result, it is recommended that the building value and the land area encompassed by the building footprint be discounted to \$0 and that GLDC assign a land value on the remaining 3.426 + acres be valued at \$75,000/acre.

Thus, the proposed purchase would be \$256,950 (3.426 + acres @ \$75,000/Acres). The \$75,000/Acre land price is the same per acre price that Hangar Road LLC paid for Lot #1 off of Brooks Road and March St. and is the same per acre price on lot #2 which is under option to Hangar Road LLC that is adjacent to the B212 former parachute building.

The planned reuse of this site adds to the vitality of Griffiss and builds on the live-work-play theme that is creating a 24/7 neighborhood across the street with Air City Lofts. Staff recommends approval of the sale of the B212 Parachute Shop to the developer for a price of \$256,950, subject to finalizing a Purchase and Sales Agreement in a form that is acceptable to GLDC Counsel.

On a motion by Mrs. Armstrong, seconded by Ms. Weiman, the Board unanimously approved the sale of B212 to Bonacio Construction.

There being no further business, the meeting was adjourned by consensus at 4:44 p.m.

Respectfully Submitted,
Jennifer Waters
Secretary