



Griffiss Local Development Corporation  
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Authorities Budget Office

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March 8, 2024

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Albany, New York 12236

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Speaker  
New York State Assembly  
Legislative Office Building, Room 932 Albany,  
New York 12248

Hon. Andrea Stewart-Cousins  
Office of Temporary President  
New York State Senate  
Legislative Office Building, Room 808  
Albany, New York 12247

Hon. Blake G. Washington  
Budget Director  
New York State Division of Budget State  
Capitol  
Albany, New York 12224

Hon. Jeanette M. Moy  
Commissioner  
Office of General Services  
Corning Tower  
Empire State Plaza  
Albany, New York 12242

Hon. Jeffery H. Pearlman  
Director  
State of New York  
Authorities Budget Office  
P.O. Box 2076  
Albany, New York 12220-0076

Re: Explanatory Statement Pursuant to Public Authorities Law §2897(6)(d)  
Griffiss Local Development Corporation to Kelberman Center, Inc.  
Sublease of Renovated Space on the First Floor of Building 796  
725 Daedalian Drive, Griffiss Business Park, Rome, N.Y.

Dear Sir/Madam:

Griffiss Local Development Corporation ("GLDC") is a New York not-for-profit local development corporation formed pursuant to Section 1411 of the Not-for-Profit Corporation Law ("NPCL"). Pursuant to its Certificate of Incorporation, GLDC operates for the corporate purposes, among others, "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 [Air Force's] Rome Laboratory" by "promoting and providing for additional employment". In furtherance of its corporate purposes, GLDC has been developing a 1,600± acre portion of the former Griffiss Air Force Base as a business and technology park (the "Griffiss Business Park").

By Quitclaim Deed dated August 21, 2001, and recorded in the Oneida County Clerk's Office on January 7, 2002, the United States of America, acting by and through the Secretary of the Air Force, conveyed to the Oneida County Industrial Development Agency ("OCIDA") a portion of the former Griffiss Air Force Base commonly known as "Parcel F4B". OCIDA, in turn, leases Parcel F4B to GLDC pursuant to a lease agreement (the "Lease Agreement") whereby GLDC has the right to acquire, for nominal consideration, the fee title to any portion of Parcel F4B not previously conveyed to a third party. By virtue of the aforesaid provision as well as other provisions of the Lease Agreement, GLDC is deemed to be the beneficial owner of the premises described therein. Parcel F4B includes that certain office building known as Building 796 located at 725 Daedalian Drive, Griffiss Business Park, Rome, New York.

According to a Market Rent Comparability Study prepared for GLDC by Stropp Appraisal dated January 4, 2021 for office space located within the City of Rome's commercial rental market, fair market rent for office space within Building 796 falls in the \$16.00 to \$23.00/sq. ft. range plus electricity (the "Applicable Market Rate Range").

GLDC proposes, by means of a negotiated transaction, to make renovations to the first floor of Building 796 (the "Renovated Space") and sublease the Renovated Space to Kelberman Center, Inc., a New York not-for-profit corporation which provides autism services for children, adults and families in the Mohawk Valley and Central New York regions ("Kelberman") at an average annual base rent of \$16.21/sq. ft., plus electricity (based on a gross leasable area of 11,355± sq. ft.) for an initial term of ten (10) years, with options to renew for a first renewal term of five (5) years (at \$21.96/sq. ft.) and a second renewal term of five (5) years (at \$25.25/sq. ft.). As a result of the project, Kelberman expects to create jobs for at least twenty-four (24) new, full-time, permanent employees at Building 796 (and retain 222 jobs at its other New York State locations).

Based on the above-referenced Market Rent Comparability study, and GLDC's own experience in and knowledge of current conditions in the Rome, New York commercial rental market, GLDC is of the opinion that the average annual base rent of \$16.21/sq. ft., plus electricity, to be paid by Kelberman for the Building 796 Space falls within the Applicable Market Rate Range rate for comparable office space in Rome, New York commercial rental market.

The proposed sublease with Kelberman is in keeping with GLDC's corporate purposes and mission of promoting and providing for additional employment in the Griffiss Business Park. Besides its powers under NPCL § 202, pursuant to NPCL § 1411(c) and its Certificate of Incorporation, GLDC, acting in furtherance of its corporate purposes, is empowered "to sell, lease, mortgage or otherwise dispose of or encumber... any of its real or personal property or any interest therein upon such terms as it may determine". Thus, in view of the foregoing, GLDC is permitted to dispose of the Renovated Space by means of a negotiated transaction under Section 2897(c)(vi) of the Public Authorities Law because "such action is otherwise authorized by law".

The original ten (10) year term of the sublease will commence not less than ninety (90) days after the date of this Explanatory Statement.

Please feel free to contact the undersigned if you have any questions regarding this transaction.

Sincerely,

GRIFFISS LOCAL DEVELOPMENT  
CORPORATION

By:



William VanShufflin  
Its Authorized Representative