

Sent

8-21

THE WHITE HOUSE

WASHINGTON

15 August 1995

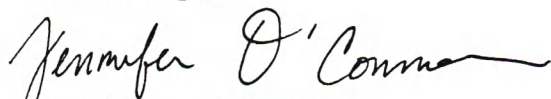
Honorable Roann Destito
Legislative Office Building
Room 652
Albany, NY 122489

Dear Ms. Destito:

In response to your letter of 1 August 1995 regarding the Griffiss Local Development Corporation, I have been informed by the Department of Defense that you should contact Mr. Alan Olsen, Director of the Air Force Base Conversion Agency, with any questions or concerns. Mr. Olsen can be reached at (703) 697-2302.

Please let me know if I can be of further assistance to you.

Sincerely,



Jennifer O'Connor
Special Assistant to the President

15 August 1995

Honorable Roann Destito
Legislative Office Building
Room 652
Albany, NY 122489

Dear Ms. Destito:

In response to your letter of 1 August 1995 regarding the Griffiss Local Development Corporation, I have been informed by the Department of Defense that you should contact Mr. Alan Olsen, Director of the Air Force Base Conversion Agency, with any questions or concerns. Mr. Olsen can be reached at (703) 697-2302.

Please let me know if I can be of further assistance to you.

Sincerely,

Jennifer O'Connor
Special Assistant to the President

15 August 1995

Honorable Roann Destito
Legislative Office Building
Room 652
Albany, NY 12248

Dear Ms. Destito:

In response to your letter of 1 August 1995 regarding the Griffiss Local Development Corporation, I have been informed by the Department of Defense that you should contact Mr. Alan Olsen, Director of the Air Force Base Conversion Agency, with any question or concerns. Mr. Olsen can be reached at (703) 697-2302.

Please let me know if I can be of further assistance to you.

Sincerely,

Jennifer O'Connor
Special Assistant to the President

I SPOKE W/R.D. - SHE
WANTS LETTER AS WELL...
PLS. SEND FOR FEAR
SHE'LL CALL AGAIN...

MEMORANDUM
OF CALL

Previous editions usable

TO:

☐ YOU WERE CALLED BY- ☐ YOU WERE VISITED BY-

OF (Organization)

☐ PLEASE PHONE ► ☐ FTS ☐ AUTOVON

☐ WILL CALL AGAIN ☐ IS WAITING TO SEE YOU
☐ RETURNED YOUR CALL ☐ WISHES AN APPOINTMENT

MESSAGE

GRIFFISS-
ALAN OLSEN
DIR. AIR FORCE BASE
CONV. AGENCY
703-697-2302

RECEIVED BY	DATE	TIME

50363-111 NSN 7540-00-634-4018
*U.S. G.P.O.:1994-300-891/00003

OPTIONAL FORM 363 (Rev. 1-94)
Prescribed by GSA



RoAnn M. Destito
Member of Assembly
116th District

THE ASSEMBLY
STATE OF NEW YORK
ALBANY

COMMITTEES
Aging
Agriculture
Labor
Mental Health
Small Business
Economic Development, Job
Creation, Commerce & Industry

Majority Steering Committee

SUB-COMMITTEES
Special Problems of the Aging

COMMISSIONS
Legislative Commission on
Science and Technology

ASSEMBLY TASK FORCES
Economic Development
Public Authorities
Workers' Compensation

To: Jennifer O'Connor, Special Assistant
The White House

From: RoAnn M. Destito, Member of Assembly

Date: August 1, 1995

SUBJECT: GRIFFISS LOCAL DEVELOPMENT CORPORATION (GLDC) - CONCERNS
WITH AFBCA AND AIR FORCE WITH RESPECT TO REDEVELOPMENT
EFFORTS

I am sending on to you a copy of correspondence addressed to Mr. Rodney Coleman addressing two issues among many that have surfaced in our redevelopment efforts at Griffiss.

As an elected state representative and a Board member of the Griffiss Local Development Corp. I am disheartened at the many apparent roadblocks that the redevelopment efforts face within the D.O.D bureaucracy. I would appreciate if you would advise as to who we can use as a contact to resolve these issues in an expeditious manner.

Thank you for your consideration and cooperation. I look forward to your response.

RMD

RoAnn M. Destito

*CALL LAURA MARCUS
GET DoD CONTACT*

DISTRICT OFFICES: Room 401, State Office Building, 207 Genesee Street, Utica, New York 13501 (315) 732-1055, FAX (315) 732-1413
Barringer Office Building, 2nd Floor, 303 West Liberty Street, Rome, New York 13440, (315) 338-5779
ALBANY OFFICE: Room 652, Legislative Office Building, Albany, New York 12248, (518) 455-5454, FAX (518) 455-5928



Printed on recycled paper.



Steven J. DiMeo
Executive Director

COPY

July 31, 1995

Mr. Rodney Coleman
Office, Assistant Secretary of the Air Force
Manpower, Reserve Affairs, Installations &
Environment
4E1020 Pentagon
Washington, DC 20330

Dear Mr. Coleman:

I am requesting your assistance on two issues that have recently surfaced with AFBCA and which seriously have the potential of undermining the redevelopment effort at Griffiss. The first issue involves the effort of the Griffiss Local Development Corporation (GLDC) to enter into a caretaker contract with AFBCA. The second issue concerns the decision by AFBCA that it will only enter into lease agreements and approve the Economic Development Conveyance (EDC) with an authority or a unit of local government, and not the GLDC. The following discusses these issues and outlines our concerns in greater detail:

Caretaker Agreement:

Recently, AFBCA informed us that it will not sign a contract with the GLDC. Consequently, AFBCA has made demands of Oneida County and the GLDC that we believe are not only unreasonable but also impose a major financial burden on the County and the GLDC.

It is difficult for us to understand how AFBCA, at this late date, can change its mind and now insist that the caretaker contract be executed with Oneida County and not the GLDC. AFBCA is concerned that the GLDC is not a public body, for contracting purposes, and is an inadequate vehicle for protecting AFBCA from potential liability. We strongly dispute this view and believe that the GLDC is capable of performing the role as caretaker and that it is unreasonable for AFBCA, after the fact and at this late date, to expect the County and the GLDC to agree to a new set of demands. We contend that AFBCA has the legal ability to proceed with its original plan on the caretaker agreement which was to enter into a contract with the GLDC.

Among other conditions now being imposed by AFBCA is a requirement that the County either indemnify AFBCA, or in lieu of indemnification, at its own expense purchase environmental liability insurance to indemnify AFBCA from any potential liability that may

GRIFFISS
Local Development Corporation
153 Brooks Road
Griffiss AFB, New York 13441
Phone (315) 338-0303 Fax (315) 338-5604

occur as a result of the caretaker contract. We find this request to be beyond the realm of what is reasonable.

Oneida County is unwilling to assume a contingent liability under the caretaker agreement. The County and for that matter, the GLDC, do not believe they should purchase environmental liability insurance without AFBCA recognizing this cost as an eligible expense that is reimbursable under the caretaker contract. It is impractical and financially unwise to have the County or the GLDC pay for the privilege and right to act as caretaker. I can not imagine how AFBCA can defend the position that a unit of government become obligated to pay part of the cost for being the caretaker. That is not the purpose of the caretaker agreement. Neither the County nor the GLDC are profiting from the caretaker agreement. Why should any local public entity enter into such a contractual arrangement where it has to pay a federal agency for doing what ordinarily is the responsibility of the federal government? Frankly, this is another example of an unfunded mandate.

We contend, that given the structure of the GLDC, and the fact that the members of the corporation are appointed by state and local elected officials provides strong evidence that the GLDC is not transitory but rather is firmly rooted. The GLDC was created by state and local government and reflects the commitment by the State and local officials to oversee the redevelopment of Griffiss AFB. The GLDC is part of New York State's public policy strategy to further the economic development of the Central New York region by reusing the real property at Griffiss which is being made surplus by the Department of Defense. It was also my understanding that the public policy of the Clinton Administration was to encourage economic development and job creation through the redevelopment and reuse of closing and realigning military installations. Unfortunately, this appears not to be true as evidenced by the recent actions of AFBCA.

The GLDC is willing to purchase environmental liability insurance if AFBCA will agree to include the cost of this insurance as an eligible caretaker expense. The insurance will allay AFBCA concerns and also ensure that the caretaker is implemented without further delays. This is no different than having AFBCA reimburse us for the \$10.0 million comprehensive liability policy that is required under the caretaker agreement. AFBCA recognizes liability insurance as an eligible expense, but feels otherwise on environmental liability coverage. It is hard to understand why and how such a distinction is being made.

If this issue cannot be resolved, an alternative for AFBCA is to go out and secure a private company to act as caretaker. However, any private entity is going to include overhead and profit as part of its fee proposal, and will also expect to be reimbursed for indemnifying AFBCA for potential liability. I might add, that a private company will more than likely insulate itself from potential exposure by creating a separate operating company that will be the contracting party with AFBCA. This will limit the ability of AFBCA to sue for reimbursement on damages or to attach corporate assets in the event of a negligent act by the private concern or one of its sub-contractors.

We also do not believe that it is possible for AFBCA to pick up the role of caretaker for Griffiss, and I presume Plattsburgh, before September 30. What is even more frustrating is that Griffiss is a realigned base. After September 30, there will be a significant DoD presence with Rome Laboratory, DFAS, and the NYANG. Total DoD employment after the realignment of Griffiss should exceed 2,000. It is critical that the Air Force and DoD have in place the necessary operating support before ACC terminates its involvement with Griffiss. The GLDC was created to oversee the redevelopment effort and to be the local entity that will assume this role during the transition period. We have worked diligently to mobilize community support for the redevelopment effort and we have made significant progress to establish a structure that can oversee operations and redevelop the base.

Local Redevelopment Authority:

This recent action is not just limited to the caretaker agreement. The second issue concerns the recent request from AFBCA that it will not recognize the GLDC as the Local Redevelopment Authority for future agreements with respect to leases of real property (through interim leases and long term leases), and on the transfer of the real property through the Economic Development Conveyance (EDC). AFBCA now wants us to secure state approval to create a public authority to replace the GLDC, or if that cannot be arranged, require the County to be in the chain of title on all real estate and lease transactions.

We are in the process of finalizing interim leases with several companies and we do not see a need to create a new entity to handle real estate transactions. New York State is concerned about creating new public authorities and frankly even if the state enacted legislation to create a public authority for Griffiss, such an authority will not have any additional powers nor enhance its financial standing than what currently exists with the GLDC. Transforming the GLDC into a public authority does not enhance the financial wherewithal of the new entity, nor is the State of New York legally obligated to satisfy a liability of a public authority.

Local development corporations are fairly standard and have the ability to act in ways that a unit of local government cannot. It is for this reason that local development corporations are used as a conduit for handling real estate transactions to support local economic development activities. Local government is subject to restrictive statutory and procedural requirements that limit its usefulness to acquire, lease, or sell property to a business.

The GLDC fulfills the DoD definition of a local redevelopment authority. The GLDC is the designated local redevelopment authority that is overseeing the redevelopment of Griffiss Air Force Base. The GLDC was created in 1994 as part of the New York State Budget. The corporation has 15 members on the Board of Directors who are appointed by the Governor, the Speaker of the New York State Assembly, the Temporary

President of the New York State Senate, The Oneida County Executive and the Mayor of Rome. We assert that the GLDC is a duly formed and organized entity that fulfills the requirements set forth under the recently published rules and regulations titled: **Revitalizing Base Closure Communities -- Base Closure Community Assistance** which was published on July 20, 1995.

Specifically, the recently published regulations define an LRA as being: ***"Any authority or instrumentality established by state or local government and recognized by the Secretary of Defense through the Office of Economic Adjustment, as the entity responsible for developing the redevelopment plan with respect to the installation or for directing implementation of the plan."***

Also, the State of New York is actively involved in the redevelopment of Griffiss not only through its appointments to the board, but also in terms of its financial commitment for redevelopment of Griffiss. To date, New York has committed over \$10.0 million to capitalize the GLDC, provide funds for capital improvements, and to create the New York State Technology Enterprise Corporation (NYSTEC). NYSTEC is the vehicle for supporting technology transfer and technology exchange activities with Rome Laboratory which is one of the three DoD activities that are to remain at Griffiss once the base is officially realigned on October 1, 1995 (the other two functions are DFAS, and the NEADS which is being transferred to the NYANG).

The GLDC has affirmatively taken all steps to support the transition of Griffiss from an active Air Force base to the **Griffiss Business and Technology Park** which represents our vision for the future redevelopment of Griffiss. We believe that Griffiss is a model for base reuse efforts and we are optimistic about our redevelopment plans.

We ask that you personally review these issues and we request a meeting with you to expedite the resolution of these issues so that we can proceed with our redevelopment plan without further delays and bureaucratic impediments.

If you have any questions, please do not hesitate to contact me.
Sincerely,

Steven J. DiMeo
Executive Director

cc: Raymond Meier, Oneida County Executive
Sherwood Boehlert, United States Congress
Alfonse D'Amato, United States Senate
Daniel Patrick Moynihan, United States Senate
Wayne Cimmons, New York State Office of Federal Affairs
Ray Gillen, New York State Department of Economic Development
Alan Olsen, AFBCA
John Corradetti, AFBCA

Anna Lemaire, AFBCA
Angus McKinnon, BTO
Antonio Faga, Esq.

FAX COVER SHEET
NEW YORK STATE ASSEMBLY

ROANN M. DESTITO
MEMBER OF ASSEMBLY 116th District

The Utica District Office
207 Genesee St.
Utica, NY 13501
FAX # 315-732-1413
Staff # 315-732-1055

*Done
file
NY-
Destito*

DATE: 8/2DELIVER TO: Jennifer O'Connor

FROM: RoAnn M. Destito, Member of Assembly X
Barbara Bialek
Terri Bello
Debbie Potrzeba

Total number of pages to follow is: 6

If you experience a problem with this fax, or have any questions,
please call the number listed above.

Thank you!



RoAnn M. Destito
Member of Assembly
116th District

THE ASSEMBLY
STATE OF NEW YORK
ALBANY

COMMITTEES
Aging
Agriculture
Labor
Mental Health
Small Business
Economic Development, Job
Creation, Commerce & Industry

Majority Steering Committee

SUB-COMMITTEES
Special Problems of the Aging

COMMISSIONS
Legislative Commission on
Science and Technology

ASSEMBLY TASK FORCES
Economic Development
Public Authorities
Workers' Compensation

To: Jennifer O'Connor, Special Assistant
The White House

From: RoAnn M. Destito, Member of Assembly

Date: August 1, 1995

SUBJECT: GRIFFISS LOCAL DEVELOPMENT CORPORATION (GLDC) - CONCERNS
WITH AFBCA AND AIR FORCE WITH RESPECT TO REDEVELOPMENT
EFFORTS

I am sending on to you a copy of correspondence addressed to Mr. Rodney Coleman addressing two issues among many that have surfaced in our redevelopment efforts at Griffiss.

As an elected state representative and a Board member of the Griffiss Local Development Corp. I am disheartened at the many apparent roadblocks that the redevelopment efforts face within the D.O.D bureaucracy. I would appreciate if you would advise as to who we can use as a contact to resolve these issues in an expeditious manner.

Thank you for your consideration and cooperation. I look forward to your response.

RMD

RoAnn M. Destito

DISTRICT OFFICES: Room 401, State Office Building, 207 Genesee Street, Utica, New York 13501 (315) 732-1055, FAX (315) 732-1413
Bartinger Office Building, 2nd Floor, 303 West Liberty Street, Rome, New York 13440, (315) 338-5779
ALBANY OFFICE: Room 652, Legislative Office Building, Albany, New York 12248, (518) 455-5454, FAX (518) 455-5928

Printed on recycled paper.

GLDC

Steven J. DiMeo
Executive Director**COPY**

July 31, 1995

Mr. Rodney Coleman
Office, Assistant Secretary of the Air Force
Manpower, Reserve Affairs, Installations &
Environment
4E1020 Pentagon
Washington, DC 20330

Dear Mr. Coleman:

I am requesting your assistance on two issues that have recently surfaced with AFBCA and which seriously have the potential of undermining the redevelopment effort at Griffiss. The first issue involves the effort of the Griffiss Local Development Corporation (GLDC) to enter into a caretaker contract with AFBCA. The second issue concerns the decision by AFBCA that it will only enter into lease agreements and approve the Economic Development Conveyance (EDC) with an authority or a unit of local government, and not the GLDC. The following discusses these issues and outlines our concerns in greater detail:

Caretaker Agreement:

Recently, AFBCA informed us that it will not sign a contract with the GLDC. Consequently, AFBCA has made demands of Oneida County and the GLDC that we believe are not only unreasonable but also impose a major financial burden on the County and the GLDC.

It is difficult for us to understand how AFBCA, at this late date, can change its mind and now insist that the caretaker contract be executed with Oneida County and not the GLDC. AFBCA is concerned that the GLDC is not a public body for contracting purposes, and is an inadequate vehicle for protecting AFBCA from potential liability. We strongly dispute this view and believe that the GLDC is capable of performing the role as caretaker and that it is unreasonable for AFBCA, after the fact and at this late date, to expect the County and the GLDC to agree to a new set of demands. We contend that AFBCA has the legal ability to proceed with its original plan on the caretaker agreement which was to enter into a contract with the GLDC.

Among other conditions now being imposed by AFBCA is a requirement that the County either indemnify AFBCA, or in lieu of indemnification, at its own expense purchase environmental liability insurance to indemnify AFBCA from any potential liability that may

GRIFFISS

Local Development Corporation

153 Brooks Road

Griffiss AFB, New York 13441

Phone (315) 220-0202 Fax (315) 220-6606

occur as a result of the caretaker contract. We find this request to be beyond the realm of what is reasonable.

Oneida County is unwilling to assume a contingent liability under the caretaker agreement. The County and for that matter, the GLDC, do not believe they should purchase environmental liability insurance without AFBCA recognizing this cost as an eligible expense that is reimbursable under the caretaker contract. It is impractical and financially unwise to have the County or the GLDC pay for the privilege and right to act as caretaker. I can not imagine how AFBCA can defend the position that a unit of government become obligated to pay part of the cost for being the caretaker. That is not the purpose of the caretaker agreement. Neither the County nor the GLDC are profiting from the caretaker agreement. Why should any local public entity enter into such a contractual arrangement where it has to pay a federal agency for doing what ordinarily is the responsibility of the federal government? Frankly, this is another example of an unfunded mandate.

We contend, that given the structure of the GLDC, and the fact that the members of the corporation are appointed by state and local elected officials provides strong evidence that the GLDC is not transitory but rather is firmly rooted. The GLDC was created by state and local government and reflects the commitment by the State and local officials to oversee the redevelopment of Griffiss AFB. The GLDC is part of New York State's public policy strategy to further the economic development of the Central New York region by reusing the real property at Griffiss which is being made surplus by the Department of Defense. It was also my understanding that the public policy of the Clinton Administration was to encourage economic development and job creation through the redevelopment and reuse of closing and realigning military installations. Unfortunately, this appears not to be true as evidenced by the recent actions of AFBCA.

The GLDC is willing to purchase environmental liability insurance if AFBCA will agree to include the cost of this insurance as an eligible caretaker expense. The insurance will allay AFBCA concerns and also ensure that the caretaker is implemented without further delays. This is no different than having AFBCA reimburse us for the \$10.0 million comprehensive liability policy that is required under the caretaker agreement. AFBCA recognizes liability insurance as an eligible expense, but feels otherwise on environmental liability coverage. It is hard to understand why and how such a distinction is being made.

If this issue cannot be resolved, an alternative for AFBCA is to go out and secure a private company to act as caretaker. However, any private entity is going to include overhead and profit as part of its fee proposal, and will also expect to be reimbursed for indemnifying AFBCA for potential liability. I might add, that a private company will more than likely insulate itself from potential exposure by creating a separate operating company that will be the contracting party with AFBCA. This will limit the ability of AFBCA to sue for reimbursement on damages or to attach corporate assets in the event of a negligent act by the private concern or one of its sub-contractors.

We also do not believe that it is possible for AFBCA to pick up the role of caretaker for Griffiss, and I presume Plattsburgh, before September 30. What is even more frustrating is that Griffiss is a realigned base. After September 30, there will be a significant DoD presence with Rome Laboratory, DFAS, and the NYANG. Total DoD employment after the realignment of Griffiss should exceed 2,000. It is critical that the Air Force and DoD have in place the necessary operating support before ACC terminates its involvement with Griffiss. The GLDC was created to oversee the redevelopment effort and to be the local entity that will assume this role during the transition period. We have worked diligently to mobilize community support for the redevelopment effort and we have made significant progress to establish a structure that can oversee operations and redevelop the base.

Local Redevelopment Authority:

This recent action is not just limited to the caretaker agreement. The second issue concerns the recent request from AFBCA that it will not recognize the GLDC as the Local Redevelopment Authority for future agreements with respect to leases of real property (through interim leases and long term leases), and on the transfer of the real property through the Economic Development Conveyance (EDC). AFBCA now wants us to secure state approval to create a public authority to replace the GLDC, or if that cannot be arranged, require the County to be in the chain of title on all real estate and lease transactions.

We are in the process of finalizing interim leases with several companies and we do not see a need to create a new entity to handle real estate transactions. New York State is concerned about creating new public authorities and frankly even if the state enacted legislation to create a public authority for Griffiss, such an authority will not have any additional powers nor enhance its financial standing than what currently exists with the GLDC. Transforming the GLDC into a public authority does not enhance the financial wherewithal of the new entity, nor is the State of New York legally obligated to satisfy a liability of a public authority.

Local development corporations are fairly standard and have the ability to act in ways that a unit of local government cannot. It is for this reason that local development corporations are used as a conduit for handling real estate transactions to support local economic development activities. Local government is subject to restrictive statutory and procedural requirements that limit its usefulness to acquire, lease, or sell property to a business.

The GLDC fulfills the DoD definition of a local redevelopment authority. The GLDC is the designated local redevelopment authority that is overseeing the redevelopment of Griffiss Air Force Base. The GLDC was created in 1984 as part of the New York State Budget. The corporation has 15 members on the Board of Directors who are appointed by the Governor, the Speaker of the New York State Assembly, the Temporary

President of the New York State Senate, The Oneida County Executive and the Mayor of Rome. We assert that the GLDC is a duly formed and organized entity that fulfills the requirements set forth under the recently published rules and regulations titled: Revitalizing Base Closure Communities - Base Closure Community Assistance which was published on July 20, 1995.

Specifically, the recently published regulations define an LRA as being: *"Any authority or instrumentality established by state or local government and recognized by the Secretary of Defense through the Office of Economic Adjustment, as the entity responsible for developing the redevelopment plan with respect to the installation or for directing implementation of the plan."*

Also, the State of New York is actively involved in the redevelopment of Griffiss not only through its appointments to the board, but also in terms of its financial commitment for redevelopment of Griffiss. To date, New York has committed over \$10.0 million to capitalize the GLDC, provide funds for capital improvements, and to create the New York State Technology Enterprise Corporation (NYSTEC). NYSTEC is the vehicle for supporting technology transfer and technology exchange activities with Rome Laboratory which is one of the three DoD activities that are to remain at Griffiss once the base is officially realigned on October 1, 1995 (the other two functions are DFAS, and the NEADS which is being transferred to the NYANG).

The GLDC has affirmatively taken all steps to support the transition of Griffiss from an active Air Force base to the Griffiss Business and Technology Park which represents our vision for the future redevelopment of Griffiss. We believe that Griffiss is a model for base reuse efforts and we are optimistic about our redevelopment plans.

We ask that you personally review these issues and we request a meeting with you to expedite the resolution of these issues so that we can proceed with our redevelopment plan without further delays and bureaucratic impediments.

If you have any questions, please do not hesitate to contact me.
Sincerely,

Steven J. DiMeo
Executive Director

cc: Raymond Meier, Oneida County Executive
Sherwood Boehlert, United States Congress
Alfonse D'Amato, United States Senate
Daniel Patrick Moynihan, United States Senate
Wayne Cimmons, New York State Office of Federal Affairs
Ray Gillen, New York State Department of Economic Development
Alan Olsen, AFBCA
John Corradetti, AFBCA

Anna Lemaire, AFBCA
Angus McKinnon, BTO
Antonio Faga, Esq.