

City of Syracuse
Industrial Development Agency
201 East Washington Street, 6th Floor
Syracuse, NY 13202
Tel (315) 473-3275

Minutes
SIDA Finance Committee Meeting
Monday January 14, 2019

Committee Members Present: Kathleen Murphy, Kenneth Kinsey

Committee Members Absent: Rickey Brown

Staff Present: Honora Spillane, Sue Katzoff, Esq., Judith DeLaney, Debra Ramsey-Burns, John Vavonese

Others Present: Michael Frame, Stephen Thompson, Robert Doucette, Rich DeVito

I. Call Meeting to Order

Ms. Murphy called the meeting to order at 8:08 a.m.

II. Roll Call

Ms. Murphy noted that all Committee members were present except for Mr. Brown who was absent.

III. Proof of Notice

Ms. Murphy noted notice of the meeting had been timely and properly provided.

IV. Minutes

Ms. Murphy asked for a motion to approve the minutes of the August 21, 2018 Finance Committee meeting.

Ms. Murphy made the motion. Mr. Kinsey seconded the motion. **ALL COMMITTEE MEMBERS PRESENT UNANIMOUSLY APPROVED THE MINUTES FROM THE AUGUST 21, 2018 FINANCE COMMITTEE MEETING.**

V. New Business

Joint School Construction Board

Ms. Katzoff advised the Committee the Agency was in receipt of a request by the Joint School Construction Board (JSCB) to issue tax exempt Bonds for Nottingham and Corcoran high schools along with additional funding for Blodgett middle school in an amount not to exceed \$80 million dollars. She said the Agency had also received a request to reduce the Agency fee by 50%. She noted the applications were included in the Committee's packet and had also been presented at the December Board meeting.

Ms. Murphy asked when construction would start. Ms. Katzoff responded the project was on schedule to start at the end of March as soon as the Bonds were issued.

There being no further discussion, Ms. Murphy asked for a motion to recommend to the SIDA Board of Directors approval of the request by the JSCB.

Mr. Kinsey made the motion. Ms. Murphy seconded the motion. **ALL COMMITTEE MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO RECOMMEND TO THE AGENCY BOARD OF DIRECTORS APPROVAL OF A REQUEST BY THE JSCB TO ISSUE ONE OR MORE SERIES OF TAX-EXEMPT AND /OR TAXABLE SCHOOL FACILITY REVENUE BONDS (SERIES 2019A) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000.00 AND A WAIVER OF A PORTION OF THE AGENCY FEE (50%) RELATIVE TO THE ISSUANCE.**

Deys Plaza LLC

Ms. Spillane briefly reviewed the Project for the Committee members noting the Company was requesting financial assistance with the additional buildout of 40,000 sq. ft. of vacant commercial space to be converted to 23 residential units. She said the Company was requesting mortgage and sales tax benefits valued at \$26,205 and \$240,000 respectively. She then introduced the owners of the Company Robert Doucette and Richard DeVito to speak to the Committee about the Project.

Mr. DeVito said he and Mr. Doucette purchased the building in early 2010 from SEDCO. He noted there are currently 61 residential units in the building now and the planned 23 units would be located in a portion of the space vacated by the Bank of New York (BONY). He said property taxes on the building were very high and the exemption from mortgage and sales tax would help to make the project viable. No PILOT is being requested.

Mr. Frame asked if the project received any tax breaks during the first phase of construction. Mr. DeVito responded the Project had not previously received any tax breaks.

In response to a question from Mr. Thompson, Mr. DeVito said the average rent for the apartments would be \$1600.00 with the majority being one bedroom apartments as two bedroom apartments were more difficult to rent.

Ms. DeLaney asked about vacancies. Mr. DeVito responded they had two at the moment but generally are able to re-rent within 45 days.

Mr. Thompson asked about the retail space on the first floor. Mr. Doucette said currently there was 5000 sq. ft. available and the Company was actively looking for the right tenant to lease the space.

Ms. Murphy asked if construction had commenced. Mr. Doucette responded a construction manager had been hired but bank closing had yet to occur. She also asked about permits and Mr. Doucette said they were in process.

Ms. Katzoff asked about a time frame. Mr. DeVito responded he anticipated the Project would take 12 months to complete and hoped to close on financing in February.

In response to a question from Mr. Frame, Mr. Doucette noted the building had lost a 70,000 sq. ft. commercial tenant (BONY) and had worked for over a year to try and fill that vacant office space with no success. He said they have worked very hard to put this Project back on track and at this point every single dime counts. He noted even with the new residential units the Project would likely just break even.

Mr. Kinsey asked for confirmation on the number of new residential units. Mr. DeVito confirmed it would be 23.

The Committee members in general asked for clarification on whether or not there was an existing PILOT on the Project. Ms. Spillane confirmed there was no PILOT on the property nor had the owners ever requested such an agreement.

The Committee members also requested prior to making a recommendation on this Project to the Board that staff provide a list of Projects where additional requests for benefits for a second phase were made after approval.

Ms. Spillane indicated staff could provide a list by afternoon and it was agreed the Finance Committee would meet again at 7:45 a.m. prior to the Board meeting of the 15th to review the list and make a recommendation on the Deys Project .

VI. Adjournment

There being no further business to discuss Ms. Murphy asked for a motion to adjourn the meeting. Mr. Kinsey made the motion. Ms. Murphy seconded the motion. **ALL COMMITTEE MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN THE MEETING AT 8:42 a.m.**