

City of Syracuse Industrial Development Agency

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Minutes

Board of Directors Meeting
Tuesday, October 15, 2019

Board Members Present: Michael Frame, Steven Thompson, Kathleen Murphy, Rickey Brown, Kenneth Kinsey

Staff Present: Judith DeLaney, Susan Katzoff, Esq., John Vavonese, Lori McRobbie.

Others Present: Joseph M. Marusa, Stephanie Pasquale, Jacob Waldron, Eric Ennis, Aggie Lane, Merike Treier, Timothy Lynn, Esq., Jake Dishaw, Jeremy Cali, Tom Douglas; Rick Moriarty

I. Call Meeting to Order

Mr. Frame called the meeting to order at 8:30 a.m.

II. Roll Call

Mr. Frame acknowledged all Board members were present.

III. Proof of Notice

Mr. Frame noted notice of the meeting had been timely and properly provided.

IV. Minutes

Mr. Frame asked for a motion approving the minutes from the September 17, 2019 Board of Directors meeting. Mr. Brown made the motion. Mr. Thompson seconded the motion. **THE MOTION TO APPROVE THE MINUTES FROM THE SEPTEMBER 17, 2019 BOARD OF DIRECTORS MEETING WAS UNANIMOUSLY APPROVED.**

V. Committee Report

Mr. Frame reported the Finance Committee met on October 7, 2019 and October 15, 2019 regarding (i) the status of Steri-Pharma Project; (ii) the Downtown Committee's request for a two year extension or renewal of the Cooperation Agreement with Downtown Committee and a reallocation of certain funding; (iii) the City's permitting office's request to enter a cooperation agreement and provide financial support to upgrade permitting software to streamline the permitting process; (iv) Syracuse

Build's request to enter into a cooperation agreement to provide a portion of the funding to support workforce training; and (v) the 2020 budget. The Finance Committee has reviewed all of the foregoing and recommends approval/adoption of all matters either in whole or part as will be presented during this board meeting.

VI. New Business

300 Spencer Street, LLC

Ms. DeLaney advised the members that the Agency was in receipt of an application for financial assistance (included in the Board's packet) from the Company. She said the owners propose a project at 300 Spencer Street, the former "Student One" bus garage in the Franklin Square area. The Company proposes the demolition of two existing buildings and the construction of a five story 100,000 sq. ft. building with an associated covered parking structure and additional parking to accommodate a total of 500 cars. The Project will act as the local corporate headquarters of Bankers Healthcare Group. The cost of the Project is estimated to be \$39,664,000. The Company is requesting benefits from the Agency in the form of a mortgage recording tax exemption valued at \$210,000, a sales and use tax exemption valued at \$800,000 and a PILOT Agreement utilizing the Agency's "Priority Industry" schedule, value to be determined upon further discussion with the assessor. The Company currently employs 256 people in its Franklin Square facility and proposes an additional 250 jobs will be created as a result of this expansion.

Jeremy Cali and Tom Douglas spoke in favor of the project on behalf of the Company.

In addition to Syracuse, the Company also has offices in Fort Lauderdale, Florida and NYC. They own 201 Spencer Street which is full. They will continue to use this property. They are growing at a rapid pace and have expanded into 115 Solar, the firehouse and above the Syracuse Suds Factory. Employees at these locations will be relocated to 300 Spencer Street facility. They are in need of a new headquarters. King & King are the architects and Parsons McKenna is the builder.

They spoke about the parking garage and a possible future addition (expand up for more office space).

Mr. Frame inquired about salaries of new employees. Mr. Cali advised that sales people's salaries can range from \$60,000 to \$100,000. The new employees will mostly be front end sales people who will need sales skills. Marketing, accounting and analysts will need more education/skills. Current payroll is approximately \$13,000,000. Future payroll is estimated to be \$30,000,000. Mr. Frame asked them to bring a specific breakdown to the public hearing. Mr. Cali advised that Al Crawford hires from local colleges and that his employees did not want to move their headquarters to Dewitt, they wanted to stay downtown.

Ms. Katzoff introduced the first resolution in the agenda relative to the Project seeking to appoint the Agency as lead agent for purposes of conducting a coordinated SEQRA review. Mr. Frame asked for a motion to approve the SEQRA Lead Agency resolution. Mr. Brown made the motion. Ms. Murphy seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION CLASSIFYING A CERTAIN PROJECT AS A TYPE I ACTION AND DECLARING THE INTENT OF THE CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY TO BE LEAD AGENCY FOR PURPOSES OF A COORDINATED REVIEW PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT.**

Ms. Katzoff introduced the second resolution in the agenda relative to the Project seeking to authorize a public hearing pursuant to the General Municipal Law. Mr. Frame asked for a motion to authorize a Public Hearing. Mr. Brown made the motion. Ms. Murphy seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION DETERMINING THAT THE ACQUISITION, CONSTRUCTION, EQUIPPING AND COMPLETION OF A COMMERCIAL FACILITY AT THE REQUEST OF THE COMPANY CONSTITUTES A PROJECT; DESCRIBING THE FINANCIAL ASSISTANCE IN CONNECTION THEREWITH; AND AUTHORIZING A PUBLIC HEARING.**

Steri-Pharma LLC

Ms. Katzoff requested the Board approve a motion authorizing the Agency to enter into a Memorandum of Understanding with the Company in connection with a commercial project previously undertaken at the request of the Company.

The Company has kept in communication with the Board and staff about delays associated with the Project. The retaining wall repairs have been completed and they have done all the upgrades they can do without actually putting in the new manufacturing line.

The Company advised that they should know by March 30, 2020 if their customer will proceed with a demand level that will allow the project to go forward. The Board's participation is important to the European client. The Company will report back on its progress in December and again in February 2020.

The PILOT has commenced, but since no construction has started, they are paying full property taxes on the existing building. The Company has not used any of its sales tax benefit or mortgage recording tax benefit.

If the Project closes prior to March 30, 2020, the Company will request to push the PILOT out two years. No additional financial benefit will be awarded, so no harm to City or taxpayers, however, the benefit period under the PILOT will be delayed. If the Project does not close by March 30, 2020, the Agency may terminate its relationship with the Company.

There being no discussion Mr. Frame asked for a motion to approve the resolution. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION AUTHORIZING THE AGENCY TO ENTER INTO A MEMORANDUM OF UNDERSTANDING WITH THE COMPANY IN CONNECTION WITH A COMMERCIAL PROJECT PREVIOUSLY UNDERTAKEN AT THE REQUEST OF THE COMPANY.**

Addis Building LLC

Ms. Katzoff requested the Board approve a motion authorizing an extension of both the Agency leases and sales tax appointment until December 31, 2020. According to the Company, the extension is request in large part due to permitting delays. The Company anticipates the Project will be complete sometime in 2020. Ms. Katzoff advised that according to the Company, it has \$183,000 in unused sales tax exemption benefits. The Company is not requesting additional financial assistance.

After a brief discussion Mr. Frame asked for a motion to approve the resolution. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION APPROVING AN EXTENSION OF THE TERM OF THE LEASES BETWEEN THE AGENCY AND THE COMPANY AND THE SALES TAX APPOINTMENT OF ADDIS BUILDING LLC AS AGENT OF THE**

AGENCY UNTIL DECEMBER 31, 2020; AND AUTHORIZING THE EXECUTION OF ANY AND ALL NECESSARY DOCUMENTS.

300 Washington Street LLC

Ms. Katzoff requested the Board approve a motion authorizing an extension of sales tax appointment until April 30, 2020. The Company's current appointment expired October 1, 2019. The Agency received correspondence from the Company requesting a retroactive extension of the sales tax appointment for the Project due to construction delays. The Company reports that as of September 30, 2019 it has used \$568,037.84 of the approved exemption leaving an available exemption amount of \$761,082.16. The Company is not requesting additional financial assistance.

Mr. Frame asked for a motion to approve the resolution. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION APPROVING AN EXTENSION OF THE SALES TAX APPOINTMENT OF 300 WASHINGTON STREET, LLC AS AGENT OF THE AGENCY UNTIL APRIL 30, 2020; AND AUTHORIZING THE EXECUTION OF ANY AND ALL NECESSARY DOCUMENTS.**

Downtown Committee of Syracuse (DTCS) Cooperation Agreement

Ms. DeLaney advised the Board members that the Agency received a request from the Downtown Committee of Syracuse ("DTCS") to (a) reallocate a portion of funding from an existing agreement in the amount of \$8,891.00 as a partial funding for additional security cameras; and (b) enter into a new agreement to provide funding in an amount not to exceed \$146,460.00 annually for a period of two years (10/19 to 10/21) for weekend and evening security and maintenance personal. Ms. DeLaney advised the Board that there is a balance left over from the previous contract in the amount of \$136,000.

Ms. Treier spoke in favor of these requests and agreed to take any questions from the Board members.

Mr. Brown asked about diversity. Ms. Treier discussed the service agreement.

Mr. Frame asked for a motion to approve the resolution regarding reallocating a portion of the funding for three new cameras. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION AUTHORIZING THE DOWNTOWN COMMITTEE OF SYRACUSE TO REPURPOSE EXISTING FUNDS APPROVED WITH RESPECT TO A PROJECT AND ACQUIRE AND INSTALL THREE NEW SECURITY CAMERAS WITHIN THE DOWNTOWN AREA OF THE CITY OF SYRACUSE.**

Mr. Frame asked for a motion to approve the resolution regarding approval to enter into a new agreement to provide funding in an amount not to exceed \$146,460.00 annually for a period of two years (10/19 to 10/21) for weekend and evening security and maintenance personal. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION AUTHORIZING THE AGENCY TO NEGOTIATE, EXECUTE AND DELIVER A CONTRACT WITH THE DOWNTOWN COMMITTEE OF SYRACUSE IN FURTHERANCE THEREOF.**

Permitting Process Software Implementation

Ms. DeLaney advised the Board members that the Agency received a request from the City of Syracuse (the "City") to enter into a cooperation agreement with the City to partner with Camino Technologies Inc. to provide consulting and software for the City's updated permitting process

Jake Dishaw from the City spoke in favor of the Project and the goal to make the permitting process digital. He said that hardware upgrades have been implemented and now they need the software. The new software will bring the permit process into the 20th century.

Mr. Thompson inquired as to the manner in which SIDA could participate. Ms. Katzoff advised that the upgrades to the permitting process would align with SIDA's goal of promoting economic development within the City of Syracuse. Currently it takes months to obtain necessary permits and is inefficient and costly to project developers. The system is broken. The new upgrades would significantly reduce the timeframe for approvals; would allow all parties (internally and externally) to review plans and specs in real time, would ensure all parties were reviewing the most current versions of documents and would reduce costs to both the City and the project developers. The improvements would have a direct impact on economic development in the City. Mr. Dishaw confirmed and agreed.

Mr. Frame asked about training in regards to use of the new software. Mr. Dishaw advised that it is included in the package received from the software company.

There being no discussion, Mr. Frame asked for a motion to authorize participation in a cooperation agreement with the City in an amount not to exceed \$100,000 to pay for a portion of technology improvements associated with the City's permitting process improvements implementation. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION AUTHORIZING A PROJECT AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND THE EXPENDITURE OF FUNDS IN SUPPORT THEREOF.**

Syracuse Build

Ms. DeLaney advised the members of a request received from Center State CEO Foundation (the "Foundation") to allocation funding in the amount of \$100,000 to fund specific training costs associated with the Syracuse Build Initiative for residents of the City of Syracuse. Ms. Delaney advised that any allocation of funds would require quarterly reporting from the Foundation on the status of the use of funds and ongoing programming (including classes and students).

Stephanie Pasquale, Director of Neighborhood and Business Development, spoke in favor of this matter. Ms. Pasquale advised that the program is trying to take a comprehensive view with respect to training a workforce of City residents for construction and other positions and the funding will help facilitate classes and other ancillary support for the program participants.

Mr. Brown asked about the outcomes of other work training programs and what the quarterly reports will contain. He expressed concern about the historical outcomes of these types of programs noting that there is only one person of color with a master license. Ms. Pasquale indicated that unlike some other programs Syracuse Build is working within the community to identify needs and trying to tailor the training to meet those needs while at the same time addressing ongoing needs of the students dedicated to being trained to eliminate some of the barriers to success. There has been significant

research and community involvement in developing the program. She further indicated that the program incorporates certain benchmarks for success. Mr. Frame requested Ms. Pasquale attend an upcoming finance committee meeting, to be scheduled in the 1st quarter of 2020, to report on outreach efforts and the programs impact to address Mr. Brown's concerns.

Mr. Frame asked for a motion to approve a resolution authorizing an agreement to allocate funding in the amount not to exceed \$100,000.00 for a period of one year to support specific activities of the Syracuse Build program. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION AUTHORIZING A PROJECT AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND THE EXPENDITURE OF FUNDS IN SUPPORT THEREOF.**

Brownfields Assessment Coalition

Ms. DeLaney advised the members that the Greater Syracuse Land Bank (GSLB), the Onondaga County Industrial Development Agency (OCIDA) and the Agency have been awarded cooperative grant agreement from the United States Environmental Protection Agency ("EPA") to complete brownfield assessments on brownfield sites in the City and the County. The staff is seeking approval of an agreement between the GSLB, OCIDA and the Agency relative to the grant funding awarded by the EPA for brownfield site investigation and a memorandum of understanding between the Agency and the Land bank regarding same.

There is no cost to the Agency associated with this.

Ms. DeLaney further requested authority to enter into a separate MOU between the Agency and the GSLB regarding the obligations of GSLB under the grant agreement and impose an obligation on the GSLB to report on no less than a quarterly basis to the Agency regarding compliance with the grant agreement.

Ms. DeLaney advised that the parties have already identified approximately 7 sites for investigation – 5 of which are within the City of Syracuse. The grant will allow for Phase 1 and some Phase II reports to be prepared. The EPA appointed the GSLB as the lead party under the grant responsible for all reporting and direct contact with the EPA. Each of the other participants will support the GSLB in the collection of information relative to the impacted sites.

Mr. Thompson asked if it includes clean-up costs. Ms. DeLaney advised that it does not; but covers investigation and testing.

There being no further discussion, Mr. Frame asked for a motion to approve a resolution authorizing an agreement between the GSLB, OCIDA and the Agency relative to grant funding awarded by the EPA for brownfield site investigation at sites and a memorandum of understanding between the Agency and the Land Bank relative to same. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION AUTHORIZING THE EXECUTIVE DIRECTOR TO: (1) EXECUTE AND DELIVER THE BROWNFIELDS ASSESSMENT COALITION MEMORANDUM OF AGREEMENT FOR THE GRANT PERIOD OF OCTOBER 1, 2019 THROUGH SEPTEMBER 30, 2022; AND (2) NEGOTIATE, EXECUTE AND DELIVER AN AGREEMENT WITH THE GREATER SYRACUSE LAND BANK.**

VII. Agency Budget

J. Vavonese advised that the proposed revisions to the 2020 budget were made and approved by the Finance Committee at its October 15, 2019 meeting. Mr. Frame asked for a motion to approve, as amended, the 2020 budget.

Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE 2020 BUDGET.**

VIII. Executive Session

At 9:17 a.m. Mr. Brown made a motion to enter executive session to discuss the acquisition of real property. Ms. Pasquale was asked to stay for executive session. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ENTER EXECUTIVE SESSION.**

At 9:38 a.m. Mr. Brown made a motion to exit executive session. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO EXIT EXECUTIVE SESSION.**

IX. Adjournment

There being no further business to discuss Mr. Frame asked for a motion to adjourn the meeting.

At 9:39 a.m. Mr. Brown made a motion to adjourn. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN THE MEETING AT 9:39 AM.**