

City of Syracuse Industrial Development Agency

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Minutes

Board of Directors Meeting
Tuesday, November 19, 2019

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

Staff Present: Judith DeLaney , Susan Katzoff, Esq., John Vavonese, Debra Ramsey-Burns.

Others Present: Jeremy Cali, Thomas Douglas Suzanne Stack, Donna Hanover, Deli Vargus, Gail Cawley, Zachary Benjamin, Joe Marusa, Laura Cueva, Matthew Paulus, Edward Riley.

Media: Rick Moriarty

Public Hearing

I. 300 Spencer Street, LLC

Mr. Frame opened the Hearing at 8:00 a.m. and asked Ms. DeLaney to read verbatim the Notice of Public Hearing on the Project. A copy of the notice is attached and included in the minutes.

After Ms. DeLaney read the notice, Mr. Frame asked if anyone in attendance wished to speak in favor of the Project. Jeremy Cali representing the owner spoke in favor. Mr. Cali said the proposed project entailed the construction of a five story office building and atrium with associated parking to serve as the local headquarters of Bankers HealthCare Group. He said the company, rapidly running out of space in the area, currently employs 260 people in a variety of locations in the City and anticipates the hiring of an additional 250 employees after completion of the Project. He noted the jobs would include executive, administrative, and sales positions and said the Company hoped the signature project would become a gateway to the Inner Harbor.

After Mr. Cali concluded his remarks, Mr. Frame asked an additional two times if anyone else in attendance wish to speak in favor of the Project. No one spoke.

Mr. Frame then asked if anyone in attendance wished to speak in opposition of the Project. No one spoke. Mr. Frame asked an additional two times if anyone in attendance wished to speak in opposition of the Project. No one spoke.

Mr. Frame closed the Public Hearing at 8:11am.

II. Call Meeting to Order

Mr. Frame called the meeting to order at 8:11am

III. Roll Call

Mr. Frame acknowledged all Board members were present.

IV. Proof of Notice

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

V. Minutes

Mr. Frame asked for a motion approving the minutes from the October 15, 2019 Board of Directors meeting. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE MINUTES FROM THE OCTOBER 15, 2019 BOARD OF DIRECTORS MEETING.**

VII. Committee Report

Mr. Frame reported a meeting of the Finance Committee was held on November 4, 2019 at which time an application from the Joint School Construction Board requesting the Agency issue school facility revenue bonds in an amount not to exceed \$108,000,000.00 was reviewed. He said after review and discussion, members of the Committee approved a motion to recommend to the Board of Directors approval of the Project.

VI. New Business

Joint School Construction Board

Noting the Finance Committee had previously conducted a review Ms. Katzoff briefly summarized the Project for the members advising the applicant is requesting the Agency issue school facility revenue bonds in an amount not to exceed \$108,000,000.00 to finance improvements at Clary and Danforth Middle Schools, the Expeditionary Learning Middle School, and Henniger and Fowler High Schools.

She then requested the Board members approve a resolution authorizing a Public Hearing on the Project.

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 A PUBLIC HEARING IN CONNECTION WITH THE UNDERTAKING OF A PROJECT BY THE AGENCY AND THE ISSUANCE BY THE AGENCY OF ITS SCHOOL FACILITY REVENUE BONDS (SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2020A.**

JMA Tech Properties LLC

Ms. DeLaney advised the members the Agency was in receipt of an application for financial assistance from the Company for a Project to be located at 120-154 Cortland Ave (former Coyne Textiles Building) and adjacent properties. She said the Company proposes a gut renovation of the building to locate a new manufacturing center, the focal point of a planned technology campus at the site. The cost of the initial project will be \$15,815,000.00 with a minimum of 100 jobs to be created as a result.

Gail Cawley representing the Company also spoke. She said the Company, located in Liverpool, employed 500 people and was rapidly expanding. She noted the new location will manufacture “state of the art” 5G technology along with an innovation center.

Ms. Murphy asked about the availability of parking and any planned brownfield remediation. Ms. Cawley responded there are currently 100 spaces available with additional spaces planned and noted the site had already been accepted into the State’s Brownfield program.

There being no other questions Ms. Katzoff requested the Board approve a resolution naming the Agency as “Lead Agency” for purposes of SEQRA and a second resolution authorizing a public hearing.

Mr. Frame asked for a motion to approve the first resolution. Mr. Brown made the motion. Mr. Kinsey 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 .**

Mr. Frame then asked for a motion approving the public hearing authorization resolution.

Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION DETERMINING THAT THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, RENOVATION, 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.**

Jasso Properties LLC

Ms. DeLaney advised the Board members the Agency was in receipt of an application for financial assistance from the Company for a Project located at 1614 E. Genesee St the former Richmark Carpet building and asked the members authorize a public hearing on the request. She briefly reviewed the Project to convert the building to a mixed commercial residential use at a cost of \$3,088,391. She said the Company was requesting mortgage and sales tax exemption benefits along with a PILOT agreement and requested the Board approve a motion authorizing a public hearing for the Project.

Laura Cueva, owner of the Project was present. She said her design company located to the Project in the past year and completed some renovation including the ongoing renovation of the façade. She said however to make the building fully operational for its proposed use it needed substantial repair due to its age and condition.

Mr. Brown thanked Ms. Cueva for opening her business in the building and investing in the neighborhood. Ms. Murphy asked if the green space adjacent to the building was public or private. Ms. Cueva indicated it was both.

There being no further questions 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 DETERMINING THAT THE ACQUISITION, CONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF A MIXED-USE FACILITY AT THE REQUEST OF THE COMPANY CONSTITUTES A PROJECT; DESCRIBING THE FINANCIAL ASSISTANCE IN CONNECTION THEREWITH; AND AUTHORIZING A PUBLIC HEARING MOTION AUTHORIZING A PUBLIC HEARING.**

Smith Building LLC

Ms. DeLaney advised the Agency also was in receipt of an application for financial assistance for a Project to be located at 500 Erie Blvd East (aka Smith Restaurant Supply Building) and requested the Board members approve a resolution authorizing a Public Hearing on it as well. She said the Project would entail the gut renovation of the two adjoining buildings on site to be converted to a mixed residential / commercial mixed use. The residential units will be income restricted to the annual 65% AMI rent limit for the City of Syracuse. She noted affordable housing units have been identified as a need in central business district. She advised the Company is requesting benefits from the Agency in the form of a mortgage recording tax exemption valued at \$39,577.00, a sales tax exemption benefit valued at \$440,000.00 and a Priority Commercial Residential PILOT value to be determined.

There being no questions, 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 DETERMINING THAT THE ACQUISITION, CONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF A MIXED-USE FACILITY AT THE REQUEST OF THE COMPANY CONSTITUTES A PROJECT; DESCRIBING THE FINANCIAL ASSISTANCE IN CONNECTION THEREWITH; AND AUTHORIZING A PUBLIC HEARING.**

State Tower Building, LLC

Ms. Katzoff advised the Agency has received correspondence from the Company and its attorney requesting participation in the refinancing of the mortgage on the Project and further requesting an increase in the amount of the mortgage tax exemption by \$49,800.00. She said the Company is now moving to permanent financing and is requesting an increase in the original mortgage exemption benefit approved to reflect the increase in the permanent financing to \$22,000,000.

There being no discussion Mr. Frame asked for a motion authorizing the request. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION APPROVING THE AGENCY'S PARTICIPATION IN THE REFINANCING OF THE PROJECT; AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND AUTHORIZING AN INCREASE IN CERTAIN FINANCIAL ASSISTANCE.**

Syracuse Community Hotel Restoration Company

Ms. Katzoff advised the Company is requesting approval of a retroactive extension of the authorized Agency agreement through February 1, 2020 and an increase in the amount of the approved sales tax exemption by \$48,000.00. She said in July of 2017 the Agency Board of Directors approved financial assistance to the Company for a Phase II project to complete the construction of an additional 54 guest rooms and two proposed restaurants. The Project was delayed due to financing which now is in place. In the interim one of the restaurants was completed and is now open (Shaughnessy's). She noted the Company would not make use of the mortgage tax exemption also approved as the type of financing did not require a mortgage lien.

Edward Riley owner of the Project was present and spoke briefly to the Board members noting the new restaurant would occupy the space formerly the Rainbow Room.

There being no discussion Mr. Frame asked for a motion approving a resolution authorizing the request. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION APPROVING AN EXTENSION OF THE AGENCY AGREEMENT BETWEEN THE AGENCY AND THE COMPANY UNTIL FEBRUARY 1, 2020 AND AUTHORIZING THE INCREASE IN CERTAIN FINANCIAL ASSISTANCE.**

Seneca Armory Associates LLC

Ms. Katzoff, advising the Board of Directors approved benefits for the Project in April of 2019, said the Agency has received correspondence from the Company requesting authorization of a temporary sales tax appointment for the Project through January 30, 2020. She noted this was to allow construction to commence prior to closing delayed due historic tax credit financing issues and said the Company fully expects to close prior to the end of January.

There being no discussion Mr. Frame asked for a motion authorizing a resolution approving the request. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION APPROVING THE TEMPORARY APPOINTMENT OF THE COMPANY AS AGENT OF THE AGENCY WITH RESPECT TO A PROJECT AND THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH.**

Grossman St. Amour CPA's PLLC

Mr. Vavonese requested the Board members approve a proposed engagement letter to retain the services of Grossman St. Amour PLLC for auditing services for fiscal year 2019 in an amount not to exceed \$17,000.00. He noted there was no fee increase from last year.

There being no discussion, Mr. Frame asked for a motion to approve the proposal. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ACCEPT A PROPOSAL FROM GROSSMAN ST. AMOUR CPA'S PLLC FOR AUDITING SERVICES FOR FISCAL YEAR 2019.**

Annual Board of Directors Evaluation

Ms. DeLaney distributed the annual Board of Directors evaluation and asked that each of the Board members complete and return to Mr. Frame.

VII. Executive Session

Mr. Frame asked for a motion to adjourn to Executive Session to discuss a property acquisition matter. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN TO EXECUTIVE SESSION FOR DISCUSSION OF A PROPERTY ACQUISITION MATTER AT 9:01 a.m.**

Mr. Frame asked for a motion to adjourn out of Executive Session. Ms. Murphy made the motion. Mr. Thompson seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN OUT OF EXECUTIVE SESSION AT 9:15 a.m.**

VIII. Adjournment

There being no further business to discuss Mr. Frame asked for a motion to adjourn. Ms. Murphy made the motion. Mr. Thompson seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN AT 9:16 a.m.**