

City of Syracuse Industrial Development Agency

201 East Washington Street,
6th Floor Syracuse, NY 13202
Tel (315) 473-3275

Minutes

Board of Directors Meeting
Tuesday, December 17, 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, Laura Cueva, Matthew Paulus, Aggie Lane, Joshua Werbech, Eric Ennis, Jennifer Tifft, Tim Lynn, Mike Palermo.

Media: Rick Moriarty

Public Hearing

I. Joint School Construction Board

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. Suzanne Slack representing the School District spoke in favor. Ms. Slack said this final borrowing not to exceed \$108 million dollars would finance phase 2 of the school construction. After she finished speaking, Mr. Frame asked an additional two times if anyone else in attendance wish to speak in favor of the Project.

Aggie Lane representing the Urban Job Task Force also spoke in favor noting the JSCB had committed to a 20% residency hiring agreement for construction workers.

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 8:08 a.m.

JMA Tech Properties LLC

Mr. Frame opened the Hearing at 8:08 a.m. and asked Ms. Katzoff 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. Katzoff read the notice, Mr. Frame asked if anyone in attendance wished to speak in favor of the Project.

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

Mr. Frame than asked if anyone in attendance wished to speak in opposition to the Project.

Aggie Lane of the Urban Job Task Force noting she was not against the Project asked why a cost benefit analysis was not included in the Agenda packet. Ms. DeLaney apologized saying it was an oversight and would be included in next month's agenda when resolutions approving the Project would be considered.

Mr. Frame requested the Public Hearing left open until the January meeting when the cost benefit analysis will be available for review.

Jasso Properties LLC

Mr. Frame opened the Hearing at 8:16 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. Laura Cueva owner of the building spoke in favor noting she was anxious to start the construction and was available to answer any further questions on it.

There being no questions Mr. Frame asked an additional two times if anyone else in attendance wish to speak in favor of the Project. Aggie Lane of the Urban Job Task Force spoke in favor expressing the hope that as the Company hires new employees they hire from within the City.

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

Mr. Frame closed the Public Hearing at 8:21 a.m.

Smith Building, LLC

Mr. Frame opened the Hearing at 8:21 a.m. and asked Ms. Katzoff 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. Katzoff read the notice, Mr. Frame asked if anyone in attendance wished to speak in favor of the Project. Mathew Paulus owner of the Project spoke in favor. Mr. Paulus said he is very excited about the Project thinks it will be very good for this area as the viaduct comes down and the Erie Canal corridor project begins.

Mr. Frame asked an additional two times if anyone else in attendance wish to speak in favor of the Project.

Ms. Lane spoke and asked about the affordability of the apartments.

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

Mr. Frame closed the Public Hearing at 8:26 a.m.

II. Call Meeting to Order

Mr. Frame called the meeting to order at 8:26a.m.

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 November 19, 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 NOVEMBER 19, 2019 BOARD OF DIRECTORS MEETING.**

VI. Committee Reports

Finance Committee: Mr. Frame reported The Finance Committee met on December 10, 2019. At the meeting members of the Committee reviewed applications received by the Agency from JMA Tech Properties LLC, Jasso Properties LLC, and Smith Building LLC. Representatives of the individual projects were present to discuss the proposals and answer questions. After review and discussion, members of the Finance Committee approved motions to recommend to the Board of Directors approval of all three projects as presented.

Governance Committee: Mr. Frame said the Governance Committee also met on December 10, 2019. At the meeting members of the Committee reviewed a proposed "Property Acquisition Policy". After discussion the members approved a motion to recommend to the Board of Directors adoption of the policy as presented.

VII. New Business

300 Spencer Street, LLC

Ms. Katzoff noted a Public Hearing was held on the Project on November 19, 2019. Advising a cost benefit analysis was included in the Agenda packet for review, she asked the Board to consider resolutions approving the Project. She said the first resolution for their consideration was a SEQRA resolution specifying the Project would not have a significant effect on the environment.

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 DETERMINING THAT THE UNDERTAKING OF A CERTAIN PROJECT AT THE REQUEST OF 300 SPENCER STREET LLC WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.**

Ms. Katzoff then asked the Board to consider an inducement resolution for the Project authorizing sales and mortgage tax exemptions noting the Company was proposing a \$40 million dollar investment along with the creation of 250 jobs.

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 UNDERTAKING, ACQUISITION, CONSTRUCTION, EQUIPPING AND COMPLETION OF A PROJECT; APPOINTING THE COMPANY AS AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION, EQUIPPING AND COMPLETION OF THE PROJECT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE AGENCY AND THE COMPANY**

Ms. Katzoff then asked the members to consider a PILOT resolution advising the Company qualified for a 15 year Priority Industry schedule in accordance with the Agency's UTEP policy.

There being no discussion, Mr. Frame asked for a motion to approve the PILOT Resolution. Ms. Murphy made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION APPROVING A PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION THEREWITH.**

Ms. Katzoff then asked the members to approve a final resolution for the Project authorizing the execution and delivery of all documents for the Project. She said the Project would like to close by the end of the year.

There being no discussion, Mr. Frame asked for a motion approving authorizing the resolution. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A COMMERCIAL PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY.**

Joint School Construction Board

Ms. Katzoff asked the Board to consider two resolutions approving the JSCB Project.

She said the first- the inducement resolution authorizes the Agency to undertake the project while the second resolution - the Bond resolution authorizes the actual issuance of the bonds. She noted the bond funding would not exceed \$108 million dollars and will likely be issued in the first quarter of 2020.

There being no discussion Mr. Frame asked for a motion to approve the inducement resolution. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION RESOLUTION APPROVING THE UNDERTAKING BY THE ISSUER**

OF A CERTAIN PROJECT CONSISTING OF THE ACQUISITION BY THE ISSUER OF AN INTEREST IN, AND RECONSTRUCTION, RENOVATION, REHABILITATION, IMPROVEMENT AND EQUIPPING OF EXISTING SCHOOL BUILDINGS AT THE REQUEST OF THE SYRACUSE JOINT SCHOOLS CONSTRUCTION BOARD AND THE ISSUANCE OF ONE OR MORE SERIES OF THE ISSUER'S TAX-EXEMPT AND/OR TAXABLE SCHOOL FACILITY REVENUE BONDS (SERIES 2020A) IN AN AGGREGATE AMOUNT NOT TO EXCEED \$108,000,000 TO FINANCE THE COST THEREOF, THE COSTS OF SUCH ISSUANCE AND FUNDING CAPITALIZED INTEREST AND A DEBT SERVICE RESERVE FUND, IF ANY.

Mr. Frame then asked for a motion to approve the bond resolution. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF THE ISSUER'S TAX-EXEMPT AND/OR TAXABLE SCHOOL FACILITY REVENUE BONDS (SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2020A IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$108,000,000 AND THE EXECUTION OF RELATED DOCUMENTS.**

Jasso Properties LLC

Noting a Public Hearing has just concluded on this Project Ms. Katzoff requested the Board consider resolutions approving it for benefits. She advised a cost benefit analysis was included in the agenda packet for review and said the first resolution was a SEQRA Resolution advising the project was an unlisted action with no significant environmental impact.

There being no discussion Mr. Frame asked for a motion approving authorizing the resolution. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION CLASSIFYING A CERTAIN PROJECT AS AN UNLISTED ACTION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT, DECLARING THE AGENCY LEAD AGENCY FOR PURPOSES OF AN UNCOORDINATED REVIEW THEREUNDER AND DETERMINING THAT THE ACTION WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.**

Ms. Katzoff then requested approval of an inducement resolution noting sales and mortgage tax exemption benefits were values at \$123,535.00 and \$17,058.00 respectively.

Mr. Frame asked for a motion to approve the inducement resolution. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION AUTHORIZING THE UNDERTAKING, ACQUISITION, CONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF A PROJECT; APPOINTING THE COMPANY AS AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF THE PROJECT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE AGENCY AND THE COMPANY.**

Ms. Katzoff then asked the Board to consider a PILOT resolution for the Project saying the Project qualified for a 15 year "Priority commercial and Residential " PILOT schedule with savings over 15 years of \$613,000.

There being no discussion Mr. Frame asked for a motion approving the PILOT resolution. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION APPROVING A PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION THEREWITH.**

Ms. Katzoff then asked for approval of a final resolution for 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 THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A COMMERCIAL PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY.**

Smith Building, LLC

Ms. Katzoff noting a Public Hearing had also been held on this project earlier requested the Board members consider resolutions approving it again advising a cost benefit analysis on the proposal was included in the Board's agenda packet.

She said the first resolution for consideration was a SEQRA resolution and advised this Project would be classified as an unlisted action and no significant environmental impact.

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 CLASSIFYING A CERTAIN PROJECT AS AN UNLISTED ACTION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT, DECLARING THE AGENCY LEAD AGENCY FOR PURPOSES OF AN UNCOORDINATED REVIEW THEREUNDER AND DETERMINING THAT THE ACTION WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.**

She next asked the Board to approve an inducement resolution noting the Project would have income restricted to 80% of the area median income (AMI) with a minimum of 20% of the apartments being rent restricted to 65% of the AMI limit for the City.

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 UNDERTAKING, ACQUISITION, CONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF A PROJECT; APPOINTING THE COMPANY AS AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF THE PROJECT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE AGENCY AND THE COMPANY.**

Ms. Katzoff advised the next resolution for approval was a PILOT resolution and noted the project qualifies for a 15 year "Priority Commercial and Residential" schedule in accordance with the Agency's UTEP. She said the savings over the 15 years would be \$684,911.

Mr. Frame asked for a motion to approve the PILOT resolution. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION APPROVING AN PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A PILOT AGREEMENT.**

Ms. Katzoff advised the last resolution to be approved for the Project was a final resolution authorizing the Agency to execute and deliver documents.

Mr. Frame asked for a motion authorizing approving the resolution. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION APPROVING A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A COMMERCIAL PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY.**

OpenCounter Enterprises Inc.

Ms. DeLaney reminded the Board members that in December of 2018 they approved a resolution authorizing the first year of a three year contract with Open Counter Enterprises in an amount not to exceed \$77,500.00. The contract was to provide consulting and software technology hosting services creating a comprehensive business portal for City businesses and entrepreneurs managed through the City's Central Permit Office. She said the service has been operational since May 2019 and has proven to be a valuable tool to business owners. Noting the Agency was billed for first year services in the amount of \$67,500.00 she said it was anticipated the second and third year of the contract (\$45,000.00 annually) would be added as an item to the City's budget. Through an oversight staff was recently made aware the item was not included in the City's budget process last year and invoice for the second year service has been received by the Central Permit office and is due to be paid and the Agency has been asked to make payment.

After some discussion by the Board members it was decided to table any action on this matter until the Finance Committee has an opportunity to more fully review the Project. Ms. DeLaney advised she would schedule such a meeting and invite the Director of the Central Permit office to attend.

Commonspace Warren LLC

Ms. Katzoff noting the Board of Directors approved benefits for the Company in early 2019 for a Project located in the 300 block of South Warren Street said the Company has advised the Agency they are in the process of refinancing mortgages on one of the buildings 357 Warren St in the amount of \$2,300,000 purchased prior to the original SIDA closing. She said the Company is requesting the Agency's participation in the refinancing including approval of an additional mortgage tax exemption benefit not to exceed \$17,250.00 and reviewed a resolution outlining the authorizing the request.

There being no discussion Mr. Frame asked for a motion to approve the resolution. Mr. Brown made the motion. Mr. Thompson 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.

900 East Fayette Group, LLC

Ms. Katzoff advised the members the Agency also was in receipt of a request from 900 East Fayette LLC to participate in permanent mortgage financing for the Project including an additional mortgage amount of \$1,000,000 to offset cost overruns. She said the Project closed with the Agency in 2017 to both renovate the former Sylvester building along with the construction of an additional 35,000 sq. ft. mixed use building at the same location was now complete. She said the additional mortgage exemption was valued at \$7500.00.

The Board in agreement, Mr. Frame asked for a motion to approve a resolution authorizing the Agency's participation. Mr. Brown made the motion. Ms. Murphy 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.**

Seneca Armory Associates

Ms. DeLaney saying the Project was about to close, reviewed correspondence from the Company's attorney and a new supplemental application from the Company revising job numbers stated on the original application. She said the Company initially misunderstood the question and wanted to correct the retained number of jobs initially stated as 18 full time employees (FTEs) to 8 fulltime employees with 10 part time all employed at an existing restaurant. She said the Company reconfirmed the number new jobs to be created as 17 as stated originally.

Mr. Brown asked if the job creation would be monitored. Ms. DeLaney confirmed that as with every project job creation would be monitored for five years after completion.

The Board was in agreement no further action was necessary in this matter.

Property Acquisition Policy

Ms. DeLaney reviewed a proposed property acquisition policy for the Agency and advised the members the Finance Committee had reviewed and made a recommendation to the Board of Directors to approve it.

There being no discussion Mr. Frame asked for a motion to approve the policy. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A PROPERTY ACQUISITION POLICY FOR THE AGENCY AS PROPOSED.**

Directors & Officers Insurance

Ms. DeLaney requested the Board approve a proposal for renewal of the Agency's Directors and Officers insurance policy. She said policy coverage will remain the same as last year - \$5,000,000 with a premium in the amount of \$7000.

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 PROPOSAL FOR A DIRECTORS AND OFFICERS LIABILITY INSURANCE IN THE AMOUNT OF \$5,000,000.00 WITH A PREMIUM NOT TO EXCEED \$7000.00.**

2020 Board of Directors Meeting Schedule

Ms. DeLaney distributed the 2020 Board of Directors meeting schedule and noted it will be posted on the Agency's website.

IV. Executive Session

Mr. Frame asked for a motion to move into Executive Session for the purpose of Property acquisition.

Ms. Murphy made the motion. Mr. Thompson seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN TO EXECUTIVE SESSION FOR THE PURPOSE OF PROPERTY ACQUISITION AT 8:53 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 9:00 a.m.**

V. Adjournment

There being no further business to discuss Mr. Frame asked for a motion to adjourn the meeting. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN THE MEETING AT 9:01 a.m.**