

City of Syracuse Industrial Development Agency

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Minutes

Board of Directors Meeting
Tuesday, March 17, 2020

Due to the declaration of a public health emergency and the social distancing requirements imposed at the Federal, State and local level, this meeting was held by telephone conference with live streaming available to the public.

Board Members Present: Kathleen Murphy, Steven Thompson, and each Kenneth Kinsey, Rickey T. Brown and Dirk Sonneborn via teleconference (in accordance with the Governor's Executive Order 202.1).

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

I. Public Hearing – Ms. Murphy advised the Dupli Associates LLC public hearing was postponed in order to comply with the restrictions on public gatherings/meetings pursuant to executive orders issued by the Governor.

II. Call Meeting to Order

Ms. Murphy called the meeting to order at 8:16 a.m.

III. Roll Call

Ms. Murphy acknowledged all Board members were present.

IV. Proof of Notice

Ms. Murphy acknowledged that notice of the meeting had been duly and properly provided.

V. Minutes

Ms. Murphy asked for a motion approving the minutes from the February 20, 2020 Board of Directors meeting. Mr. Thompson made the motion. Mr. Kinsey seconded the motion. **THE MOTION TO APPROVE THE MINUTES FROM THE FEBRUARY 20, 2020 BOARD OF DIRECTORS MEETING WAS UNANIMOUSLY APPROVED.**

VI. Committee Report

Ms. Murphy reported the Audit and Finance Committee held a joint meeting on March 10, 2020. Michael Lisson of Grossman St. Amour CPAs, the Agency's independent auditor, gave a presentation on the Agency's draft 2019 financial statements. The Committee approved a motion to recommend to the Board of Directors acceptance of the financial statements as the official statements of the Agency.

Ms. Murphy also reported that the Committees discussed: (i) Dupli Associates, LLC's request to amend its Project; (ii) Maguire Family Limited Partnership's request to amend its Project; (iii) Park Outdoor Advertising's request to enter into a lease for a billboard on the Agency's property; (iv) the City's request to provide funding in the amount of \$520,882.58 for improvements to the Onondaga Creekwalk; (v) the City's request for the Agency to enter into a two year contract with U.S. Ignite and Centerstate CEO to assist in the development of a program to provide increase internet connectivity across the City and identify new sources of investment in technology for the betterment of the citizens of the City, to promote economic development and to advance the Syracuse Surge initiative.

VII. New Business

Agency Draft Financial Statements

Mr. Vavonese reported that Mr. Lisson was present at the joint Audit and Finance committee meeting on March 10, 2020. Mr. Vavonese reviewed the Agency's audit and presented the draft financial statements as approved by the Financial Committee. Mr. Vavonese reported that the audit went well, there were no errors or omissions and the auditor's opinion is that it was 'clean and unmodified'.

Ms. Murphy asked for a motion to accept the financial statements. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ACCEPT THE DRAFT FINANCIAL STATEMENTS AS THE OFFICIAL 2019 FINANCIAL STATEMENTS OF THE AGENCY.**

Dupli Associates LLC

Ms. Katzoff requested the Board approve a motion authorizing the Agency to act as Lead Agency for purposes of SEQRA. She advised that the public hearing is being held until further notice, but SEQRA needs to be moved forward to prevent delays to the Project.

There being no discussion Ms. Murphy asked for a motion to approve the resolution. Mr. Thompson 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.**

The Syracuse Flatiron, LLC

Ms. DeLaney advised that included in the members' agenda was an application for financial assistance for a new project from Syracuse Flatiron, LLC (the "Company") and requested approval of a resolution authorizing a public hearing on the project.

Ms. DeLaney described project as a the mixed-use project consisting of the gut and rehabilitation of a vacant building. At completion the mixed-use building will contain two first floor commercial units and six residential units. The building has long been an eyesore and the target of past efforts by both community activists and the City to encourage its revitalization. Project costs are estimated at approximately \$2.2 million.

There being no discussion, Ms. Murphy asked for a motion to approve the resolution. Mr. Thompson made the motion. Mr. Brown seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION DETERMINING THAT THE ACQUISITION, RESTORATION, PRESERVATION, RECONSTRUCTION, 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.**

415 S. Clinton LLC

Ms. Katzoff advised the Board that 415 S. Clinton LLC (the "Company") has requested an extension of both the lease agreements entered into by the Company and the Agency and the sales and use tax appointment of the Company through September 1, 2020. The Project has encountered long delays associated with issues involving historic tax credit finance and building code design. The project is now underway and is anticipated to be completed this summer. No additional benefits are being requested.

Ms. Murphy 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: (i) THE LEASES BETWEEN THE AGENCY AND THE COMPANY; AND (ii) THE SALES TAX APPOINTMENT OF THE COMPANY AS AGENT OF THE AGENCY UNTIL SEPTEMBER 1, 2020; AND AUTHORIZING THE EXECUTION OF ANY AND ALL NECESSARY DOCUMENTS.**

JMA Tech Properties LLC

Ms. Katzoff requested the Board approve a resolution authorizing a temporary sales tax appointment for the JMA Tech Properties LLC Project until June 1, 2020. JMA Tech Properties LLC (the "Company") and the Agency have been working to complete documents for a closing, however, in the interim the Company needs to order materials now to take advantage of a full construction season.

Mr. Kinsey asked when construction will start. Ms. Katzoff reported that the Company has indicated that construction will start now. Mr. Kinsey asked if there is currently a building on the property and Ms. Katzoff reported there are two buildings – the Coyne Building and the Wastewater Building.

Ms. Kaztoff advised that all recapture and reporting provisions are included in the temporary documents so there is no risk associated with the granting of the temporary appointment.

Ms. Murphy asked for a motion to approve the resolution. Mr. Thompson 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.**

Maguire Family Limited Partnership

Ms. Katzoff requested the Board approve a motion authorizing a request from Maguire Family Limited Partnership (the "Company") to amend its project and to terminate the existing PILOT agreement.

Ms. DeLaney reported that the owners spoke to the Finance Committee on March 10, 2020 to discuss changes to the project and report that no benefits were used. SEQRA needs to be redone. The Company will send a new EAF in April which will address the proposed changes to the project.

Ms. Delaney reported that the assessor for the City of Syracuse reviewed the new project and provided updated PILOT figures which she put into a spreadsheet and distributed. The existing PILOT will need to be terminated and a new PILOT schedule will need to be approved. For purposes of the PILOT, the new project is valued at the purchase price of the property.

Ms. Katzoff reported that the issues that arose after the initial closing were not the fault of the Company. FEMA's re-designation of the flood zones made it too costly to build the new building. In addition, internal disruptions in the Nissan brand dealership required the Company to switch manufacturers.

Ms. Katzoff reported the Company received zero benefit from the PILOT and have paid 100% of property taxes on the value of the property since closing on the original transaction. They did not receive benefits on improvements because the project did not start. There is no harm to the City in terminating the PILOT and putting the properties back on the tax rolls. If approved, the new PILOT would be effective as of July 2021.

Ms. Murphy asked for a motion to approve the termination of the PILOT and to place the properties back on the tax rolls as of July 2020. Mr. Kinsey made the motion. Mr. Thompson seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION APPROVING THE TERMINATION OF A CERTAIN PAYMENT IN LIEU OF TAX AGREEMENT; AND AUTHORIZING THE EXECUTION OF ANY AND ALL NECESSARY DOCUMENTS.**

Steri-Pharma LLC

Ms. Katzoff requested the Board approve a motion authorizing Steri-Pharma LLC's (the "Company") request to terminate the project based on its inability to proceed at this time.

Ms. DeLaney reported that the Company never used the benefits granted, including PILOT benefits.

Ms. Murphy noted that the Company met with and reported to the board several times regarding issues it was encountering with an international client which lead to the project's delay.

Ms. Murphy asked for a motion to authorize the Company's request to terminate the project. Mr. Kinsey made the motion. Mr. Thompson seconded the motion. **ALL BOARD MEMBERS PRESENT**

UNANIMOUSLY APPROVED A MOTION APPROVING THE TERMINATION OF CERTAIN LEASE DOCUMENTS; AND AUTHORIZING THE EXECUTION OF ANY AND ALL NECESSARY DOCUMENTS.

Hiawatha Boulevard Improvement Project

Ms. DeLaney reported a request by the City of Syracuse for the Agency to finance a portion of a project, in an amount not to exceed \$520,882.58, for improvements to a section of the Onondaga Creekwalk. The source of Agency funds for this purpose has been identified from funding restricted and designated to be used for projects in the lakefront redevelopment area. The Finance Committee reviewed this request at its meeting on March 10, 2020 and approved a motion to recommend approval by the Board.

There being no further discussion, Ms. Murphy asked for a motion to approve a resolution. Mr. Kinsey made the motion. Mr. Thompson seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION AUTHORIZING THE AGENCY'S PARTICIPATION IN A COOPERATION OR SIMILAR AGREEMENT TO SUPPORT THE IMPROVEMENT OF CERTAIN SECTION OF THE ONONDAGA CREEKWALK ALONG HIAWATHA BOULEVARD IN THE CITY OF SYRACUSE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH AND THE EXPENDITURE OF FUNDS IN SUPPORT THEREOF.**

Syracuse Surge

Ms. DeLaney is recommending that the Agency enter into a two year contract with US Ignite and CenterState CEO, at a cost not to exceed \$40,000, to assist in the development of a program to provide increased internet connectivity across the City of Syracuse and identify new sources of investment in technology to advance economic development and the Syracuse Surge initiative for the benefit of residents of the City.

Ms. DeLaney reported that the contract has been reviewed by staff and is permissible under the Agency's Procurement Policy. The Finance Committee reviewed this request at its March 10, 2020 meeting and approved a motion to recommend that the Board approve the request as presented.

Ms. Murphy advised that counsel will work with US Ignite and Centerstate CEO on the contract and be as fully engaged as possible.

Ms. Murphy asked for a motion to approve a resolution. Mr. Kinsey made the motion. Mr. Thompson seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION AUTHORIZING THE NEGOTIATION, EXECUTION AND DELIVERY OF AN AGREEMENT TO DEVELOP A PROGRAM FOR INCREASED INTERNET CONNECTIVITY ACROSS THE CITY.**

VIII. Adjournment

There being no further business to discuss Ms. Murphy asked for a motion to adjourn the meeting.

At 8:50 a.m. Mr. Kinsey made a motion to adjourn. Mr. Thompson seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN THE MEETING AT 8:50 AM.**