

**City of Syracuse Industrial Development Agency**

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Minutes

Board of Directors Meeting  
Tuesday, July 21, 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 in accordance with Executive Order 202.1 by video/telephone conference that was made available to the public.**

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

**Staff Present:** Judith DeLaney, Susan Katzoff, Esq., John Vavonese, Lori McRobbie, all via tele/videoconference (in accordance with the Governor's Executive Order 202.1).

**Others Present:** Jennifer Tifft, Lauryn LaBorde, Jessica Barbuto, Alissa Tubbs, Aimee Durfee, Samuel Jackson, Richard Engel, Esq., Todd Reid, Shanelle Reid and Rick Moriarty, all via tele/videoconference (in accordance with the Governor's Executive Order 202.1).

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**I. Call Meeting to Order**

Ms. Murphy called the meeting to order at 8:00 a.m.

**II. Public Hearing –**

**ACCESS Global Enterprises Inc./T and S Reid, Real Estate Holdings LLC<sup>1</sup>**

Ms. Murphy opened the Hearing at 8:00 a.m. and asked Ms. DeLaney to read 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, Ms. Murphy asked if anyone wished to speak in favor of the Project. Ms. Reid spoke in favor of the Project. She said they want to help the community and bring jobs to the south side of the City. Ms. Reid said that their goal is to bring their dream to fruition with the help of the Agency.

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<sup>1</sup> The hearing was open to the public in accordance with Executive Order 202.1.

Ms. Murphy then asked numerous times if anyone wished to speak in opposition to the Project. No one spoke in opposition to the Project.

Ms. Murphy closed the Public Hearing at 8:06 a.m.

### **III. Roll Call**

Ms. Murphy acknowledged that in addition to herself, Board members Steven Thompson, Kenneth Kinsey, Rickey T. Brown and Dirk Sonneborn 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 June 16, 2020 Board of Directors meeting. Mr. Kinsey made the motion. Mr. Brown seconded the motion. **THE MOTION TO APPROVE THE MINUTES FROM THE JUNE 16, 2020 BOARD OF DIRECTORS MEETING WAS UNANIMOUSLY APPROVED.**

### **VI. Committee Reports**

**Finance Committee:** Ms. Murphy reported the Finance Committee met on July 16, 2020. The Committee approved a motion to recommend undertaking the Access Global project to the Board of Directors.

The members of the Committee also reviewed a request to amend the terms of a proposed contract with CenterState CEO relative to the Syracuse Build Initiative. Ms. DeLaney noted that CenterState CEO provided a supplemental memo to the Agency dated July 20, 2020 which further outlines the proposed amendments. After review and discussion, the members tabled the action in order for the proposal to be presented and discussed with the full Board at its July meeting.

The members of the Committee also discussed and reviewed the potential for establishment of an Agency grant/loan program for the purpose of assisting small businesses and non-profit organizations with COVID-19 related expenses. After review and discussion, the members tabled the action in order for the proposal to be presented and discussed with the full Board at its July meeting.

### **VII. New Business**

#### **ACCESS Global Enterprises Inc./T and S Reid, Real Estate Holdings LLC**

Ms. Katzoff noting a Public Hearing had just concluded and requested the Board consider resolutions approving the project.

She advised the first resolution for consideration was a SEQRA resolution advising that the Agency conducted an uncoordinated review and after reviewing the EAF determined that project was an unlisted action with no significant environmental impact.

There being no discussion Ms. Murphy asked for a motion to approve the SEQRA resolution. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION DETERMINING THAT THE UNDERTAKING OF THE PROJECT AT THE REQUEST OF THE COMPANY WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.**

Ms. Katzoff then asked the Board to consider the inducement resolution for the Project authorizing the undertaking of the project and the execution and delivery of an agency agreement. She noted that the Company is asking to be appointed as agent of the Agency for the purposes of undertaking and completing the project and to receive State and local sales and use tax exemptions in the amount of \$137,812.70 and mortgage recording tax exemption savings in the amount of approximately \$22,674.

There being no discussion Ms. Murphy asked for a motion to approve the inducement resolution. Mr. Kinsey made the motion. Mr. Brown seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION AUTHORIZING THE UNDERTAKING, ACQUISITION, CONSTRUCTION, RECONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF A PROJECT; APPOINTING THE COMPANY AS AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION, RECONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF THE PROJECT; AND AUTHORIZING AND DELIVERY OF AN AGREEMENT BETWEEN THE AGENCY AND THE COMPANY.**

Ms. Katzoff then requested the Board approve a PILOT resolution for the Project providing for a 15 Year Priority Industry PILOT under the Agency's UTEP. She noted that there is no deviation from the Agency's UTEP. Ms. Katzoff indicated that the proposed PILOT schedule along with the cost benefit analysis were included in the agenda packet for review.

There being no discussion Ms. Murphy 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 A 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 then requested approval of a final Resolution for the Project to allow for the execution and delivery of all necessary documents to confer the approved financial assistance.

There being no discussion Ms. Murphy asked for a motion to approve the final 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.**

### **Syracuse Build**

Ms. DeLaney reported a request to amend terms of a proposed contract with CenterState CEO ("CCEO") relative to Syracuse Build. The request was discussed at the Finance Committee meeting on July 16, 2020 and the Committee requested more information and asked CCEO to report back to the full board. CCEO provided a supplemental memorandum dated July 20, 2020 which was provided to the Board Members.

Ms. Durfee, Director of Workforce Innovation at CCEO spoke in favor of the project indicating that the project is an initiative of the Mayor and was designed to create a diverse pipeline of Syracuse residents

to work on construction projects in the City. The model is based on systems used in other parts of the country. CCEO is working to put a system in place by bringing existing resources (partners and stakeholders) together. They are working with employers and apprenticeships to ensure there will be jobs at the end of the program.

Ms. Durfee advised that the list of community centers are outlined in the July 20, 2020 memorandum. As part of the program, a participant would receive assistance on various issues (i.e.,obtaining GED, drivers license, assistance with math or English, OSHA 10 card) to ensure they were ready to work at the end of the program.

Ms. Durfee said they are starting the operational framework of Syracuse Build and there are 5 core functions/players: (i) SUNY EOC is the training provider; (ii) The community centers for outreach and recruitment assessment; (iii) CNY Works for placement in partnership with all the partners; (iv) CCEO to manage the industry partnership and the apprenticeships; and (v) The Mayor's steering committee that oversees and governs the entire initiative. Ms. Durfee said that more partners will be added in the future.

Ms. Durfee discussed speaking with NaDonte Jones, master plumber, who runs a plumbers' apprenticeship program and provides on the job training. He was invited to join the partnership.

Ms. Durfee noted that the measurable outcomes were discussed in detail in the July 20, 2020 memorandum. She said factors considered are race, gender, zip code; number of individuals who enroll who secure a job or apprenticeship or training; retention rate and advancement rate.

Ms. Durfee also noted that while construction is resuming following the COVID-19 shutdown, new jobs are not as plentiful as they used to be. As such, they are requesting the project be extended into April 2021 to ensure people can complete the program and find employment.

Mr. Brown raised concern that completing the educational piece of the program did not result in attendees achieving a master license because in most cases they are not being given the opportunity to complete the necessary hours in the apprenticeship as they are not "being let off the bench". He indicated that he spoke to Ms. Murphy yesterday regarding measurable outcomes for the program. He wants to see graduates complete apprenticeships and go on to get a master license. He also wants regular reporting on status and outcomes during the program. The Board had discussion on all of these issues and agreed that the program needs to focus on these goals and to provide reporting to the board. Ms. Durfee acknowledged same.

Ms. Durfee said they track advancement rate, however, it can be up to 1,000 hours needed in order to advance to completion of the apprenticeship. The current initiative with SIDA, which runs between August 2020 and April 2021, may not provide sufficient time to complete the required hours but that it is the goal of the program.

Ms. Durfee said they will work with NaDante Jones and CNY Works to do advance networking and reporting.

Ms. Murphy indicated that quarterly updates will be given to Board to see what is working and what is not working.

Ms. Durfee said she is reaching out to individual construction companies (i.e., VIP, Atlantic, Syracuse Housing Authority, C&S, Pike Co., Huber Breuer and others) to see what their needs are and to engage them in the program and of the importance of diversity, equity, inclusion and retention. She also noted potential partnerships with other anchor partners (i.e., 81 construction project, SIDA projects, Syracuse University, Upstate, County, City and Department of Transportation). Partners on the operational side are community centers, SUNY EOS and CNY Works. Ms. Durfee discussed sharing of data across systems to see if the initiative is working. Ms. Durfee agreed to track who is hired, where working by race and gender and to report back to the Board.

There being no further discussion, Ms. Murphy asked for a motion to approve a resolution to amend terms of the proposed contract with CenterState CEO relative to Syracuse Build Initiative. Mr. Brown made the motion. Mr. Thompson seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION AUTHORIZING THE AGENCY TO UNDERTAKE A PROJECT AND TO ENTER INTO AN AGREEMENT WITH CENTER STATE CEO FOUNDATION IN FURTHERANCE THEREOF AND TO ALLOCATE CERTAIN FUNDS IN SUPPORT THEREOF.**

#### **JMA Tech Properties/Ranalli/Taylor St. LLC**

Ms. Katzoff requested the Board consider a request by JMA/Ranalli Taylor St. LLC to approve a waiver of a conflict of interest relative to the JMA Tech Properties Project which previously closed. Attorney Phil Bousquet of Bousquet Holstein, a partner of Ms. Katzoff's, has been requested to assist the companies exclusively with respect to Brownfield Tax Credits per the correspondence attached to the Board agenda. The use of Mr. Bousquet gives rise to a potential conflict of interest as the Firm represented SIDA with respect to the lease transaction for the project. Ms. Katzoff indicated that the board could consult with other counsel with respect to the request. Any waiver by the board would be contingent upon JMA/Ranalli Taylor St. LLC signing a waiver letter outlining that if there ever was an actual conflict, they would not object to Bousquet Holstein representing SIDA on that matter and they would obtain new counsel for such issues. This letter would be consistent with others SIDA has required for other similar requests.

Ms. Murphy asked for a motion to approve the waiver. Mr. Sonneborn made the motion. Mr. Brown seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A WAIVER OF A CONFLICT OF INTEREST RELATIVE TO JMA TECH PROPERTIES, LLC AND RANALLI/TAYLOR ST. LLC.**

#### **Property Insurance**

Ms. DeLaney requested that the Board members retroactively approve a proposal for renewal of vacant property insurance for property owned by the Agency located at 327 Montgomery Street in the amount of \$7,226.27. Ms. DeLaney advised it was the same insurance through the same carrier and that attorneys at Bousquet Holstein reviewed and approved of the policy coverage.

There being no discussion, Ms. Murphy asked for a motion to approve the proposal. Mr. Thompson made the motion. Mr. Brown seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVE A MOTION TO RETROACTIVELY APPROVE THE RENEWAL OF VACANT PROPERTY INSURANCE FOR 327 MONTGOMERY STREET.**

#### **COVID-19 Disaster Emergency Grant/Loan Program**

Ms. DeLaney requested the board review and approve a proposed grant/loan program for the purpose of assisting small businesses and not-for-profit corporations impacted by COVID-19 as set forth in the materials submitted with the agenda. Funding from either program will come from the Agency's unencumbered revenue sources. The current request is for the Agency to dedicate \$175,000 to fund the program. Ms. Delaney recommended the program open July 27, 2020 with grant and loan applications accepted through August 14, 2020. The recommendation, as presented, proposes to vest in the Agency's Finance Committee the power to review the applications and to make the final award determinations.

She stated that grants could be up to \$10,000 and loans could be up to \$25,000. Small businesses and 501(c)(3) corporations with 50 or fewer employees are eligible. The program would consider grants in amounts ranging from \$500-\$10,000 to be used solely for acquiring personal protective equipment (PPE) and/or for acquiring and installing fixtures necessary to prevent the spread of the coronavirus. Loans may be provided in an amount not to exceed \$25,000 for purposes beyond those specified for grants.

Ms. DeLaney advised that to be eligible, a small business or not-for-profit organization with 50 or fewer employees must be physically located in and conduct business in the City of Syracuse, must have been operational and financially viable prior to March 7, 2020 and must demonstrate they were negatively affected by the state disaster emergency declared by the Governor.

Mr. Sonneborn inquired as to whether staff had spoken with potential applicants to determine the need for the program. Ms. DeLaney advised that she and her colleagues have reached out to 501(c)(3) organizations they deal with on a regular basis.

Ms. Murphy said that the Syracuse Economic Development Corporation (SEDCO) saw a huge demand for their loan program. Mr. Brown said that Eric Ennis did a good job with the SEDCO program and that it was run efficiently. Ms. Murphy noted that the Agency will mirror SEDCO's process.

Mr. Brown stated that he works with potential applicants and feels it is an excellent opportunity.

Mr. Sonneborn questioned the amount of paperwork required to be submitted by the applicant. Ms. DeLaney stated that a lot of consideration was given and staff worked with their accountant to identify the necessary documentation to satisfy the legislation but also indicated the Agency has some flexibility in the collection of information. Ms. Katzoff advised that staff backed into the process. Legislation was reviewed first. Ms. Katzoff spoke to other attorneys in the field who are considering similar programs and she felt that the level of information was required to satisfy the legislative requirements.

Mr. Sonneborn asked if it is anticipated that companies will seek maximum amounts under the programs? Ms. Katzoff clarified that a company can only receive loan(s) from one IDA. Eligible entities may apply for and receive both a loan and a grant. There is a higher likelihood to see loan requests for the maximum amount because unlike grants, there are no restrictions on the use of loan funds. Ms. DeLaney stated that some companies may only need a small amount.

Mr. Sonneborn asked what metrics would be used to see if the program met its goal. Ms. Katzoff advised that the legislation requires the Agency to look at the credit worthiness of each applicant and to ensure they are viable entities. The impact of what each company does for their community will also be considered as well as commitment and efforts to retain jobs. Staff also indicated that the program required annual reporting to the State.

Ms. Tifft indicated that SEDCO saw a wide range of businesses apply for loans through its COVID loan program. SEDCO approvals were given within a couple of weeks. She indicated that many small businesses took advantage of the opportunity.

Mr. Sonneborn inquired as to the source of the \$175,00. Mr. Vavonese advised that \$175K was approximately 5% of the current unrestricted revenues. Mr. Sonneborn asked what else these funds could be used for. Ms. Murphy confirmed that the funding is from the Agency's unencumbered assets and the Agency has historically used unrestricted funds for things like the Syracuse Build initiative, Downtown Committee programs, Franklin Square improvements and National Development Council, etc..

Ms. Murphy stated that the County IDA is considering starting a program too and she would coordinate and work with the County on the program if they instituted such a program. She also stated that while the request for information could be burdensome, it is needed because the Agency has to report to the State. Ms. Murphy stated that she is hoping for a 14 day turn time on the grant and loan applications.

Ms. DeLaney said the legislation requires the Agency to give preference to applicants located in a highly distressed census tract. Ms. Murphy asked if preferences should be given to MWBE businesses. Ms. DeLaney said she has reached out to Lamont Mitchell, MWBE coordinator for the City and will send information about the loan/grant program to his list of contacts directly so they are aware.

Mr. Brown stated that a point person should be appointed for questions from applicants.

Mr. Sonneborn asked Ms. Katzoff about the appropriateness of the 1% fee and about other associated costs.

Ms. Katzoff advised that the program will cost money to administer and that that the IDA is a conduit which passes fees along to anyone who requests assistance so charging the 1% fee would be consistent with SIDA's practice as well as consistent with what she has been advised other IDAs are doing. Ms. Katzoff also recommended requiring some type of collateral for a loan (i.e, UCC filing, personal guaranty) and that the costs associated with filing/searching or obtaining reports should be allocated to the applicant which was set forth in the attachments.

Mr. Vavonese reported that SEDCO charged a \$300 flat fee for legal fees regardless of size of loan/grant.

Mr. Sonneborn stated that the IDA should be thoughtful with the fees it charges.

Ms. Katzoff clarified that the legislation requires a policy be adopted and therefore the Board needs to decide about the fees and can't wait and decide later. Legislation requires the Board approve same. There was discussion amongst the Board members relative to the fee and it was agreed that a fee as set forth would be appropriate but that the Board should have discretion and flexibility.

Mr. Thompson asked if the Finance Committee has to make the decision? He also asked why the grant application did not have the same checklist as the loan application. Ms. Katzoff clarified that the statute requires different things for the loan than the grant and the checklists reflect those requirements. It was also stated that the Finance Committee did not need to make the final decisions but Ms. Murphy believes they should be involved.

Ms. Murphy requested the board approve the addition of all board members to the Finance Committee to review and make recommendations about the applications as this is an entirely new program and policy for the Agency.

Discussion ensued regarding the approval process and the finance committee. The consensus was that the Finance Committee should review and make recommendations to the full board but it would be up to the full board to approve any application under the programs.

Ms. Murphy made a motion to add all five Board members to the Finance Committee. Mr. Thompson seconded the Motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE MOTION TO ADD ALL FIVE BOARD OF DIRECTORS MEMBERS TO THE FINANCE COMMITTEE.**

Mr. Sonneborn made a motion to approve the grant/loan program as presented with the caveats set forth at the meeting in terms of the fees. Mr. Brown seconded the Motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE MOTION.**

Mr. Sonneborn thanked all for the comprehensive package.

#### **VIII. Adjournment**

There being no further business to discuss Ms. Murphy asked for a motion to adjourn the meeting. Mr. Kinsey made a motion. Mr. Brown seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN THE MEETING AT 9:54 AM.**