

**City of Syracuse**  
**Industrial Development Agency**  
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Minutes  
SIDA  
Board of Directors Finance Committee Meeting  
Tuesday July 8, 2019

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**Board Members Present**, Michael Frame, Rickey Brown, Kenneth Kinsey.

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

**Others Present:** Kathy Murphy, James Trasher, Sarah Stephens, Rich Pascarella, Susan Ecker, Andrew Mather, Kevin McAuliffe, Stephen Byer.

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**I. Call Meeting to Order**

Mr. Frame called the meeting to order at 8:04 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 March 15, 2019 Finance Committee meeting. Mr. Kinsey made the motion. Mr. Frame seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE MINUTES FROM THE MARCH 15, 2019 FINANCE COMMITTEE MEETING.**

**V. New Business**

**Syracuse SOMA Project LLC**

Ms. DeLaney reviewed the Project for the Committee noting it was a third phase of the Amos Building Project located adjacent to Clinton Square on West Water Street. She said the Project proposed the construction of a nine story addition to include 1200 sq. ft. of commercial space, 104 residential units, and 72 parking spaces with an automated lift parking system. She noted a history of the first two phases of the Project was included in a summary attached to the agenda. She said the cost of the Phase 3 Project is estimated to be \$19,130,000.00 and the owner was requesting benefits from the Agency including exemptions from sales and mortgage tax along with a 10 Year PILOT Agreement.

James Trasher of CHA Engineers and Richard Pascarella of Granite Development Company were present and discussed the Project further. Mr. Trasher distributed drawings of the Project and noted the lift system which will be a first in Onondaga County was very expensive.

Mr. Pascarella discussed the financing and noted there were unusually large costs with the Project including substantial utility work required by National Grid, site work, and the planned parking spaces each of which are estimated to cost \$30,000.00 per space. There were also a series of revisions to the plan required by the City's Planning Commission that added to the expense. He said the requested abatements being requested would provide needed relief to Project's finances.

Ms. DeLaney asked about the commercial space in the building. Mr. Pascarella replied currently the building housed a restaurant (Saltine Warrior), caterer, beauty salon, a yoga studio and a fitness center. He noted the businesses were all start-ups. He said the proposed commercial space had yet to be leased.

Mr. Brown noted the application indicated the hiring of only one new employee and said he had concerns about the number of jobs for community members. Mr. Trasher noted there would be other jobs filled by the new commercial tenants similar to the jobs created by the small businesses in the first two phases.

Mr. Frame also indicated he would like to have a clearer understanding of the jobs created for the first two phases and what could be expected from this final phase along with construction jobs

Mr. Trasher said the Project has always used MWBE contractors in the past and they could provide information on the numbers.

Ms. Murphy asked for clarification on the number of apartments. Mr. Pascarella responded the mix would be 75% one bedroom and 25% two bedroom. She also asked if the parking spaces are for tenants only. Mr. Trasher said they were in the process of deciding how many spaces would be made available to the public.

**The Committee decided to delay further consideration of the Project until updated information on job impact was received from the owners.** Mr. Pascarella agreed to provide the information within the next ten days.

### **Steri-Pharma LLC**

Ms. DeLaney reviewed the current status of the project for the Committee and advised a summary was attached to the agenda for their further review. She noted the Project approved in 2017 and closed in March of 2018 proposed the construction of 18,500 sq. ft. addition to the existing 73,000 sq. ft. facility to house a "clean room", sterile production and filling rooms and warehouse space to accommodate a new pharmaceutical production line along with site improvements including the stabilization of a retaining wall along Onondaga Creek, utility work, and a covered corridor to connect the two buildings. Cost of the Project was estimated to be \$50,000,000.00.

She further advised the Agency with Board approval also entered into an agreement with the Company for the repair of the creek retaining wall and related infrastructure in the public right of way and dedicated the Agency fee for the Project to the work (\$331,317.00). That work was completed by the Company at a cost of \$1,671,773.00.

Ms. DeLaney said with the exception of the Creek and infrastructure work associated with it the Project has not moved forward which is a concern. She said the mortgage and sales tax benefits have not been used however the PILOT agreement did go into effect July 1, 2019. In discussions with the Company they advised an additional \$500,000 has been invested in the current line and an additional 21 new employees have been hired.

At the request of the Board, Andrew Mather, the managing director of the Company was present to speak to the Committee regarding progress on the proposed Project.

Mr. Mather told the Committee the delay in the Project has occurred due to issues with the drug manufacturer's (Steri-Pharma's customer) delay in volume commitment along with tightened regulatory requirements and newer technology. He said he hoped by the end of August to have more of a definitive answer as to when the Project would commence. He further said in response to questions by Mr. Frame and Mr. Brown the Company was committed to hiring from the local community and willing to work with community organizations to facilitate local hires.

**After discussion among the members, the Committee agreed to delay any action on the project until September when the Company will report back to the Agency on its progress in moving forward with the Project as originally proposed.**

#### **Alan Byer Auto Sales Inc.**

Ms. DeLaney reminded the members the Board of Directors had previously approved a Project for Company for the renovation and upgrade of its Volvo facility on West Genesee Street. Benefits approved included exemptions from mortgage and sales tax along with a PILOT agreement. After approval the Company's attorney advised of a discrepancy in the application relative to the number of parcels involved in the transaction - all owned by different entities. The Company then submitted an amended application and a Public hearing was held on April 16<sup>th</sup>.

Committee members met with Stephen Byer (owner) and Kevin McAulliffe (counsel) to review the Project and clarify issues relative to the properties involved. After a review of the improvements to be made on each of the three parcels (dealership, repair shop, used car facility) and a discussion of employment opportunities, Mr. Frame asked for a motion to make a recommendation to the Board of Directors.

Mr. Kinsey made the motion, Mr. Brown seconded the motion. **The Committee members unanimously approved a motion to recommend to the Board of Directors approval of an amended inducement resolution and extension of a temporary sales tax appointment through September 13, 2019 and further requested staff work with the Assessor to structure a PILOT agreement inclusive of the three parcels.**

#### **Gerharz Equipment Inc. (SageTeall Properties LLC)**

Ms. DeLaney briefly reviewed the Project for the Committee members saying the Agency had received a request from the owner for an increase in the sales tax appointment for the Project due to a substantial and unanticipated increase in the construction budget. She said as the requested increase in the exemption is over \$100,000.00 a new Public Hearing would need to be held.

**After a brief discussion among the members, the Committee decided to delay any action until the owner and/or his representatives could be present to update the Committee on the Project.**

#### **VI. Adjournment**

There being no further business to discuss, Mr. Frame asked for a motion to adjourn the meeting. Mr. Kinsey made the motion. Mr. Frame seconded the motion. **ALL COMMITTEE MEMBERS PRESENT UNANIMOUSLY APPROVED TO ADJOURN THE MEETING AT 9:51 a.m.**