

City of Syracuse
Industrial Development Agency
201 East Washington Street, 6th Floor
Syracuse, NY 13202
Tel (315) 473-3275

Minutes
Finance Committee Meeting
Monday August 19, 2019

Committee Members Present: Rickey Brown, Kenneth Kinsey, Michael Frame

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

Others Present: Kathleen Murphy, Jennifer Tift, Richard Pascarella, James Trasher, Scott Gerharz, Mark Olson.

I. Call Meeting to Order

Mr. Frame called the meeting to order at 8:04 a.m.

II. Roll Call

Mr. Frame acknowledged all Committee 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 to approve the minutes from the July 18, 2019 Committee meeting. Mr. Kinsey made the motion. Mr. Brown seconded the motion. **ALL COMMITTEE MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION APPROVING THE MINUTES FROM THE JULY 18, 2019 COMMITTEE MEETING.**

V. New Business

Gerharz Equipment Inc. (Sage Teall Properties LLC)

Ms. DeLaney advised the Committee the Agency was in receipt of correspondence from the Project owner requesting both an increase (\$124,800.00) in the approved sales tax exemption along with an extension of the Agency agreement through 9/30/20. She said the Company advised the request was due to an increase in the cost of construction. She noted because the amount of the request exceeded \$100,000.00 a public hearing would need to convene.

Scott Gerharz an owner of the Company was present and said his father started the Company 50 years go. The owner provided an overview of the Project and discussed the unanticipated increases in the construction costs totaling over \$2,000,000.00. Additionally the owner reconfirmed permanent job

numbers associated with the project and confirmed MWBE participation during the construction phase.

Mr. Brown said he was glad to hear the Company was hiring local suppliers and encouraged Mr. Gerharz to hire minority businesses.

Syracuse SOMA Project LLC

Ms. DeLaney said at the last Committee meeting the members requested additional information from the Project owner regarding job creation both permanent and construction related.

Richard Pascarella representing the Company was present and provided information regarding permanent job creation information for both the proposed project and construction and MWBE participation in prior phases and during this phase of construction. He said the Company has committed to 25% MWBE participation (sub- contractors) during construction phase and also has committed to rent 10% of the Project's residential units at the annual 65% Area Median Income rent rates for the City of Syracuse.

In response to a question from Mr. Brown Mr. Pascarella said the construction numbers and MWBE breakdown were provided by the general contractor for the Project, Hueber Breuer. Mr. Brown asked about the MWBE goal and rental rates for the apartments. Mr. Pascarella responded the goal was 25% MWBE participation and the rental rates would run in the range of \$1400 to \$1600 monthly.

Ms. Katzoff discussed the structure of the PILOT and said in the first seven years of the 10 Year PILOT the Project would pay the full value assessment on the first two phases of the Project. Thereafter in the 8th year they would pay the full value assessment on the first two phases plus a pro rata share on the new addition to increase each year with phase out to full taxes at 10 years.

Ms. Murphy wanted to clarify her understanding that going forward the Project would be paying full assessment on the two thirds of it already constructed and the tax abatement would only involve the 1/3 of the project now being constructed. Ms. DeLaney confirmed that was the case.

327 Montgomery Street

The Committee reviewed correspondence from the Onondaga County Historic Association regarding their interest in acquiring 327 Montgomery Street. The Committee recommended the Board of Directors order an appraisal of the property and request staff to prepare an RFP for review as first steps in making a decision on the future use of the building.

VI. 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 COMMITTEE MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN THE MEETING AT 8:53A.M.**