

City of Syracuse Industrial Development Agency
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Finance Committee Minutes
Thursday, August 20, 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.

Committee Members Present: Kathleen Murphy, Rickey T. Brown, Kenneth Kinsey, Dirk Sonneborn and Steve Thompson

Staff Present: Judith DeLaney, Susan Katzoff, Esq., Kara Clippard and John Vavonese

Others Present: None.

I. Call Meeting to Order

Ms. Murphy called the meeting to order at 8:05 a.m.

II. Roll Call

Ms. Murphy acknowledged all Committee members present.

III. Proof of Notice

Ms. Murphy noted that notice of the meeting had been timely and properly provided.

IV. Minutes

Ms. Murphy asked for a motion approving the minutes from the July 16, 2020 Finance Committee meeting. Mr. Kinsey made the motion. Mr. Brown seconded the motion. **ALL COMMITTEE MEMBERS PRESENT UNANIMOUSLY APPROVED THE MINUTES FROM THE JULY 16, 2020 FINANCE COMMITTEE MEETING.**

V. New Business

Ms. Murphy took a moment to thank Ms. DeLaney for all of her hard work on the grant and loan programs. She then wanted to discuss the grant/loan program: she asked if there were any conflicts with the applicants for the grant and loan program; wanted to remind the Committee that they were only able to disburse \$175,000.00; wanted to go over the priorities/criteria for reviewing the applications; and that they were only going to discuss the applications on today's agenda.

Ms. Katzoff advised that she is the President of the Board for the Volunteer Lawyers Program of Onondaga County ("VLP") and that VLP had submitted two applications: one for a grant and one for a loan. Ms. Katzoff said that even though there was not an actual conflict, she would recuse herself from the discussion of these applications. Ms. Murphy noted that Ms. Katzoff's role was noted on the VLP applications.

Ms. Katzoff also said that while they were discussing all of the applications, it would be helpful to remember 2 things: (i) the Agency's policy, adopted at its last meeting, which provides in part "Whether to award a loan or grant shall be in the sole discretion of the Agency based upon its review and assessment of the applications, eligibility requirements and impacts of the coronavirus on the eligible applicant as well as the eligible applicant's impact and importance on and to the City community"; and (ii) the Agency's corporate purposes set forth in the General Municipal Law which in part include the advancement of job opportunities, health and economic welfare of the people of Syracuse and to improve their recreation opportunities and standard of living.

Ms. Murphy also discussed the law that makes the grants/loan program possible noting that the legislation was restrictive in terms of the uses for the grant proceeds but that the ability to undertake such a program is a unique opportunity..

Ms. DeLaney advised that there are several additional grant applications that have not been reviewed yet and are not on the spreadsheets that were provided. There are also additional loan applications that have not yet been reviewed.

Ms. Murphy then opened the floor for discussion.

Mr. Sonneborn advised that he had reviewed the applications and provided documents and that he had arrived at some priorities with respect to the applicants. He indicated he had a bias for not-for-profit applicants and for those applicants who had good financial records. Mr. Sonneborn advised that while reviewing the applicants, he looked at the number of employees that were affected and the impact on the local economy.

Mr. Thompson advised that he was also leaning toward the not-for-profit applicants. He also looked at the money value. In noting that the program was over-subscribed, he noted three points: the board can decide to increase the amount of money dedicated to the program; the board can reduce each award; and the board can consider whether they want to focus only on grants and not loans.

Ms. DeLaney advised that some requests were reduced because they were not eligible under the COVID-19 Emergency Program legislation. Ms. DeLaney advised that of the loan applications reviewed to date, only 1 was from a not-for-profit. She advised that she may refer some of the loan applications to SEDCO, except for the 501(c)(3) application.

Mr. Brown advised that he had read a report that Syracuse was at the bottom for economic recovery. He was leaning towards grants over loans for small businesses.

Mr. Kinsey does not believe there is enough funds to make a big impact in the local economy. He recommends that the Committee should look at applications and just make the best decision that it can to help applicants through this time.

Ms. DeLaney advised that for the most part the applications on the spreadsheet were in the order they were received, so the ones reviewing today are the earliest ones received. She said that the Committee should look at the eligible, viable businesses based on the parameters the State has given.

Mr. Sonneborn also discussed issues with grants v. loans; noting that with loans you anticipate receiving the principal back for additional investment whereas grants simply deplete reserves; and the impact of amounts of money would have to differ for businesses.

Ms. Murphy went on to discuss that the Committee owed it to every applicant to review each application before making any final decisions. Everyone confirmed that they were in agreement.

Ms. Delaney advised that the applications reviewed today would only be tentatively approved until all applications were reviewed.

Ms. Katzoff recommended that they review the law as laid out, and then on Monday when all applications were in, rank those and then do a final approval.

Ms. Murphy stated that when reviewing the applications they will discuss what expenses were declined per staff recommendation (and why) as well as applications that were declined because the applicants were tax delinquent.

Mr. Kinsey was concerned about declining an applicant based on a business being tax delinquent since they may not actually be delinquent. Ms. Delaney advised that she has printouts regarding tax delinquencies and will double check that they are actually delinquent. The staff made their recommendation to decline the application based on how delinquent the business is and if it is a long-standing issue. Ms. Murphy is concerned that we do not disqualify an application if the City made a mistake regarding this issue. Ms. Delaney and Ms. Murphy confirmed that they will double check with the City regarding this matter and advised that tax delinquency has to be a long standing problem not simply the result of the pandemic since March 2020.

Mr. Thompson asked if we need to review the applications that the staff declined, and Ms. Murphy advised that the applications still need to be reviewed and that the Committee needs to concur with staff recommendations. Mr. Thompson agreed.

Ms. Murphy then began the review process.

500 West Onondaga Street, Inc.

This applicant requested a grant in an amount of \$3,161.53, and the staff recommended approval for \$2,311.53. The amount of \$850.00 was declined as an ineligible expense. Ms. Katzoff indicated that the installation of a sink should qualify under the legislation to prevent the spread of COVID-19. Mr. Sonneborn proposed that the Committee approve this applicant for either \$3,100.00 or \$3,200.00 and not worry about the cents.

The Committee tentatively approved this application in the full amount.

Central New York Jazz Foundation

This applicant requested a grant in the amount of \$5,855.00 and staff recommended approval for the entire amount.

Mr. Sonneborn advised that he was good with this application and recommendation.

Ms. Murphy asked the Committee if they were good with keeping this applicant on the list.

In reviewing applications, Ms. Katzoff recommended the Committee consider what level of impact will the money have on the citizens of Syracuse (the geographic jurisdiction of the Agency) and how does this application meet the Committee's goals and policies. Mr. Sonneborn discussed how he ranked his decisions.

Ms. Murphy believes the Committee will become more comfortable as they continue to review all of the applications.

Mr. Thompson advised that he has knowledge of this applicant and how it has impacted the community. He approves the application and wants to keep it on the list.

Heritage Bread Company

This applicant requested a grant in the amount of \$10,000.00. Staff recommended approval for \$2,000.00. The amount of \$8,000.00 was declined as an ineligible expense. The ineligible expenses included purchasing food products, advertising, signage that the business was reopening and hood cleaning.

Mr. Sonneborn commented that he believed they were bringing back 6 employees.

The Committee agreed to keep this applicant on the list for the recommended \$2,000.00.

Sky Armory (Infinity Events)

This applicant requested a grant in the amount of \$4,828.44. Staff recommended approval of full amount. Mr. Sonneborn requested to see the financial information for this applicant. Ms. Delaney will forward the complete package if Mr. Sonneborn would like to see it.

Ms. Murphy asked if the personal financial documents were relevant to grant giving. She believes they may be if the board is limited in the amount of funds available. She suggested that the conversation be held until the next Finance Committee meeting and will then re-review. The Committee agreed that was appropriate.

The application for Sky Armory will be reviewed for the full amount at the next Finance Committee meeting.

Partners in Learning, Inc.

This applicant requested a grant in the amount of \$5,000.00. Staff recommended approval of the full amount. Ms. Murphy asked if there was any concern regarding this applicant. There being no concerns, Partners in Learning would remain on the list for the recommended full amount.

Syracuse Northeast Community Center

This applicant requested a grant in the amount of \$8,773.60. Staff recommended approval of \$3,618.60. The amount of \$5,155.00 was declined as ineligible expenses. The denied funds were for disinfectant fogging and hiring an outside company for 8 weeks of deep cleaning. Ms. Katzoff does not believe that hiring people to clean falls into either the PPE category or the acquisition of equipment to stop the spread as set forth in the legislation. If they were doing the cleaning themselves, she would be okay with the funds to acquire materials. Ms. Murphy agreed.

Mr. Sonneborn agrees with staff recommendation. No further discussion or comments were made, and it was decided that this applicant would remain on the list for the recommended amount.

Westcott Community Center

This applicant requested a grant in the amount of \$8,607.00. Staff recommended approval of \$3,287.00. The amount of \$5,320.00 was declined as ineligible expenses. The denied funds were for hiring an outside company to come in and fog and clean their van. These are ineligible. Ms. Katzoff said if they were installing plexiglass in the van, that would qualify, but hiring an outside vendor to clean does not qualify.

Ms. Murphy asked if the Committee was in agreement to leaving on the list at the recommended amount and the Committee agreed.

Syracuse City Ballet

This applicant requested a grant in the amount of \$5,700.00. Staff recommended approval of \$3,900.00. The amount of \$1,800.00 was declined as ineligible expenses. The denied funds were for a new keyless lock door and locking cabinets.

No further comments or discussion. It was agreed that this applicant would remain on the list at the recommended amount.

The Cora Foundation (Art Rage)

This applicant requested a grant in the amount of \$2,495.00. Staff recommended approval of the full amount. There being no comments or discussion, it was agreed that this applicant would remain on the list at the full amount.

Southside Fitness LLC

This applicant requested a grant in the amount of \$6,500.00. Staff recommended approval of the full amount. Mr. Sonneborn commented that there are only 2 employees/owners. Ms. Delaney spoke with the owner. She advised that this was the only fitness center in that area. She believes they have a high community impact. Ms. Murphy commented that gyms and fitness centers have been closed for a long time, only recently reopening. They have been the hardest hit by COVID. Ms. Katzoff confirmed that Ms. Delaney had a signed verification page for the applicant.

There being no further comments or discussion, it was agreed that this applicant would remain on the list for the full amount.

The Syracuse Landmark Theatre

This applicant requested a grant in the amount of \$10,000.00. Staff recommended approval of the full amount. Mr. Sonneborn asked if the \$10,000.00 covered 100% of the costs associated with the application as he thought it was odd that they requested an even \$10,000.00. Ms. Delaney will follow up with the applicant and ask for clarification.

The Committee agreed to keep this applicant on the list for the recommended amount.

The Syracuse Center for Peace and Social Justice

This applicant requested a grant in the amount of \$7,61.23. Staff recommended approval of the full amount. Ms. Murphy said it is a volunteer organization, with Ms. Delaney commenting that they house other not-for-profit organizations and they are basically the landlord. Mr. Sonneborn questioned their impact on the community. Ms. Katzoff stated that the impact is the below market rent they charge to other organizations which seemingly have a significant impact on the community.

The Committee agreed to keep this applicant on the list for the recommended amount.

InterFaith Works

This applicant requested a grant in the amount of \$9,950.00. Staff recommended approval of the full amount. Mr. Sonneborn thinks this is a great organization, but is concerned with the number of thermometers they are requesting.

There being no other concerns or comments, the Committee agreed to keep this applicant on the list for the recommended amount.

Samaritan Center

This applicant requested a grant in the amount of \$9,156.00. Staff recommend approval of the full amount. There being no concerns or comments, the Committee agreed to keep this applicant on the list for the recommended amount.

Everton Mitchell (SafeCare Transportation)

This applicant requested a grant in the amount of \$10,000.00 but was declined because of tax delinquencies. Mr. Brown asked that this be verified with the City. Ms. Delaney confirmed that she will verify this issue.

The Committee agreed that this applicant will be kept on the list as declination subject to verifying the tax delinquency.

DKCNY LLC

This applicant requested a grant in the amount of \$5,000.00, but was declined because of tax delinquencies. The Committee agreed that this applicant will be kept on the list as declination subject to verifying the tax delinquency.

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Valley Duke LLC (The Night Drop)

This applicant requested a grant in the amount of \$8,000.00, and the staff recommended it be declined because the company had not been in business a sufficient amount of time prior to March 7, 2020. Ms. Delaney commented that it opened approximately 3 weeks before the State of emergency was declared. Because they are ineligible under the terms of this program, she would refer them SEDCO. The Committee agreed with staff recommendation.

300 West Washington Street LLC

This applicant requested a grant in the amount of \$10,000.00, but the staff recommended it be declined because the company has not done business in CNY for a sufficient amount of time. Ms. Delaney advised that the project is under construction in Syracuse, but the business itself is located in Brooklyn. It was agreed that this applicant would remain on the list with the staff recommendation of declination.

Volunteer Lawyers Program

Before this applicant was discussed, Ms. Katzoff left the meeting as she previously advised that she is the President of the Board of this applicant.

This applicant requested a grant of \$10,000.00. Staff recommended approval of full amount. The requested funds are for installing plexiglass and acquiring other PPE for the volunteer lawyers to permit them to meet with clients.

The Committee agreed that because the work is needed and necessary, this application will remain on the list for the full amount of request of the grant.

This applicant has also requested a loan in the amount of \$25,000.00. Staff recommended approval of full amount. Ms. Delaney advised that VLP is a 501(c)(3) organization and asked if we needed to see the financials for the loan. Ms. Delaney advised that she included 2 emails with the agenda. One email from Sally Curran correcting the application where she stated how much of their funding would be cut by the State. It should have been “by as much as 20%, or to 80% of the former amount.” She also included an email from Michael Collins, who advised how critical VLP is to the community of Syracuse, especially now with the effects of COVID and the housing crisis.

Ms. Murphy recommended holding this application until Monday to give the Committee time to review all of the financial information and documents. The Committee agreed, and Ms. Delaney stated that she will send the information in a separate email.

Ms. Katzoff then rejoined the meeting.

Ms. Murphy commented that this concludes the review for this meeting and requested that if the Committee has any comments regarding the review process, to please call or email her. Ms. Delaney also asked the Committee to feel free to email or call her with any concerns or suggestions. Ms. Delaney said that she will send the next group of applicants to the Committee by Friday along with the Board Agenda.

Mr. Thompson requested that Mr. Vavonese prepare an updated financial statement regarding the next couple of years for SIDA as soon as possible. Mr. Vavonese responded that he had a recent financial statement and will discuss it with Ms. Delaney and get it to the board as soon as possible.

VI. Adjournment

There being no further business to discuss Ms. Murphy asked for a motion to adjourn the meeting. At 9:46 a.m. Mr. Kinsey made a motion to adjourn. Mr. Brown seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN THE MEETING AT 9:46 AM.**