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

To: Finance Committee Members
Syracuse Industrial Development Agency

From: Judith DeLaney

Date: February 28, 2019

Re: Finance Committee Meeting Agenda – March 4, 2019

The City of Syracuse Industrial Development Agency will hold a Finance Committee meeting on **Monday, March 4, 2019 at 8:45 a.m. in the i-Lab Conference Room**, 211 City Hall, 233 East Washington St., Syracuse, N.Y. 13202.

The Agenda is as follows:

I. Call Meeting to Order –

II. Roll Call –

III. Proof of Notice – 1

IV. Minutes – 2

Approval of the minutes from the January 14 and January 15, 2019 Finance Committee Meetings.

V. New Business –

100 Madison Street Development (AXA Garage) – Honora Spillane –3

Review and recommendation to the Board of Directors relative to the approval of a resolution authorizing the negotiation, execution and delivery of a cooperation agreement between the Agency, the City of Syracuse, and the Syracuse Local Development Corporation (SLDC) authorizing funding from the Agency in amount not to exceed \$1,500,000.00 to cover a portion of the costs associated with a design plan being undertaken by C&S for certain improvements at the AXA garage facility in support of economic development and related projects.

Attachment:

1. Memo

VI. Adjournment –

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PLEASE POST

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PUBLIC MEETING NOTICE

THE SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

HAS SCHEDULED

A

FINANCE COMMITTEE MEETING

For

MONDAY, MARCH 4, 2019

At 8:45 a.m.

IN

THE i-LAB CONFERENCE ROOM

Rm.211

CITY HALL

**233 East Washington Street
Syracuse, NY 13202**

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

Minutes
SIDA Finance Committee Meeting
Monday January 14, 2019

Committee Members Present: Kathleen Murphy, Kenneth Kinsey

Committee Members Absent: Rickey Brown

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

Others Present: Michael Frame, Stephen Thompson, Robert Doucette, Rich DeVito

I. Call Meeting to Order

Ms. Murphy called the meeting to order at 8:08 a.m.

II. Roll Call

Ms. Murphy noted that all Committee members were present except for Mr. Brown who was absent.

III. Proof of Notice

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

IV. Minutes

Ms. Murphy asked for a motion to approve the minutes of the August 21, 2018 Finance Committee meeting.

Ms. Murphy made the motion. Mr. Kinsey seconded the motion. **ALL COMMITTEE MEMBERS PRESENT UNANIMOUSLY APPROVED THE MINUTES FROM THE AUGUST 21, 2018 FINANCE COMMITTEE MEETING.**

V. New Business

Joint School Construction Board

Ms. Katzoff advised the Committee the Agency was in receipt of a request by the Joint School Construction Board (JSCB) to issue tax exempt Bonds for Nottingham and Corcoran high schools along with additional funding for Blodgett middle school in an amount not to exceed \$80 million dollars. She said the Agency had also received a request to reduce the Agency fee by 50%. She noted the applications were included in the Committee's packet and had also been presented at the December Board meeting.

Ms. Murphy asked when construction would start. Ms. Katzoff responded the project was on schedule to start at the end of March as soon as the Bonds were issued.

There being no further discussion, Ms. Murphy asked for a motion to recommend to the SIDA Board of Directors approval of the request by the JSCB.

Mr. Kinsey made the motion. Ms. Murphy seconded the motion. **ALL COMMITTEE MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO RECOMMEND TO THE AGENCY BOARD OF DIRECTORS APPROVAL OF A REQUEST BY THE JSCB TO ISSUE ONE OR MORE SERIES OF TAX-EXEMPT AND /OR TAXABLE SCHOOL FACILITY REVENUE BONDS (SERIES 2019A) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$80,000,000.00 AND A WAIVER OF A PORTION OF THE AGENCY FEE (50%) RELATIVE TO THE ISSUANCE.**

Deys Plaza LLC

Ms. Spillane briefly reviewed the Project for the Committee members noting the Company was requesting financial assistance with the additional buildout of 40,000 sq. ft. of vacant commercial space to be converted to 23 residential units. She said the Company was requesting mortgage and sales tax benefits valued at \$26,205 and \$240,000 respectively. She then introduced the owners of the Company Robert Doucette and Richard DeVito to speak to the Committee about the Project.

Mr. DeVito said he and Mr. Doucette purchased the building in early 2010 from SEDCO. He noted there are currently 61 residential units in the building now and the planned 23 units would be located in a portion of the space vacated by the Bank of New York (BONY). He said property taxes on the building were very high and the exemption from mortgage and sales tax would help to make the project viable. No PILOT is being requested.

Mr. Frame asked if the project received any tax breaks during the first phase of construction. Mr. DeVito responded the Project had not previously received any tax breaks.

In response to a question from Mr. Thompson, Mr. DeVito said the average rent for the apartments would be \$1600.00 with the majority being one bedroom apartments as two bedroom apartments were more difficult to rent.

Ms. DeLaney asked about vacancies. Mr. DeVito responded they had two at the moment but generally are able to re-rent within 45 days.

Mr. Thompson asked about the retail space on the first floor. Mr. Doucette said currently there was 5000 sq. ft. available and the Company was actively looking for the right tenant to lease the space.

Ms. Murphy asked if construction had commenced. Mr. Doucette responded a construction manager had been hired but bank closing had yet to occur. She also asked about permits and Mr. Doucette said they were in process.

Ms. Katzoff asked about a time frame. Mr. DeVito responded he anticipated the Project would take 12 months to complete and hoped to close on financing in February.

In response to a question from Mr. Frame, Mr. Doucette noted the building had lost a 70,000 sq. ft. commercial tenant (BONY) and had worked for over a year to try and fill that vacant office space with no success. He said they have worked very hard to put this Project back on track and at this point every single dime counts. He noted even with the new residential units the Project would likely just break even.

Mr. Kinsey asked for confirmation on the number of new residential units. Mr. DeVito confirmed it would be 23.

The Committee members in general asked for clarification on whether or not there was an existing PILOT on the Project. Ms. Spillane confirmed there was no PILOT on the property nor had the owners ever requested such an agreement.

The Committee members also requested prior to making a recommendation on this Project to the Board that staff provide a list of Projects where additional requests for benefits for a second phase were made after approval.

Ms. Spillane indicated staff could provide a list by afternoon and it was agreed the Finance Committee would meet again at 7:45 a.m. prior to the Board meeting of the 15th to review the list and make a recommendation on the Deys Project .

VI. Adjournment

There being no further business to discuss Ms. Murphy asked for a motion to adjourn the meeting. Mr. Kinsey made the motion. Ms. Murphy seconded the motion. **ALL COMMITTEE MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN THE MEETING AT 8:42 a.m.**

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Minutes
SIDA Finance Committee Meeting
Tuesday January 15, 2019

Committee Members Present: Kathleen Murphy, Kenneth Kinsey

Committee Members Absent: Rickey Brown

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

Others Present: Michael Frame, Stephen Thompson, Robert Doucette, Rich DeVito

I. Call Meeting to Order

Ms. Murphy called the meeting to order at 7:45 a.m.

II. Roll Call

Ms. Murphy noted that all Committee Members were present except for Mr. Brown who was absent.

III. Proof of Notice

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

IV. Old Business

Deys Plaza LLC

The Committee at its meeting of January 14, 2019 fully reviewed the Project. However before making a final recommendation the members requested that staff provide them with a review of Projects where benefits were requested and approved for additional phases of the same project.

Ms. Spillane said that upon review staff determined that in recent years there were only three projects where additional benefits were approved for subsequent phases.. She noted the listing was included in the Committee's agenda packet.

After a brief discussion and the Committee members in agreement, Ms. Murphy asked for a motion to make a recommendation to the Board of Directors on the Deys Project.

Mr. Kinsey made the motion. Ms. Murphy seconded the motion. All Committee members present **UNANIMOUSLY APPROVED A MOTION TO MAKE A RECOMMENDATION TO THE BOARD OF DIRECTORS TO APPROVE THE DEYS PLAZA LLC PROJECT AS PRESENTED.**

V. Adjournment

There being no further business to discuss Ms. Murphy asked for a motion to adjourn the meeting. Mr. Kinsey made the motion. Ms. Murphy seconded the motion. **ALL COMMITTEE MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN THE MEETING AT 7:50 a.m.**

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Memo

To: Finance Committee

From: Honora Spillane, Executive Director

Re: 100 Madison Street Development LLC

The City of Syracuse is requesting SIDA and the SLDC enter into a cooperation agreement to provide project equity in an amount not to exceed \$1,500,000.00. The Agreement will facilitate the repair of the AXA Plaza Complex component of the Center City Innovation Hub project, a strategic investment of the Syracuse Surge economic development initiative.

For over twenty years, the City of Syracuse has owned a portion of and managed the operations at the AXA garage complex. The 500+ space facility services the commercial businesses and employees of the AXA Towers along with other businesses and venues in the southern end of the central business district.

Over the life of the facility, the City has dedicated millions of dollars to its maintenance and repair and at this juncture has been advised by a consortium of engineers that major and extensive repairs to the infrastructure are now necessary for its long term viability. The comprehensive plan to renovate and redevelop the complex has been estimated by C&S Engineers (the City and SLDC's engineers) to cost in excess of \$10,000,000. The SLDC applied for and has received a preliminary incentive proposal from Empire State Development to finance a significant portion of the project.

While conditions of the incentive proposal are finalized, in order to meet a reasonable timeframe to commence renovation of the garage, the City and the SLDC are requesting the Agency partner with them to provide project equity in an amount not to exceed \$1,500,000.00. Project construction is estimated to take twelve months and it is critical to the overall economic development and tenant retention efforts that the construction begins as soon as practicable during the 2019 construction season.

This project is vitally important not only to serve the existing commercial entities but equally if not more important to attracting and retaining employers/employees of the AXA Towers, supporting the newly announced Syracuse Surge economic development initiative, and as an initial project in the Syracuse Build workforce development program.

This project fully supports and furthers the purposes and goals of the Agency to provide resources to increase economic development opportunities for the benefit of the City's residents.