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

To: Finance Committee Members
City of Syracuse Industrial Development Agency

From: Judith DeLaney

Date: July 3, 2019

Re: Finance Committee Agenda – July 8, 2019

The City of Syracuse Industrial Development Agency will hold a Finance Committee Meeting on Monday July 8, 2019 at 8:00 a.m. in City Hall Commons, **5th Floor Conference Room**, 201 East Washington Street, 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 March 15, 2019 Finance Committee Meeting.

V. New Business –

Syracuse SOMA Project LLC – 3

Review and recommendation to the Board of Directors relative to project approval.

Attachments:

1. *Application for Financial Assistance.*

Steri- Pharma LLC – 4

Project Status Review.

Attachments:

1. *Agency Correspondence.*
2. *Company Correspondence. (Under separate cover - confidential)*

Alan Byer Auto Sales Inc. – 5

Project Status Review.

Attachments:

1. *Supplemental Application.*
2. *Correspondence.*

Gerharz Equipment Inc. (Sage Teall Properties LLC) - 6

Review and recommendation to the Board of Directors relative to an extension of the Agency Agreement and an increase in the sales tax exemption approved for the Project.

Attachments:

1. *Supplemental Application.*
2. *Correspondence.*

VI. Adjournment –

**City of Syracuse
Industrial Development Agency
201 East Washington Street, 6th Floor
Syracuse, NY 13202**

REVISED

PLEASE POST

PLEASE POST

PLEASE POST

PUBLIC MEETING NOTICE

SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

HAS SCHEDULED

A

FINANCE COMMITTEE MEETING

ON

MONDAY JULY 8, 2019

AT

8:00 A.M

In City Hall Commons

5TH Floor Conference Room

201 E. Washington St

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, March 4, 2019

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

Staff Present: Honora Spillane, Sue Katzoff, Esq., Judith DeLaney, John Vavonese

Others Present: Stephen Thompson, Sharon Owens

I. Call Meeting to Order

Ms. Frame called the meeting to order at 8:45 a.m.

II. Roll Call

Mr. Frame noted that all Committee Members were present.

III. Proof of Notice

Mr. Frame noted notice of the meeting had been timely and properly provided.

IV. New Business

100 Madison Street Development

Ms. Spillane reviewed a request from the City of Syracuse and the SLDC to enter into a three party cooperation agreement to provide project equity in an amount not to exceed \$1,500,000.00 to facilitate the repair of AXA Plaza Complex. She noted a memo was included in the Committee's agenda packet outlining the details to redevelop the complex (garage and plaza) estimated to be in excess of \$10,000,000.00 and said the SLDC had received a preliminary incentive proposal to fund a significant amount of the project. She noted the project was vitally important to not only 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.

After Mr. Spillane concluded her remarks and the Committee members being in agreement, Mr. Frame asked for a motion to recommend approval of the request to the Board of Directors.

Mr. Kinsey made the motion. Mr. Brown seconded the motion. **ALL COMMITTEE MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO RECOMMEND TO THE BOARD OF DIRECTORS APPROVAL OF THE REQUEST TO ENTER IN TO A COOPERATION AGREEMENT WITH THE CITY OF SYRACUSE AND THE SLDC TO PROVIDE EQUITY FUNDING IN AN AMOUNT NOT TO EXCEED \$1,500,000.00.**

V. Adjournment

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

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

EXECUTIVE SUMMARY

Agenda Item: 4

Title: Syracuse SOMA Project LLC

Requested By: Judv DeLaney

OBJECTIVE: Review and recommendation to the Board of Directors relative to project approval.

DESCRIPTION:

Direct expenditure of fund: Yes No

Type of financial assistance requested

PILOT

Sales Tax Exemption

Mortgage Recording Tax Exemption

Tax Exempt Bonds

Other

SUMMARY

Please see attached summary.

ATTACHMENTS:

1. Application for Financial Assistance.

REVIEWED BY:

Executive Director

Audit Committee

Governance Committee

Finance Committee

Meeting: July 8, 2019

Prepared By: J.A. DeLaney

Pursuant to the original application dated December 3, 2003, the original project involved six parcels of improved real property located at 200-238 Water Street West in the City of Syracuse, New York (the "**Land**"); and included both the renovation of the existing building located thereon and commonly known as the Amos Building as well as the construction of two new five to six story buildings on the site and related site improvements, all for use as a mixed use facility consisting of street level retail with the initial renovations to include approximately 19 apartment units and parking (the "**Original Project**").

The first closing occurred on January 1, 2006 and the Company received a 10 year PILOT (the "**Original PILOT**"). The Original PILOT covered the Land and the renovation of the Amos Building to accommodate approximately 19 apartment units, related site improvements and parking (**Phase 1**). The Original PILOT, if not amended, would have expired in 2017.

In 2015, the Company submitted a second application for the next phase (Amos Building Addition Project) which involved approximately .577 acres of the Land; (ii) the construction of an approximately 27,310 square foot four (4) story addition to the exiting approximately Amos Building to house approximately 20,989 square feet on floors two (2) through (4) containing twenty-four (24) handicapped accessible (or conversion ready) one (1) and two (2) bedroom apartment units; and approximately 6,321 square feet of retail space on the first floor, all located Land ("**Phase 2**").

The second closing occurred on September 20, 2015 and the Company received \$264,000 in State and local sales and use tax exemptions and a 12 year PILOT per an Amended and Restated PILOT Agreement (the "**Amended PILOT**"). Total project costs were \$3,698,535.00 per the second application. Per the latest reporting information, 1 new job was created, exclusive of the retail space within Phase 2. The Amended PILOT is set to expire on June 30, 2028.

In May 2019 the Company submitted a third application for the next phase which involves the construction of an approximately 11,300 sq.t. 10-story addition to the Phase 1 and Phase 2 existing buildings consisting of: approximately 1,200 sq.ft of commercial/retail space on the first floor facing Fayette Street; approximately 6,700 sq.ft automated parking lift system providing approximately 72 parking spaces on floors one and two; approximately 98,000 sq.ft. containing approximately 78 one-bedroom units and approximately 26 two-bedroom units on floors 3-10, all located on the Land (**Phase 3**).

In conjunction with Phase 3, the Company has requested approximately \$720,000 in State and local sales and use tax exemptions, approximately \$107,606 in mortgage recording tax exemptions; and a 10 year PILOT with benefits of \$TBD. Phase 3 is to create 2 new jobs. The total project costs are listed as \$19,130,000 per the third application.

As noted above, in the Company's original application they did anticipate all 3 Phases of the Project.

Options for Consideration:

1. No benefits for Phase 3
2. MRTE and State and local sales tax only
3. New PILOT on Phase 3 only (requires re-subdivision)
4. Amend existing PILOT to accommodate an abridged schedule to incorporate the status of the current Amended PILOT
5. Provide a new amended 10 year PILOT on entire project
6. Other

**City of Syracuse Syracuse Industrial Development Agency
Application**

I. APPLICANT DATA

A. Contact Information

Company Name:	Syracuse Soma Project LLC			("Applicant")
Mailing Address:	4 Clinton Square Suite 102			
City:	Syracuse	State:	NY	Zip: 13202
Phone:	3154239140	Fax:		
Contact Person:	Richard J Pascarella			
Email Address:	info@granitedevco.com			
Industry Sector:	Real Estate			
NAICS Code:	531311	Federal Employer Identification Number:	06-1718568	

B. Will the Applicant be the Project Beneficiary (i.e. Project tenant or owner/operator)

Yes No If No, Who will:

--

C. Principal Stakeholders

List principal owners/officers/directors owning 5% or more in equity holdings with percentage ownership. Public companies should list corporate officers.

Name	% Ownership	Business Address	Phone	Email
Mark J Congel	75	4 Clinton Square, Suite 102, Syracuse NY 13202	3154239140	mcongel@granitedevco.com
DANIEL M QUERI	15	314 BRADFORD PARKWAY SYRACUSE, NY 13224		
Paulo Cassenli	10	PAOLO CASINELLI, JR 6805 WOODCHUCK HILL		

D. Corporate Structure: Attach a schematic if Applicant is a subsidiary or otherwise affiliated with another entity.

- Corporation
 Private Public
 Partnership
 General Limited
 Other Sole Proprietorship
 Limited Liability Company/Partnership

Date and Location of Incorporation/Organization

2/24/2004

If a foreign corporation, is the Applicant authorized to do business in the State of New York?

--

E. Applicant's Counsel:

Name:	Stephen G. Etoll		
Firm:	Hancock Estabrook, LLP		
Mailing Address:	1800 AXA Tower I		
City:	Syracuse	State:	NY
		Zip:	13202
Phone:	8004431118	Fax:	
Email Address:	setoll@shulmanlawpc.com		

F. Applicant's Accountant:

Name:	L Richard Pascarella & Dave Turon		
Firm:	DiMarco Abiusi & Pascarella		
Mailing Address:	4 Clinton Square, Suite 104		
City:	Syracuse	State:	NY
		Zip:	13202
Phone:	3154756954	Fax:	
Email Address:	rpascarella@dimarcocpa.com		

G. Applicant History: If the answer to any of the following is "Yes", please explain below. If necessary, attach additional information.

1. Is the Applicant, its management, or its principal owners now a plaintiff or defendant in any civil or criminal litigation? Yes No
2. Has any person listed in Section 1(c) ever been convicted of a criminal offense (other than a minor traffic violation)? Yes No
3. Has any person listed in Section 1 (C) or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes No

H. Has the Applicant, or any entity in which the Applicant or any of its members or officers are members or officers, received assistance from SIDA in the past? If yes, please give year, Project name, description of benefits, and address of Project.

Yes No

1. Syracuse Soma Project 2006 PILOT. Syracuse Soma Project 2016 Amended & Restated PILOT, sales tax exemption, mortgage re

II. PROJECT INFORMATION

A. Project Location

Address:	214 West Water Street	Legal Address (if different)	
City:	Syracuse		
Zip Code:	13202		
Tax Map Parcel ID(s):	104.-19-03.4		
Current Assessment:	\$4,106,000	Square Footage /Acerage of Existing Site:	25,377.55
Square Footage of Existing Building, if any:	Approx. 53,000	Census Tract: (Please See Appendix E for Census Tracts)	32

B. Type (Check all that apply):

- | | |
|---|---|
| <input checked="" type="checkbox"/> New Construction | <input checked="" type="checkbox"/> Commercial |
| <input type="checkbox"/> Expansion/Addition to Current Facility | <input type="checkbox"/> Brownfield/Remediated Brownfield |
| <input type="checkbox"/> Manufacturing | <input checked="" type="checkbox"/> Residential/Mixed Use |
| <input type="checkbox"/> Warehouse/Distribution | |
| <input type="checkbox"/> Other | <input type="text"/> |

C. Description of Project: Please provide a detailed narrative of the proposed Project. This narrative should include, but not be limited to: (i) the size of the Project in square feet and a breakdown of square footage per each intended use; (ii) the size of the lot upon which the Project sits or is to be constructed; (iii) the current use of the site and the intended use of the site upon completion of the Project; (iv) the principal products to be produced and/or the principal activities that will occur on the Project site; and (v) an indication as to why the Applicant is undertaking the Project and the need for the requested benefits (Attach additional sheets if necessary). Attach copies of any site plans, sketches or maps.

See Attached

Exhibit I

D. Is the Applicant the owner of the property?

- Yes No

If not, who is the owner and by what means will the site be acquired? If leasing, when does the lease end?

E. Infrastructure: Please indicate whether the following are onsite, need to be constructed, or need to be renovated/expanded:

Water	To be Renovated/Expanded	Electric	Onsite
Sanitary/ Storm Sewer	Onsite	Private Roads	Onsite
Gas	Onsite	Telecommunication	Onsite

F. Zoning Classification: Please list the current zoning:

Current Zoning

COM-1

G. Are variances needed to complete the Project?

Yes

No

If yes, please describe nature of variances and if municipal approvals have been granted:

H. Will the Project generate sales tax for the community?

Yes

No

If yes, what is the company's average annual sales or estimated annual sales?

20,000.00

I. In accordance with N.Y. GML Sec. 862(1):

1. Will any other companies or related facilities within the state close or be subjected to reduced activity as a result of this Project? If so please list the town and county of the location(s):

Yes

No

2. Will the completion of the Project result in the removal of a plant or facility of the Applicant from one area of the State New York to another area of the State of New York?

Yes

No

3. Will the completion of the Project result in the abandonment of one or more plants or facilities of the Applicant located in the State of New York?

Yes

No

i. If any answer to questions 1, 2 or 3 above is yes, is the Project reasonably necessary to discourage the Applicant from removing such other plant or facility to a location outside the State of New York?

Yes

No

ii. If any answer to questions 1, 2 or 3 above is yes, is the Project reasonably necessary to preserve the competitive position of the Applicant in its respective industry?

Yes

No

4. Will the Project primarily consist of retail facilities?

Yes

No

Yes

No

i. If yes, will the cost of these facilities exceed one-third of the total Project cost?

Yes

No

J. Is the Project located in a distressed Census Tract?

Yes

No

Please see Appendix E for the map of distressed census tracts in the city of Syracuse.

K. Is the Project site designated as an Empire Zone?

Yes

No

L. Construction

1. Project Timeline (approximate):

Construction Commencement

09/01/2019

Construction Completion

04/01/2020

Date of Occupancy

04/05/2020

2. Please list any other key Project milestones:

3. Has work begun?

Yes

No

If so, indicate the amount of funds expended in the past 3 years?

1,550,000

III. PROJECT COSTS & FINANCING

A. Estimated Project Costs

i. State the costs reasonably necessary for the acquisition, construction, and/or renovation of the Project:

Description of Cost Type	Total Budget Amount
Land Acquisition	0
Site Work/Demo	300,000
Building Construction & Renovation	15,750,000
Furniture & Fixtures	1,500,000
Equipment	500,000
Equipment Subject to NYS Production Sales Tax Exemption (Manufacturing)	0
Engineering/Architects Fees	400,000
Financial Charges	300,000
Legal Fees	100,000
Other	200,000
Management /Developer Fee	80,000
Total Project Cost	19,130,000

ii. State the sources reasonably anticipated for the acquisition, construction, and/or renovation of the Project:

Amount of capital the Applicant has invested to date:	1,550,000
Amount of capital Applicant intends to invest in the Project through completion:	5,000,000
Total amount of public sector source funds allocated to the Project:	0
Identify each public sector source of funding:	N/A
Percentage of the Project to be financed from private sector sources:	75% to 80%
Total Project Cost	19,130,000

B. Financial Assistance sought (estimated values):

Applicants requesting exemptions and/or abatements from SIDA must provide the estimated value of the savings they anticipate receiving. **New York State regulations require SIDA to recapture any benefit that exceeds the amount listed in this application.**

i. Is the Applicant expecting that the financing of the Project will be secured by one or mortgages? Yes No

If yes, amount requested and name of lender: 14,347,500

ii. Is the Applicant expecting to be appointed agent of the Agency for purposes of abating payments of NYS Sales and Use Tax? Yes No

If yes, what is the TOTAL amount of purchases subject to exemption based on taxable Project costs? 9,000,000

iii. Is the Applicant requesting a payment in lieu of tax agreement (PILOT) for the purpose of a real property tax abatement? Yes No

If yes, Category of PILOT requested: Standard

iv. Is the Applicant requesting any real property tax abatement that is **inconsistent** with the Agency's UTEP?

Yes No

If yes, please contact the Executive Director prior to submission of this Application.

v. Upon acceptance of this Application, the Agency staff will create a PILOT schedule and indicate the estimated amount of PILOT Benefit based on anticipated tax rates and assessed valuation and attach such information as Exhibit A hereto. At such time, the Applicant will certify that it accepts the proposed PILOT schedule and requests such benefit be granted by the Agency.

**** This Application will not be deemed complete and final until Exhibit A hereto has been completed and executed****

C. Type of Exemption/Abatement Requested: Amount of Exemption/Abatement Requested:

<input checked="" type="checkbox"/>	Real Property Tax Abatement (PILOT)	7,000,000 (est.)
<input checked="" type="checkbox"/>	Mortgage Recording Tax Exemption (.75% of amount mortgaged)	107,606.25 (est.)
<input checked="" type="checkbox"/>	Sales and Use Tax Exemption (\$4% Local, 4% State)	720,000 (est.)
<input type="checkbox"/>	Tax Exempt Bond Financing (Amount Requested)	
<input type="checkbox"/>	Taxable Bond Financing (Amount Requested)	

D. Company's average yearly purchases or anticipated yearly purchases from vendors within Onondaga County, subject to sales tax:

100,000

E. Estimated capital investment over the next 5 years, beyond this Project, if available:

700,000

IV. EMPLOYMENT AND PAYROLL INFORMATION

*** Full Time Equivalent (FTE) is defined as one employee working no less than 40 hours per week or two or more employees together working a total of 40 hours per week.**

A. Are there people currently employed at the Project site?

Yes No If yes, provide number of full time equivalent (FTE) jobs at the facility:

0

B. Complete the following:

Estimate the number of full time equivalent (FTE) jobs to be retained as a result of this Project:	2
Estimate the number of construction jobs to be created by this Project:	80
Estimate the average length of construction jobs to be created (months):	4
Current annual payroll at facility:	20,000 (est.)
Average annual growth rate of wages:	2%
Please list, if any, benefits that will be available to either full and/or part time employees:	Reduced Cost of Rent
Average annual benefit paid by the company (\$ or % salary) per FTE job:	
Average growth rate of benefit cost:	1%
Amount or percent of wage employees pay for benefits:	
Provide an estimate of the number of residents in the Economic Development Region (Onondaga, Madison, Cayuga, Oneida, Oswego, and Cortland Counties) to fill new FTE jobs:	60

C. Complete the following chart indicating the number of FTE jobs presently employed at the Project and the number of FTE jobs that will be created at the Project site at the end of the first, second, third, fourth, and fifth years after the Project is completed. Jobs should be listed by title or category (see below), including FTE independent contractors or employees of independent contractors that work at the Project location. **Do not include construction workers.**

Current & Planned Full Time Occupations (Job Titles)	Current Number of FTEs	Annual Salary	Estimated Number of FTE Jobs After Project Completion					
			End of Year 1	End of Year 2	End of Year 3	End of Year 4	Total New Jobs After 5 Years	Total Retained Jobs After 5 Years
Project Manager	1	21000	2	2	2	2	2	2
On Site Supervisor	1	18000	2	2	2	2	2	2
Admin/Professional	1	20000	1	1	1	1	1	1

For purposes of completing the chart, refer to the following definitions, in lieu of current titles:

- **Professional/Managerial/Technical** - includes jobs which involve skill or competence of extraordinary degree and may include supervisory responsibilities (examples: architect, engineer, accountant, scientist, medical doctor, financial manager, programmer).
- **Skilled** - includes jobs that require specific skill sets, education, training, and experience and are generally characterized by high education or expertise levels (examples: electrician, computer operator, administrative assistant, carpenter, sales representative).
- **Unskilled or Semi-Skilled** - includes jobs that require little or no prior acquired skills and involve the performance of simple duties that require the exercise of little or no independent judgment (examples: general cleaner, truck driver, typist, gardener, parking lot attendant, line operator, messenger, information desk clerk, crop harvester, retail salesperson, security guard, telephone solicitor, file clerk).

D. Are the employees of your company currently covered by a collective bargaining agreement?

Yes No If yes, provide the Name and Local: _____

V. Environmental Information

***An Environmental Assessment Form (EAF) MUST be completed and submitted along with this application. Please visit <https://www.dec.ny.gov/permits/6191.html> for the online EAF Mapper Application and EAF Forms.**

A. Have any environmental issues been identified on the property?

Yes No

If yes, please explain:

In 2005-2006, two former fuel tanks were found buried on the property site which is currently a vacant lot. The issue was addressed, the area was re-remediated, and a close out letter on the matter was received from NYS.

B. Has any public body issued a State Environmental Quality Review Act determination for this Project?

Yes No

If yes, please attach to this application.

VI. REPRESENTATIONS & AFFIRMATIONS BY THE APPLICANT

I hereby represent and warrant that I am [the CEO of the company/applicant] or [a person authorized to bind the company/applicant] and make the following representations and/or warranties and understand and agrees with the Agency as follows:

A. Jobs Listings: Except as otherwise provided by collective bargaining agreements, new employment opportunities created as a result of the Project will be listed with the New York State Department of Labor Community Services Division (the "DOL") and with the administrative entity of the service delivery area created by the Workforce Investment Act ("WIA") in which the Project is located.

Initial MC

B. First Consideration for Employment: In accordance with §858-b (2) of the New York General Municipal Law, the Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, except as otherwise provided by collective bargaining agreements, where practicable, the Applicant will first consider persons eligible to participate in WIA programs who shall be referred by the WIA for new employment opportunities created as a result of the Project.

Initial MC

C. Other NYS Facilities: In accordance with §862 (1) of the New York General Municipal Law, the Applicant understands and agrees that projects which will result in the removal of an industrial or manufacturing plant of the Project occupant from one area of the state to another area of the state or in the abandonment of one or more plants or facilities of the Project occupant within the state is ineligible for Agency Financial Assistance, unless otherwise approved by the Agency as reasonably necessary to preserve the competitive position of the Project in its respective industry.

Initial MC

D. City Human Right Law: The Applicant agrees to endeavor to comply with the provisions of Article XI, Division 2 of the City Code, entitled "The Omnibus Human Rights Law," which prohibits discrimination in employment based upon age, race, sex, creed, color, religion, national origin, sexual orientation, disability or marital status. The Applicant hereby agrees to adhere to this policy or equal opportunity employment in the requirement, hiring, training, promotion, and termination of employees.

Initial MC

E. City of Syracuse and MWBE Preference: The applicant understands and agrees that it is the preference of the Agency that the applicant provide, and use its best efforts to provide, opportunities for the purchase of equipment, goods and services from: (i) business enterprises located in the city of Syracuse; (ii) certified minority and/or women-owned business enterprises; and (iii) business enterprises that employ residents in the city of Syracuse. Consideration will be given by the Agency to the Project Applicant's efforts to comply, and compliance, with this objective at any time an extension of benefits awarded, or involvement by the Agency with the Project, is requested by the Project Applicant.

Initial MC

F. Local Labor Policy: The applicant understands and agrees that local labor and contractors will be used for the construction, renovation, reconstruction, equipping of the Project unless a written waiver is received from the Agency. Failure to comply may result in the revocation or recapture of benefits awarded to the Project by the Agency. For the purposes of the policy, "Local" is defined as Onondaga, Cayuga, Cortland, Madison, Oneida, and Oswego Counties.

Initial MC

G. Annual Sales Tax Filings: In accordance with §874(8) of the New York General Municipal Law, the Applicant understands and agrees that if the Project receives any sales tax exemptions as part of the Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the New York State Department of Taxation and Finance, the annual form prescribed by the Department of Taxation and Finance, describing the value of all sales tax exemptions claimed by the Applicant and all consultants or subcontractors

Initial MC

H. Annual Employment Reports and Outstanding Bonds: The Applicant understands and agrees that, if the Project receives any Financial Assistance from the Agency, the Applicant agrees to file, or cause to be filed, with the Agency on an annual basis, reports regarding the number of FTE at this Project site. The Applicant also understands and agrees to provide on an annual basis any information regarding bonds, if any, issued by the Agency for the Project that is requested by the Comptroller of the State of New York.

Initial MC

I. Absence of Conflicts of Interest: The Applicant has received from the Agency a list of the members, officers and employees of the Agency. No member, officer or employee of the Agency has an interest, whether direct or indirect in any transaction contemplated by this Application, except as hereinafter described in Appendix B.

Initial MC

J. Compliance: The Applicant understands and agrees that it is in substantial compliance with applicable local, state, and federal tax, worker protection, and environmental laws, rules, and regulations.

Initial MC

K. False or Misleading Information: The Applicant understands and agrees that the submission of knowingly false or knowingly misleading information in this Application may lead to the immediate termination of any financial assistance and the reimbursement of an amount equal to all or part of any tax exemptions claimed by reason of Agency involvement in the Project.

Initial MC

L. GML Compliance: The Applicant certifies that, as of the date of the Application, the proposed project is in substantial compliance with all provisions of NYS General Municipal Law Article 18-A, including but not limited to Sections 859-a and 862(1).

Initial MC

M. SIDA's Policies: The Applicant is familiar with all of SIDA's policies posted on its website (http://www.syr.gov.net/Syracuse_Industrial_Development_Agency.aspx) and agrees to comply with all applicable policies.

MC

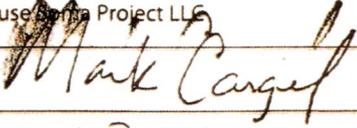
N. Disclosure: The Applicant has read paragraph 6 of the instructions contained on the cover of this Application and understands that the Applicant must identify in writing to SIDA any information it deems proprietary and seeks to have redacted.

MC

O. Reliance: THE APPLICANT ACKNOWLEDGES THAT ALL ESTIMATES OF PROJECTED FINANCIAL IMPACTS, VALUE OF FINANCIAL ASSISTANCE REQUESTED, AND OTHER INFORMATION CONTAINED IN THIS APPLICATION WILL BE RELIED UPON BY SIDA AND ANY CHANGES IN SUCH INFORMATION MUST BE MADE IN WRITING AND MAY IMPACT THE GRANT OF FINANCIAL ASSISTANCE TO THE PROJECT.

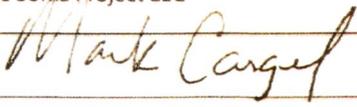
MC

I am the CEO or a person authorized to bind the company/applicant, and have read the foregoing and agree to comply with all the terms and conditions contained therein as well as the policies of the City of Syracuse Industrial Development Agency.

Name of Applicant Company	Syracuse Soma Project LLC
Signature of Officer or Authorized Representative	
Name & Title of Officer or Authorized Representative	Mark J Congel, Principal
Date	04-30-19

VI. HOLD HARMLESS AGREEMENT

Applicant hereby releases the City of Syracuse Industrial Development Agency and the members, officers, servants, agents and employees thereof (collectively the "Agency" from, agrees that the Agency shall not be liable for, and agrees to indemnify, defend, and hold the Agency harmless from and against any and all liability arising from or expense incurred by: (A) the Agency's examination and processing of, and action pursuant to or upon, the attached Application, regardless of whether or not the Application or the Project described therein or the tax-exemptions and other assistance requested therein are favorably acted upon by the Agency, (B) the Agency's acquisition, construction, and/or installation of the Project described therein and (C) any further action taken by the Agency with respect to the Project, including without limiting the generality of the foregoing, all cause of action and attorney's fees and any other expenses incurred in defending any suits or action which may arise as a result of any of the foregoing. If, for any reason, the Applicant fails to conclude or consummate necessary negotiations, or fails, within a reasonable or specified period of time, to take reasonable, proper or requested action, or withdraws, abandons, cancels or neglects the Application, or if the Agency or the Applicant are unable to reach final agreement with respect to the Project, or the inability of the Applicant, for any reason, to proceed with the Project, then, and in the event, upon presentation of an invoice itemizing the same, the Applicant shall pay to the Agency, its agents or assigns, all costs incurred by the Agency in the processing of or in connection with the Application, including attorney's fees, if any.

Name of Applicant Company	Syracuse Soma Project LLC
Signature of CEO or a person authorized to bind the company/applicant	
Name & Title of Officer or Authorized Representative	Mark Congel, Principal
Date	04-30-19

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY APPLICATION
APPENDIX A
CONFLICT OF INTEREST STATEMENT

Agency Board Members

1. Michael Frame
2. Kathleen Murphy
3. Steven P. Thompson
4. Rickey T. Brown
5. Kenneth J. Kinsey

Agency Officers/Staff

1. Honora Spillane
2. Judith DeLaney
3. Debra Ramsey-Burns

Agency Legal Counsel & Auditor

1. Susan Katzoff, Esq., Bousquet Holstein, PLLC
2. Grossman St. Amour, PLLC.

The Applicant has received from the Agency a list of members, officers and staff of the Agency. To the best of my knowledge, no member, officer or employee of the Agency has an interest, whether direct or indirect, in any transaction contemplated by this Application, except as hereinafter described:

Signature:

Mark Cengel

Authorized Representative:

Mark Cengel

Title:

Principal

Date:

05-01-14

City of Syracuse Industrial Development Agency

APPENDIX B

Agency Fee Schedule

(Revised 1/15/19)

Bond and Straight Lease Transactions:

Application & Processing Fee	\$1,000.00
Project Commitment/Legal Fee	\$2,500.00
(Due with fully executed Application; Amount applied to SIDA's counsel fee)	

Administrative Fee:

Issuance of Bonds	1% Project Cost
(Without regard to principal amount of bonds issued.)	
Straight Lease/Agency Appointment	1% Project Cost
(Exemption from one or more mortgage recording, real property or sales and use taxes)	
Refunding of Bonds	1% of Project Cost

New Money/Additional Financing on Existing Project:

- Refinancing of project where no additional Financial Assistance is sought (other than MRTE) – ¼ of new money financed (exclusive of original mortgage amount).
- Refinancing of project where additional Financial Assistance is sought (in addition to MRTE) – 1% of new money financed.

Post-Closing Items for Bond and Straight Lease Transactions:

Annual Administrative Reporting Fee (Paid at time of closing and annually thereafter for duration of SIDA's interest in Project Facility)	\$250.00
Extension of sales tax exemption	\$500.00
Modification or Amendment of Closing Documents*	\$1,000.00
<u>*including but not limited to refinancing of original mortgage</u>	
Subsequent lender closing	\$250.00

In addition to the foregoing, Applicants are responsible for payment of all costs and expenses incurred by SIDA in connection with application or Project including without limitation publication, copying costs, SEQRA compliance and fees and costs to SIDA's attorneys, engineers, and consultants. SIDA reserves the right to require a deposit to cover anticipated costs. Application fees are payable at time application/request is submitted. All fees are non-refundable. Applicants for bond transactions are responsible for payment of Bond Issuance Charge payable to the State of New York. Applicants are also responsible for payment of post-closing fees and costs associated with the appointment of additional agents. SIDA reserves the right to modify the this schedule at any time and to assess fees and charges in connection with other transactions such as grants of easement or lease of SIDA-owned property.

APPENDIX B

Verification

STATE OF NY)
) SS.:
COUNTY OF Onondaga)

Mark J. Congel, deposes and says that s/he is the
(Name of Individual)

Principal of Syracuse Solar Project LLC
(Title) (Applicant Name)

that s/he is the CEO or a person authorized to bind the company/applicant, and has personally completed and read the foregoing Application and knows the contents thereof and that the same is true, accurate, and complete to the best of her/his knowledge, as subscribed and affirmed under the penalties of perjury. The grounds of deponent's beliefs relative to all matters in the said Application which are not stated upon her/his own personal knowledge are investigations which the deponent has caused to be made concerning the subject matter of the Application as well as, if applicable, information acquired by deponent in the course of her/his duties/responsibilities for the Applicant and from the books and papers of the Applicant. The deponent also acknowledges the receipt of the schedules attached to the Application, including but not limited to the Agency's fee schedule and assumes responsibility for payment of any and all applicable fees as described therein. Deponent further acknowledges review and understanding of the Agency's published policies, including but not limited to the Agency's Recapture Policy, and agrees on behalf of the Applicant to be bound by and comply with all such policies.

Mark J. Congel
Applicant Representative's Signature

Principal
Title

Subscribed and sworn to before me this

2 day of MAY, 2019

Kristin M. Slayton
Notary Public

KRISTIN M. SLAYTON
NOTARY PUBLIC-STATE OF NEW YORK
No. 01SL6361525
Qualified in Cayuga County
My Commission Expires 07-10-2021

The Jacob
4 Clinton Square
Suite 102
Syracuse, NY 13202

Re: The Jacob

Applicant, Mark Congel and his related companies Syracuse Soma Project LLC and Granite Development Company LLC have sought to construct what is the logical next step in adding to the Amos block, the Jacob. Currently, the proposed location of the project consists of an enclosed parking lot containing roughly 30 spaces, which service the Amos (I & II). The Amos Block is currently located at 204 and 208 West Water Street in Syracuse, NY.

In 2016, Mark Congel, owner of Syracuse Soma Project completed the Amos II which is a four (4) story brick veneer cavity wall and wood framed construction totaling 27,310 SF. Amos II included 21 residential units and three (3) commercial spaces on the 1st floor. Amos II was an addition to the original Amos building. The original Amos building was renovated by Mark Congel, from a vacant building in disrepair in 2006. Amos I consisted of roughly 30,000 SF and 19 residential units along with three (3) commercial spaces on the 1st Floor. In both Amos I & Amos II, each apartment consisted of a full kitchen with stackable washer and dryer along with a gas fired furnace and 100-amp electrical service. To date Amos I & II have averaged over 90% occupancy over the life of the projects.

The Jacob has been planned for roughly two years. In order to prepare this development plan and application for this unique and progressive build, the Applicant has been in continual discussions and negotiations with contractors, parking experts, consultants, lenders, etc. The uniqueness of the project and premiums associated with accompanying the reduced footprint and residential demand require the assistance of the Syracuse Industrial Development Agency.

The Jacob is contemplated as a 24' tall podium to provide Syracuse's first ever automated parking lift system, providing 88 parking spaces. Additionally, there will be a mixed-use space located on the Franklin and Water St. side of the building, consisting of roughly 1,200 SF. This will be on the 1st level and is designated for a commercial/retail use.

There will be 8 floors of light gauge metal frame structure above totaling 104 residential units, totaling a gross area of approximately 98,000 SF. The anticipated unit mix for the building is approximately 75% one-bedroom units and 25% two-bedroom units.

The Jacob will consist of apartments which include full kitchen with stackable washer and dryer along with a gas fired furnace and 100-amp electrical service.

The Jacob will provide, what we believe is the capstone to the Amos Block. We look forward to working with SIDA on another successful and progressive development for the City of Syracuse.



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

EXECUTIVE SUMMARY

Agenda Item: 4

Title: Steri-Pharma LLC

Requested By: Judv DeLaney

OBJECTIVE: Project status review.

DESCRIPTION:

Direct expenditure of fund: Yes No

Type of financial assistance requested

PILOT

Sales Tax Exemption

Mortgage Recording Tax Exemption

Tax Exempt Bonds

Other

SUMMARY:

Please see attached summary.

ATTACHMENTS:

1. Default Letter
2. Correspondence (Under separate cover.)

REVIEWED BY:

- Executive Director
- Audit Committee
- Governance Committee
- Finance Committee

Meeting: July 8, 2019

Prepared By: J.A. DeLaney

Pursuant to the Company's application dated April 5, 2017, the project (the "Project") involved approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "**Existing Building**") located at 429 South West Street, in the City of Syracuse, New York ("**Parcel 1**") and approximately 8,100 sq. ft. of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("**Parcel 2**" and together with Parcel 1, collectively the "**Land**"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "**New Building**"); (iii) renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "**Facility**").

By resolution adopted September 19, 2017, the Agency approved the dedication of all or a portion of its administrative fee (to the extent remitted by the Company) otherwise earned on the Project to pay for the costs of the infrastructure work associated with the foregoing in an amount equal to the lesser of: (i) the total cost of the infrastructure work as evidenced by invoices and receipts; or (ii) the Agency's administrative fee, actually paid to the Agency, associated with the Project in an amount not to exceed \$333,177.00 (this figure represents the Agency's total administrative fee).

On December 1, 2017, the Company and the Agency entered into an infrastructure agreement (The "**Infrastructure Agreement**"), pursuant to which the Company was permitted to undertake work necessary to repair the retaining wall and the related infrastructure on both Parcel 1 and Parcel 2 some or all of which was located in the public right of way along Onondaga Creek (the "**Infrastructure Work**") prior to closing on the full lease transaction. The Company completed the Infrastructure Work totaling \$1,671,773. The Agency reimbursed the Company \$331,317¹. No additional work was been done on the Project.

The closing occurred on March 16, 2018. The Company was granted \$712,971.52 in sales and use tax exemptions (the "**Sales Tax Award**"); \$378,000 in mortgage recording tax exemptions; and a 15 year PILOT with benefits of \$694,633.12 over the 15 years. The PILOT went into effect on July 1, 2019. The Project was to create 82 full time jobs within the first 5 years following completion. Per the application, the total project costs were estimated at \$50,165,986.

Sales and use tax benefit expired April 30, 2019. The Company has used \$0.00 of the Sales Tax Award to date.

Pursuant to correspondence from the Company dated May 30, 2019, the Company advised that the Project has been delayed due to delayed volume commitment and the tightening of Federal and global regulatory requirements. The Company is meeting with its customer again in July to review the sales growth and volume commitment and expect to receive the official go ahead to begin construction of the new product line and expansion.

The Company advised that since its April 2017 application to the Agency, it has invested over \$500,000 in the existing line and facility to ramp up for the new line and has hired 21 new full time equivalent employees and its continuing hiring efforts.

¹ A default under the Agency Lease (or other related documents) constitute an event of default under the Infrastructure Agreement. Any such default gives rise to the Agency seeking the return of its administrative fee from the Company.
Steri-Pharma LLC - Executive Summary.DOCX

The Company is requesting either a retro-active extension of their sales tax appointment or a re-appointment as the Agency's agent.

Options for Consideration:

The Project and its approval was based upon the expansion of the facility and the creation of new jobs. To date, the Company has not expanded the facility as projected but they have increased the number of jobs on site.

1. Require the Company to return to the August board meeting to provide an update as to expansion of product line;
2. Re-appoint the Company through August 30, 2019 as Agency's agent for purposes of sales tax exemption. Further extension of sales tax dependent upon update in August;
3. Terminate the PILOT with the caveat that if the project expansion is moving forward (based upon August update) SIDA will enter into a new PILOT on the same terms on or before December 31, 2019 (subject only to confirming base number with assessment/UTEP);
4. If the project does not move forward Company to repay 100% of Agency's admin fee.

City of Syracuse
Industrial Development Agency
201 East Washington Street, 6th Floor
Syracuse, NY 13202
Tel (315) 473-3275 Fax (315) 435-3669

May 15, 2019

VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Steri-Pharma, LLC
429 South West Street
Syracuse, New York 13202
Attn: Vincent Durante

Dromik, LLC
429 South West Street
Syracuse, New York 13202
Attn: Vincent Durante

Re: City of Syracuse Industrial Development Agency (the "**Agency**")
Steri-Pharma, LLC Project
Declaration of Default under Agency Lease Agreement

Dear Mr. Durante:

In accordance with Sections 5.4 and 8.5 of the Agency Lease Agreement, dated as of March 1, 2018 (the "**Agency Lease**") entered between the Agency and Steri-Pharma, LLC and Dromik, LLC (collectively, the "**Company**"), this letter constitutes the Agency's request for the Company to provide information relative to the Company's failure to comply with the obligations and covenants contained in Section 4.2 of the Agency Lease.

In March 2018, at the request of the Company, the Agency undertook a project (the "**Project**") consisting in part of: (A)(i) the acquisition of an interest in approximately 2 acres of real property improved by an approximately 73,000 sq. ft. building (the "**Existing Building**") located at 429 South West Street, in the City of Syracuse, New York ("**Parcel 1**") and approximately 8,100 sq. ft. of unimproved land located at 100 Tully St, in the City of Syracuse, New York ("**Parcel 2**" and together with Parcel 1, collectively the "**Land**"); (ii) the construction of a new approximately 18,500 square foot building on Parcel 1 to create a second sterile powder filling line and increase warehouse capacity through the construction of new clean rooms, sterile production and filing areas, all for use in antibiotic manufacturing (the "**New Building**"); (iii)

renovations to the Land consisting of improvements to utilities including slip-lining of a main sewer trunk; repair of retaining wall which supports the Existing Building; construction of a covered corridor to connect the Existing Building and the New Building, all located on the Land (collectively, the "**Facility**"); and (iv) the acquisition and installation in and at the Land and Facility of furniture, fixtures and equipment (the "**Equipment**" and together with the Land and the Facility, the "**Project Facility**").

In conjunction with the Project, the Agency awarded the Company financial assistance in the form of exemptions from real property tax, State and local sales and use tax and mortgage recording tax (except as limited by Section 87 4 of the General Municipal Law) (collectively the "**Financial Assistance**").

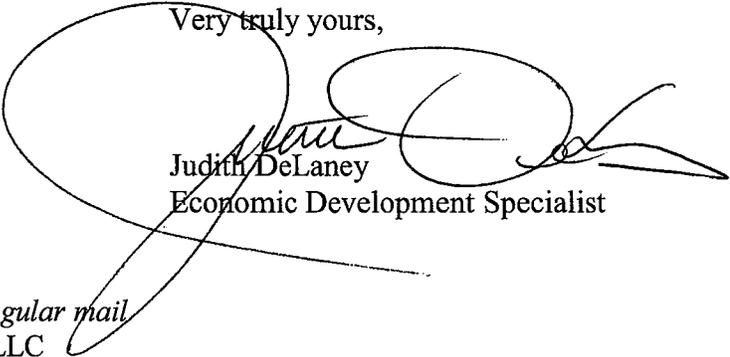
The Agency Lease requires the Company to promptly construct, equip and complete the Project Facility, all in accordance with the Plans and Specifications (as defined therein). To date, the Company has failed to complete the Project Facility, and upon information and belief, has failed to commence any work on the Project Facility other than the repair of the retaining wall.

A default under the Agency Lease constitutes a default under other transactional documents executed by the Company in conjunction with the Project, including but not limited to, the payment in lieu of taxes agreement (the "**PILOT**") as well as the infrastructure agreement.

On February 6, 2019 and again on May 14, 2019, the undersigned reached out to Andy Mather of the Company to inquire as to the status of the Project. No response was received.

Demand is hereby made of the Company to submit, **on or before May 31, 2019**, a status of the Project, a written explanation as to the delay in the construction and completion of the Project, and the Company's proposed financing and completion timeframe for the Project. Failure to submit same on or before May 31, 2019 shall give rise to a default under the Agency Lease and the Agency shall consider all available remedies including but not limited to recapture and termination of all agreements.

Very truly yours,



Judith DeLaney
Economic Development Specialist

cc: Wendy S. Lougnot, Esq. – *via regular mail*
Costello, Cooney and Fearon, PLLC
500 Plum Street, Suite 300
Syracuse, New York 13204

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

EXECUTIVE SUMMARY

Agenda Item: 5

Title: Alan Byer Auto Sales Inc.

Requested By: Judv DeLaney

OBJECTIVE: Project Status Review.

DESCRIPTION:

Direct expenditure of fund: Yes No

Type of financial assistance requested

PILOT

Sales Tax Exemption

Mortgage Recording Tax Exemption

Tax Exempt Bonds

Other

SUMMARY:

Please see attached summary.

ATTACHMENTS:

1. Supplemental Application.
2. Correspondence.

REVIEWED BY:

- Executive Director
- Audit Committee
- Governance Committee
- Finance Committee

Meeting: July 8, 2019

Prepared By: J.A. DeLaney

On October 23, 2018, Alan Byer Auto Sales, Inc. and Alan I Byer Family Trust (the "**Original Company**") filed an application for a project (the "**Original Application**") consisting of approximately 1.89 acres of improved real property located at 1232-36 West Genesee Street (also known as 1230 West Genesee Street), in the City of Syracuse, New York; (ii) the renovation of an existing approximately 25,820 square foot building for use as an auto dealership, including but not limited to, renovation of interior showroom, sales offices and reception areas, external replacement of entry, new exterior wall finishes, updated signage and roof replacement, all located on the Land (the "**Original Project**").

Per the Original Application, the Company requested \$140,000 in State and local sales and use tax exemptions, \$26,250 in mortgage recording tax exemptions and a 10 year PILOT with benefits of \$113,838.17. Total project costs are listed at \$3,365,000.

On December 18, 2018 the Agency held a public hearing with respect to the Original Company and the Original Project.

On December 31, 2018 the Agency temporarily appointed Alan Byer Auto Sales, Inc. and Alan I. Byer Family Trust and Parsons-McKenna Construction Co., Inc. (as sub-agent) as its agents for purposes of receiving State and local sales and use tax exemptions with respect to the Original Project. The appointment was set to expire on March 1, 2019. At the Company's request, the Agency granted an extension through May 31, 2019.

On March 12, 2019, counsel for the Original Company informed the Agency that they became aware that the Original Project actually consisted of 2 parcels rather than one as originally submitted; namely an approximately 3 acre parcel located at 1232 West Genesee St (rear) bearing tax map number 108.1-02-35.1 and a second parcel measuring approximately 176-foot x 350 feet located at 1232-1326 West Genesee St bearing tax map number 108.1-02-19. At that time, counsel also advised that the parcels were owned by separate but related parties and that the Original Application would be revised/supplemented to reflect same.

In anticipation of same, the Agency placed the matter on its March 19, 2019 agenda. At that meeting, the Agency was informed, for the first time, that the project actually consisted of **three** parcels of land, again, each owned by separate but related parties. The third parcel consisted of approximately 2 acres, located at 1288 West Genesee St. and bears tax map number 108.1-02-20 (the "**Final Project**").

By supplemental application dated March 18, 2019 (the "**Supplemental Application**") (which was received after the meeting), Alan Byer Auto Sales, Inc., Alan I Byer Family Trust, Stephen Gary Byer, d/b/a Byer Real Estate Enterprises and West Genesee Realty Associates, LLC (the "**Amended Company**") advised the Agency of certain modifications to the Original Project (as well as to the Original Company) (the "**Revised Project**"), consisting of: (1) approximately 1.89 acres of improved real property bearing tax map number 108.1-02-19 and commonly referred to as 1232-36 West Genesee Street (also known as 1230 West Genesee Street) ("**Parcel 1**"); (2) approximately 3 acres of improved real property bearing tax map number 108.1-02-35.1 and commonly referred to as 1232 West Genesee Street (rear) ("**Parcel 2**"); and (3) approximately 2 acres of improved real property bearing tax map number 108.1-02-20 and commonly referred to as 1288 West Genesee Street ("**Parcel 3**"), each in the City of Syracuse, New York (collectively, the "Land"); (ii) there is an existing approximately 25,820 square foot building located on Parcel 1; an existing approximately 17,000-square foot building located on Parcel 2; and an approximately 34,802 square foot building located on Parcel 3, all of which are served by common driveways, parking, and pedestrian walkways, and all of which comprise the Alan Byer Volvo facility (collectively, the "**Improvements**"); (iii) the renovation to the Improvements

including, but are not limited to, the interior showroom, sales offices and reception areas, external replacement of entry, new exterior wall finishes, updated signage, the existing basement, replacement of an area of deteriorating floor slab, refreshed directional pavement graphics and roof replacement (collectively, the “*Facility*”).

On April 16, 2019 a second public hearing was held regarding the Revised Project. Following that hearing, the Agency requested additional information from the Amended Company with respect to ownership, allocation of benefits and job creation.

Properties and Owners:

Parcel 1 (pre-owned showroom). Tax map number 108.1-02-19. Approximately 1.89 acres of improved real property commonly referred to as 1232-36 West Genesee Street (also known as 1230 West Genesee Street) (*approximately \$300,000 of project costs expended*). **Owners:** Per counsel for Amended Company owners of Parcel 1 consist of: Alan I. Byer Family Trust and Steven Byer, as co-partners, d/b/a/ Byer Real Estate Enterprises. Per property records owners of Parcel 1 appear as: Alan I Byer Trust and Alan I. Byer.

Parcel 2 (collision center). Tax map number 108.1-02-35.1. Approximately 3 acres of improved real property commonly referred to as 1232 West Genesee Street (rear) (*de minimus portion of project costs expended*). **Owner:** Alan Byer Auto Sales, Inc.

Parcel 3 (main show room). Tax map number 108.1-02-20. Approximately 2 acres of improved real property bearing and commonly referred to as 1288 West Genesee Street (*majority of project costs expended*). **Owner:** West Genesee Realty Associates, LLC.

Additional Information:

At the request of the Agency, counsel for the Amended Company has advised that the majority of the \$3,365,000 project costs will be expended on Parcel 3, approximately \$300,000 will be expended Parcel 1 and a de minimus portion of the project costs will be expended on Parcel 2. However, a majority of the jobs created will be at Parcel 2 (the collision center).

Although each of the parcels are owned by different entities, each of those entities is related to Alan Byer Auto Sales, Inc., which is the operating entity of all 3-parcels, the entity making the investment and the entity creating the employment.

The Revised Project will create 12 FTEs over the first five years. The Revised Project will retain 78 jobs.

History of communications regarding project changes and additional information:

03/06/19	Email from K. McAuliffe regarding discovering some possible inconsistencies with the information his client provided regarding title to the real property.
03/12/19	Correspondence from K. McAuliffe to Nora indicating the project consists of two tax parcels owned by different, but related Byer entities: Tax Map Number

	108.1-02 -35.1 (1232 West Genesee Street (rear), being approximately three(3)-acres, owned by West Genesee Realty Associates, LLC; and (ii) Tax Map Number 108.1-02-19 (1232-1326 West Genesee Street), being approximately 176-feet x 350-feet, and owned by the Alan I. Byer Family Trust and Stephen Byer, as co-partners, d/b/a Byer Real Estate Enterprises.
03/27/19	Email from K. D'Antonio to S. Katzoff with Supplemental Application and mark-up of revised project description.
04/01/19	Email sent on behalf of S. Katzoff to K. D'Antonio asking for clarification about jobs and sending comments to marked-up revised project description.
04/02/19	Emails between K. D'Antonio and S. Katzoff regarding incorporating information into Supplemental Application and sending same to Nora and Judy
04/06/19	Email from S. Katzoff to K. McAuliffe requesting status of project and advising that sales tax appointment had terminated.
04/10/19	Email from Nora to K. D'Antonio and K. McAuliffe asking for clarification as to which tax parcel the real property improvements are taking place on and to confirm that the bulk of the new job creation is in the collision center.
04/11/19	Email from S. Katzoff to K. McAuliffe requesting status and stating that sales tax appointment had expired.
04/11/19	Email from K. D'Antonio advising "improvements will be undertaken on all 3-parcels, with the majority of the project expenditures occurring for improvements on the dealership parcel, followed by the used car center, and then the collision center. New employment will be created on all 3-parcels, too, with the highest number of FTEs associated with the collision center"
04/12/19	Email from Nora to K. D'Antonio and K. McAuliffe requesting a specific breakdown of the real property improvements on each parcel.
05/01/19	Email from J. DeLaney to K. D'Antonio and K. McAuliffe following up on Nora's 04/12/19 email.
05/30/19	Email from J. DeLaney to K. D'Antonio and K. McAuliffe following up on Nora's 04/12/19 email and advising them that sales tax appointment expires 5/31/19.
06/13/19	Email from K. D'Antonio advising " After discussions with our client, I am able to share with you that the majority of the \$3,365,000 project costs will be expended on the main show room (tax parcel 108.1-02-20.0), approximately \$300,000 will be expended at the pre-owned show room (tax parcel 108.1-02-19), and a de minimus portion of the project costs will be expended on the collision center (tax parcel 108.1-02-35.1).

	As a reminder, although each of the project parcels is owned by a different entity, each of those entities is related to Alan Byer Auto Sales, Inc., which is the operating entity at all 3-parcels, the entity making the investment, and the entity providing the employment."
06/18/19	Email from K. D'Antonio advising "We'll get minor comments to the draft documents to you later today/early tomorrow. If possible, we'd like to proceed with closing the lease/leaseback transaction with the PILOT to follow."

Karen S. D'Antonio
Special Projects Coordinator

April 2, 2019

VIA ELECTRONIC MAIL and HAND DELIVERY

Honora Spillane, Executive Director
Syracuse Industrial Development Agency
City Hall Commons, 6th Floor
201 East Washington Street
Syracuse, New York 13202

RE: City of Syracuse Industrial Development Agency ("SIDA")
Alan Byer Volvo Facility Project
Alan Byer Auto Sales, Inc.; Alan I. Byer Family Trust and Stephen Gary Byer, as
co-partners d/b/a Byer Real Estate Enterprises; West Genesee Realty
Associates, LLC

Dear Nora:

On behalf of the above referenced entities, enclosed is the original, supplemental application for the Alan Byer Volvo Facility Project (the "Supplemental Application"). As discussed during the SIDA Board meeting on March 19, 2019, the Supplemental Application clarifies that the Alan Byer Volvo Facility is three separate parcels, each with a different owning entity, but all of which are affiliates of Alan Byer Auto Sales, Inc., the Project location operating entity. The Supplemental Application also clarifies that the alterations comprising the Project and the associated job retention and creation will occur throughout the Alan Byer Volvo Facility.

If you have questions after reviewing the Supplemental Application, please let me know. I thank you for your courtesies and look forward to advancing the Project to closing.

Very truly yours,



Karen S. D'Antonio

KSD:ds

Enclosures

cc: Ms. Judith DeLaney (w/enclosures; via electronic mail, only)
Susan R. Katzoff, Esq. (w/enclosures; via electronic mail, only)
Lori L. McRobbie, Paralegal (w/enclosures; via electronic mail, only)

City of Syracuse Industrial Development Agency
Supplemental Application and Verification

Project Name:

Alan Byer Volvo Facility Project

Date:

March 18, 2019

**City of Syracuse Syracuse Industrial Development Agency
Application**

I. APPLICANT DATA

*and Stephen Gary Byer, as co-partners d/b/a Byer Real Estate Enterprises, and

A. Contact Information West Genesee Realty Associates, LLC (20-3158317)

Company Name:	Alan Byer Auto Sales Inc., and Alan I Byer Family Trust (30-0097147)* ("Applicant")		
Mailing Address:	1230 W. Genesee Street		
City:	Syracuse	State:	NY Zip: 13204
Phone:	3154716107	Fax:	
Contact Person:	Stephen Byer		
Email Address:	sbyer@alanbyerolve.com		
Industry Sector:	Auto		
NAICS Code:	441110	Federal Employer Identification Number:	15-0610944 (Alan Byer Auto Sales)

B. Will the Applicant be the Project Beneficiary (i.e. Project tenant or owner/operator)

Yes No If No, Who will:

C. Principal Stakeholders

List principal owners/officers/directors owning 5% or more in equity holdings with percentage ownership. Public companies should list corporate officers.

Name	% Ownership	Business Address	Phone	Email
+Alan I. Byer Family Trst	35%			
+Byer Children Trust	65%			
^Stephen G. Byer	5%			
^Byer Children Trust	95%			

+Alan Byer Auto Sales, Inc. ownership; ^West Genesee Realty Associates, LLC ownership

D. Corporate Structure: Attach a schematic if Applicant is a subsidiary or otherwise affiliated with another entity.

Corporation
 Private Public

Date and Location of Incorporation/Organization

Partnership
 General Limited

If a foreign corporation, is the Applicant authorized to do business in the State of New York?

Other Sole Proprietorship

Limited Liability Company/Partnership - NYS LLC formed 07.06.2005

Byer Real Estate Enterprises (99% Alan I. Byer Family Trust; 1% Stephen Gary Byer) formed 12.20.1991

E. Applicant's Counsel:

Name:	Kevin McAuliffe		
Firm:	Barclay Damon LLP		
Mailing Address:	Barclay Damon Tower, 125 East Jefferson Street		
City:	Syracuse	State:	NY Zip: 13202
Phone:	3154252875	Fax:	
Email Address:	kmcauliffe@barclaydamon.com		

F. Applicant's Accountant:

Name:	David Silverman		
Firm:	D'Arcangelo & Co. LLP		
Mailing Address:	401 N. Salina Street		
City:	Syracuse	State:	NY Zip: 13203
Phone:	3154727213	Fax:	
Email Address:	dsilverman@darangelo-cny.com		

G. Applicant History: If the answer to any of the following is "Yes", please explain below. If necessary, attach additional information.

1. Is the Applicant, its management, or its principal owners now a plaintiff or defendant in any civil or criminal litigation? Yes No
2. Has any person listed in Section 1(c) ever been convicted of a criminal offense (other than a minor traffic violation)? Yes No
3. Has any person listed in Section 1 (C) or any concern with whom such person has been connected ever been in receivership or been adjudicated a bankrupt? Yes No

H. Has the Applicant, or any entity in which the Applicant or any of its members or officers are members or officers, received assistance from SIDA in the past? If yes, please give year, Project name, description of benefits, and address of Project.

- Yes No

II. PROJECT INFORMATION

A. Project Location

Address:	1230-1236 and 1288 W. Genesee Street	Legal Address (if different)	
City:	Syracuse		
Zip Code:	13204		
Tax Map Parcel ID(s):	108.1-02-19; 108.1-02-20.0; 108.1-02-35.1 (3-parcels total)		
Current Assessment:	2,227,000 (total)	Square Footage /Acerage of Existing Site:	7.06-acres (total)
Square Footage of Existing Building, if any:	+/- 77,082 (total)	Census Tract: (Please See Appendix E for Census Tracts)	21.01

B. Type (Check all that apply):

- | | |
|---|---|
| <input type="checkbox"/> New Construction | <input checked="" type="checkbox"/> Commercial |
| <input type="checkbox"/> Expansion/Addition to Current Facility | <input type="checkbox"/> Brownfield/Remediated Brownfield |
| <input type="checkbox"/> Manufacturing | <input type="checkbox"/> Residential/Mixed Use |
| <input type="checkbox"/> Warehouse/Distribution | |
| <input checked="" type="checkbox"/> Other | Renovation of existing dealership |

C. Description of Project: Please provide a detailed narrative of the proposed Project. This narrative should include, but not be limited to: (i) the size of the Project in square feet and a breakdown of square footage per each intended use; (ii) the size of the lot upon which the Project sits or is to be constructed; (iii) the current use of the site and the intended use of the site upon completion of the Project; (iv) the principal products to be produced and/or the principal activities that will occur on the Project site; and (v) an indication as to why the Applicant is undertaking the Project and the need for the requested benefits (Attach additional sheets if necessary). Attach copies of any site plans, sketches or maps.

See Exhibit A attached for project description.

D. Is the Applicant the owner of the property?

- Yes No

If not, who is the owner and by what means will the site be acquired? If leasing, when does the lease end?

The property is owned by the Alan Byer Family Trust and Stephen Gary Byer, d/b/a Byer Real Estate Enterprises and West Genesee Realty Associates, LLC and leased to Alan Byer Auto Sales, Inc.

E. Infrastructure: Please indicate whether the following are onsite, need to be constructed, or need to be renovated/expanded:

Water	Onsite	Electric	Onsite
Sanitary/ Storm Sewer	Onsite	Private Roads	Onsite
Gas	Onsite	Telecommunication	Onsite

C. Complete the following chart indicating the number of FTE jobs presently employed at the Project and the number of FTE jobs that will be created at the Project site at the end of the first, second, third, fourth, and fifth years after the Project is completed. Jobs should be listed by title or category (see below), including FTE independent contractors or employees of independent contractors that work at the Project location. **Do not include construction workers.**

Current & Planned Full Time Occupations (Job Titles)	Current Number of FTEs	Salary (Annual or Hourly)	Estimated Number of FTE Jobs After Project Completion				
			End of Year 1	End of Year 2	End of Year 3	End of Year 4	Total New Jobs After 5 Years
Alan Byer Auto Sales, Inc. is the sole operator and employer							
Technical (Collision Center)	25	60,000	27	29	29	29	4
Service Writer (Collision Center)	4	45,000	5	5	5	5	1
Clerical (All Buildings)	9	38,000	10	10	10	10	1
Sales (All Buildings)	7	65,000	8	8	8	8	1
Reconditioning (Collision Center)	11	30,000	13	15	15	15	4
Body Shop (Collision Center)	16	42,000	16	16	16	16	0
Janitorial (All Buildings)	1	30,000	2	2	2	2	1
Management (All Buildings)	5	80,000	5	5	5	5	0

For purposes of completing the chart, refer to the following definitions, in lieu of current titles:

- **Professional/Managerial/Technical** - includes jobs which involve skill or competence of extraordinary degree and may include supervisory responsibilities (examples: architect, engineer, accountant, scientist, medical doctor, financial manager, programmer).
- **Skilled** - includes jobs that require specific skill sets, education, training, and experience and are generally characterized by high education or expertise levels (examples: electrician, computer operator, administrative assistant, carpenter, sales representative).
- **Unskilled or Semi-Skilled** - includes jobs that require little or no prior acquired skills and involve the performance of simple duties that require the exercise of little or no independent judgment (examples: general cleaner, truck driver, typist, gardener, parking lot attendant, line operator, messenger, information desk clerk, crop harvester, retail salesperson, security guard, telephone solicitor, file clerk).

D. Are the employees of your company currently covered by a collective bargaining agreement?

Yes No If yes, provide the Name and Local:

V. Environmental Information

***Please note an Environmental Assessment Form (EAF) MUST be completed and submitted along with this application. The Short Form EAF is included as Appendix B.**

A. Have any environmental issues been identified on the property?

Yes No

If yes, please explain:

B. Has any public body issued a State Environmental Quality Review Act determination for this Project?

Yes No

If yes, please attach to this application.

EXHIBIT A

Summary of project to be undertaken at
Alan Byer Volvo Facility
Tax Map Parcels 108.1-02-19, 108.1-02-20.0, and 108.1-02-35.1:

The Alan Byer Volvo facility includes three (3)-separate buildings, each located on a separate tax parcel, with common driveways, parking, and pedestrian paths. The project is being undertaken to allow Alan Byer Auto Sales, Inc. to meet current Volvo retail experience standards instituted by Volvo North American. These standards include aesthetic and functional changes to the Volvo brand and client experience. The alterations throughout the Alan Byer Volvo facility include the following:

Replacement and upgrade to the dealership's exterior facades and site:

- Replacement of the showroom exterior wall and installation of new display windows, customer entrance and vehicle entries;
- Update of building mounted signage;
- Repair of existing masonry facades and application of new exterior metal paneling;
- Installation of an exterior vehicle display concrete pad;
- Refreshed directional pavement graphics;
- Roof replacement.

Interior improvements:

- Renovation of customer facing spaces to Volvo standards for finishes and materials;
- Creation of a new customer lounge area with VRE mandated attributes;
- Renovation of service reception;
- Relocation and improvement of staff breakroom;
- Expansion of the business office;
- Installation of a stock room mezzanine;
- Removal of the existing basement and replacement of an area of deteriorating floor slab.

In addition to the above improvements and to retaining all existing jobs at the facility, Alan Byer Auto Sales, Inc. anticipates creating twelve (12)-FTE jobs, with the greatest number of new jobs located in the Collision Center. As Alan Byer Auto Sales, Inc. employees, the management, sales, clerical, and janitorial staff will be performing functions to support the operations throughout the Alan Byer Volvo facility. The breakdown of retained and new FTE jobs after 5-years' follows:

Management, support operations in all buildings:	5 retained, no new
Janitorial, support operations in all buildings:	1 retained, 1 new
Body Shop, Collision Center:	16 retained, no new
Reconditioning, Collision Center:	11 retained, 4 new
Sales, support operations in all buildings:	7 retained, 1 new
Clerical, support operations in all buildings:	9 retained, 1 new
Service Writer, Collision Center:	4 retained, 1 new
Technical, Collision Center:	25 retained, 4 new

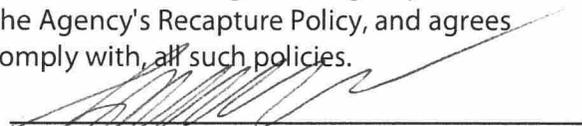
APPENDIX B
Verification

STATE OF New York)
) SS.:
COUNTY OF Onondaga)

Stephen Byer, deposes and says that s/he is the
(Name of Individual)

Authorized Signatory of Alan Byer Auto Sales Inc., Alan I Byer Family Trust, West Genesee Realty Associates, LLC, Byer Real Estate Enterprises
(Title) (Applicant Name)

that s/he is the CEO or a person authorized to bind the company/applicant, and has personally completed and read the foregoing Application and knows the contents thereof and that the same is true, accurate, and complete to the best of her/his knowledge, as subscribed and affirmed under the penalties of perjury. The grounds of deponent's beliefs relative to all matters in the said Application which are not stated upon her/his own personal knowledge are investigations which the deponent has caused to be made concerning the subject matter of the Application as well as, if applicable, information acquired by deponent in the course of her/his duties/responsibilities for the Applicant and from the books and papers of the Applicant. The deponent also acknowledges the receipt of the schedules attached to the Application, including but not limited to the Agency's fee schedule and assumes responsibility for payment of any and all applicable fees as described therein. Deponent further acknowledges review and understanding of the Agency's published policies, including but not limited to the Agency's Recapture Policy, and agrees on behalf of the Applicant to be bound by and comply with, all such policies.


Applicant Representative's Signature
Authorized Signatory
Title

Subscribed and sworn to before me this

28th day of March, 20 19

Lois Mangicaro
Notary Public

LOIS J MANGICARO
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 01MA6360182
Qualified in Onondaga County
Commission Expires June 12, 2021

DeLaney, Judith

From: D'Antonio, Karen S. <kdantonio@barclaydamon.com>
Sent: Thursday, June 13, 2019 1:56 PM
To: DeLaney, Judith; McAuliffe, Kevin R.
Cc: Sue Katzoff (skatzoff@bhlawpllc.com); McRobbie, Lori L. (lmcrobbie@bhlawpllc.com)
Subject: RE: Alan Byer Volvo Project - Supplemental Application [IWOV-Active.FID2743248]

Hi Judy,

Please accept my apology for my delayed response.

After discussions with our client, I am able to share with you that the majority of the \$3,365,000 project costs will be expended on the main show room (tax parcel 108.1-02-20.0), approximately \$300,000 will be expended at the pre-owned show room (tax parcel 108.1-02-19), and a de minimus portion of the project costs will be expended on the collision center (tax parcel 108.1-02-35.1).

As a reminder, although each of the project parcels is owned by a different entity, each of those entities is related to Alan Byer Auto Sales, Inc., which is the operating entity at all 3-parcels, the entity making the investment, and the entity providing the employment.

If you have other questions or need additional information from us, please let me know.

Regards,
Karen

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

EXECUTIVE SUMMARY

Agenda Item: 6

Title: Gerharz Equipment Inc.

Requested By: Judv DeLaney

OBJECTIVE: Review and recommendation to the Board of Directors relative to an extension of the Agency Agreement and an increase in the sales tax exemption approved for the Project.

DESCRIPTION:

Direct expenditure of fund: Yes No

Type of financial assistance requested

PILOT

Sales Tax Exemption

Mortgage Recording Tax Exemption

Tax Exempt Bonds

Other

SUMMARY:

Please see attached summary.

ATTACHMENTS:

1. Supplemental Application.
2. Correspondence.

REVIEWED BY:

- Executive Director
- Audit Committee
- Governance Committee
- Finance Committee

Meeting: July 8, 2019

Prepared By: J.A. DeLaney

Pursuant to the Company's application dated June 18, 2018, the project (the "**Project**") involved approximately 4.5 acres of improved real property located at 220-22 Teall Avenue, in the City of Syracuse, New York (the "**Land**"); (ii) the renovation of an existing approximately 85,000 square foot building for use in the wholesale and retail sale of foodservice equipment, supplies and design solutions primarily to restaurants and food service operators. At the time, the Company anticipated using 65,000 sq. ft. for its own needs and renting the additional 20,000 sq. ft to other commercial tenants.

The closing occurred on November 13, 2018. The Company was granted \$96,000 in State and local sales and use tax exemptions; \$10,125 in mortgage recording tax exemptions; and a 10 year PILOT with benefits of \$154,966.79 over 10 years. The Project was to create 8 full time jobs within the first 5 years following completion. Total project costs were \$4,965,000 per the application. Aside from the FTEs to be created within 5 years, at the time of its application, the Company indicated it employed 40.5 FTEs. Most recently the Company reported total FTEs at 34. Both in its original application and by its recent correspondence, the Company confirmed its intent to create the 8 new FTEs but not until it has completed the Project as it has no current space to house new employees. With respect to the reduction of current FTEs, the Company has experienced some loss due to turnover based on performance issues. The Company has reported that they have 2 new FTEs starting next week and have a couple other positions posted. They are confident that their FTE number will return to at or near the 40.5 FTEs as reported in their application.

The award of sales and use tax exemption was bifurcated between the work being done on the exterior as well as the Company controlled interior space and that of the areas then under leases with third parties. The allocation and timing of use were:

<u>Description</u>	<u>Estimated Completion Date</u>	<u>Estimated Costs</u>		<u>Estimated Sales Tax Exemption Needed</u>	
		<u>Construction</u>	<u>FF&E</u>	<u>Construction</u>	<u>FF&E</u>
Exterior work and Company-controlled space	July 1, 2019	\$1,950,000	\$230,000	\$47,000 (by 07/01/19)	\$18,400 (by 07/01/19)
Leased space	April 1, 2020	\$850,000	\$120,000	\$21,000 (by 04/01/20)	\$9,600 (by 04/01/20)

By letter dated June 14, 2019, the Company requested an increase in the amount of State and local sales and use tax exemptions from \$96,000 to \$220,800 (the "**Increase**"). The Increase request is due to their receipt of significantly higher than expected budgets and estimates received from contractors and design professionals following the purchase of the property in addition to their need to take an additional 10,000 sq. ft of the space for their own use. Unforeseen mechanical and demo/abatement issues that required a significant increase in engineering expertise coupled with under-budgeting on the FFE costs have resulted in a substantial increase in the project costs. Moreover, the Company advised that while the scope of the Project has not changed significantly, the it originally estimated that 30% of construction costs to be attributable to taxable materials however have since realized the better estimate is 40%.

The following is the updated allocation provided by the Company showing the revised cost and sales tax exemption estimates (including updated completion dates):

<u>Description</u>	<u>Estimated Completion Date</u>	<u>Estimated Costs</u>		<u>Estimated Sales Tax Exemption Needed</u>	
		<u>Construction</u>	<u>FF&E</u>	<u>Construction</u>	<u>FF&E</u>
Exterior Work and Company-Controlled Space	September 1, 2019	\$3,000,000	\$ 600,000	\$96,000 (by 09/01/19)	\$48,000 (by 09/01/19)
Leased Space	July 1, 2020	<u>1,400,000</u>	<u>\$ 400,000</u>	<u>\$44,800</u> by 07/01/20	<u>\$32,000</u> (by 07/01/20)
Total:		<u>\$4,400,000</u>	<u>\$1,000,000</u>	<u>\$140,800</u>	<u>\$80,000</u>

The Company's request is for both the Increase as well as an extension of their agency appointment through September 30, 2020 (the "*Extension*") to complete the Project.

Options for Consideration:

Recommend holding new public hearing for Increase in State and local sales and use tax;

Require Company to report quarterly on project progress.

Following public hearing recommend board consider Extension of appointment to complete Project

City of Syracuse Industrial Development Agency
Supplemental Application and Verification

Project Name:

GERHARD Equipmat / Sage-Tessell Properties

Date:

7/2/2019

III. PROJECT COSTS & FINANCING

A. Estimated Project Costs

i. State the costs reasonably necessary for the acquisition, construction, and/or renovation of the Project:

Description of Cost Type	Total Budget Amount
Land Acquisition	1,650,000 ⁰⁰
Site Work/Demo	772,540 ⁰⁰
Building Construction & Renovation	2,225,000 Phase I / 1,200,000 Phase II starts 1/1/2020
Furniture & Fixtures	560,000
Equipment	200,000
Equipment Subject to NYS Production Sales Tax Exemption (Manufacturing)	
Engineering/Architects Fees	226,380 ⁰⁰
Financial Charges	
Legal Fees	30,000 ⁰⁰
Other	
Management /Developer Fee	
Total Project Cost	6,863,920

ii. State the sources reasonably anticipated for the acquisition, construction, and/or renovation of the Project:

Amount of capital the Applicant has invested to date:	2,900,000 ⁰⁰
Amount of capital Applicant intends to invest in the Project through completion:	6,863,920 ⁰⁰
Total amount of public sector source funds allocated to the Project:	
Identify each public sector source of funding:	
Percentage of the Project to be financed from private sector sources:	100%
Total Project Cost	

B. Financial Assistance sought (estimated values):

Applicants requesting exemptions and/or abatements from SIDA must provide the estimated value of the savings they anticipate receiving. **New York State regulations require SIDA to recapture any benefit that exceeds the amount listed in this application.**

i. Is the Applicant expecting that the financing of the Project will be secured by one or mortgages? Yes No

If yes, amount requested and name of lender:

3,700,000 NBT Bank

ii. Is the Applicant expecting to be appointed agent of the Agency for purposes of abating payments of NYS Sales and Use Tax? Yes No

If yes, what is the TOTAL amount of purchases subject to exemption based on taxable Project costs?

2,760,000

iii. Is the Applicant requesting a payment in lieu of tax agreement (PILOT) for the purpose of a real property tax abatement? Yes No

If yes, Category of PILOT requested:

iv. Is the Applicant requesting any real property tax abatement that is **inconsistent** with the Agency's UTEP?

Yes No

If yes, please contact the Executive Director prior to submission of this Application.

v. Upon acceptance of this Application, the Agency staff will create a PILOT schedule and indicate the estimated amount of PILOT Benefit based on anticipated tax rates and assessed valuation and attach such information as Exhibit A hereto. At such time, the Applicant will certify that it accepts the proposed PILOT schedule and requests such benefit be granted by the Agency.

**** This Application will not be deemed complete and final until Exhibit A hereto has been completed and executed****

C. Type of Exemption/Abatement Requested:

Amount of Exemption/Abatement Requested:

<input checked="" type="checkbox"/>	Real Property Tax Abatement (PILOT)	
<input checked="" type="checkbox"/>	Mortgage Recording Tax Exemption (.75% of amount mortgaged)	10,125 (.75% of 1,350,000)
<input checked="" type="checkbox"/>	Sales and Use Tax Exemption (\$4% Local, 4% State)	220,800 (8% of 2,760,000)
<input type="checkbox"/>	Tax Exempt Bond Financing (Amount Requested)	
<input type="checkbox"/>	Taxable Bond Financing (Amount Requested)	

D. Company's average yearly purchases or anticipated yearly purchases from vendors within Onondaga County, subject to sales tax:

250,000 Most of our purchases are tax exempt for resale.

E. Estimated capital investment over the next 5 years, beyond this Project, if available:

500,000⁰⁰

IV. EMPLOYMENT AND PAYROLL INFORMATION

* Full Time Equivalent (FTE) is defined as one employee working no less than 40 hours per week or two or more employees together working a total of 40 hours per week.

A. Are there people currently employed at the Project site? We hoped to be moved in by mid-August

Yes No If yes, provide number of full time equivalent (FTE) jobs at the facility:

B. Complete the following:

Estimate the number of full time equivalent (FTE) jobs to be retained as a result of this Project:	40.5
Estimate the number of construction jobs to be created by this Project:	125
Estimate the average length of construction jobs to be created (months):	8 months
Current annual payroll at facility:	1.9 million
Average annual growth rate of wages:	3%
Please list, if any, benefits that will be available to either full and/or part time employees:	paid medical (50%), paid vacation, 401k with Safe Harbor Match, paid holidays
Average annual benefit paid by the company (\$ or % salary) per FTE job:	Approx 30% of salary
Average growth rate of benefit cost:	15% a year on medical
Amount or percent of wage employees pay for benefits:	10%
Provide an estimate of the number of residents in the Economic Development Region (Onondaga, Madison, Cayuga, Oneida, Oswego, and Cortland Counties) to fill new FTE jobs:	100%

C. Complete the following chart indicating the number of FTE jobs presently employed at the Project and the number of FTE jobs that will be created at the Project site at the end of the first, second, third, fourth, and fifth years after the Project is completed. Jobs should be listed by title or category (see below), including FTE independent contractors or employees of independent contractors that work at the Project location. **Do not include construction workers.**

Current & Planned Full Time Occupations (Job Titles)	Current Number of FTEs	Annual Salary	Estimated Number of FTE Jobs After Project Completion					
			End of Year 1	End of Year 2	End of Year 3	End of Year 4	Total New Jobs After 5 Years	Total Retained Jobs After 5 Years
Skilled	28	Aug 25 ⁰² /hr	28	29	32	34	36	9
Semi-Skilled	9	Aug 10 ⁰² /hr	9	10	11	12	12	3

For purposes of completing the chart, refer to the following definitions, in lieu of current titles:

- **Professional/Managerial/Technical** - includes jobs which involve skill or competence of extraordinary degree and may include supervisory responsibilities (examples: architect, engineer, accountant, scientist, medical doctor, financial manager, programmer).
- **Skilled** - includes jobs that require specific skill sets, education, training, and experience and are generally characterized by high education or expertise levels (examples: electrician, computer operator, administrative assistant, carpenter, sales representative).
- **Unskilled or Semi-Skilled** - includes jobs that require little or no prior acquired skills and involve the performance of simple duties that require the exercise of little or no independent judgment (examples: general cleaner, truck driver, typist, gardener, parking lot attendant, line operator, messenger, information desk clerk, crop harvester, retail salesperson, security guard, telephone solicitor, file clerk).

D. Are the employees of your company currently covered by a collective bargaining agreement?

Yes No If yes, provide the Name and Local:

V. Environmental Information

*An Environmental Assessment Form (EAF) MUST be completed and submitted along with this application. Please visit <https://www.dec.ny.gov/permits/6191.html> for the online EAF Mapper Application and EAF Forms.

A. Have any environmental issues been identified on the property?

Yes No Seller has addressed all issues

If yes, please explain:

B. Has any public body issued a State Environmental Quality Review Act determination for this Project?

Yes No

If yes, please attach to this application.

APPENDIX B

Verification

STATE OF New York)
) SS.:

COUNTY OF Onondaga

Scott A. Gerharz, deposes and says that s/he is the
(Name of Individual)

President of Gerharz Equipment / Sage Tech / Properties
(Title) (Applicant Name)

that s/he is the CEO or a person authorized to bind the company/applicant, and has personally completed and read the foregoing Application and knows the contents thereof and that the same is true, accurate, and complete to the best of her/his knowledge, as subscribed and affirmed under the penalties of perjury. The grounds of deponent's beliefs relative to all matters in the said Application which are not stated upon her/his own personal knowledge are investigations which the deponent has caused to be made concerning the subject matter of the Application as well as, if applicable, information acquired by deponent in the course of her/his duties/responsibilities for the Applicant and from the books and papers of the Applicant. The deponent also acknowledges the receipt of the schedules attached to the Application, including but not limited to the Agency's fee schedule and assumes responsibility for payment of any and all applicable fees as described therein. Deponent further acknowledges review and understanding of the Agency's published policies, including but not limited to the Agency's Recapture Policy, and agrees on behalf of the Applicant to be bound by and comply with, all such policies.

[Signature]
Applicant Representative's Signature
President
Title

Subscribed and sworn to before me this

22nd day of July, 2019

[Signature]
Notary Public

SANDRA J. HALLIHAN
Lic. #4860160
Notary Public - State of New York
Qualified in Onondaga County
My Commission Expires MAY 27, 2022

PAUL W. REICHEL, ESQ.
preichel@bsk.com
P: 315.218.8135
F: 315.218.8100

June 14, 2019

VIA EMAILCity of Syracuse Industrial Development Agency
333 West Washington Street, Suite 130
Syracuse, New York 13202
Attention: Ms. Judith DeLaneyRe: Sage Teall Properties, LLC Project

Dear Judy:

We are writing on behalf of Sage Teall Properties, LLC (the "Company") to request an increase in the amount of sales tax exemptions authorized by Syracuse Industrial Development Agency ("SIDA") for the Company's project, and to request an extension of the term of SIDA's sales tax exemption.

In its original Application for Financial Assistance dated June 18, 2018, the Company estimated its purchases subject to sales tax would total \$1,200,000, resulting in a sales tax exemption of \$96,000. SIDA approved a sales tax exemption in this amount. SIDA's sales tax exemption letter dated November 1, 2018 allocated the sales tax exemption between (1) Company-controlled space and (2) space currently leased to third parties, which Company cannot renovate until the leases expire ("Leased Space"), as follows:

<u>Description</u>	<u>Estimated Completion Date</u>	<u>Estimated Costs</u>		<u>Estimated Sales Tax Exemption Needed</u>	
		<u>Construction</u>	<u>FF&E</u>	<u>Construction</u>	<u>FF&E</u>
Exterior Work and Company-Controlled Space	July 1, 2019	\$1,950,000	\$230,000	\$47,000 (by 07/01/19)	\$18,400 (by 07/01/19)
Leased Space	April 1, 2020	<u>\$ 850,000</u>	<u>\$120,000</u>	<u>\$21,000</u> (by 04/01/20)	<u>\$ 9,600</u> (by 04/01/20)
Total		<u>\$2,800,000</u>	<u>\$350,000</u>	<u>\$68,000</u>	<u>\$28,000</u>

The Company closed on its purchase of the property on November 13, 2018. Its contractors and design professionals then provided more specific budgets/estimates, which were significantly higher than expected. Also, during the course of the work over

the last few months, there have been change orders that increased the project cost. Moreover, the Company originally estimated that 30 percent of construction costs are attributable to taxable materials. The better estimate is 40 percent. As a result, although the project scope has not significantly changed, the estimated cost and sales tax have increased substantially.

Following is an updated table showing the revised cost and sales tax exemption estimates (including updated completion dates):

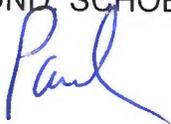
<u>Description</u>	<u>Estimated Completion Date</u>	<u>Estimated Costs</u>		<u>Estimated Sales Tax Exemption Needed</u>	
		<u>Construction</u>	<u>FF&E</u>	<u>Construction</u>	<u>FF&E</u>
Exterior Work and Company-Controlled Space	September 1, 2019	\$3,000,000	\$ 600,000	\$96,000 (by 09/01/19)	\$48,000 (by 09/01/19)
Leased Space	July 1, 2020	<u>1,400,000</u>	<u>\$ 400,000</u>	<u>\$44,800</u> by 07/01/20	<u>\$32,000</u> (by 07/01/20)
Total		<u>\$4,400,000</u>	<u>\$1,000,000</u>	<u>\$140,800</u>	<u>\$80,000</u>

On behalf of the Company, we request that SIDA please authorize an increase in the amount of sales tax exemptions for the project, from \$96,000 to \$220,800, allocated between Company-controlled space and Leased Space as set forth above.

Thank you for your consideration. Please let us know if you have any questions or need further information.

Very truly yours,

BOND, SCHOENECK & KING, PLLC



Paul W. Reichel

PWR/cy

cc: Mr. Scott Gerharz
Susan Katzoff, Esq.

DeLaney, Judith

From: Scott Gerharz <Scott.G@gerharzequipment.com>
Sent: Saturday, June 29, 2019 9:02 PM
To: DeLaney, Judith; Reichel, Paul
Cc: Katzoff, Susan R.; McRobbie, Lori L. (lmcrobbie@bhlawpllc.com); Scott Gerharz
Subject: Gerharz Equipment employment numbers

Hi Judy,

I am working on everything you requested below and plan on sending you the supplemental application along with the explanation of the increased construction expenses (much to my chagrin) soon.

In the meantime, I am reviewing resumes for open positions now, so I figured I would send the employment numbers explanation first.

We knew we were not going to add jobs before our move. We simply do not have physical space at either of our locations to add one more additional worker.

Starting July 8th we have two very qualified candidates joining us. One in accounts receivable and one in the warehouse. Over the past year we simply have been having a difficult time attracting and retaining our hourly warehouse and bookkeeping positions but we have a real good feeling about the two starting in just over a week on July 8th. We also are paying a fair amount more than we usually would start these positions at.

When they start we will have 36 full time and 4 part time employees. There are 4 part time employees, up from 3 in mid-June, because we recently added a couple of weeks ago a part time designer who hopefully will work into a full time position.

Also we have ads out currently for a counter showroom sales person and two driver/installer positions. The counter sales person will not be hired until we move in to our expanded facility but we have some real good candidates who want the job. We want to hire one installer and will most likely make him an offer next week. Not a very deep pool to choose from to fill the second installer position. If we hire him that will give us 37 full time and 4 part time employees.

As for this being a less amount than our application from last summer there are a couple of reasons. We hired in our warehouse a couple people that simply were not up to our standards because we had few options. We knew this when they were hired but we needed people so we decided to take a chance. They did not perform well and we had to let them go.

With unemployment so low it is difficult to find good workers for these positions and we do not put up very long with people who could bring down the rest of the team. We will keep trying. The candidate we are about to hire looks very promising.

The other reason we have a few less employees is due to some full time workers from last year now going part time or leaving the workforce. One of our full time A/P people is a single mother who had a child at the end of last year and now is back only part time. A salesman went out on family leave when his wife had a child and decided not to re-enter the workforce while his wife pursues her medical degree. We have a line of qualified salespeople we want to hire. We don't even have to advertise those positions, there are great candidates coming to us. Once we are in our great new facility we will start bringing them on board. I am 100% confident we will have 48 FTE employees as promised within 48 months after we move in to our new building. Business has been great and profitable, as we continue to move well beyond the borders of CNY, despite so many of our

resources focused on turning this underutilized building from the 1930's into a state of the art office and training center.

We appreciate your support. I would love for you to come and see the progress. Especially Nora. She was there when we first bought the building. She will be amazed by the transformation. We are going to make the City proud.

Do not hesitate to contact me with any questions.

Thanks,

Scott Gerharz

President

Gerharz Equipment

Sent from my Verizon, Samsung Galaxy smartphone

DeLaney, Judith

From: Scott Gerharz <Scott.G@gerharzequipment.com>
Sent: Tuesday, July 2, 2019 5:23 PM
To: DeLaney, Judith
Cc: Reichel, Paul
Subject: RE: SIDA/Sage Teall (Gerharz) - Request for Sales Tax Exemption Increase
Attachments: city of syracuse-07022019162220.pdf

Hi Judy,

Attached is our re-submitted application for more sales tax exemptions. Essentially we thought we were going to be all in at 5,000,000, including the 1.65M real estate purchase, for just the space that Gerharz Equipment will occupy in Phase I and Phase II. We are about 15% over that in Phase I alone mainly because of unforeseen mechanical and demo/abatement issues that required a lot more engineering expertise and frankly under budgeting on the FFE to fill a building of this size, even with the factory direct deals we get.

The application shows a total project cost of 6,863,920. This total includes a budget of 1,200,000 for the phase II additional work we need for an additional 10,000 square feet of space we will be using for our operation. This is a budget derived using a figure of 120.00 a square foot. This figure is based on the 5.7 million we are spending on the first 35,000 square feet that we will be occupying next month. A tenant is moving out on 10/31/19. As soon as they leave we are hopeful to start renovations on their 10,000 square feet adjacent to our 35,000 square feet. Hopefully it will be less than 120.00 a square foot because some of the 5.7 million used to get to the per square foot figure is for work that already takes care of some of that space's needs such as sidewalks, parking lot and architects' fees. But we never know what we will find. For instance there is a space similar to this space that we needed to pour a whole new \$30,000 concrete floor for that was an unexpected expense. So the idea is that those renovations will take place between November '19 and April 2020. As soon as that is done we will have over 45,000 square feet of the building for our use. So every penny of this approximately 6.8 million is for the space we need for our use. At this point none of this money is going to spaces that will be leased to tenants other than Gerharz Equipment. After that there is 17,000 square foot of warehouse that is occupied by a furnace wholesaler. Their lease expires on 12/31/2021, at which point we will take over that warehouse space giving us 62,000 square feet of the building. We never figured that warehouse work in our renovation cost application because there should not be much work to do and we will take that money out of cash flow, if all goes well, when the time comes. The remaining spaces are 1200 square feet that was occupied by the Teall Ave road work project manager but they left, 4500 square feet by Arctic Enterprises that will remain a tenant for the long term, 4500 square feet of long time vacant space that we are starting to market, another 4500 square feet that we may keep for our use (some expensive mechanical work already done for that space included on this application) but Pyramid Brokerage thinks we can

attract a first class tenant there, and two 1500 sq. feet spaces upstairs. One is a long term tenant, NexLevel Computer Systems, who we hired for all of our IT and phone needs (just about everything we have bought for this project are from companies located within a few miles of the building). They are actually interested in leasing the other space upstairs. They were planning on moving until they see all the work going in to the building and now they have a landlord who fixes their A/C.

Our plan is good. We are just spending a ton of money to get there. However a total per square foot cost of 125.00 to 150.00 for a building that is going to look as good as this will, is actually a pretty great all-in price. Hopefully this and my previous jobs email explains the time frames and the tenant spaces. If anyone on the board needs further info call me anytime, cell: 315-882-4469.

Anything you can do to help will be greatly appreciated. I truly think this type of owner occupied development attracting small businesses on the rise is extremely beneficial to the City.

Sincerely,

Scott Gerharz
President

See our Online Catalog by clicking below!



Gerharz Equipment
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East Syracuse, NY 13057
tel: (315) 463-0639 ext. 114
fax: (315) 463-1939
www.gerharzequipment.com



Please consider the environment before printing this email.

From: DeLaney, Judith <JDeLaney@syrgov.net>
Sent: Wednesday, June 19, 2019 11:59 AM
To: Reichel, Paul <reicp@bsk.com>; Scott Gerharz <Scott.G@gerharzequipment.com>
Cc: Katzoff, Susan R. <skatzoff@bhlawpllc.com>; McRobbie, Lori L. (lmcrobbie@bhlawpllc.com) <lmcrobbie@bhlawpllc.com>
Subject: RE: SIDA/Sage Teall (Gerharz) - Request for Sales Tax Exemption Increase

Scott and Paul – Thank you for the correspondence submitted relative to your request for both an extension and an increase in the sales tax exemption benefit approved by the Agency. As you know the request came in too late to add