

City of Syracuse Industrial Development Agency Annual Report 2018



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Mission

It is the mission of SIDA to enhance the City of Syracuse's economic development capabilities by promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to: advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Syracuse; improve their recreation opportunities, prosperity and standard of living; and, prevent unemployment and economic deterioration.

SIDA will achieve this mission by providing a variety of financial incentives to projects, including exemptions from property, sales, use and mortgage recording taxes, grants, and bond financing. SIDA conveys benefits in a strategic, consistent and transparent manner based on the City of Syracuse's collective economic development priorities.

Purpose

The Syracuse Industrial Development Agency ("the Agency") is a public benefit corporation of the State of New York pursuant to Article 18-A of the General Municipal Law. Industrial Development Agencies are authorized to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and improve their recreation opportunities, prosperity and standard of living. Agencies promote, develop, encourage, and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research, recreational, education, cultural, railroad, and horse racing facilities.

Statutory Basis

§ 926. City of Syracuse Industrial Development Agency

(a) For the benefit of the city of Syracuse and the inhabitants thereof, an industrial development agency, to be known as the CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY, is hereby established for the accomplishment of any or all of the purposes specified in title one of article eighteen-A of this chapter. It shall constitute a body corporate and politic, and be perpetual in duration. It shall consist of five members who shall be appointed by the mayor of the city of Syracuse and its chairman shall be designated by such mayor. It shall have the powers and duties now or hereafter conferred by title one of article eighteen-A of this chapter upon industrial development agencies. It shall organize in a manner prescribed by and be subject to the provisions of title one of article eighteen-A of this chapter. The agency, its members, officers and employees, and its operations and activities shall in all respects be governed by the provisions of title one of article eighteen-A of this chapter.

(b) The city shall have the power to make, or contract to make grants or loans, including but not limited to grants or loans of money, to the agency in such amounts, upon such terms and conditions and for such period or periods of time as in the judgment of the city and the agency are necessary or appropriate for the accomplishment of any of the purposes of the agency.

Organization

Committees

Audit Committee

Rickey Brown
Kenneth Kinsey
Kathleen Murphy

Finance Committee

Rickey Brown
Michael Frame
Kenneth Kinsey

Governance Committee

Rickey Brown
Michael Frame
Kathleen Murphy
Steven P. Thompson

Executive Management

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Attorney Bousquet Holstein, PLLC

Phone: (315) 422-1500

Website: BHLawPLLC.com

Agency Accountant Grossman St. Amour CPA's, PLLC

Phone: (315) 422-1391

***Board members and Executive management making more than \$100,000.00 in salary:

NONE

***Meeting attendance and minutes are available at http://www.syrgov.net/SIDA_Meetings.aspx



Board of Directors

Michael Frame (Chair)

Appointed: January 1, 2018

Steven P. Thompson (Vice Chair) Appointed:
January 1, 2010

Rickey Brown (Secretary)

Appointed: January 1, 2018

Kathleen Murphy (Treasurer)

Appointed: January 1, 2018

Kenneth Kinsey

Appointed: January 13, 2016

***Board Members are appointed by and serve at the pleasure of the Mayor.

Operations

Report on Operations and Accomplishments

Description of Authority's Operations:

The City of Syracuse Industrial Development Agency (SIDA) is a public benefit corporation created to enhance the City of Syracuse's economic development capabilities. SIDA provides a variety of financial incentives to projects, including exemptions from property, sales, use and mortgage recording taxes, and bond financing.

The Agency has a five member board of directors who serve at the pleasure of the Mayor of the City of Syracuse. The board meets on a monthly basis, and also holds meetings for its audit, finance, and governance committees on an as needed basis. The board is charged with reviewing applications for financial assistance, as well as providing oversight of the staff, finances, and overall operations of the agency.

The Agency is staffed by an Executive Director, Chief Financial Officer, and additional support staff, who are also employees of the City of Syracuse Department of Neighborhood & Business Development. The Executive Director reports directly to the board and is charged with the administrative duties of the Agency. The Chief Financial Officer also reports directly to the board and is responsible for the financial oversight of the Corporation. The support staff reports to the Executive Director and assists in the day to day operations of the organization.

Material Changes to Operations and Programs:

During 2018 there were no material changes to operations and programs.

Accomplishments:

In 2018 SIDA approved eight new projects, two bond issuances, two sales tax increase requests, and one mortgage recording exemption increase. These projects represent a capital investment of \$213,190,126.00 with approved abatements of \$14,143,438.00 representing \$13.17 of investment per \$1.00 of abatement. (Excludes bond issuances.)

In 2018 two projects approved in prior years and six approved in the Agency's fiscal year closed representing capital investment of \$149,423,319.00. The closed projects represented, 947,672 sq. ft. of developed/redeveloped commercial space, and 364,564 sq. ft. of residential space containing 248 new residential units. Abatements approved by the Agency for the closed projects totaled \$13,644,553.00 representing \$9.13 of investment per \$1.00 of abatement.

The Board also authorized the Agency to enter into a contract with "Open Counter Enterprises" in the amount of \$77,500.00 for first year funding to create a comprehensive business portal for City businesses and entrepreneurs that will provide them with the resources to obtain approvals to open or expand a business in the City of Syracuse. Agency staff has been working in collaboration with the Company and other City agencies on this important topic and ongoing costs associated with the Project will be budgeted by the City of Syracuse.

In 2018 the Agency in agreement with the City of Syracuse arranged for streaming services to stream all Board of Directors meetings which now may be viewed in real time on WCNV.

Operations

Report on Operations and Accomplishments *(continued)*

The Agency, at the request of the Syracuse Joint School Construction Board, additionally approved and closed two series of tax free school facility revenue refunding bonds (2018 A&B Series) in the amount of \$105,765,000.00.

The Agency also directed its attention this year to two of its owned properties designated as “brownfields”. The Board of Directors authorized the Agency to submit an application for vacant land at 1081 South Salina Street to be entered into the NYS Brownfield Cleanup Program (BCP) as a step in the process to sell the property likely to occur in 2019. The Board further authorized the submission of a grant application to the NYS Environmental Restoration program (ERP) for funding in the amount of \$1,700,000.00 to affect a cleanup of the former Syracuse Rigging site at 341 Peat Street. The Agency received word in late December that the grant was tentatively approved and will be taking steps to implement it in 2019.

Additionally the Board of Directors approved funding in the amount of \$35,000.00 to assist the City of Syracuse in the completion of the environmental investigation of a City owned brownfield property, Sims Matchplate a long vacant and contaminated site in the Erie Blvd. East commercial corridor. Completion of the investigation by the first quarter of 2019 will allow the City to receive a “record of decision” from the NYSDEC and further enable it to sell the site and return it to the City’s tax rolls.

In the Agency’s role to support economic development while “lessening the burdens of government” the Board of Directors approved funding for several initiatives at the request of the City. The Board authorized the funding of a comprehensive analysis of the City’s downtown public parking system in the amount of \$18,000.00 to include the garages, flat lots and on street parking. The study recently completed is now being reviewed by the City administration and will assist them as they make ongoing critical choices regarding the City’s management of the system as a whole.

Operations

Internal Control Statement

The Agency certifies that management has documented and assessed the internal control structure and procedures of the Syracuse Industrial Development Agency for the year ending December 31, 2018. This assessment found the authority's internal controls to be adequate, and to the extent that deficiencies were identified, the authority has developed corrective action plans to reduce any corresponding risk. (Appendix C). Assessment of the internal operations and controls of financial systems is included in the 2018 independent audit of the Agency, posted on the Agency website.



Welcome to Syracuse!

Gerharz outgrew their showroom and warehouse in DeWitt and recently bought [Central Restaurant Supply Inc.](#) to merge at the under utilized 222 Teall Avenue in Syracuse, after an approval for financial assistance from Syracuse Industrial Development Agency, August 2018.

- Gerharz will occupy 65,000 sq. ft. of the building with the additional 20,000 sq. ft to be leased to restaurants.
- 40 company employees will relocate to its new location + 8 additional over the next 5 years.
- Cost of the Project \$4,965,000.00
- a destination for any food service operation within a 150 mile radius of Syracuse

Operations — Project Detail

321 South Salina Street LLC

Approval Date	1/16/18, 9/18/18
Sales Tax Abatement	\$189,636.00
Mortgage Recording Tax Abatement	\$19,637.00
PILOT Abatement	\$261,932.36
Total Development Cost	\$4,328,720.00
Retained Jobs	0
New Jobs	19
Construction Jobs	168



Located in the City's Downtown neighborhood, the two buildings at 321 and 323 South Salina are currently vacant and in a state of disrepair. Each five stories high with combined sq. footage of approximately 37,000 sq. ft. will undergo a gut renovation and be combined into a mixed use property to include 16 residential units on the upper floors, first floor retail (farm to table restaurant), and a "speakeasy" bar and tenant gym in the basement.

Joint School Construction Board Bonds (Series 2018 A)

Approval Date	1/16/18
Sales Tax Abatement	\$0.00
Mortgage Recording Tax Abatement	\$0.00
PILOT Abatement	\$0.00
Total Development Cost	\$67,265,000.00
Retained Jobs	0
New Jobs	0
Construction Jobs	0

Issuance of a series of Tax-Exempt and Taxable School Facility Revenue Refunding Bonds, in an amount not to exceed \$82,000,000.00 to fund improvements at Bellevue Elementary, Ed Smith K-8 School, Frazer K-8 School and Grant Middle School.

Ascension Gaming Network (TCG Player)

Approval Date	2/20/18
Sales Tax	\$104,000.00
Abatement	
Mortgage Recording Tax Abatement	\$17,250.00
PILOT Abatement	\$0.00
Total Development Cost	\$2,681,000.00
Retained Jobs	167
New Jobs	162
Construction Jobs	5

The Company a digital marketplace firm focusing on collectible gaming will establish a corporate headquarters at 441 South Salina (Galleries Office Complex) in now vacant space and consolidate its three downtown area offices into the new 45000 sq. ft. location.

Operations — Project Detail

State Tower Building LLC (Sales Tax Benefit Inc.)

Approval Date	4/17/18
Sales Tax	\$596,114.00
Abatement	
Mortgage Recording	\$0.00
Tax Abatement	
PILOT Abatement	\$0.00
Total Development Cost	\$14,105,592.00
Retained Jobs	0
New Jobs	0
Construction Jobs	0

Additional investment in a Project initially approved in 2016 at an original cost estimated to be \$41,000,000.00 for the gut renovation and conversion of the 211,000 sq. ft. State Tower Building to a mixed use to contain 59 residential units and eight floors of renovated office space



State Tower Building LLC

Syracuse 727 LLC (Mortgage Tax Benefit Inc.)

Approval Date	3/20/18
Sales Tax	\$0.00
Abatement	
Mortgage Recording	\$26250.00
Tax Abatement	
PILOT Abatement	0.00
Total Development Cost	\$3,500,000.00
Retained Jobs	0
New Jobs	0
Construction Jobs	0

Additional investment in a Project initially approved in 2017 at an original cost estimated to be \$40,520,000.00 to construct an 8 story 168,400 sq. ft. building consisting of 16,800 first floor retail space, an 8000 sq. ft. basement housing residential amenities and 168 student living units – 727 Crouse Avenue.

BVSHSSF (Peak Campus Project) (Sales Tax Inc.)

Approval Date	4/17/18
Sales Tax	\$359,919.36
Abatement	
Mortgage Recording	0.00
Tax Abatement	
PILOT Abatement	0.00
Total Development Cost	\$4,651,897.00
Retained Jobs	0
New Jobs	0
Construction Jobs	0

Additional investment in a Project approved in 2017 at an original cost of \$66,607,355.00 to construct a 421,482 sq. ft. building to contain student housing including 244 apartments (600 beds), 6000 sq. ft. of commercial space and 11000 sq. ft. of amenities including a fitness facility and bike storage with 244 basement

Operations — Project Detail

Gerharz Equipment Inc.

Approval Date	8/21/18
Sales Tax	\$96,000.00
Abatement	
Mortgage Recording	\$37,500.00
Tax Abatement	
PILOT Abatement	\$154,966.79
Total Development Cost	\$4,965,00.00
Retained Jobs	40
New Jobs	8
Construction Jobs	125



Gerharz Equipment Inc.

Acquisition of an 85,000 sq. ft. building at 222 Teall Avenue to be renovated to accommodate the operation of a restaurant supply company .The company will occupy 65,000 sq. ft. with the additional space to be leased to companies serving the food industry.

300 Washington St LLC

Approval Date	11/20/18
Sales Tax	\$1,329,120.00
Abatement	
Mortgage Recording	\$263,152.50
Tax Abatement	
PILOT Abatement	\$4,002,697.00
Total Development Cost	\$35,087,000.00
Retained Jobs	0
New Jobs	6
Construction Jobs	800

Reconstruction and renovation of the 337,000 sq. ft. former NYNEX building on East Washington St. vacant since 1995. The owners propose the redevelopment of the first floor (20,000 sq. ft.) into retail space and the conversion of upper floors into 214 residential units.

Rapid Response Monitoring Inc. (2018 Phase)

Approval Date	6/19/18
Sales Tax	\$400,000.00
Abatement	
Mortgage Recording	0.00
Tax Abatement	
PILOT Abatement	\$0.00
Total Development Cost	5,025,000.00
Retained Jobs	0
New Jobs	100
Construction Jobs	50

Renovation and upgrade of the original 37,500 sq. ft. building to including all mechanical systems. In addition to this investment the Company completed a 37,500 sq. ft. addition in 2013 at a cost of \$11,300,000.00.

Operations — Project Detail

Acropolis Center LLC

Approval Date	12/18/18
Sales Tax	\$374,696.00
Abatement	
Mortgage Recording Tax Abatement	\$62,033.00
PILOT Abatement	\$1,377,034.00
Total Development Cost	\$10,338,938.00
Retained Jobs	88
New Jobs	7
Construction Jobs	65



Acropolis Center LLC

Acquisition and conversion of both the former Jefferson Center and adjacent former bank building at the corner of South Salina and Fayette Streets.. The Company proposes the addition of two stories to the larger building to include 28 residential units (6 units affordable housing units), an update of the first floor retail units, and build out of second floor commercial space, a new façade on both buildings to unify the structures, and a parking garage in the basement accommodating 46.

Towers Realty LR, Ltd.

Approval Date	11/20/18
Sales Tax	\$300,000.00
Abatement	
Mortgage Recording Tax Abatement	\$100,000.00
PILOT Abatement	\$3,791,412.00
Total Development Cost	\$19,401,479.00
Retained Jobs	1506
New Jobs	0
Construction Jobs	296

The owners of the AXA Towers propose a two phase project to consist of tenant building and site improvements.

Alan Byer Auto Sales Inc.

Approval Date	12/18/18
Sales Tax	\$140,000.00
Abatement	
Mortgage Recording Tax Abatement	\$26,250.00
PILOT Abatement	\$113838.00
Total Development Cost	\$3,365,000.00
Retained Jobs	81
New Jobs	12
Construction Jobs	0

Renovation of a 25,000 sq. ft. Volvo automobile facility located at 1230 W. Genesee St to include facade and interior upgrades to meet current standards Volvo dealership standards.

Operations — Project Detail

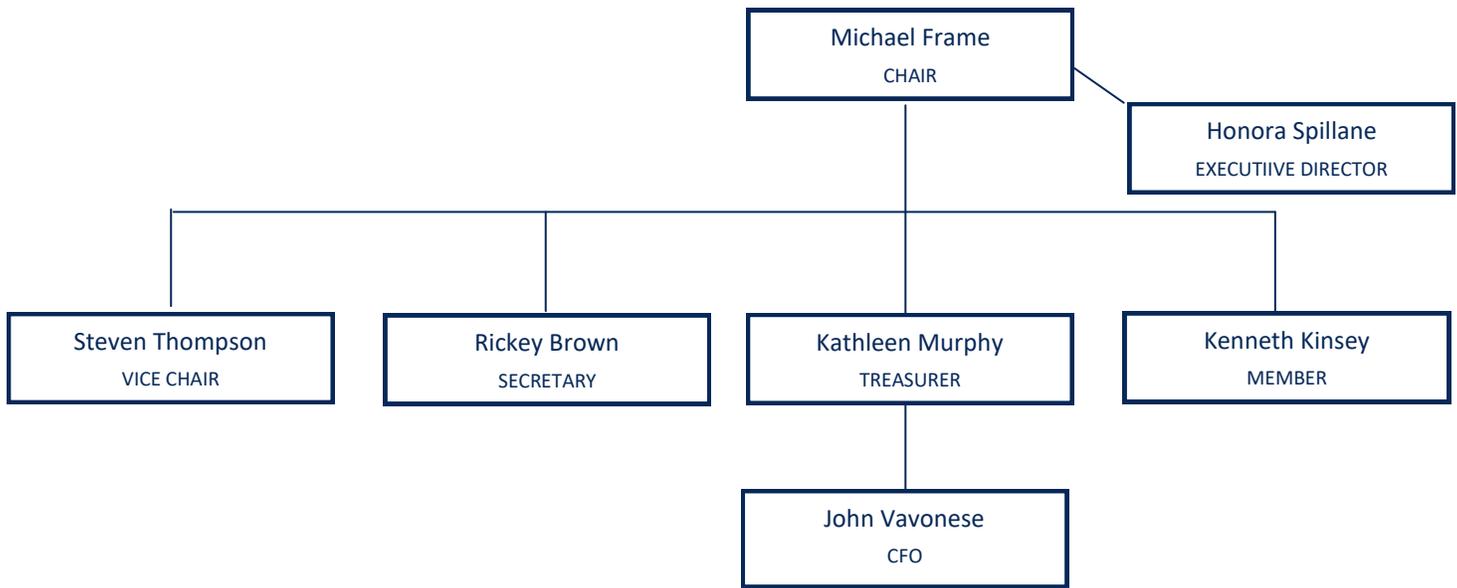
Totals	
Project Approvals	13
Sales Tax	\$3,889,485.36
Abatement	
Mortgage Recording	\$552,072.50
PILOT Abatement	\$9,701,880.15
Total Development	\$213,190,126.00
Retained Jobs	1882
New Jobs	314
Construction Jobs	1509



Appendices

Appendix A— Organizational Chart

Syracuse Industrial Development Agency (SIDA) Organizational Chart (2017)



*Staff Services provided by the City of Syracuse Department of Neighborhood and Business Development

Appendix B

Name of Public Authority: City of Syracuse Industrial Development Agency (SIDA)

Public Authority’s Mission Statement: It is the mission of SIDA to enhance the City of Syracuse’s economic development capabilities by promoting, attracting, encouraging and developing recreation and economically sound commerce and industry to: advance the job opportunities, health, general prosperity and economic welfare of the people of the City of Syracuse; improve their recreation opportunities, prosperity and standard of living; and, prevent unemployment **and economic deterioration.**

SIDA will achieve this mission by providing a variety of financial incentives to projects, including exemptions from property, sales, use and mortgage recording taxes, grants, and bond financing. SIDA conveys benefits in a strategic, consistent and transparent manner based on the City of Syracuse’s collective economic development priorities.

List of Performance Goals:

The Board will utilize the following performance goals to measure SIDA’s success in achieving its mission:

Appendices

Appendix B— Performance and Measurement Goals

A. Effectiveness

Measure	2018
Projects Induced	14
Capital Investment	\$213,190,126.00
Projected New Jobs (FTE)	314
Existing/Retained Jobs (FTE)	1509

B. Efficiency

Measure	2018
Fee Income	\$5,576,342.00
Other Income	\$519,864.00
Operating Expense	\$11,101,851.00
Excess of Income over Operating Expense	(\$5,005,645.00)
Net Assets	\$3,679,952.00
Auditors Opinion	Clean

C. Transparency & Accountability

Measure	2018
Board Acknowledgment of Fiduciary Responsibility	Completed
Board Member Training	Completed
Board Meetings	12
Public Hearings	10

Additional questions:

1. Have the board members acknowledged that they have read and understood the mission of the public authority? YES.
2. Who has the power to appoint the management of the public authority? Bylaws – Section 6 – Additional Personnel: The Agency, with the consent of the Mayor, may appoint an Administrative or Executive Director to supervise the administration of the business and affairs of the Agency, subject to the direction of the Agency. The Agency may, from time to time, employ such other personnel as it deems necessary to execute its powers, duties, and functions as prescribed by the New York State Industrial Development Agency Act (General Municipal Law, Article 18-A), as amended, and all other laws of the State of New York applicable thereto.
3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority? YES.
4. Briefly describe the role of the Board and the role of management in the implementation of the mission. The role of the Board is to make reasonable inquiry of management and others with knowledge and expertise to ensure the Agency is carrying out its mission. The role of management is to facilitate the delivery of assistance to qualified projects that advance the mission of the Agency.

5. Has the Board acknowledged that they have read and understood the responses to each of these questions? YES.

Date Revised: March 25, 2013 Reviewed: March 19, 2019

Appendices

Appendix C— Internal Control Report

Fiscal Year 2018 Report on Internal Controls			
Agency Action	Control	Control Process	Finding
		Agency Capital Projects	
Project Review	<ul style="list-style-type: none"> • Statute • Regulation • By-Laws • Policy • Local Access Policy 	<ul style="list-style-type: none"> • Written Application • Cost Benefit Analysis • Staff Review • Board Attorney Oversight • Board Review & Approval • Conflict of Interest Statement 	Adequate
SEQRA Determination	<ul style="list-style-type: none"> • Statute • Regulation • By-Laws • Classes of Projects Policy 	<ul style="list-style-type: none"> • Formal EAF Statement • Staff Review • Attorney Review • Board Review & Finding 	Adequate
Public Hearing	<ul style="list-style-type: none"> • Statute • Regulation • By-Laws 	<ul style="list-style-type: none"> • Board Approval • Written Minutes • Report on Public Hearing at Board Meeting 	Adequate
Project Inducement	<ul style="list-style-type: none"> • Statute • Regulation • By-Laws • UTEP • Local Access Policy 	<ul style="list-style-type: none"> • Written Application • Cost Benefit Analysis • Staff Review • Board Attorney Oversight • Board Review & Approval 	Adequate
Benefit Oversight	<ul style="list-style-type: none"> • Statute • Regulation • Agency Policies 	<ul style="list-style-type: none"> • Annual Survey of Companies • Staff Review • Exec Director Oversight Board Review & Approval of Annual Reporting • Board Attorney Oversight 	Adequate
PILOT Benefits Oversight	<ul style="list-style-type: none"> • UTEP • Statute • Regulation 	<ul style="list-style-type: none"> • Review of comparable properties/ assessment value • Review of cost of improvements • Review by Agency Attorney • Board Review & Approval • Review and approval by Mayor and Common Council in Instance of Deviation. 	Adequate
Sales Tax Exemption Oversight	<ul style="list-style-type: none"> • Statute • Regulation • Agency Policy • UTEP 	<ul style="list-style-type: none"> • Staff Review of Project documents • Attorney Review • Board review and approval 	Adequate
Recapture of Benefits	<ul style="list-style-type: none"> • Statute • Regulation • Agency Policy • Lease Documents • UTEP 	<ul style="list-style-type: none"> • Annual Survey of projects • Annual Employment Report • Staff Review of reported numbers versus application numbers • Explanations from Companies • Board Review & Approval of Report & Recommendations 	Adequate

Appendices

Appendix C— Internal Control Report (continued)

Fiscal Year 2018 Report on Internal Controls			
Agency Action	Control	Control Process	Finding
Agency Capital Projects			
Agency Service Contracts	<ul style="list-style-type: none"> • Procurement Policy • Funding Policy 	<ul style="list-style-type: none"> • Review by Staff • Attorney Review • Board Review & Approval When Required • Annual Audit of Expenditures 	Adequate
Agency Fees	<ul style="list-style-type: none"> • Project Fee Policy • Legal Fee Policy 	<ul style="list-style-type: none"> • Staff Review • Board Review & Approval • Annual Audit • Attorney Review 	Adequate
Public Access			
Documents & Administration	<ul style="list-style-type: none"> • Statute • Regulation • FOIL Policy 	<ul style="list-style-type: none"> • Staff Review • Attorney Review 	Adequate
Public Comment	<ul style="list-style-type: none"> • Statute • Regulations • Board By-Laws 	<ul style="list-style-type: none"> • Publication of Hearing Notices • Written Record of Proceedings • Report of public comments to the Board for each project 	Adequate
Agency Administration			
Understanding of Mission, Goals, Process & Controls	<ul style="list-style-type: none"> • Statute • Agency By-Laws • Agency Policies 	<ul style="list-style-type: none"> • PAAA Training • New Member Orientation • Annual Acknowledgement of Responsibilities 	Adequate
Ethics & Conflict of Interests	<ul style="list-style-type: none"> • Statute • Conflict of Interest Policy • Agency Code of Ethics 	<ul style="list-style-type: none"> • Annual review of Code of Ethics Policy 	Adequate
Agency Finances			
Financial Planning & Expenditures	<ul style="list-style-type: none"> • Statute • Regulation • Agency Policies • Procurement Policy 	<ul style="list-style-type: none"> • Annual Budget • Annual Independent Audit • Signature Authority by Chairman, Executive Director, and Treasurer 	Adequate
Financial Safeguards	<ul style="list-style-type: none"> • Statute • Procurement Policy • Travel Policy 	<ul style="list-style-type: none"> • Quarterly Review by Board of Agency Balance Sheet • Annual Independent Audit 	Adequate

Appendices

Appendix D— By Laws (as amended August 18, 2009)

Article 1: The Agency

Section 1. Name

The name of the agency shall be “City of Syracuse Industrial Development Agency”. And it shall be referred to in these by-laws as the Agency.

Section 2. Seal

The seal of the Agency shall be in such form as may be determined by the members of the Agency.

Section 3. Office

The principal office of the Agency shall be located in the City of Syracuse, New York, County of Onondaga, and State of New York. The Agency may have such other offices at such other places as the members of the Agency may, from time to time, designate by resolution.

Article 2: Members

Section 1. Members

(a) There shall be five members of the Agency. All references in these by-laws to members shall be references to Members of the Agency. The persons designated in the certificates of appointment filled in the office of the Secretary of State as members of the Agency and their successors in office and such other persons as may, from time to time, be appointed as Members of the Agency by the Mayor of the City of Syracuse, or by special act of the Legislature, shall constitute all the members.

(b) Members shall hold office at the pleasure of the Mayor and shall continue to hold office until his or her successor is appointed and has qualified. The Mayor may remove any Member at his discretion, with or without cause.

(c) Upon the resignation or removal of a Member, a successor shall be selected by the Mayor.

(d) Members may resign at any time by giving written notice to the Mayor and to the Chairman of the Agency. Unless otherwise specified in the notice the resignation shall take effect upon receipt of the notice by the Chairman or the Mayor. Acceptance of the resignation shall not be necessary to make it effective.

Appendices

Appendix D— *By Laws (as amended August 18, 2009)*

Article 2: Members

Section 2. Meeting of the Members

(a) The Annual Meeting of the members shall be held on such date or dates as shall be fixed, from time to time, by the Members of the Agency. The first Annual Meeting of Members shall be held on a date within twelve (12) months after the filing of the Certificate of the Agency with the Secretary of State as required by General Municipal Law §856 (1) (a). Each successive Annual Meeting of Members shall be held on a date not more than twelve (12) months following the preceding Annual Meeting of Members.

(b) Regular meetings of the Agency may be held at such time and place as, from time to time, may be determined by the Members.

(c) Upon the written request of the Mayor, the Chairman or two (2) Members of the Agency, the Chairman of the Agency shall call a special meeting of the Members. Special meetings may be held on such date or dates as may be fixed in the call for such special meetings. The call for a special meeting may be personally delivered to each Member of the Agency or may be mailed to the business or home address of such Member. A waiver of notice may be signed by any Member failing to receive a proper notice.

Section 3. Procedure at Meetings of Members

(a) The Chairman shall preside over the meetings of the Agency. In the absence of the Chairman, the Vice-Chairman shall preside. In the absence of both the Chairman and Vice-Chairman, any Member directed by the Chairman may preside.

(b) At all meetings of Members, a majority of the Members of the Agency shall constitute a quorum for the purpose of transacting business. If less than a quorum is present for any meeting, the Members then present may adjourn the meeting to such other time or until a quorum is present. Except to the extent provided for by law, all actions shall be by a majority of the votes cast, provided that the majority of the votes cast shall be at least equal to a quorum.

(c) When determined by the Agency that a matter pending before it is confidential in nature, it may, upon motion, establish an executive session and exclude any non-member from such session.

(d) Order of Business

At all meetings of the Agency, the following shall be the order of business.

Appendices

Appendix D— By Laws (as amended August 18, 2009)

1. Roll Call;
2. Proof of Notice of Meeting;
3. Reading and approval of the minutes of the previous meeting;
4. Bills and communications;
5. Report of the Treasurer;
6. Reports of Committees;
7. Unfinished business;
8. New business;
9. Adjournment.

The order of business may be altered or suspended at any meeting by the Members of the Agency.

- (e) All resolutions shall be in writing and shall be recorded in the journal of the proceedings of the Agency.

Article 3. Officers and Personnel

Section 1. Officers

The officers of the Agency shall be Chairman or Co-Chairman, Vice-Chairman, Secretary and Treasurer and such other offices as may be prescribed, from time to time, by the Agency. The Chairman or Co-Chairman and other officers shall be appointed by the Mayor of the City of Syracuse and may be removed with or without cause at his discretion. Each officer shall be a Member of the Agency during his or her term of office.

Section 2. Chairman or Co-Chairmen

The Chairman shall be chief executive officer of the Agency, and shall serve as an ex officio member of all duly constituted committees, shall supervise the general management and the affairs of the Agency, and shall carry out the orders and resolutions of the Agency. Except as otherwise authorized by resolution of the Agency, the Chairman shall execute (manually and by facsimile signature) all agreements, contracts, deeds, bonds, notes or other evidence of indebtedness and any other instruments of the Agency on behalf of the Agency. The Mayor may from time to time appoint two Co-Chairmen in place of the Chairman. During their term of office the Co-Chairman shall share equally the duties, rights, powers and responsibilities of the Chairman. The action of either Co-Chairman or execution (manually or by facsimile signature) by either Co-Chairman of any agreement, contract, deed, bond, note or other evidence of indebtedness or any other instrument of the Agency on behalf of the Agency shall have the same force and effect as such action or execution by the Chairman.

Appendices

Appendix D— *By Laws (as amended August 18, 2009)*

Article 3. Officers and Personnel

Section 1. Officers

The officers of the Agency shall be Chairman or Co-Chairman, Vice-Chairman, Secretary and Treasurer and such other offices as may be prescribed, from time to time, by the Agency. The Chairman or Co-Chairman and other officers shall be appointed by the Mayor of the City of Syracuse and may be removed with or without cause at his discretion. Each officer shall be a Member of the Agency during his or her term of office.

Section 2. Chairman or Co-Chairmen

The Chairman shall be chief executive officer of the Agency, and shall serve as an ex officio member of all duly constituted committees, shall supervise the general management and the affairs of the Agency, and shall carry out the orders and resolutions of the Agency. Except as otherwise authorized by resolution of the Agency, the Chairman shall execute (manually and by facsimile signature) all agreements, contracts, deeds, bonds, notes or other evidence of indebtedness and any other instruments of the Agency on behalf of the Agency. The Mayor may from time to time appoint two Co-Chairmen in place of the Chairman. During their term of office the Co-Chairman shall share equally the duties, rights, powers and responsibilities of the Chairman. The action of either Co-Chairman or execution (manually or by facsimile signature) by either Co-Chairman of any agreement, contract, deed, bond, note or other evidence of indebtedness or any other instrument of the Agency on behalf of the Agency shall have the same force and effect as such action or execution by the Chairman.

Section 3. Vice-Chairman

The Vice-Chairman shall have all the powers and functions of the Chairman or Co-Chairmen in the absence or disability of the Chairman or Co-Chairmen, as the case may be. The Vice-Chairman shall perform such other duties as the Members of the Agency shall prescribe or as delegated by the Chairman or Co-Chairmen.

Section 4. Secretary

The Secretary shall keep the minutes of the Agency, shall have the custody of the seal of the Agency and shall affix and attest the same to documents when duly authorized by the Agency, shall attest to the giving of all notices of the Agency, shall have charge of such books and papers as the Members of the Agency may order, shall attest to such correspondence as may be assigned, and shall perform all the duties incidental to his office.

Section 5. Treasurer

The Treasurer shall have the care and custody of all the funds and securities of the Agency, shall deposit such funds in the name of the Agency, in such bank or trust company as the members of the Agency may elect, shall sign such instrument as may require the Treasurer's signature, but only with the approval of the Chairman or Co-Chairman, as the case may be, shall at all reasonable times exhibit the books and accounts of the Agency to the Mayor or any Member of the Agency, and at the end of each fiscal year shall present an annual report setting forth in full the financial condition of the Agency.

Appendices

Appendix D— By Laws (as amended August 18, 2009)

Section 6. Additional Personnel

The Agency, with the consent of the Mayor, may appoint an Administrative or Executive Director to supervise the administration of the business and affairs of the Agency, subject to the direction of the Agency. The Agency may, from time to time, employ such other personnel as it deems necessary to execute its powers, duties and functions as prescribed by the New York State Industrial Development Agency Act (General Municipal Law, Article 18-A), as amended, and all other laws of the State of New York applicable thereto.

Section 7. Compensation of Chairman, Co-Chairmen, Members, Officers, and Other Personnel

The Chairman, Co-Chairmen, Members and Officers shall receive no compensation for their services but shall be entitled to the necessary expenses, including traveling expenses, incurred in the discharge of their duties. The compensation of other personnel, including the Administrative Director, shall be determined by the Members of the Agency.

Article 4. Amendments

Section 1. Amendments to By-Laws

These by-laws may be amended or revised, from time to time, by a two-third (2/3) vote of the Agency, but no such amendment or revision shall be adopted unless written notice of the proposed action shall have been given by mail to each Member and the Mayor at least ten (10) days prior to the date of the meeting at which it is proposed that such action be taken; provided, however that this provision and other provisions relating to the appointment, renewal and terms of office of Members and officers may be amended only with the prior written approval of the Mayor.

Article 5. Miscellaneous

Section 1. Sureties and Bonds

In case the agency shall so require, any officer, employee or agent of the Agency shall execute to the Agency a bond in such sum and with such surety or sureties as the Agency may direct, conditioned upon the faithful performance of his or her duties to the Agency and including responsibility for negligence and for the accounting for all property, funds or securities of the Agency which may come into the hands of the officer, employee or agent.

Appendices

Appendix D— *By Laws (as amended August 18, 2009)*

Section 2. Indemnification

- (a) Upon compliance by a Member or Officer of the Agency (including a former Member or Officer, the estate of a Member or Officer or a judicially appointed personal representative thereof) (referred to in this Section 2 collectively as “Member”) with the provisions of subdivision (i) of this Section 2, the Agency shall provide for the defense of the Member in any civil action or proceeding, state or federal, arising out of any alleged act or omission which occurred or allegedly occurred while the Member was acting within the scope of the public employment or duties of such member. This duty to provide for a defense shall not arise where such civil action or proceeding is brought by or at the behest of the Agency.
- (b) Subject to the conditions set forth in paragraph (a) of this subdivision, the Member shall be entitled to be represented by private counsel of the Member’s choice in any civil action or proceeding whenever the chief legal officer of the Agency or other counsel designated by the Agency determines that a conflict of interest exists, or whenever a court, upon appropriate motion or otherwise by a special proceeding, determines that a conflict of interest exists and that the Member is entitled to be represented by counsel of the Member’s choice, provided however, that the chief legal officer or other counsel designated by the Agency may require, as a condition to payment of the fees and expenses of such representation, that appropriate groups of such Members be represented by the same counsel. Reasonable attorney’s fees and litigation expenses shall be paid by the Agency to such private counsel from time to time during the pendency of the civil action or proceeding with the approval of a majority of the Members of the Agency eligible to vote thereon.
- (c) Any dispute with respect to representation of multiple Members by a single counsel or the amount of litigation expenses or the reasonableness of attorneys’ fees shall be resolved by the court upon motion or by way of special proceeding.
- (d) Where the Member delivers process and a written request for a defense to the Agency under subdivision (i) of this Section 2, the Agency shall take the necessary steps on behalf of the Member to avoid entry of a default judgment pending resolution of any question pertaining to the obligation to provide for a defense.
- (e) The Agency shall indemnify and save harmless its Members in the amount of any judgment obtained against such members in a State or Federal court, or in the amount of any settlement of a claim, provided that the act or omission from which such judgment or claim arose occurred while the Member was acting within the scope of the Member’s public employment or duties; provided further that in the case of a settlement, the duty to indemnify and save harmless shall be conditioned upon the approval of the amount of settlement by a majority of the Members of the Agency eligible to vote thereon.
- (f) Except as otherwise provided by law, the duty to indemnify and save harmless prescribed by this Section 2 shall not arise where the injury or damage resulted from intentional wrongdoing or recklessness on the part of the Member seeking indemnification.

Appendices

Appendix D— *By Laws (as amended August 18, 2009)*

- (g) Nothing in this subdivision shall authorize the Agency to indemnify or save harmless any Member with respect to punitive or exemplary damages, fines or penalties; provided, however, that the Agency shall indemnify and save harmless its Members in the amount of any costs, attorneys' fees, damages, fines or penalties which may be imposed by reason of an adjudication that the Member, acting within the scope of the Member's public employment or duties, has, without willfulness or intent on the Member's part, violated a prior order, judgment, consent decree or stipulation of settlement enter in any court of the State or of the United States.
- (h) Upon entry of a final judgment against the Member, or upon the settlement of the claim, the Member shall serve a copy of such judgment or settlement, personally or by certified or registered mail within thirty (30) days of the date of entry or settlement, upon the Chairman and the chief administrative officer of the Agency; and if not inconsistent with the provisions of this Section 2, the amount of such judgment or settlement shall be paid by the Agency.
- (i) The duty to defend or indemnify and save harmless prescribed by this Section 2 shall be conditioned upon:
 - (ii) delivery by the Member to the Chairman of the Agency and the chief legal officer of the Agency or to its chief administrative officer of a written request to provide for such Member's defense together with the original or a copy of any summons, complaint, process, notice, demand or pleading within ten (10) days after the Member is served with such document, and
 - (iii) the full cooperation of the Member in the defense of such action or proceeding and in defense of any action or proceeding against the Agency based upon the same act or omission, and in the prosecution of any appeal.
- (j) The benefits of this section shall inure only to Members as defined in subdivision (a) of this Section 2 and shall not enlarge or diminish the rights of any other party.
- (k) This Section 2 shall not in any way affect the obligation of any claimant to give notice to the Agency under section 10 of the Court of Claims Act, Section 880 of the General Municipal Law, or any other provisions of law.
- (l) The Agency is hereby authorized and empowered to purchase insurance from any insurance company created by or under the laws of the State, or authorized by law to transact business in the state, against any liability imposed by the provisions of this Section 2, or to act as a self-insurer with respect thereto. The provisions of this Section 2 shall not be construed to impair, alter, limit or modify the rights and obligations of any insurer under any policy of insurance.
- (m) All payments made under the terms of this Section 2, whether for insurance or otherwise, shall be deemed to be for a public purpose and shall be audited and paid in the same manner as other public charges.
- (n) Except as otherwise specifically provided in this Section 2, the provisions of this Section 2 shall not be construed in any way to impair, alter, limit, modify, abrogate or restrict any immunity to liability available to or conferred upon any Member of the Agency by, in accordance with, or by reason of, any other provision of State or Federal statutory or common law. The benefits under this Section 2 shall supplement, and be available in addition to, defense or indemnification protection conferred by any law or enactment. This Section 2 is intended to confer upon Members of the Agency all of the benefits of Section 18 of the Public Officers Law and impose upon the Agency for costs incurred under the provisions hereof and thereof.

Appendices

Appendix D— *By Laws (as amended August 18, 2009)*

Section 3. Fiscal Year

The fiscal year of the Agency shall be fixed by the Members, subject to the applicable law.

Section 4. Powers of the Agency

The Agency shall have all the powers of an Industrial Development Agency authorized by Article 18-A of the General Municipal Law and shall have the power to do all things necessary or convenient to carry out its purposes and exercise the powers authorized herein.

Appendices

Appendix E— Code of Ethics

The following standards have been adopted by the Syracuse Industrial Development Agency (the “Agency”):

1. Standards:

- a. No Member, officer or employee of the Agency should accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his official position or authority.
- b. No Member, officer or employee of the Agency should disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his personal interests.
- c. No Member, officer or employee of the Agency should use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself or others.
- d. No Member, officer or employee of the Agency should engage in any transaction as representative or agent of the Agency with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with the proper discharge of his official duties.
- e. A Member, officer or employee of the Agency should not by his or her conduct give reasonable basis for the impression that any person can improperly influence him or her, or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person.
- f. A Member, officer or employee of the Agency should abstain from making personal investments in enterprises which he has reason to believe may be directly involved in decisions to be made by him or her, or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest.
- h. A Member, officer or employee of the Agency should endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.
- i. No Member, officer or employee of the Agency, nor any firm, corporation or association with which such a Member is affiliated, should sell goods or services to any person, firm, corporation or association which is licensed or whose rates are fixed by the state agency in which such Member, officer or employee serves or is employed.
- j. If any Member, officer or employee of the Agency shall have a financial interest, direct or indirect, having a value of ten thousand dollars (\$10,000.00) or more in any activity which is subject to the jurisdiction of a regulatory agency, he or she should file with the Chairman, or Executive Director, a written statement that he or she has such a financial interest in such activity. Such statement shall be open to public inspection.

Violations: In addition to any penalty contained in any other provision of law any such director or member who shall knowingly and intentionally violate any of the provisions of this section may be fined, suspended or removed from office or employment in the manner provided by law.

2. Conflicts of Interest

No Member, officer or employee of the Agency should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his or her duties in the public interest.

Adopted: August 12, 2010 Reviewed: March 19, 2019

Appendices

Appendix F— *Investment Policy*

Introduction

Pursuant to New York State General Municipal Law §858-a (3), General Municipal Law §10, and General Municipal Law §11 applicable to deposits and investments of funds for the Syracuse Industrial Development Agency (“the Agency”), the board of every public benefit corporation by resolution must adopt comprehensive investment guidelines which detail the corporation’s operating policy and instructions to officers and staff regarding investing, monitoring, and reporting of funds of the corporation. The investment guidelines shall be annually reviewed and approved by the board of the corporation (Public Authorities Law §2925 (1)).

1. Scope

This investment policy applies to all moneys and other financial resources available for investment on behalf of the Agency or on behalf of any other entity or individual.

2. Objectives

The primary objectives of the Agency’s investment activities are as follows:

- a. Legal: to conform with all applicable federal, state and other legal requirements,
- b. Safety: to adequately safeguard principal,
- c. Liquidity: to provide sufficient liquidity to meet all operating requirements, and
- d. Yield: to obtain a reasonable rate of return.

3. Delegation of Authority

Delegation of Authority to manage the investment program is granted to the Agency Treasurer, as Chief Fiscal Officer, or his/her designee, having custody of money, who shall establish written procedures for the operation of the investment program consistent with these investment guidelines. Responsibility for the operation of the investment program is hereby delegated to the Executive Director, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy.

Appendices

Appendix F— Investment Policy (continued)

Such procedures should include references to:

- a. safekeeping,
- b. delivery vs. payment,
- c. investment accounting,
- d. repurchase agreements,
- e. wire transfer agreements, and
- f. collateral/depository agreements.

No person may engage in an investment transaction except as provided under the terms of this policy and the procedures established by the investment officer. The investment officer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

4. Prudence

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Agency to govern effectively.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Agency.

Appendices

Appendix F— *Investment Policy (continued)*

5. Diversification

It is the policy of the Agency to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling. The following investment vehicles are authorized investments of the Agency:

- a. Certificates of Deposits issued by a bank or trust company as authorized to do business in New York State.
- b. Time deposit accounts in a bank or trust company authorized to do business in New York State.
- c. Authorized securities limited to U.S. Treasury obligations, Federal agencies, the principal and interest of which are guaranteed by United States, obligation of the State of New York or obligation of New York State local governments.
- d. Repurchase Agreements with a bank that is authorized to do business in New York State and primary dealer that are designated by the Federal Reserve.
- e. Securities purchased pursuant to repossession agreements shall be limited to U.S. Treasury Bills.

6. Internal Controls

It is the policy of the Agency for all moneys collected by any officer or employee of the government to transfer those funds to the Agency Treasurer's Office, within one business day or within the time period specified in law, whichever is shorter. Some of the entities that this provision is applicable to are as follows:

- a. Planning and Economic Development Office
- b. IDA Board

The Agency Treasurer, as Chief Fiscal Officer, or his/her designee, having custody of money, is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

7. Designation of Depositories

The banks and trust companies authorized for the deposit of monies are designated through resolution by the Agency Board.

8. Collateralizing of Deposits

In accordance with the provisions of General Municipal Law, §10 and 11, all deposits of the Agency, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

Appendices

Appendix F— Investment Policy (continued)

- a. By a pledge of “eligible securities” with an aggregate “market value”, or provided by General Municipal Law, §10, equal to the aggregate amount of deposits.
- b. By an eligible “irrevocable letter of credit” issued by a qualified bank other than the bank with the deposits in favor of the government for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.
- c. By an eligible surety bond payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims- paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.

9. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by a third party subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure local government deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events, which will enable the local government to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the local government, such securities shall be delivered in a form suitable for transfer or with the Agency or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be co-mingled with or become part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

10. Permitted Investments

As authorized by General Municipal Law, §11, the Agency authorizes the Agency Treasurer, as Chief Fiscal Officer, or his/her designee, having custody of money, to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

Appendices

Appendix F— Investment Policy (continued)

- a. Special time deposit accounts authorized to do business in New York State;
- b. Certificates of deposit;
- c. Obligations of the United States of America;
- d. Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
- e. Obligations of the State of New York;
- f. Obligations issued pursuant to Local Finance Law §24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the City of Syracuse;
- g. Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments;
- h. Certificates of Participation (COPs) issued pursuant to General Municipal Law §109-b;
- i. Obligations of this local government, but only with any moneys in a reserve fund established pursuant to General Municipal Law §§ 6-c, 6-d, 6-e, 6-g, 6-h, 6-j, 6-k, 6-l, 6-i, or 6-n.

All investment obligations shall be payable or redeemable at the option of the Agency within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Agency within two years of the date of purchase. The designated depository will confirm all purchases and transactions in writing to the Agency.

11. Authorized Financial Institutions and Dealers

The Agency shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments, which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Agency. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Agency Treasurer, as Chief Fiscal Officer, or his/her designee, having custody of money, is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually. The Agency Treasurer, as Chief Fiscal Officer, or his/her designee, having custody of money, may use credit reporting agencies to determine the credit worthiness of trading partners.

Investments in time deposits and certificates of deposits are to be made with banks or trust companies. Their annual reports shall be reviewed by the Agency Treasurer as Chief Fiscal Officer to determine financial strength.

Appendices

Appendix F— Investment Policy (continued)

12. Purchase of Investments

The Agency Treasurer, as Chief Fiscal Officer, or his/her designee, having custody of money, is authorized to contract for the purchase of investments:

- a. Directly, including through a repurchase agreement, from an authorized trading partner.
- b. By participation in a cooperative investment program with another authorized governmental entity pursuant to Article 5G of the General Municipal Law where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the Common Council.
- c. By utilizing an ongoing investment program with an authorized tracking partner pursuant to a contract authorized by the Agency Board.

All purchased obligations, unless registered or inscribed in the name of the local government, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Agency by the bank or trust company. Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law, §10.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the Agency, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the Agency a perfected interest in the securities.

13. Repurchase Agreements – Written Contracts

Securities purchased through a repurchase agreement shall be valued to market at period intervals by the Agency Treasurer or his/her designee. A repurchase agreement (REPO) is a transaction in which the Agency purchases from a trading partner authorized securities.

Simultaneously, the Agency agrees to resell and the trading partner agrees to repurchase the security at a future date. Prices and dates for the sale and resale are agreed upon at the time of the initial purchase by the Agency.

Collateral shall not be required with respect to the direct purchase of obligations of New York State, obligations of the United States, and obligations of Federal agencies, the principal and interest of which are guaranteed by the United States government.

Appendices

Appendix F— Investment Policy (continued)

Every repurchase agreement shall provide for payment to the seller only upon the seller's delivery of obligations of the United States to the custodial bank agreed upon with the trading partner, or in the case of a book entry transaction, when the obligations of United States are credited to the custodian's Federal Reserve Bank account. The seller shall not be entitled to substitute securities. Repurchase agreements shall be for a period of 30 days or less. The custodial bank shall confirm all transactions in writing to ensure that the Agency's ownership of the securities is properly reflected on the records of the custodial bank.

Payment shall be made by or on behalf of the local government for obligations of New York State, obligations the principal and interest of which are guaranteed by the United States, United States obligations, certificates of deposits, and other purchased securities upon delivery thereof to the custodial bank, or in the case of a book-entry transaction, when the purchased securities are credited to the custodial bank's Federal reserve System account. All transactions shall be confirmed in writing.

Therefore, it is the policy of the Agency to require:

- a. Written contracts for all repurchase agreements;
- b. Written contracts for all Certificates of Deposit; and
- c. Written contracts with the Custodial Bank.

14. Operations, Audit and Reporting

The Agency Treasurer, as Chief Fiscal Officer, for the City of Syracuse or his/her designee, having custody of money, shall authorize the purchase and sale of all securities and execute contracts for repurchase agreements and certificates of deposit on behalf of the Agency. Oral directions concerning the purchase, transaction, or sale of securities shall be confirmed in writing. The Agency shall pay for purchased securities upon delivery or book entry thereof.

The Agency will encourage the purchase and sale of securities and certificates of deposit through a competitive or negotiated process involving telephone solicitations of at least three bids for each transaction.

At the time independent auditors conduct the annual financial audit of the accounts and affairs of the Agency, the auditors shall audit compliance with these Investment Guidelines.

The Agency Board shall review and approve the Agency's investment policy on an annual basis.

The provisions of these Investment Guidelines and any amendments hereto, shall take effect prospectively, and shall not invalidate the prior selection of any custodial bank or prior investment.

Adopted: August 12, 2010 Reviewed: March 19, 2019

Appendices

Appendix G— *Disposition of Property Policy*

1. Definitions:

- 1.1. “Act” shall mean Title 5-A of the New York Public Authorities Law, as amended from time to time.
- 1.2. “Agency” shall mean the City of Syracuse Industrial Development Agency.
- 1.3. “Board” shall mean the Board of Directors of the Agency
- 1.4. “Contracting Officer” shall mean the Executive Director of the Syracuse Industrial Development Agency (the “Agency”) who shall be responsible for the disposition of property.
- 1.5. “Dispose” or “Disposal” shall mean transfer of title or any other beneficial interest in Property in accordance with these Guidelines, as defined below, and Section 2897 of the Public Authorities Law, as amended from time to time.
- 1.6. “Policy” shall mean this Disposition of Property Policy as amended from time to time by resolution of the Agency.
- 1.7. “Property” shall mean personal property in excess of five thousand dollars (\$5,000) in value, any real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party. For purposes of this Policy, Property shall not include the interest granted to the Agency in any project in connection with the provision of any financial assistance, to the extent that such project and interest granted to the Agency secure the project occupant’s obligation to the Agency or any indebtedness obtained by or on behalf of the project occupant.

2. Controlling Legislation

- 2.1. The Public Authorities Accountability Act of 2005 requires the Agency to adopt by resolution comprehensive guidelines which detail the Agency’s operative policy and instructions regarding the use, awarding, monitoring and reporting of contracts for the Disposal of Property and designate a Contracting Officer with responsibility for compliance with and enforcement of this Policy.
- 2.2. This Policy is intended to be consistent with and shall be construed in accordance with the Act. The Agency shall dispose of property in accordance with the Act and this Policy.
- 2.3. The Act requires the Agency to:
 - A. maintain adequate inventory controls and accountability systems for all property under its control;
 - B. periodically inventory such property to determine which property shall be Disposed of;
 - C. produce a written report of such property in accordance with section E. below;

Appendices

Appendix G— *Disposition of Property Policy (continued)*

- D. transfer or Dispose of such property as promptly as possible in accordance with Section 2897 of the Public Authorities Law;
 - E. publish, not less frequently than annually, a report listing all real property of the Agency. Such report shall consist of a list and full description of all real and personal property Disposed of during such period. The report shall contain the price received by the Agency and the name of the purchaser for all such property sold by the Agency during such period;
 - F. deliver copies of such report to the Comptroller, the Director of the Budget, the Commissioner of General Services, and the Legislature; and
 - G. review and approve these guidelines annually and file with the Comptroller a copy of the most recently reviewed and approved guidelines by March 31st of each year.
3. Duties of the Contracting Officer:

Except as otherwise provided herein, and in the Act, the Contracting Officer shall maintain supervision and direction over the Disposal of Property of the Agency, and shall monitor the Agency's compliance with this Policy.

4. Agency Property:

4.1. Custody and Control.

The custody and control of the property of the Agency, pending its Disposal, and the Disposal of such property, shall be performed by the Agency or by the Commissioner of General Services when so authorized under the Act and this Policy.

4.2 Appraisal

Prior to Disposal, an appraisal shall be made by an independent appraiser of the value of any interest in real property, or any other Property which because of its unique nature is not subject to fair market pricing. Said appraisal shall be included in the Agency's record of the transaction for the Property.

4.3. Available Procedures for Disposition of Property.

- a. Disposal by the Commissioner of General Services

When it shall be deemed advantageous to the Agency and the State of New York, the Agency may enter into an agreement with the Commissioner of General Services where under such Commissioner may Dispose of property of the Agency under terms and conditions agreed to by the Agency and the Commissioner of General Services. In Disposing of any such property of the Agency, the Commissioner of General Services shall be bound by the terms of this Policy and references to the Contracting Officer shall be deemed to refer to such Commissioner.

Appendices

Appendix G— *Disposition of Property Policy (continued)*

B. Disposal by Sealed Bid Process

The Agency may dispose of any Property, to any purchaser at the highest marketable price or rental after receipt of sealed bids pursuant to Public Authorities Law § 2897(6) provided that:

1. the advertisement for bids shall be made at such time prior to the Disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Agency's Property ; and
2. all bids shall be publicly disclosed at the time and place stated in the advertisement; and
3. the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Agency, price and other factors considered; provided, that all bids may be rejected by the Agency when it is in the public interest to do so.

C. Disposal by Negotiation or Public Auction

The Agency may dispose of Property by negotiation or public auction pursuant to Public Authorities Law § 2897(6)(c) when:

1. the personal property involved has qualities separate from the utilitarian purpose of such property , such as artistic quality, historical significance, rarity, or other quality of similar effect that would tend to increase its value, or if the personal property is to be sold in such quantity that if Disposed of by sealed bid, would adversely affect the State or local market for such property, and the estimated fair market value of such property and other satisfactory terms of Disposal can be obtained by negotiation;
2. the fair market value of the Property does not exceed fifteen thousand dollars (\$15,000.00);
3. bid prices after advertising therefore are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;
4. the Disposal will be to the state or any political subdivision, and the estimated fair market value of the property and other satisfactory terms of Disposal are obtained by negotiation;
5. the transferee is a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the Property will remain with the government or any other public entity;
6. the purpose of the transfer is within the purpose, mission, or governing statute of the Agency.

5. Disposal of Property for Less than Fair Market Value

5.1 The Agency may dispose of real property for less than fair market value when:

a. The disposal is to a government or other public entity, and the terms and conditions of the transfer require that the ownership and use of the asset will remain with the government or any other public entity; or when,

Appendices

Appendix G— *Disposition of Property Policy (continued)*

B. the purpose of the disposal is within the purpose, mission, or governing statute of the Agency; or when

C. the disposal is not to a governmental entity, and the disposal is not consistent with the Agency's mission, purpose or governing statute where the Agency has provided written notification of the disposal to the governor, the speaker of the assembly, and the temporary president of the senate, and the proposed transfer is not denied by the governor, the senate, or the assembly pursuant to Public Authorities Law § 2897(7)(iii).

5.2 **Information to be provided to the Board:** In the event that a below fair market value

asset transfer is proposed, the following information must be provided to the Board and the public:

A. a full description of the asset; and

B. an appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the Board; and

C. A description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, the benefits, if any, to the communities in which the asset is situated as are required by the transfer; and

D. a statement of the value received compared to the fair market value; and

E. the names of any private parties participating in the transfer, and if different than the statement under subsection D of this section, a statement of the value to the private party; and,

F. The names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.

5.3 **Board approval of disposal of property for less than fair market value:** prior to disposing

of property for less than market value, the Board shall consider the information described in section 5.2 of these guidelines and make a written determination that there is no reasonable alternative to the proposed below market transfer that would achieve the same purpose of such transfer.

6. **Validity of Deed, Bill of Sale, Lease, or Other Instrument:**

A deed, bill of sale, lease, or other instrument executed by or on behalf of the Agency, purporting to transfer title or any other interest in property of the Agency under these Guidelines shall be conclusive evidence of compliance with the provisions hereof insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to the closing.

Appendices

Appendix G— *Disposition of Property Policy (continued)*

7. Reports and Transmittals

7.1 Property Report

The Agency shall publish, not less frequently than once a year, a report listing all Property of the Agency. Such report shall consist of a list and full description of all real and personal Property to be Disposed of during such period. The report shall contain the price received by the Agency, and the name of the purchaser for all Property Disposed of by the Agency during such period. The Agency shall deliver copies of such reports to the Comptroller of the State of New York, the Director of the Budget of the State of New York, the Commissioner of General Services, and Legislature.

7.2 Explanatory Statements for Negotiated Disposals

An explanatory Statement when required under this section shall be transmitted to the comptroller, the director of budget, the commissioner of general services, the legislature, and the authorities budget office at least ninety days prior to the disposal. A copy of the explanatory statement shall also be preserved by the Agency. An explanatory statement shall be prepared when the circumstances of each disposal by negotiation of:

1. any personal property which has an estimated fair market value in excess of \$15,000;
2. any real property (other than by lease) that has an estimated fair market value in excess of \$100,000,;
3. any real property Disposed of by lease if the estimated annual rent over the term of the lease is in excess of \$15,000;
4. any real property or real and related personal property Disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.

7.3 Notice of Proposed transfer for less than fair market value to a non-governmental entity where the disposal would not be consistent with the Agency's mission, purpose, or governing statutes:

Whenever the Agency proposes to transfer an asset for less than fair market value to a non-governmental entity where the disposal would not be consistent with the Agency's mission, purpose, or governing statutes, the Agency shall provide written notification thereof to the governor, the speaker of the assembly, and the temporary president of the Senate, and such proposal shall be subject to denial by the governor, the senate, or the assembly.

8. Annual Review and Amendments of this Policy

This Policy is subject to modification and amendment at the discretion of the Agency in accordance with the Act, Title 18-A of the New York State General Municipal Law and Section 926 of the General Municipal Law. On or before March 31st of each year, the Agency shall review and approve this Policy annually, and shall include the name of the Contracting Officer. On or before March 31st of each year, the Policy most recently reviewed by the Agency shall be filed with the Comptroller of the State and posted on the Agency's Website.

Appendices

Appendix H— *Procurement Policy*

I. Introduction

A. Scope:

In accordance with Article 18-A of the New York State General Municipal Law (GML), Section 104-b of the GML and the Public Authorities Reform Act of 2009, Syracuse Industrial Development Agency (the “Agency”), is required to adopt procurement policies which will apply to the procurement of goods and services paid for and for its own use and account.

B. Purpose:

The primary objectives of this Policy are to assure the prudent and economical use of public monies in the best interests of the taxpayers of the City of Syracuse, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances and to guard against favoritism, improvidence, extravagance, fraud and corruption.

II. Procurement Officer

A. Designation

The Procurement Officer shall be the Executive Director of the Agency or such other officer or employee of the Agency designated by the Board to carry out the general and specific provisions of the policies and procedures set forth herein. In accordance with GML 104-b, this designation shall be updated biennially.

B. Competitive Bidding

As of the date of adoption of these policies and procedures, the Agency is not subject to the competitive bidding requirements of Section 103 of the General Municipal Law.

C. Duties

The Procurement Officer is hereby designated to be responsible for determining whether a procurement of goods or services is subject to or exempt from the competitive processes described herein. The Procurement Officer shall cause to be made, in writing, the basis and other facts and circumstances relevant to making such a determination.

Appendices

Appendix H— Procurement Policy (continued)

III. Procedures:

A. Competitive Process

Except as otherwise set forth in this Policy, a competitive process is required for the procurement of the following contracts:

1. Public work contracts (services, labor or construction) involving an expenditure of more than \$1,500.
2. Purchase contracts (acquisition of commodities, materials, supplies or equipment) involving an expenditure of more than \$1,500.

B. Authorization

If the cost of a public works or purchase contract is not more than \$1,500, the Executive Director may authorize the agreement. Public works or purchase contracts for an amount greater than \$1,500 shall require authorization by the Board.

C. Method of Purchase

1. General. The following competitive processes will be used when required by this policy in order to achieve the highest savings:

<u>Estimated Amount of Purchase Contract</u>	<u>Method</u>
\$1,501 - \$3,000	2 written/fax/e-mail quotations
\$3,001 and up	3 written/fax/e-mail quotations or written request for proposals

<u>Estimated Amount of Public Works Contract</u>	<u>Method</u>
\$1,501 - \$3,000	2 written/fax/e-mail quotations
\$3,001 and up	3 written/fax/e-mail quotations or written request for proposals

Appendices

Appendix H— Procurement Policy (continued)

2. Number of Proposals or Quotations. A good faith effort shall be made to obtain the required number of proposals or quotations. If the Procurement Officer is unable to obtain the required number of proposals or quotations, the Procurement Officer will document the attempt made at obtaining the proposals. In no event shall the failure to obtain the proposals be a bar to the procurement.

3. Documentation.

(a) Documentation is required of each action taken in connection with each procurement.

(b) Circumstances justifying an award to other than the lowest cost quoted:

i. Delivery requirements

ii. Quality requirements

iii. Quality

iv. Past vendor performance

v. The unavailability of three or more vendors who are able to quote on a procurement.

vi. It may be in the best interests of the Agency to consider only one vendor who has previous expertise with respect to a particular procurement.

Documentation of the relevant circumstance(s) is required.

D. Procurements Exempt by Statute.

Alternative proposals or quotations for goods and services shall be secured by use of written requests for proposals or written quotations, verbal quotations or any other method of procurement which furthers the purposes GML 104-b except for items excepted herein (see D, below), or procurements made pursuant to:

a. GML, Section 103(3) (through county contracts), or

b. GML, Section 104 (through state contracts), or

c. State Finance Law, Section 175-b (from agencies for the blind or severely handicapped), or

d. Correction Law, Section 186 (articles manufactured in correctional institutions).

E. Exceptions:

In the sole discretion of the Board, alternative proposals or quotations shall not be required for the following procurements

Appendices

Appendix H— Procurement Policy (continued)

1. Emergency Situation

An emergency exists if the delay caused by seeking competitive bids would endanger the health, welfare or property of the Syracuse Industrial Development Agency or of its citizens. Approval of the Executive Director is necessary, which shall be documented and shall also include a description of the situation that gave rise to the emergency.

2. Sole Source Procurements

Defined as a situation when there is only one possible source from which to procure goods and/or services and it is shown that the item needed has unique benefits, the cost is reasonable for the product offered and there is no competition available.

3. City of Syracuse Contracts

When the Agency is able to procure goods and services through City of Syracuse contracts, it will be unnecessary to obtain formal quotations or bids.

4. Insurance

All insurance policies shall be procured in accordance with the following procedures:

Premium Less than \$10,000 – documented telephone quotations from at least three agents (if available)

Premium Over \$10,001 – written quotations/fax or proposals from at least three agents (if available)

5. Professional Services

Professional services or services requiring special or technical skill, training or expertise. The individual, company or firm must be chosen based on accountability, reliability, responsibility, skill, conflict of interests, reputation, education and training, judgment, integrity, continuity of service and moral worth. The natures of these services are such that they do not readily lend themselves to a competitive procurement process.

In determining whether a service fits into this category, the Agency shall take into consideration the following guidelines: (i) whether the services are subject to State licensing or testing requirements; (ii) whether substantial formal education or training is a necessary prerequisite to the performance of the services; and (iii) whether the services require a personal relationship between the individual and agency members. Professional or technical services shall include but not be limited to the following: services of an attorney (including bond counsel); technical services of an engineer engaged to prepare plans, maps and estimates; services of a certified public accountant; investment management services; printing services involving extensive writing, editing or art work; marketing and promotional services (including real estate brokerage); and computer software or programming services for customized programs, or services involved in substantial modification and customizing of pre-packaged software.

If the cost of a professional service is not more than \$10,000, the Executive Director may authorize the agreement and shall notify the Board of such contract. Professional service contracts for an amount greater than \$10,000 shall require authorization by the Board.

Appendices

Appendix H— Procurement Policy (continued)

6. Goods or Services Under \$1,500.

The time and documentation required to purchase through this policy may be more costly than the item itself and would therefore not be in the best interests of the taxpayer. In addition, it is not likely that such de minimis contracts would be awarded based on favoritism.

7. Resolution Waiving the Competitive Process

The Agency may adopt a resolution waiving the competitive process whenever it is determined to be impracticable.

F. Miscellaneous Provisions

1. Local Preference and Minority and Women Owned Enterprises – It is the preference of the Agency to provide opportunities for the purchase of goods and services from (i) business enterprises located in the City of Syracuse and (ii) certified minority and/or women-owned business enterprises. To that end, the Agency will utilize available lists of M/WBE firms certified by the City of Syracuse and will solicit quotations and proposals from such businesses by notifying them of opportunities to submit proposals and quotations for goods and services. MBE and WBE businesses will be provided with sufficient time to submit proposals in response to solicitations.

2. Comments concerning the procurement policy shall be solicited from the members of the Board from time to time.

3. The Agency shall annually review the policies and procedures herein. Amendments to these policies and procedures may be made at any time during the year.

4. Pursuant to Section 104-b of the GML, the unintentional failure to fully comply with the provisions of this policy shall not be grounds to void action taken or give rise to a cause of action against the Agency, or any member, officer or employee thereof.

Revised: March 27, 2013 Reviewed: March 19, 2019

Appendices

Appendix I— Financial Reports

Financial Statements begin on the next page:

Investment Compliance Report

Internal Control Report

Financial Statements