
City of Syracuse
Industrial Development Agency
201 East Washington Street, 6th Floor
Syracuse, NY 13202
Tel (315) 448-8100

To: Board of Directors
City of Syracuse Industrial Development Agency

From: Judith DeLaney

Date: March 17, 2023

Re: Board of Directors Meeting Agenda – March 21, 2023

The City of Syracuse Industrial Development Agency will hold a Board of Directors Meeting on Tuesday, March 21, 2023, at 8:00 a.m. in the Common Council Chambers, 304 City Hall, 233 East Washington St., Syracuse, N.Y. 13202.

- I. Call Meeting to Order –
- II. Roll Call –
- III. Proof of Notice – 1
- IV. Public Hearing – 2

TLSP Coda LLC

Attachment:

- 1. *Public Hearing Notice.*

- IV. Minutes – 3

Approval of the minutes from the Board of Directors meeting of February 22nd, 2023.

- V. Committee Reports

- VI. New Business –

2022 SIDA Audited Financial Statements – Michael Lisson, CPA – 4

Review and approval of the Agency's audited financial statements for the 2022 fiscal year.

Attachments:

- 1. *Presentation slides from Grossman St. Amour CPA*
- 2. *Draft audited financial statements through December 31, 2022.*
- 3. *Internal control report*
- 4. *Investment report*

TLSP Coda LLC – Sue Katzoff – 5

Approval of resolutions authorizing the Agency to undertake the project.

Attachments:

- 1. Cost Benefit Analysis.*
- 2. Inducement Resolution.*
- 3. PILOT Resolution.*
- 4. Final Resolution.*

VII. Executive Session

VIII. Adjournment

City of Syracuse
Industrial Development Agency
201 East Washington Street, 6th Floor
Syracuse, NY 13202
315 448-8100

PLEASE POST

PLEASE POST

PLEASE POST

PUBLIC MEETING NOTICE

THE SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

HAS SCHEDULED

A

BOARD OF DIRECTORS MEETING

FOR

TUESDAY MARCH 21, 2023

AT

8:00 A.M.

IN

THE COMMON COUNCIL CHAMBERS

THIRD FLOOR

CITY HALL

233 EAST WASHINGTON STREET

SYRACUSE, NEW YORK 13202

For More Information, Please Contact Judith DeLaney, Executive Director

idelaney@syrgov.net

City of Syracuse Industrial Development Agency

201 East Washington Street, 6th Floor

Syracuse, NY 13202

Tel (315) 473-3275

Minutes

Board of Directors Meeting

Tuesday, February 22, 2023

Board Members Present: Kathleen Murphy, Kenneth Kinsey, Rickey T. Brown

Board Members Excused: Steven Thompson, Dirk Sonneborn

Staff Present: Judith DeLaney, Susan Katzoff, Esq., Lori McRobbie

Others Present: Wendy Loughnot, Esq., Mitch Latimer, Andrew Donovan (WSYR), Tom Cunningham (WSYR)

I. Call Meeting to Order

Ms. Murphy called the meeting to order at 8:03 a.m.

II. Roll Call

Ms. Murphy acknowledged that in addition to herself, Board members Kenneth Kinsey and Rickey T. Brown were present and Steven Thompson and Dirk Sonneborn were not present.

III. Proof of Notice

Ms. Murphy acknowledged that notice of the meeting had been duly and properly provided.

IV. Minutes

Ms. Murphy asked for a motion approving the minutes from the January 17, 2023 and January 24, 2023 Board of Directors meetings, copies of which were included in the Board's packet. Mr. Brown made the motion. Mr. Kinsey seconded the motion. There being no discussion, **THE MOTION TO APPROVE THE MINUTES FROM THE JANUARY 17, 2023 AND JANUARY 24, 2023 BOARD OF DIRECTORS MEETINGS WAS UNANIMOUSLY APPROVED.**

V. New Business

TLSP Coda, LLC

Ms. DeLaney said that the board is being asked to authorize a public hearing regarding an application for financial assistance received by the Agency from TLSP Coda, LLC for a project to be located at the corner of East Genesee Street and South Crouse Avenue. The Company proposes the redevelopment of six tax parcels to be re subdivided (approval has already been received from the Planning Commission) into one parcel for the construction of a 300,149 sq. ft. mixed used residential six story apartment building with 282 residential units, an enclosed parking garage and various amenity spaces for residents. The parcels include five structures, four of which will be demolished, the fifth building, the former Ward Wellington home will be renovated. (See attached for a fuller description). The cost of the Project is estimated to be \$97,500,000. The applicant is seeking benefits from the Agency in the form of a mortgage tax exemption valued at \$532,500, a sales tax exemption valued at \$3,840,000 and a 15-year PILOT value to be determined. The project qualifies for a 15-year PILOT because it is located in a Revitalization Strategy Area.

Ms. DeLaney advised the Board that staff received three letters recommending approval of the project and that the Company's attorney, Wendy Loughnot, is present at the meeting for questions.

Ms. Murphy stated that all required planning approvals had been obtained. Ms. Katzoff stated that the Planning Commission performed a coordinated SEQRA review and issued a negative declaration that the Agency will adopt going forward.

There being no further discussion, Ms. Murphy asked for a motion to approve a resolution for a public hearing. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION DETERMINING THAT THE ACQUISITION, CONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF A COMMERCIAL FACILITY AT THE REQUEST OF THE COMPANY CONSTITUTES A PROJECT; DESCRIBING THE FINANCIAL ASSISTANCE IN CONNECTION THEREWITH; AND AUTHORIZING A PUBLIC HEARING.**

101 North Salina St. LLC

Ms. Katzoff said the Agency was in receipt of correspondence from the Company (101 North Salina St. LLC) requesting the Agency participate in the refinancing of its construction loan for the project previously undertaken by the Agency. The lease documents anticipate the Agency will participate in financing such as this. The resolution authorizes up to an additional \$3,500 in mortgage recording tax exemption if the Company determines it is needed based on the final amount of the mortgages. There is also a request to authorize amendment of the documents to address the mortgages and to correct a discrepancy regarding the legal description. The resolution

authorizes the execution of all documents necessary to participate in financing and any necessary document amendments. No additional SEQRA review is required.

There being no discussion Ms. Murphy asked for a motion to approve the resolution. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION APPROVING: (A) THE AGENCY'S PARTICIPATION IN THE REFINANCING OF THE PROJECT; (B) INCREASE IN FINANCIAL ASSISTANCE; AND AMENDMENT OF LEASE DOCUMENTS, AS NECESSARY; AND (D) AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH.**

Beacon Armory LLC and Spilco Properties, LLC

Ms. Katzoff said the Agency was in receipt of correspondence from the Company (Beacon Armory LLC and Spilco Properties, LLC) requesting the Agency participate in additional financing for its mixed-use project previously undertaken by the Agency located at 120 Walton Street which closed December 2021. They are looking for the Agency to participate in refinancing and they are borrowing additional monies to complete the project that therefore seeking additional mortgage recording exemption in an amount of \$5,000. The resolution authorizes the execution of all documents necessary to participate in additional financing. No additional SEQRA review is required.

There being no discussion Ms. Murphy asked for a motion to approve the inducement resolution. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION APPROVING: (1) THE AGENCY'S PARTICIPATION IN ADDITIONAL FINANCING OF THE PROJECT; (2) AUTHORIZING AN INCREASE IN THE MORTGAGE RECORDING TAX EXEMPTION; AND (3) AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH.**

400 South Salina Street LLC

Ms. Katzoff said the Agency was in receipt of a correspondence from the Company (400 South Salina Street LLC) regarding a project previously undertaken by the Agency which closed last year. The Company is requesting additional time to complete the project due to ongoing delays. The request is for an extension of the sales tax exemption agency appointment through December 31, 2023. Ms. Katzoff said they have made significant headway on the project (former Sibley's Building) and it is looking great.

Mr. Kinsey asked if they were COVID related delays? Ms. Katzoff said yes. No additional financial assistance is being requested.

There being no discussion Ms. Murphy asked for a motion to approve the inducement resolution. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION APPROVING AN EXTENSION OF THE APPOINTMENT OF THE COMPANY AS AGENT OF THE**

AGENCY UNTIL DECEMBER 31, 2023; AND AUTHORIZING THE EXECUTION OF ANY AND ALL NECESSARY DOCUMENTS.

VI. Adjournment

There being no further business to discuss, Ms. Murphy asked for a motion to adjourn the meeting. Mr. Brown made a motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN THE MEETING AT 8:12 AM.**

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that a public hearing pursuant to Section 859-a of the New York General Municipal Law, will be held by the City of Syracuse Industrial Development Agency (the "Agency") on the 21st day of March, 2023, at 8:10 a.m., local time, at 233 East Washington Street, Common Council Chambers, City Hall, Syracuse, New York, in connection with the following matter:

TLSP Coda LLC, or an entity to be formed (the "Company"), requested the Agency undertake a project (the "Project") consisting of: (A)(i) the acquisition of an interest in approximately 1.97 acres of real property located at 1014-16 Fayette St. E. (Tax Map No. 048.-05-01); 1027-29 Genesee St. E. (Tax Map No. 048-05-04.1); 1001-19 Genesee St. E & Crouse Ave. (Tax Map No. 048.-05-05); 313-23 Crouse Ave. S. (Tax Map No. 048.-05-06); 309 Crouse Avenue S. (Tax Map No. 048.-05-07); and 301-07 Crouse Avenue S. (Tax Map No. 048.-05-08), all in the City of Syracuse, New York (such parcels to be resubdivided) (collectively, the "Land"); (ii)(a) the demolition of existing structures (excepting therefrom the Ward Wellington Ward home); (b) the renovation/preservation of Ward Wellington Ward home, including renovation of the exterior façade to historical standards and the interior into a retail space; and (c) the construction of an approximately 300,149 sq.ft., six-story residential apartment building containing approximately 282 units, consisting of approximately 103 studio units; 98 one-bedroom units and 69 two-bedroom units; and 12 three-bedroom units, to be located on a portion of the first floor and floors 2-6, a variety of amenities on the first floor including lounge, study, fitness areas and a public retail space, a few smaller common space areas on each floor for resident work-from-home and lounge areas, an exterior courtyard space at the center of the building which will include a year-round heated pool and dining patio, as well as a subsurface approximately 146 space parking garage and a surface approximately 29 space parking lot, all located on the Land (the "Facility"); (iii) the acquisition and installation in and on the Land and Facility of furniture, fixtures and equipment (the "Equipment" and together with the Land and the Facility, the "Project Facility"); (B) the granting of certain financial assistance in the form of exemptions from real estate taxes, State and local sales and use tax and mortgage recording tax (in accordance with Section 874 of the General Municipal Law) (collectively the "Financial Assistance"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, renovation, construction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

The Company will be the initial owner or operator of the Project Facility.

The Agency will at the above-stated time and place hear all persons with views with respect to the proposed Financial Assistance to the Company, the proposed owner/operator, the location of the Project Facility and the nature of the Project.

A copy of the application filed by the Company with the Agency with respect to the Project, including an analysis of the costs and benefits of the Project, are available for public inspection during the business hours at the office of the Agency located at 201 East Washington Street, 6th Floor, Syracuse, New York.

Dated: March 8, 2023

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

City of Syracuse
Industrial Development Agency
201 East Washington St, 6th Fl
Syracuse, NY 13202
Tel (315) 448-8100

EXECUTIVE SUMMARY

Agenda Item: 4

Title: TLSP Coda LLC

Requested By: Judy DeLaney

OBJECTIVE: Review and recommendation to the Board of Directors relative to the undertaking of 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: The Agency is in receipt of an application for financial assistance from the owner of the Company for a project to be located at the corner of East Genesee Street and South Crouse Avenue. The Company proposes the redevelopment of six tax parcels to be re subdivided into one parcel for the construction of a 300,149 sq. ft. mixed used residential six story apartment building with 282 residential units, an enclosed parking garage and various amenity spaces for residents. The parcels include five structures, four of which will be demolished, the fifth building, the former Ward Wellington home will be renovated. (See attached for a fuller description). The cost of the Project is estimated to be \$97,500,000. The applicant is seeking benefits from the Agency in the form of a mortgage tax exemption valued at \$532,500, a sales tax exemption valued at \$3,840,000 and a 15-year PILOT exemption valued at \$15,597,770.28. Cost Benefit Ratio 5.50:1 A public hearing on the Project will be held preceding the Board of Directors meeting of March 21, 2023.

ATTACHMENTS:

1. Application.
2. Project Description.
3. Plans & Specs.
4. Pro Forma.
5. Cost Benefit Analysis.

REVIEWED BY:

- ☒ Executive Director
- ☐ Audit Committee
- ☐ Governance Committee
- ☐ Finance Committee

Meeting: March 16, 2023

Prepared By: J. A. DeLaney
(Finance Committee)

Project Summary

1. Project: TLSP Coda LLC **2. Project Number:** 0

3. Location: Syracuse **4. School District:** Syracuse

5. Tax Parcel(s): **6. Type of Project:** Residential

7. Total Project Cost:	\$	97,500,000
Land	\$	8,612,000
Site Work	\$	3,250,000
Building	\$	66,819,000
Furniture & Fixtures	\$	1,240,000
Equipment	\$	600,000
Equipment Subject to NYS Production Exemption	\$	-
Engineering/Architecture Fees	\$	2,475,000
Financial Charges	\$	11,454,000
Legal Fees	\$	300,000
Other	\$	1,000,000
Management Developer Fee	\$	1,750,000

8. Total Jobs	9
8A. Job Retention	0
8B: Job Creation (Next 5 Years)	9

Cost Benefit Analysis:	TLSP Coda LLC
	Fiscal Impact (\$)
Abatement Cost:	\$19,970,270.28
Sales Tax	\$3,840,000.00
Mortgage Tax	\$532,500.00
Property Tax Relief (PILOT) 10yr	\$15,597,770.28
New Investment:	\$109,840,180.92
PILOT Payments 15 yrs	\$10,330,430.92
Project Wages (5yrs)	\$1,675,000.00
Construction Wages	\$ 16,323,750.00
Employee Benefits (5years)	\$0
Project Capital Investment	\$80,521,000.00
New Sales Tax Generated	\$14,000.00
Agency Fees	\$976,000.00
Benefit:Cost Ratio	5.50 :1

INDUCEMENT RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on March 21, 2023 at 8:00 o'clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by _____ and upon the roll being duly called, the following members were:

PRESENT:

THE FOLLOWING PERSONS WERE ALSO PRESENT:

The following resolution was offered by _____ and seconded by _____:

RESOLUTION AUTHORIZING: (1) THE UNDERTAKING, ACQUISITION, CONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF A PROJECT; APPOINTING THE COMPANY AS AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF THE PROJECT; (2) THE TEMPORARY APPOINTMENT OF THE COMPANY AS AGENT OF THE AGENCY WITH RESPECT TO A PROJECT; (3) THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION WITH THE TEMPORARY APPOINTMENT AND; (4) AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE AGENCY AND THE COMPANY

WHEREAS, the City of Syracuse Industrial Development Agency (the “*Agency*”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, together with Chapter 641 of the Laws of 1979 of the State of New York, as amended from time to time (collectively, the “*Act*”) to promote, develop, encourage and assist in the acquiring, constructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of 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 State, and to improve their recreation opportunities, prosperity and standard of living; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, lease and sell real property and grant financial assistance in connection with one or more “projects” (as defined in the Act); and

WHEREAS, TLSP Coda LLC, a Delaware limited liability company, or an entity to be formed (the “**Company**”), by application dated January 18, 2023 (the “**Application**”), requested the Agency undertake a project (the “**Project**”) consisting of: (A)(i) the acquisition of an interest in approximately 1.97 acres of real property located at 1014-16 Fayette St. E. (Tax Map No. 048.-05-01); 1027-29 Genesee St. E. (Tax Map No. 048-05-04.1); 1001-19 Genesee St. E & Crouse Ave. (Tax Map No. 048.-05-05); 313-23 Crouse Ave. S. (Tax Map No. 048.-05-06); 309 Crouse Avenue S. (Tax Map No. 048.-05-07); and 301-07 Crouse Avenue S. (Tax Map No. 048.-05-08), all in the City of Syracuse, New York (such parcels to be resubdivided) (collectively, the “**Land**”); (ii)(a) the demolition of existing structures (excepting therefrom the Ward Wellington Ward home); (b) the renovation/preservation of Ward Wellington Ward home, including renovation of the exterior façade to historical standards and the interior into a retail space; and (c) the construction of an approximately 300,149 sq.ft., six-story residential apartment building containing approximately 282 units, consisting of approximately 103 studio units; 98 one-bedroom units and 69 two-bedroom units; and 12 three-bedroom units, to be located on a portion of the first floor and floors 2-6; a variety of amenities on the first floor including lounge, study, fitness areas and a public retail space, a few smaller common space areas on each floor for resident work-from-home and lounge areas; an exterior courtyard space at the center of the building which will include a year-round heated pool and dining patio; as well as a subsurface approximately 146 space parking garage and a surface approximately 29 space parking lot; all located on the Land (collectively, the “**Facility**”); (iii) the acquisition and installation in and on the Land and Facility of furniture, fixtures and equipment (the “**Equipment**” and together with the Land and the Facility, the “**Project Facility**”); (B) the granting of certain financial assistance in the form of exemptions from real estate taxes, State and local sales and use tax and mortgage recording tax (in accordance with Section 874 of the General Municipal Law) (collectively the “**Financial Assistance**”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, renovation, construction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, the Company affirmed in its application that the Project will create nine (9) new full time equivalent jobs; and

WHEREAS, as part of the Financial Assistance, the Company requested the Agency consider a payment in lieu of tax (“**PILOT**”) schedule which conforms with the Agency’s Uniform Tax Exemption Policy (“**UTEP**”) established pursuant to General Municipal Law Section 874(4); and

WHEREAS, the Company is requesting incentives in the form of exemptions from sales and use tax, mortgage recording tax and real property taxes to help finance the Project, which has recently become very difficult due to changes in the capital market, including increasing interest

rates, decreasing financing options for new construction and a pending recession. Second, the City approvals for the Project were obtained under the current zoning guidelines which required substantial parking requirements resulting in a decrease in the number of units originally anticipated and resulted in increased cost with and decreased revenue further stressing the feasibility of the Project. Given these factors, requested incentives are necessary for the Project to be financially feasible; and

WHEREAS, the Project is located in a “Highly Distressed Area” as defined in Section 854(18) of the Act; and

WHEREAS, the Agency adopted a resolution on February 22, 2023, describing the Project and the proposed Financial Assistance and authorizing a public hearing with respect thereto (“**Public Hearing Resolution**”); and

WHEREAS, the Agency conducted a public hearing with respect to the Project and the proposed Financial Assistance on March 21, 2023 pursuant to Section 859-a of the Act, notice of which was originally published on March 9, 2023, in the Post-Standard, a newspaper of general circulation in the City of Syracuse, New York and given to the chief executive officers of the affected tax jurisdictions by letters dated March 8, 2023; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “**SEQRA**”), the Agency is required to make a determination whether the “action” (as said quoted term is defined in SEQRA) to be taken by the Agency may have a “significant impact on the environment” (as said quoted term is utilized in SEQRA), and the preliminary agreement of the Agency to undertake the Project constitutes such an action; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “**SEQRA**”), the Agency is required to make a determination with respect to the environmental impact of any “action” (as said quoted term is defined in SEQRA) to be taken by the Agency and the approval of the Project constitutes such an action; and

WHEREAS, the Company caused a Full Environmental Assessment Form (“**EAF**”) to be prepared and submitted to the City of Syracuse Planning Commission (the “**Planning Commission**”) to obtain approval for a project that is substantially similar to the Project being undertaken by the Agency; and

WHEREAS, by correspondence dated September 23, 2022, the Office of Zoning Administration on behalf of the Planning Commission provided notice of the Planning Commission's determination that the Project constitutes a Type I Action and its intent to act as Lead Agency for review of the Project; and

WHEREAS, on December 12, 2022, the Planning Commission, as lead agency, and consistent with the procedures and criteria set forth in 6 NYCRR 617.7, analyzed the relevant areas of environmental concern using the SEQRA standards and ultimately determined that the project would not have a significant adverse impact on the environment, and adopted a Negative Declaration ("*Negative Declaration*"), a copy of which is attached hereto as **Exhibit "A"**; and

WHEREAS, the Agency has given due consideration to the policy, purposes and requirements of the Act and to the Application and the representations by the Company that the provision of Financial Assistance: (i) will induce the Company to develop the Project Facility in the City of Syracuse (the "*City*"); (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility 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 Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and (iii) the Project will serve the purposes of the Act by advancing job opportunities and the economic welfare of the people of the State and the City and improve their standard of living; and

WHEREAS, the Company has advised that it would like to begin ordering materials for the Project and commence construction as soon as possible given the ever increasing rise in material costs. As such, the Company is requesting the Agency consider executing and delivering a temporary sales tax exemption prior to the closing on the lease transactional documents with the Agency relative to the Project such that the Company can commence with the foregoing and benefit from the exemption from State and local sales and use taxes while finalizing the lease transactional closing (the "*Temporary Appointment*").

NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency as follows:

Section 1. It is the policy of the State to promote the economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, improving, maintaining, equipping and furnishing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

Section 2. Based upon the representations and projections made by the Company to the Agency, as set forth in the recitals hereof and which are incorporated herein by reference, the Agency hereby makes the following findings and determinations:

(A) Based upon the review by the Agency of the Application, the Agency finds that the proposed Project constitutes a "Type I action" pursuant to 6 N.Y.C.R.R. Part 617.4 and, pursuant to a thorough review, hereby adopts the SEQRA findings and the Negative Declaration (dated December 12, 2022) of the Planning Commission;

- (B) The Project constitutes a “*project*” within the meaning of the Act;
- (C) The Project is located in a “Highly Distressed Area” as defined in Section 854(18) of the Act.
- (D) The acquisition of a controlling interest in the Project Facility by the Agency and the designation of the Company as the Agency’s agent for completion of the Project will be an inducement to the Company to acquire, construct, equip and complete the Project Facility in the City, and will serve the purposes of the Act by, among other things, advancing job opportunities, the standard of living and economic welfare of the inhabitants of the City;
- (E) The Project will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act;
- (F) The Financial Assistance approved hereby includes an exemption from State and local sales and use taxes in an amount not to exceed **\$3,840,000** and mortgage recording taxes in the approximate amount of **\$532,500**; and
- (G) To appointment the Company, both on temporary and permanent basis, as agent of the Agency as further set forth herein.
- (H) The Agency approves the Company’s temporary appointment and delivery of an appointment letter (the “***Letter***”) subject to execution of an interim project agreement by and between the Company and the Agency (the “***Interim Project Agreement***”) as well as any necessary and related documents, including but not limited to, an Environmental Compliance and Indemnification Agreement and a Bill of Sale (collectively with the Letter and the Interim Project Agreement, the “***Temporary Documents***”), all effective through **June 30, 2023** (the “***Temporary Period***”).

As a condition precedent to the Agency’s execution and delivery of the Temporary Documents, the Company has, or will: (i) execute and deliver the Agreement (as defined in herein); (ii) agree to comply with the provisions hereof and of the Act; and (iii) remit to the Agency 25% of the Agency’s administrative fee (currently based on the Company’s Application) as well as the Agency’s legal fees associated with the issuance of the Temporary Documents, if so required by the Agency. The Agency approves, subject to the terms hereof, the execution and delivery of the Temporary Documents effective through **June 30, 2023**; and the Chair, Vice Chair and/or Executive Director of the Agency are each hereby authorized, upon review and advice of counsel, on behalf of the Agency, to execute and deliver the Temporary Documents, in form and substance similar to other such agreements entered into by the Agency. The execution thereof by the Chair, Vice Chair or Executive Director constitutes conclusive evidence of such approval.

Section 3. The Company shall execute and deliver a copy of the agreement attached hereto at **Exhibit "A"** to the Agency within **fourteen (14) business days** from the date of this

Resolution (the "**Agreement**") and prior to the Agency's execution and delivery of the Temporary Documents. The Agency shall have no obligation to confer any approved benefits authorized herein or in any other resolution adopted by the Agency with respect to the Project, and all such approvals shall be subject to rescission should the Company fail to execute and deliver the Agreement in accordance with the terms hereof.

Section 4. As a condition to the appointment of the Company as agent of the Agency, and the conference of any approved Financial Assistance, the Company and the Agency shall first execute and deliver: (i) the Agreement; (ii) a project agreement in substantially the same form used by the Agency in similar transactions (the "**Project Agreement**"); and (iii) the Lease Documents (as defined herein), except as authorized by the Agency pursuant hereto and subject to the execution and delivery of the Temporary Documents and remittance of any required fees and costs, and the Company shall provide proof that all real estate taxes due and owing on the Project Facility are current. The Chair, Vice Chair or Executive Director of the Agency are each hereby authorized, on behalf of the Agency, to execute and deliver the Agreement, the Project Agreement and the Lease Documents (as defined herein), in form and substance similar to other such agreements and documents used by the Agency for similar transactions, with changes in terms and form as shall be consistent with this Resolution and as the Chair or Vice Chair shall approve. The execution thereof by the Chair, Vice Chair and/or Executive Director shall constitute conclusive evidence of such approval. Subject to the due execution and delivery by the Company of the Agreement, the Project Agreement and the Lease Documents, the satisfaction of the conditions of this Resolution, the Agreement, the Project Agreement, the Lease Documents and the payment by the Company of any attendant fees and costs of the Agency, the Company and its designees, are appointed the true and lawful agent of the Agency to proceed with the reconstruction, renovation, restoration, preservation, equipping and completion of the Project, all with the same powers and the same validity as if the Agency were acting in its own behalf. The amount of State and local sales and use tax exemption benefits comprising the Financial Assistance approved herein shall not exceed **\$3,840,000**.

Section 5. Subject to the terms of this Resolution, and upon the termination of the Temporary Documents and the execution and delivery of, and the conditions set forth in the Agreement and the Project Agreement, and the adoption of a PILOT resolution by the Agency, the Agency will: (i) acquire an interest in the Land and Facility pursuant to a lease agreement (the "**Lease**") to be entered into between the Company and the Agency; accept an interest in the Equipment pursuant to a bill of sale from the Company (the "**Bill of Sale**"); (ii) sublease the Project Facility to the Company pursuant to a sublease agreement (the "**Sublease**" and with the Lease and the Bill of Sale, and all other documents required by the Agency for similar transactions, including but not limited to, an environmental compliance and indemnification agreement, collectively, the "**Lease Documents**") to be entered into between the Agency and the Company; (iii) grant the approved Financial Assistance, subject to the approval and execution of the PILOT Agreement; and (iv) provided that no default shall have occurred and be continuing under the Agreement and provided the Company has executed and delivered all documents and certificates required by the Agency in conjunction with the Agency's undertaking of the Project, execute and deliver all other certificates and documents necessary or appropriate for the grant of the approved Financial Assistance, in form and substance acceptable to the Agency.

Section 6. The terms and conditions of subdivision 3 of Section 875 of the Act are herein incorporated by reference and the Company shall agree to such terms as a condition precedent to receiving or benefiting from an exemption from State and local sales and use tax exemptions benefits.

Section 7. Subject to the terms of this Resolution, the Agreement, the Project Agreement, and/or the Temporary Documents, the Company may utilize, and is hereby authorized to appoint, a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, “***Additional Agents***”) to proceed with the reconstruction, renovation, restoration, preservation, equipping and completion of the Project, all with the same powers and the same validity as if the Agency were acting in its own behalf, provided the Company execute, deliver and comply with the Agreement. The Company shall provide, or cause its Additional Agents to provide, and the Agency shall maintain, records of the amount of State and local sales and use tax exemption benefits provided to the Project and the Company shall, and cause each Additional Agent, to make such records available to the State Commissioner of Taxation and Finance (the “***Commissioner***”) upon request. The Agency shall, within thirty (30) days of providing any State sales and use tax exemption benefits, report to the Commissioner the amount of such benefits for the Project, identifying the Project, along with any such other information and specificity as the Commissioner may prescribe. As a condition precedent to the Company or Project’s receipt of, or benefit from, any State or local sales and use tax exemptions, the Company must acknowledge and agree to make, or cause its Additional Agents to make, all records and information regarding State and local sales and use tax exemption benefits realized by the Project available to the Agency or its designee upon request. for purposes of exemption from New York State (the “***State***”) sales and use taxation as part of the Financial Assistance requested, “sales and use taxation” shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the New York State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight.

Section 8. The Chair, Vice Chair and/or the Executive Director of the Agency, acting individually, are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified herein and any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred herein as the (Vice) Chair deems appropriate, and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this Resolution, the Agreement and/or the Project Agreement.

Section 9. The obligation of the Agency to consummate any transaction contemplated herein or hereby is subject to and conditioned upon the Company’s execution and delivery of the Lease Documents, and/or the Temporary Documents, as applicable, and the Agreement and the Project Agreement.

Section 10. For the avoidance of doubt, the Agency requires that on or before June 30, 2023 the Company shall execute and deliver the Lease Documents, unless in the Agency's sole

discretion, an extension is provided.

Section 11. No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

Section 12. Should the Agency's participation in the Project, or the appointments made in accordance herewith, be challenged by any party, in the courts or otherwise, the Company shall defend, indemnify and hold harmless the Agency and its members, officers and employees from any and all losses arising from any such challenge including, but not limited to, the fees and disbursement of the Agency's counsel. Should any court of competent jurisdiction determine that the Agency is not authorized under the Act to participate in the Project, this Resolution shall automatically become null, void and of no further force and effect, and the Agency shall have no liability to the Company hereunder or otherwise.

Section 13. Bousquet Holstein PLLC, as counsel to the Agency, is hereby authorized to work with the Company and others to prepare for submission to the Agency, all documents necessary to effect the grant of Financial Assistance and consummate the Lease Documents.

Section 14. The Secretary and/or the Executive Director of the Agency are hereby authorized and may distribute copies of this Resolution and do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 15. This Resolution shall take effect immediately. A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

AYE

NAY

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS.:
COUNTY OF ONONDAGA)

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “**Agency**”) held on March 21, 2023, with the original thereof on file on file in the office of the Agency, and that the same (including all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Agency
on _____.

City of Syracuse Industrial Development Agency

Rickey T. Brown, Secretary

(S E A L)

EXHIBIT “A”

AGENCY/COMPANY AGREEMENT

THIS AGREEMENT is between **CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY** (the “*Agency*”), with an office at 201 East Washington Street, 6th Floor, Syracuse, New York 13202 and **TLSP CODA LLC**, with a mailing address of _____ (the “*Company*”).

Article 1. Preliminary Statement. Among the matters of mutual inducement which have resulted in the execution of this agreement are the following:

1.01. The Agency is authorized and empowered by the provisions of Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, and Chapter 641 of the Laws of 1979 of the State (collectively, the “*Act*”) to designate an agent for constructing, renovating and equipping “projects” (as defined in the Act).

1.02. The purposes of the Act are to promote, attract, encourage and develop recreation and economically sound commerce and industry in order to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration. The Act vests the Agency with all powers necessary to enable it to accomplish such purposes, including the power to acquire and dispose of interests in real property and to appoint agents for the purpose of completion of projects undertaken by the Agency. The Company, by application dated January 18, 2023 (the “*Application*”), requested the Agency undertake a project (the “*Project*”) consisting of: (A)(i) the acquisition of an interest in approximately 1.97 acres of real property located at 1014-16 Fayette St. E. (Tax Map No. 048.-05-01); 1027-29 Genesee St. E. (Tax Map No. 048-05-04.1); 1001-19 Genesee St. E & Crouse Ave. (Tax Map No. 048.-05-05); 313-23 Crouse Ave. S. (Tax Map No. 048.-05-06); 309 Crouse Avenue S. (Tax Map No. 048.-05-07); and 301-07 Crouse Avenue S. (Tax Map No. 048.-05-08), all in the City of Syracuse, New York (such parcels to be resubdivided) (collectively, the “*Land*”); (ii)(a) the demolition of existing structures (excepting therefrom the Ward Wellington Ward home); (b) the renovation/preservation of Ward Wellington Ward home, including renovation of the exterior façade to historical standards and the interior into a retail space; and (c) the construction of an approximately 300,149 sq.ft., six-story residential apartment building containing approximately 282 units, consisting of approximately 103 studio units; 98 one-bedroom units and 69 two-bedroom units; and 12 three-bedroom units, to be located on a portion of the first floor and floors 2-6; a variety of amenities on the first floor including lounge, study, fitness areas and a public retail space, a few smaller common space areas on each floor for resident work-from-home and lounge areas; an exterior courtyard space at the center of the building which will include a year-round heated pool and dining patio; as well as a subsurface approximately 146 space parking garage and a surface approximately 29 space parking lot; all located on the Land (collectively, the

“Facility”); (iii) the acquisition and installation in and on the Land and Facility of furniture, fixtures and equipment (the **“Equipment”** and together with the Land and the Facility, the **“Project Facility”**); (B) the granting of certain financial assistance in the form of exemptions from real estate taxes, State and local sales and use tax and mortgage recording tax (in accordance with Section 874 of the General Municipal Law) (collectively the **“Financial Assistance”**); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, renovation, construction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement.

The Company affirmed in its application that the Project would create nine (9) new full time equivalent jobs. The Company further affirmed in its application that the Company is requesting incentives in the form of exemptions from sales and use tax, mortgage recording tax and real property taxes to help finance the Project, which has recently become very difficult due to changes in the capital market, including increasing interest rates, decreasing financing options for new construction and a pending recession. Second, the City approvals for the Project were obtained under the current zoning guidelines which required substantial parking requirements resulting in a decrease in the number of units originally anticipated and resulted in increased cost with and decreased revenue further stressing the feasibility of the Project. Given these factors, requested incentives are necessary for the Project to be financially feasible.

1.03(a). All documents necessary to effectuate the Agency’s undertaking of the Project and the granting of the approved Financial Assistance between the Agency and the Company, including but not limited to, a project agreement, a company lease agreement, an agency lease agreement, a bill of sale and an environmental compliance and indemnification agreement, shall be collectively referred to herein as the **“Lease Documents”**.

1.03. The Company hereby represents to the Agency that undertaking the Project, the designation of the Company as the Agency’s agent for the construction, equipping and completion of the Project Facility, and the use and appointment, as necessary, by the Company of a Project operator, contractors, agents, subagents, subcontractors, contractors and subcontractors of such agents and subagents (collectively, **“Additional Agents”**): (i) will be an inducement to it to construct and equip the Project Facility in the City of Syracuse (the **“City”**); (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or of any other proposed occupant of the Project Facility from one area of the State to another or in the abandonment of one or more plants or facilities of the Company or of any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and (iii) undertaking the Project Facility will promote, create and/or preserve private sector jobs in the State.

1.04. The Agency has determined that the acquisition of a controlling interest in, and the construction and equipping of the Project Facility and the subleasing of the same to the Company will promote and further the purposes of the Act.

1.05. On March 21, 2023, the Agency adopted a resolution (the **“Inducement**

Resolution”) agreeing, subject to the satisfaction of all conditions precedent set forth in such Resolution, to designate the Company as the Agency’s agent for the acquisition, construction and equipping of the Project Facility and determining that the leasing of the same to the Company will promote further purposes of the Act. For purposes of that designation, the Agency authorized as part of the approved Financial Assistance, State and local sales and use tax exemption benefits in an amount not to exceed **\$3,840,000**.

1.06. In the Resolution, subject to the execution of, and compliance with, this Agreement by the Company, the execution and delivery of a project agreement by the Company, and other conditions set forth in the Resolution and herein, the Agency appointed the Company as its agent for the purposes of construction and equipping the Project Facility, entering into contracts and doing all things requisite and proper for construction and equipping the Project Facility.

Article 2. Undertakings on the Part of the Agency. Based upon the statement, representations and undertakings of the Company and subject to the conditions set forth herein, the Agency agrees as follows:

2.01. The Agency confirms that it has authorized and designated, pursuant to the terms hereof, the Company as the Agency’s agent for constructing and equipping the Project Facility.

2.02. The Agency will adopt such proceedings and authorize the execution of such Agency documents as may be necessary or advisable for: (i) acquisition of a controlling interest in the Project Facility; (ii) designation by the Company of Additional Agents for construction and equipping of the Project Facility subject to the terms hereof; and (iii) the leasing or subleasing of the Project Facility to the Company, all as shall be authorized by law and be mutually satisfactory to the Agency and the Company.

2.03. Nothing contained in this Agreement shall require the Agency to apply its funds to Project costs.

2.04. After satisfying the conditions precedent set forth in the Sections 2.05, 3.06 and 4.02 hereof and in the Inducement Resolution, the Company may proceed with the construction and equipping of the Project Facility and the utilization of and, as necessary the appointment of, Additional Agents.

2.05. Subject to the execution of the Lease Documents and Section 4.02 hereof, the Company is appointed the true and lawful agent of the Agency: (i) for the construction and equipping of the Project Facility; and (ii) to make, execute, acknowledge and deliver any contracts, orders, receipts, writings and instructions, as the stated agent for the Agency, and in general to do all things which may be requisite or proper for the construction and equipping of the Project Facility, all with the same powers and the same validity as if the Agency were acting in its own behalf.

2.06. The Agency will take or cause to be taken such other acts and adopt such further proceedings as may be required to implement the aforesaid undertakings or as it may deem

appropriate in pursuance thereof. The Agency may in accordance with Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “**SEQRA**”), undertake supplemental review of the Project. Such review to be limited to specific significant adverse environmental impacts not addressed or inadequately addressed in the Agency’s review under SEQRA that arise from changes in the proposed Project, newly discovered information or a change in the circumstances related to the Project.

Article 3. Undertakings on the Part of the Company. Based upon the statements, representations and undertakings of the Agency and subject to the conditions set forth herein the Company agrees as follows:

3.01. (a) The Company shall indemnify and hold the Agency harmless from all losses, expenses, claims, damages and liabilities arising out of or based on labor, services, materials and supplies, including equipment, ordered or used in connection with the acquisition of a controlling interest in, and construction and equipping of the Project Facility (including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of any of the foregoing), whether such claims or liabilities arise as a result of the Company or Additional Agents acting as agent for the Agency pursuant to this Agreement or otherwise.

(b) The Company shall not permit to stand, and will, at its own expense, take all steps reasonably necessary to remove, any mechanics’ or other liens against the Project Facility for labor or material furnished in connection with the acquisition, construction and equipping of the Project Facility.

(c) The Company shall indemnify and hold the Agency, its members, officers, employees and agents and anyone for whose acts or omissions the Agency or any one of them may be liable, harmless from all claims and liabilities for loss or damage to property or any injury to or death of any person that may be occasioned subsequent to the date hereof by any cause whatsoever in relation to the Project Facility, including any expenses incurred by the Agency in defending any claims, suits or actions which may arise as a result of the foregoing.

(d) The Company shall defend, indemnify and hold the Agency harmless from all losses, expenses, claims, damages and liabilities arising out of or based on the non-disclosure of information, if any, requested by the Company in accordance with Section 4.05 hereof.

(e) The defense and indemnities provided for in this Article 3 shall survive expiration or termination of this Agreement and shall apply whether or not the claim, liability, cause of action or expense is caused or alleged to be caused, in whole or in part, by the activities, acts, fault or negligence of the Agency, its members, officers, employees and agents, anyone under the direction and control of any of them, or anyone for whose acts or omissions the Agency or any of them may be liable, and whether or not based upon the breach of a statutory duty or obligation or any theory or rule of comparative or apportioned liability, subject only to any specific prohibition relating to the scope of indemnities imposed by statutory law.

(f) The Company shall provide and carry: (i) worker's compensation and disability insurance as required by law; and (ii) comprehensive liability and property insurance with such coverages (including without limitation, owner's protective coverage for the benefit of the Agency, naming the Agency as an additional insured on all policies of coverage regarding the Project; providing the coverage with respect to the Agency be primary and non-contributory; and contractual coverage covering the indemnities herein provided for), with such limits and which such companies as may be approved by the Agency. Upon the request of the Agency, the Company shall provide certificates, endorsements, binders and/or policies of insurance in form satisfactory to the Agency evidencing such insurance.

(g) The Company shall apply and diligently pursue all approvals, permits and consents from the State of New York, the City, the City Planning Commission and any other governmental authority which approvals, permits and consents are required under applicable law for the development, construction and equipping of the Project and any related site improvements. The Company acknowledges and agrees that the Agency's findings and determinations under SEQRA do not and shall not in and of themselves (except as specifically set forth in SEQRA) satisfy or be deemed to satisfy applicable laws, regulations, rules and procedural requirements applicable to such approvals, permits and consents.

(h) The Company shall complete a Local Access Agreement to be obtained from the City of Syracuse Industrial Development Agency and agrees to utilize, and cause its Additional Agents to utilize, local contractors and suppliers for the construction, equipping and completion of the Project unless a waiver is received from the Agency in writing. For purposes of this Agency Agreement, the term "**Local**" shall mean Onondaga, Oswego, Oneida, Madison, Cayuga and Cortland Counties. The Company agrees that such Local contractors shall be provided the opportunity to bid on contracts related to the Project Facility.

3.02. The Company agrees that, as agent for the Agency or otherwise, it will comply at the Company's sole cost and expense with all the requirements of all federal, state and local laws, rules and regulations of whatever kind and howsoever denominated applicable to the Agency and/or Company with respect to the Project Facility, the acquisition of a controlling interest therein, construction and equipping thereof, the operation and maintenance of the Project Facility, supplemental review of adverse environmental impacts in accordance with SEQRA and the financing of the Project. Every provision required by law to be inserted herein shall be deemed to be set forth herein as if set forth in full, including, but not limited to, Section 875 of the Act; and upon the request of either party, this Agreement shall be amended to specifically set forth any such provision or provisions.

3.03. The Company agrees that, as agent for the Agency or otherwise, to the extent that such provisions of law are in fact applicable (without creating an obligation by contract beyond that which is created by statute) it will comply with the requirements of Section 220 of the Labor Law of the State of New York, as amended.

3.04. The Company will take such further action and adopt such further proceedings as may be required to implement its aforesaid undertakings or as it may deem appropriate in pursuance thereof.

3.05. If it should be determined that any State or local sales or compensatory use taxes are payable with respect to the acquisition, purchase or rental of machinery or equipment, materials or supplies in connection with the Project Facility, or are in any manner otherwise payable directly or indirectly in connection with the Project Facility, the Company shall pay the same and defend and indemnify the Agency from and against any liability, expenses and penalties arising out of, directly or indirectly, the imposition of any such taxes.

3.06 The Company shall proceed with the acquisition, construction, equipping and completion of the Project Facility and advance such funds as may be necessary to accomplish such purposes. The Company may appoint Additional Agents as agents of the Agency in furtherance thereof. Any appointment of an Additional Agent is conditioned upon the Company first obtaining and providing the Agency the following:

(1) A written, executed agreement, in form and substance acceptable to the Agency, from each Additional Agent which provides for the assumption by the Additional Agent, for itself, certain of the obligations under this Agreement relative to the appointment, work and purchases done and made by each Additional Agent; (ii) a commitment to utilize local contractors and suppliers for the construction and equipping of the Project (“local” being defined in Section 3.01(h) hereof); (iii) an acknowledgement that the Additional Agent is obligated, to timely provide the Company with the necessary information to permit the Company, pursuant to General Municipal Law §874(8), to timely file an Annual Statement with the Agency and the New York State Department of Taxation and Finance on “Annual Report of Sales and Use Tax Exemptions” (Form ST-340) regarding the value of sales and use tax exemptions the Additional Agent claimed pursuant to the agency conferred on it by the Company with respect to this Project; (iv) an acknowledgment by the Additional Agent that the failure to comply with the foregoing will result in the loss of the exemption; and (v) such other terms and conditions as the Agency deems necessary; and

(2) A completed “IDA Appointment of Project Operator or Agent for Sales Tax Purposes” (Form ST-60) for each Additional Agent appointed within fifteen (15) days of the appointment of each Additional Agent such that the Agency can execute and deliver said form to the State Department of Taxation and Finance within thirty (30) days of appointment of each such Additional Agent.

Failure of the Company to comply with the foregoing shall nullify the appointment of any Additional Agent and may result in the loss of the Company’s exemption with respect to the Project at the sole discretion of the Agency.

The Company acknowledges that the assumption by the Additional Agent in accordance with Section 3.06(1) above, does not relieve the Company of its obligations under those provisions or any other provisions of this Agreement with respect to the Project.

3.07 The Company ratifies and confirms its obligations to pay an annual administrative reporting fee in accordance with the Agency’s fee schedule to cover administrative and reporting requirements to comply with New York State reporting regulations on Agency assisted projects.

In addition, the Company ratifies and confirms its absolute obligation to pay on demand all of the Agency's legal fees associated with the undertaking of the Project, including but not limited to, review of the application, preparation of resolutions and attendance at meetings and to correspondence and calls, regardless of whether benefits are ultimately conferred on the Project.

Article 4. General Provisions.

4.01. This Agreement shall take effect on the date of the execution hereof by the Agency and the Company and, subject to Section 4.04 hereof, shall remain in effect until the Lease Documents become effective. It is the intent of the Agency and the Company that, except as to those provisions that survive, this Agreement be superseded in its entirety by the Lease Documents.

4.02. (a) It is understood and agreed by the Agency and the Company that the grant of Financial Assistance and the execution of the Lease Documents and related documents are subject to: (i) payment by the Company of the Agency's fee and Agency's counsel fees; (ii) obtaining all necessary governmental approvals, permits and consents of any kind required in connection with the Project Facility; (iii) approval by the members of the Agency; (iv) approval by the Company; and (v) the condition that there are no changes in New York State Law, including regulations, which prohibit or limit the Agency from fulfilling its obligations hereunder; and

(b) the Company, by executing this agreement, acknowledges and agrees to make, or cause its Additional Agents, to make, all records and information regarding State and local sales and use tax exemption benefits given to the Project as part of the Financial Assistance available to the Agency upon request, including but not limited to the Form ST-340 for itself and each Additional Agent; and

(c) the Company, by executing this Agreement, acknowledges and agrees to the terms and conditions of the Agency's Recapture of Benefits Policy and Section 875(3) of the Act as if such section were fully set forth herein and further agrees to cause all of its Additional Agents to acknowledge, agree and consent to same. Without limiting the scope of the foregoing the Company acknowledges that pursuant to Section 875(3) of the Act, and in accordance with the Agency's Recapture of Benefits Policy, the Agency shall, and in some instances may, recover, recapture, receive or otherwise obtain from the Company some or all of the Financial Assistance (the "**Recapture Amount**") including, but not limited to: (1) (a) that portion of the State and local sales and use tax exemption to which the Company was not entitled, which is in excess of the amount of the State and local sales and use tax exemption authorized by the Agency or which is for property or services not authorized by the Agency; or (b) the full amount of such State and local sales and use tax exemption, if the Company fails to comply with a material term or condition regarding the use of the property or services as represented to the Agency in its Application or otherwise; or (c) the full amount of such State and local sales and use tax exemption in the event the Company fails to execute and deliver the Lease Documents in accordance herewith or fails to complete the Project; and (2) any interest or penalties thereon imposed by the Agency or by operation of law or by judicial order or otherwise; and (d) the failure of the Company to promptly pay such Recapture Amount to the Agency will be grounds

for the Commissioner to collect sales and use taxes from the Company under Article 28 of the State Tax Law, together with interest and penalties. In addition to the foregoing, the Company acknowledges and agrees that for purposes of exemption from New York State (the “**State**”) sales and use taxation as part of the Financial Assistance requested, “sales and use taxation” shall mean sales and compensating use taxes and fees imposed by article twenty-eight or twenty-eight-A of the New York State tax law but excluding such taxes imposed in a city by section eleven hundred seven or eleven hundred eight of such article twenty-eight. In addition to the foregoing, the Agency may recapture other benefits comprising the Financial Assistance in accordance with the Agency’s Recapture Policy (a copy of which is on the Agency’s website).

4.03. The Company agrees that it will, within thirty (30) days of a written request for same, regardless of whether or not this matter closes or the Project Facility is completed: (i) reimburse the Agency for all reasonable and necessary expenses, including without limitation the fees and expenses of counsel to the Agency arising from, out of or in connection with the Project, and/or any documents executed in connection therewith, including, but not limited to any claims or actions taken by the Agency against the Company, Additional Agents or third parties; and (ii) indemnify the Agency from all losses, claims, damages and liabilities, in each case which the Agency may incur as a consequence of executing this Agreement or performing its obligations hereunder, including but not limited to, any obligations related to Additional Agents.

4.04. If for any reason the Lease Documents are not executed and delivered by the Company and the Agency on or before **March 21, 2024**, the provisions of this Agreement (other than the provisions of Articles 1.04, 2.02, 2.04, 3.01, 3.02, 3.03, 3.05, 3.06, 4.02, 4.03, 4.04, 4.05 and 4.06, which shall survive) shall, unless extended by agreement of the Agency and the Company, terminate and be of no further force or effect, and following such termination neither party shall have any rights against the other party except:

(a) The Company shall pay the Agency for all expenses incurred by the Agency in connection with the acquisition, construction and equipping of the Project Facility;

(b) The Company shall assume and be responsible for any contracts for the construction or purchase of equipment entered into by the Agency at the request of or as agent for the Company in connection with the Project Facility; and

(c) The Company will pay the out-of-pocket expenses of members of the Agency and counsel for the Agency incurred in connection with the Project Facility and will pay the fees of counsel for the Agency for legal services relating to the Project Facility, Additional Agents or the proposed financing thereof.

4.05. **The Company acknowledges that Section 875(7) of the New York General Municipal Law (“GML”) requires the Agency to post on its website all resolutions and agreements relating to the Company’s appointment as an agent of the Agency or otherwise related to the Project, including this Agreement; and Article 6 of the New York Public Officers Law declares that all records in the possession of the Agency (with certain limited exceptions) are open to public inspection and copying. If the Company feels that there are**

elements of the Project or information about the Company in the Agency's possession which are in the nature of trade secrets or information, the nature of which is such that if disclosed to the public or otherwise widely disseminated would cause substantial injury to the Company's competitive position, the Company must identify such elements in writing, supply same to the Agency: (i) with respect to this Agreement, prior to or contemporaneously with the execution hereof; and (ii) with respect to all other agreements executed in connection with the Project, on or before the Closing Date, and request that such elements be kept confidential in accordance with Article 6 of the Public Officers Law. Failure to do so will result in the posting by the Agency of all information in accordance with Section 875 of the GML.

4.06 That every controversy, dispute or claim arising out of or relating to this Agreement shall be governed by the laws of the State of New York, without regard to its conflict-of-laws provisions that if applied might require the application of the laws of another jurisdiction; and that the Company irrevocably and expressly submits to the exclusive personal jurisdiction of the Supreme Court of the State of New York and the United States District Court for the Northern District of New York, to the exclusion of all other courts, for the purposes of litigating every controversy, dispute or claim arising out of or relating to this Agreement.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement as of the 21st day of March, 2023.

**CITY OF SYRACUSE INDUSTRIAL
DEVELOPMENT AGENCY**

By: _____
Judith DeLaney, Executive Director

TLSP CODA LLC

By: _____
Name:
Title:

EXHIBIT "B"
NEGATIVE DECLARATION

State Environmental Quality Review
NEGATIVE DECLARATION
 Notice of Determination of Non-Significance

Project Number *PR-22-19*Date: *12/12/2022*

This notice is issued pursuant to Part 617 of the implementing regulations pertaining to Article 8 (State Environmental Quality Review Act) of the Environmental Conservation Law.

The *City of Syracuse Planning Commission* as lead agency, has determined that the proposed action described below will not have a significant adverse environmental impact and a Draft Impact Statement will not be prepared.

Name of Action: *Proposed Apartments at S. Crolius Ave & E Genesee St*

SEQR Status: Type 1 ☒
 Unlisted ☐

Conditioned Negative Declaration: ☐ Yes
 ☒ No

Description of Action: *Construct a 282-unit apartment building
 and parking garage
 Includes the rehabilitation of an existing
 historic structure
 w/ accessory pkg on two separate lots*

Location: (Include street address and the name of the municipality/county. A location map of appropriate scale is also recommended.)

*1001-19, 1027-29 E Genesee St, 301-07, 309, 313-23 S Crolius Ave,
 1014-16 E Fayette St, and 201 S Crolius Ave and 208 University Ave*

FINAL APPROVING RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on March 21, 2023 at 8:00 o'clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by _____ and upon the roll being duly called, the following members were:

PRESENT:

THE FOLLOWING PERSONS WERE ALSO PRESENT:

The following resolution was offered by _____ and seconded by _____:

RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A COMMERCIAL PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY

WHEREAS, the City of Syracuse Industrial Development Agency (the “*Agency*”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, together with Chapter 641 of the Laws of 1979 of the State of New York, as amended from time to time (collectively, the “*Act*”), to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, for the purpose of promoting economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State, to improve their recreation opportunities, prosperity and standard of living; and

WHEREAS, TLSP Coda LLC, or an entity to be formed (the “*Company*”), by application dated January 18, 2023 (the “*Application*”), requested that the Agency undertake a project (the “*Project*”) consisting of: (A)(i) the acquisition of an interest in approximately 1.97 acres of real property located at 1014-16 Fayette St. E. (Tax Map No. 048.-05-01); 1027-29 Genesee St. E. (Tax Map No. 048-05-04.1); 1001-19 Genesee St. E & Crouse Ave. (Tax Map No. 048.-05-05); 313-23 Crouse Ave. S. (Tax Map No. 048.-05-06); 309 Crouse Avenue S. (Tax Map No. 048.-05-07); and 301-07 Crouse Avenue S. (Tax Map No. 048.-05-08), all in the City of Syracuse, New York (such parcels to be resubdivided) (collectively, the “*Land*”); (ii)(a) the demolition of existing structures (excepting therefrom the Ward Wellington Ward home); (b) the renovation/preservation of Ward Wellington Ward home, including renovation of the exterior façade to historical standards and the interior into a retail space; and (c) the construction of an approximately 300,149 sq.ft., six-story residential apartment building containing approximately

282 units, consisting of approximately 103 studio units; 98 one-bedroom units and 69 two-bedroom units; and 12 three-bedroom units, to be located on a portion of the first floor and floors 2-6; a variety of amenities on the first floor including lounge, study, fitness areas and a public retail space, a few smaller common space areas on each floor for resident work-from-home and lounge areas; an exterior courtyard space at the center of the building which will include a year-round heated pool and dining patio; as well as a subsurface approximately 146 space parking garage and a surface approximately 29 space parking lot; all located on the Land (collectively, the “**Facility**”); (iii) the acquisition and installation in and on the Land and Facility of furniture, fixtures and equipment (the “**Equipment**” and together with the Land and the Facility, the “**Project Facility**”); (B) the granting of certain financial assistance in the form of exemptions from real estate taxes, State and local sales and use tax and mortgage recording tax (in accordance with Section 874 of the General Municipal Law) (collectively the “**Financial Assistance**”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, renovation, construction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, the Agency conducted a public hearing with respect to the Project and the proposed Financial Assistance on March 21, 2023 pursuant to Section 859-a of the Act, notice of which was originally published on March 9, 2023, in the Post-Standard, a newspaper of general circulation in the City of Syracuse, New York and given to the chief executive officers of the affected tax jurisdictions by letters dated March 8, 2023; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “**SEQRA**”), the Agency is required to make a determination whether the “action” (as said quoted term is defined in SEQRA) to be taken by the Agency may have a “significant impact on the environment” (as said quoted term is utilized in SEQRA), and the preliminary agreement of the Agency to undertake the Project constitutes such an action; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “**SEQRA**”), the Agency is required to make a determination with respect to the environmental impact of any “action” (as said quoted term is defined in SEQRA) to be taken by the Agency and the approval of the Project constitutes such an action; and

WHEREAS, the Company caused a Full Environmental Assessment Form (“**EAF**”) to be prepared and submitted to the City of Syracuse Planning Commission (the “**Planning Commission**”) to obtain approval for a project that is substantially similar to the Project being undertaken by the Agency; and

WHEREAS, by correspondence dated September 23, 2022, the Office of Zoning Administration on behalf of the Planning Commission provided notice of the Planning Commission's determination that the Project constitutes a Type I Action and its intent to act as Lead Agency for review of the Project; and

WHEREAS, on December 12, 2022, the Planning Commission, as lead agency, and consistent with the procedures and criteria set forth in 6 NYCRR 617.7, analyzed the relevant areas of environmental concern using the SEQRA standards and ultimately determined that the project would not have a significant adverse impact on the environment, and adopted a Negative Declaration ("*Negative Declaration*"); and

WHEREAS, the Agency adopted a resolution on March 21, 2023 (the "*Inducement Resolution*") entitled:

RESOLUTION AUTHORIZING THE UNDERTAKING, ACQUISITION, CONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF A COMMERCIAL FACILITY; APPOINTING THE COMPANY AS AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, CONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF THE PROJECT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE AGENCY AND THE COMPANY

which resolution is in full force and effect and has not been amended or modified; and

WHEREAS, the Agency adopted a resolution on March 21, 2023 (the "*PILOT Resolution*") entitled:

RESOLUTION APPROVING AN PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A PILOT AGREEMENT

which resolution is in full force and effect and has not been amended or modified; and

NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency, as follows:

Section 1. Based upon the representations made by the Company to the Agency and after consideration of the comments received at the public hearing, if any, the Agency hereby makes the following findings and determinations:

(a) The acquisition of a controlling interest in the Project Facility by the Agency, the granting of the Financial Assistance and the designation of the Company as the Agency's agent for completion of the Project will be an inducement to, and permit, the Company to develop and operate the Project Facility in the City of Syracuse, thus serving the public purposes of Article 18-A of the General Municipal Law of New York State by promoting and preserving the job opportunities, general prosperity, health and economic welfare of the inhabitants of the City of Syracuse (the "**City**") in furtherance of the purposes of the Act.

(b) The Project will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility from one area of the State to another area of the State or result in the abandonment of one or more plants or facilities of the Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act.

(c) The commitment of the Agency to provide Financial Assistance to the Company will enable and induce the Company to construct, renovate, equip and complete the Project Facility.

(d) The acquisition, construction, renovation, equipping and completion of the Project Facility and the attendant promotion of the local economy will advance the job opportunities, health, prosperity and economic welfare of the people of the City and the granting of the Financial Assistance is a necessary component to the financing of the Project.

(e) The Project Facility constitutes a "project" within the meaning of the Act.

(f) It is desirable and in the public interest for the Agency to grant Financial Assistance in connection with the Project.

Section 2. It is the policy of the State to promote the economic welfare, recreation opportunities and prosperity of its inhabitants and to actively promote, attract, encourage and develop recreation and economically sound commerce and industry for the purpose of preventing unemployment and economic deterioration. The Project will serve the public purposes of Article 18-A of the General Municipal Law of the State of New York by advancing job opportunities and promoting economic development.

Section 3. It is among the purposes of the Agency to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, renovating, improving, maintaining, equipping, furnishing and completing of certain facilities, including commercial facilities, and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State and to improve their recreation opportunities, prosperity and standard of living.

Section 4. Subject to the conditions set forth in this and prior resolutions adopted by the Agency, the Agreement, and the Project Agreement (each as defined in the Inducement Resolution), and the adoption of a PILOT Resolution and subject to the Company paying all fees and costs associated with the Project or incurred by the Agency in connection

therewith , including but not limited to attorney's fees, the Agency will: (A) acquire a controlling interest in the Project Facility; (B) lease the Land and Facility from the Company pursuant to a lease agreement between the Agency and the Company (the “**Company Lease**”); acquire an interest in the Equipment pursuant to a bill of sale from the Company (the “**Bill of Sale**”); and sublease the Project Facility to the Company pursuant to a sublease agreement (the “**Agency Lease**”); (C) subject to the terms of the Agency Lease and other documents, secure the Company’s borrowings with respect to the Project Facility by joining in one or more construction or permanent mortgages on the Project Facility in favor of the Company’s lenders; (D) execute and deliver any and all necessary documents to confer the approved Financial Assistance, subject to approval and execution of the PILOT Agreement; and (E) execute and deliver any other documents necessary to effectuate the actions contemplated by and consistent with this Resolution upon the advice of counsel to the Agency.

Section 5. The Chair, Vice Chair and the Executive Director of the Agency, acting individually, are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified in Section 4 of this Resolution as well as the Lease Documents (as defined in the Inducement Resolution) and any such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in Section 4 of this Resolution, as approved by the Chair or Vice Chair, and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this Resolution.

Section 6. No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to herein shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

Section 7. Bousquet Holstein PLLC, as counsel to the Agency, is hereby authorized to work with the Company and others to prepare, for submission to the (Vice) Chair and/or Executive Director for execution and delivery, all documents necessary to effect the undertaking of the Project and the grant of Financial Assistance in connection with the Project.

Section 8. The approvals provided for herein are contingent upon the Company’s payment of all of the Agency’s fees and costs, including but not limited to attorneys' fees.

Section 9. The Secretary and/or Executive Director of the Agency is hereby authorized to distribute copies of this Resolution and do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 10. This Resolution shall take effect immediately. A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

The question of the adoption of the foregoing resolution was duly put to vote on a roll call, which resulted as follows:

AYE

NAY

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS.:
COUNTY OF ONONDAGA)

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “**Agency**”) held on March 21, 2023, with the original thereof on file in the office of the Agency, and that the same (including all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Agency
on _____.

City of Syracuse Industrial Development Agency

Rickey T. Brown, Secretary

(S E A L)

PILOT RESOLUTION

A regular meeting of the City of Syracuse Industrial Development Agency was convened in public session on March 21, 2023 at 8:00 o'clock a.m., local time, in the Common Council Chambers, City Hall, 233 East Washington Street, Syracuse, New York.

The meeting was called to order by _____ and upon roll being called, the following members of the Agency were:

PRESENT:

THE FOLLOWING PERSONS WERE ALSO PRESENT:

The following resolution was offered by _____ and seconded by _____:

RESOLUTION APPROVING A PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION THEREWITH

WHEREAS, the City of Syracuse Industrial Development Agency (the “*Agency*”) is authorized and empowered by Title 1 of Article 18-A of the General Municipal Law of the State of New York (the “*State*”), as amended, together with Chapter 641 of the Laws of 1979 of the State of New York, as amended from time to time (collectively, the “*Act*”) to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of industrial, manufacturing, warehousing, commercial, research and recreation facilities, including industrial pollution control facilities, railroad facilities and certain horse racing facilities, for the purpose of 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 State, to improve their recreation opportunities, prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, lease and sell real property and grant financial assistance in connection with one or more “projects” (as defined in the Act); and by application dated January 18, 2023 (the “*Application*”), TLSP Coda LLC, or an entity to be formed (the “*Company*”), requested the Agency undertake a project (the “*Project*”) consisting of: (A)(i) the acquisition of an interest in approximately 1.97 acres of real property located at 1014-16 Fayette St. E. (Tax Map No. 048.-05-01); 1027-29 Genesee St. E. (Tax Map No. 048-05-04.1); 1001-19 Genesee St. E & Crouse Ave. (Tax Map No. 048.-05-05); 313-23 Crouse Ave. S. (Tax Map No. 048.-05-06); 309 Crouse Avenue S. (Tax Map No. 048.-05-07); and 301-07 Crouse Avenue S. (Tax Map No. 048.-05-08),

all in the City of Syracuse, New York (such parcels to be resubdivided) (collectively, the “**Land**”); (ii)(a) the demolition of existing structures (excepting therefrom the Ward Wellington Ward home); (b) the renovation/preservation of Ward Wellington Ward home, including renovation of the exterior façade to historical standards and the interior into a retail space; and (c) the construction of an approximately 300,149 sq.ft., six-story residential apartment building containing approximately 282 units, consisting of approximately 103 studio units; 98 one-bedroom units and 69 two-bedroom units; and 12 three-bedroom units, to be located on a portion of the first floor and floors 2-6; a variety of amenities on the first floor including lounge, study, fitness areas and a public retail space, a few smaller common space areas on each floor for resident work-from-home and lounge areas; an exterior courtyard space at the center of the building which will include a year-round heated pool and dining patio; as well as a subsurface approximately 146 space parking garage and a surface approximately 29 space parking lot; all located on the Land (collectively, the “**Facility**”); (iii) the acquisition and installation in and on the Land and Facility of furniture, fixtures and equipment (the “**Equipment**” and together with the Land and the Facility, the “**Project Facility**”); (B) the granting of certain financial assistance in the form of exemptions from real estate taxes, State and local sales and use tax and mortgage recording tax (in accordance with Section 874 of the General Municipal Law) (collectively the “**Financial Assistance**”); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, renovation, construction, equipping and completion of the Project Facility; and (D) the lease of the Land and Facility by the Agency pursuant to a lease agreement and the acquisition of an interest in the Equipment pursuant to a bill of sale from the Company to the Agency; and the sublease of the Project Facility back to the Company pursuant to a sublease agreement; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “**SEQRA**”), the Agency is required to make a determination whether the “action” (as said quoted term is defined in SEQRA) to be taken by the Agency may have a “significant impact on the environment” (as said quoted term is utilized in SEQRA), and the preliminary agreement of the Agency to undertake the Project constitutes such an action; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law of the State of New York, as amended, and the regulations of the Department of Environmental Conservation of the State of New York promulgated thereunder (collectively referred to hereinafter as “**SEQRA**”), the Agency is required to make a determination with respect to the environmental impact of any “action” (as said quoted term is defined in SEQRA) to be taken by the Agency and the approval of the Project constitutes such an action; and

WHEREAS, the Company caused a Full Environmental Assessment Form (“**EAF**”) to be prepared and submitted to the City of Syracuse Planning Commission (the “**Planning Commission**”) to obtain approval for a project that is substantially similar to the Project being undertaken by the Agency; and

WHEREAS, by correspondence dated September 23, 2022, the Office of Zoning Administration on behalf of the Planning Commission provided notice of the Planning

Commission's determination that the Project constitutes a Type I Action and its intent to act as Lead Agency for review of the Project; and

WHEREAS, on December 12, 2022, the Planning Commission, as lead agency, and consistent with the procedures and criteria set forth in 6 NYCRR 617.7, analyzed the relevant areas of environmental concern using the SEQRA standards and ultimately determined that the project would not have a significant adverse impact on the environment, and adopted a Negative Declaration ("*Negative Declaration*"); and

WHEREAS, on March 21, 2023, the Agency resolved to take official action toward the acquisition, construction, renovation, equipping and completion of the Project (the "*Inducement Resolution*"); and

WHEREAS, as part of the Financial Assistance, the Company requested the Agency consider a 15-year payment in lieu of tax schedule, (the "*PILOT*"), as more fully described on **Exhibit "A"** attached hereto, which schedule conforms with the Agency's Uniform Tax Exemption Policy ("*UTEP*") established pursuant to General Municipal Law Section 874(4); and

WHEREAS, the Company is requesting incentives in the form of exemptions from sales and use tax, mortgage recording tax and real property taxes to help finance the Project, which has recently become very difficult due to changes in the capital market, including increasing interest rates, decreasing financing options for new construction and a pending recession. Second, the City approvals for the Project were obtained under the current zoning guidelines which required substantial parking requirements resulting in a decrease in the number of units originally anticipated and resulted in increased cost with and decreased revenue further stressing the feasibility of the Project. Given these factors, requested incentives are necessary for the Project to be financially feasible; and

WHEREAS, the Agency has given due consideration to the Application and to representations by the Company that the proposed PILOT, as part of the Financial Assistance: (i) will induce the Company to develop the Project Facility in the City of Syracuse; (ii) will not result in the removal of a commercial, industrial or manufacturing plant or facility of the Company or any other proposed occupant of the Project Facility 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 Company or any other proposed occupant of the Project Facility located in the State, except as may be permitted by the Act; and (iii) undertaking the Project will advance job opportunities in the State and promote the general prosperity and economic welfare of the inhabitants of the City of Syracuse in furtherance of the purposes of the Act.

NOW, THEREFORE, be it resolved by the members of the City of Syracuse Industrial Development Agency, as follows:

(1) Based upon the representations made by the Company to the Agency, and the reasons presented by the Company in support of its request for the PILOT schedule, and subject to the execution and delivery by the Company of the Lease Documents (as defined in the Inducement Resolution), the Agency hereby approves and the (Vice) Chair and Executive Director, acting

individually, are each authorized to execute and deliver a PILOT agreement (the “**PILOT Agreement**”) providing for the payment schedule attached as **Exhibit “A”** hereto, all in such form and substance as shall be substantially the same as approved by the Agency for other similar transactions and consistent with this Resolution and as approved by the Chair or Vice Chair of the Agency upon the advice of counsel to the Agency.

(2) The (Vice) Chair and/or Executive Director, acting individually, are each hereby authorized and directed, for and in the name and on behalf of the Agency, to execute and deliver the documents and agreements identified herein and any and all such additional certificates, instruments, documents or affidavits, to pay any such other fees, charges and expenses, to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to herein as the (Vice) Chair shall approve, and to do and cause to be done any such other acts and things, as they determine, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this Resolution.

(3) No covenant, stipulation, obligation or agreement contained in this resolution or any document referred to above shall be deemed to be the covenant, stipulation, obligation or agreement of any member, officer, agent or employee of the Agency in his or her individual capacity. Neither the members nor officers of the Agency, nor any person executing any documents referred to above on behalf of the Agency, shall be liable thereon or be subject to any personal liability or accountability by reason of the execution or delivery thereof.

(4) The Secretary and/or the Executive Director of the Agency are hereby authorized to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

(5) This Resolution shall take effect immediately, but is subject to execution by the Company of the documents set forth in the Inducement Resolution, including but not limited to, the Lease Documents (as defined in the Inducement Resolution) and the PILOT Agreement and compliance with all other resolutions and other related documents adopted and/or approved by the Agency in conjunction with the Project and/or as set forth herein.

(6) Bousquet Holstein PLLC, as counsel to the Agency, is hereby authorized to work with the Company and others to prepare, for submission to the (Vice) Chair and/or Executive Director for execution and delivery, all documents necessary to effect the undertaking of the Project and the grant of Financial Assistance in connection with the Project.

(7) A copy of this Resolution, together with the attachments hereto, shall be placed on file in the office of the Agency where the same shall be available for public inspection during business hours.

The question of the adoption of the foregoing Resolution was duly put to vote on a roll call, which resulted as follows:

AYE

NAY

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
) SS.:
COUNTY OF ONONDAGA)

I, the undersigned Secretary of the City of Syracuse Industrial Development Agency, **DO HEREBY CERTIFY** that I have compared the annexed extract of the minutes of the meeting of the City of Syracuse Industrial Development Agency (the “**Agency**”) held on March 21, 2023, with the original thereof on file on file in the office of the Agency, and that the same (including any and all exhibits) is a true and correct copy of the proceedings of the Agency and of the whole of such original insofar as the same relates to the subject matters referred to therein.

I FURTHER CERTIFY that (i) all members of the Agency had due notice of such meeting, (ii) pursuant to Section 104 of the Public Officers Law (Open Meetings Law), such meeting was open to the general public and public notice of the time and place of such meeting was duly given in accordance with such Section 104, (iii) the meeting was in all respects duly held, and (iv) there was a quorum present throughout.

I FURTHER CERTIFY that, as of the date hereof, the attached resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have set my hand and affixed the seal of the Agency
on _____.

City of Syracuse Industrial Development Agency

Rickey T. Brown, Secretary

(S E A L)

EXHIBIT “A”

PROPOSED PILOT SCHEDULE

Total Annual Payment

<i>Year</i>	<i>Amount</i>
1	\$338,499.46
2	\$345,269.45
3	\$352,174.84
4	\$359,218.33
5	\$366,402.70
6	\$373,730.75
7	\$381,205.37
8	\$388,829.48
9	\$396,606.07
10	\$404,538.19
11	\$695,633.38
12	\$998,210.57
13	\$1,312,612.59
14	\$1,639,191.41
15	\$1,978,308.34
Total	\$10,330,430.92



City of Syracuse Industrial Development Agency

Mike Lisson, CPA, CITP Partner
March 16, 2023

110 West Fayette Street, Suite 900
Syracuse, New York 13202
315.424.1120 • www.gsacpas.com

Agenda

- REQUIRED COMMUNICATIONS
- ANNUAL FINANCIAL INFORMATION
 - FINANCIAL STATEMENTS
 - INVESTMENT POLICY COMPLIANCE
 - REPORT ON INTERNAL CONTROL & OTHER COMPLIANCE
- OTHER INFORMATION

Required Communications

- **Required by Generally Accepted Governmental Auditing Standards (GAGAS)**
- **AU-C Section 260, The Auditor's Communication with Those Charged with Governance**
- **Those Charged with Governance**
 - Responsible for overseeing strategic direction of entity
 - Responsible for obligations related to accountability
 - Oversees the financial reporting process, including internal controls

Required Communications (continued)

- **Auditor's Responsibilities with Regard to the Financial Statement Audit**

- We form and express **an opinion** on your financial statements. Does not relieve management or the board of their responsibilities
- Further described in the annual engagement letter

- **Planned Scope and Timing of the Audit**

- Communicated on November 18, 2022
 - We carried out our audit consistent with the planned scope and timing previously communicated
- Significant Risks Identified:
 - **Revenue recognition (financing fees)**
 - **Professional fees**

A significant risk for our audit purposes are risks relating to amounts or disclosures in the financial statements that require special audit consideration because of the likelihood and magnitude of the potential misstatement. We consider certain factors to determine whether a risk is a significant risk.

Required Communications (continued)

- **Qualitative aspects of significant accounting practices**
 - The notes to financials describes significant accounting practices
 - Tax abatement programs (note 3, pgs 15-16)
 - Investment in properties (note 4, pg 16)
 - Peat Street pollution remediation
 - Brownfields Economic Development Incentive (BEDI) Grants (note 6, pg17)
 - Conduit debt obligations (conduit debt-\$546.6m) (note 7, pg17)
 - **Commitments, Agreements & Contracts (note 8, pg 18)**
 - **National Development Council (NDC) - \$141,300**
 - **Downtown Committee of Syracuse (DCS) - \$226,100**
 - **CenterState CEO Foundation - \$1,000,000**
 - **Clarion Associates (zoning project) - \$39,092**
 - **City Heritage Park - \$63,256**
 - Significant estimates
 - **Pollution remediation obligations**
 - Financials and notes are fairly consistent with prior year and are fairly presented.
- **Difficulties encountered in performing the audit**
 - None. Management was well prepared and was extremely helpful in assisting and preparing information for the audit

Required Communications (continued)

- **Uncorrected and corrected misstatements**
 - There were no uncorrected misstatements that were not recorded by management
- **Disagreements with management**
 - None to report
- **Management Representations**
 - Letter dated March 21, 2023
- **Management Consultations with Other Independent Accountants**
 - No consultations have been noted
- **Compliance with All Ethics Requirements regarding independence**
 - Appropriate safeguards applied to eliminate/reduce identified threats to independence, primarily related to non-audit services provided. Non-audit services include:
 - Preparation of the financial statements (deemed a “significant threat”)
- **Other Audit Findings or Issues**
 - Closing process for books and records (system limitations)

Annual Financial Information

Financial Statements

- **Unmodified (“clean”) audit opinion (pgs 1-3)**
 - Report on required supplementary information (RSI)
 - Other information
- Management’s Discussion and Analysis (pgs 4-8)
- Statements of Net Position (pg 9)
- Statements of Revenues, Expenses & Changes in Net Position (pg 10)
- Statements of Cash Flows (pg 11)
- Notes to financial statements (pgs 12-19)
- **Supplemental Schedule (NYS requirement) (pg 20)**

Statements of Net Position (page 9)

Statements of Net Position			
	2022	2021	2020
Cash and cash equivalents	\$ 3,618,647	\$ 4,006,875	\$ 3,809,658
Receivables	-	25,000	-
Other assets	565,609	578,223	578,223
Total assets	<u>\$ 4,184,256</u>	<u>\$ 4,610,098</u>	<u>\$ 4,387,881</u>
All other liabilities	63,921	746,764	979,319
Total liabilities	<u>63,921</u>	<u>746,764</u>	<u>979,319</u>
Net position	<u>4,120,335</u>	<u>3,863,334</u>	<u>3,408,562</u>
Total liabilities and net position	<u>\$ 4,184,256</u>	<u>\$ 4,610,098</u>	<u>\$ 4,387,881</u>

Statements of Activities and Changes in Net Position (page 10)

Statements of Revenues, Expenses and Changes in Net Position			
	2022	2021	2020
Financing fees	\$ 431,679	\$ 1,127,709	\$ 1,103,697
All other income	763,338	43,086	896,044
Total income	<u>1,195,017</u>	<u>1,170,795</u>	<u>1,999,741</u>
Interest expense	-	971	1,931
Public improvements	300,972	12,396	546,223
Legal fees	29,514	78,428	112,053
Professional fees	418,743	419,064	325,605
Professional fees - SURA	141,538	117,779	206,479
COVID-19 Emergency Grants	-	35,785	216,515
Loss on disposal of property	-	-	85,180
All other expenses	47,249	35,600	138,107
Total expenses	<u>938,016</u>	<u>700,023</u>	<u>1,632,093</u>
Increase in net position	257,001	470,772	367,648
Net position – beginning of year	<u>3,863,334</u>	<u>3,392,562</u>	<u>3,024,914</u>
Net position – end of year	<u>\$ 4,120,335</u>	<u>\$ 3,863,334</u>	<u>\$ 3,392,562</u>

Summary of Significant Financial Activities

- ❑ Cash decreased **\$388,228** to \$3,618,647 (\$4,006,875 in prior year)
 - Cash used in operations of \$388,228
 - **\$431,679** of financing fees, 90% of fees from the following:
 - \$173,883 – Symphony Tower, LLC
 - \$160,502 – Jemal's Gridley
 - \$55,500 – JMA Tech Properties
 - **\$560,281** professional fees:
 - \$141,538 – SURA fees (payroll/benefits)
 - \$57,362 – Choice Neighborhood Initiative Project
 - \$82,100 – National Development Council (NDC)
 - \$119,076 – Downtown Committee of Syracuse
 - **\$300,972** public improvements
 - \$230,000 – Infrastructure project (JMA Properties)
 - \$63,193 – McCormack Baron Salazar
 - **\$29,514** legal fees – ordinary business expenses

Annual Other Reporting

- Investment Policy Compliance
 - Required by NYS Public Authorities Law section 2925
 - No non-compliance matters noted or identified
- Report on Internal Control over Financial Reporting and on Compliance and Other Matters
 - No material weaknesses or non-compliance matters noted

**CITY OF SYRACUSE
INDUSTRIAL DEVELOPMENT AGENCY**

(A component unit of the City of Syracuse, New York)

FINANCIAL STATEMENTS

December 31, 2022 and 2021

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
City of Syracuse Industrial Development Agency

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of City of Syracuse Industrial Development Agency, a component unit of the City of Syracuse, New York as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the City of Syracuse Industrial Development Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the City of Syracuse Industrial Development Agency as of December 31, 2022 and 2021, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Syracuse Industrial Development Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The City of Syracuse Industrial Development Agency's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Syracuse Industrial Development Agency's ability to continue as a going concern for one year beyond the financial statement date.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Syracuse Industrial Development Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Syracuse Industrial Development Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

Required Supplementary Information

Accounting principles general accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for purpose of forming an opinion on the financial statements that collectively comprise the City of Syracuse Industrial Development Agency's basic financial statements. The supplemental schedule of revenue bonds and other bonds (conduit debt) is presented for the purpose of additional analysis and are not a required part of the basic financial statements.

The supplemental schedule of revenue bonds and other bonds (conduit debt) is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule of revenue bonds and other bonds (conduit debt) is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have issued our report dated March 21, 2023 on our consideration of the City of Syracuse Industrial Development Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Syracuse Industrial Development Agency's internal control over financial reporting and compliance.



Syracuse, New York
March 21, 2023

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis (unaudited) For the Year Ended December 31, 2022

As management of the City of Syracuse Industrial Development Agency ("SIDA"), we offer readers of this Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended December 31, 2022. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City of Syracuse Industrial Development Agency exceeded its liabilities at the close of its most recent fiscal year by \$4,120,335 (net position). This amount may be used to meet the Agency's ongoing obligations to constituents and creditors in accordance with the Agency's fund designation and fiscal policies.
- The Agency's total net position increased by \$257,001 for the 2022 fiscal year.
- During 2022, the Agency received \$431,679 for its role in various development projects. Significant project fees received were from: a) \$173,883 – Symphony Tower, LLC, b) \$160,502 – Jemal's Gridley, and c) \$55,500 – JMA Tech Properties.
- During 2022, the Agency recognized grant revenue of \$735,368, as the BEDI grants requirements have been met as of December 31, 2022.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of two components: 1) agency-wide financial statements and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis (unaudited) For the Year Ended December 31, 2022

Agency-wide financial statements – The agency-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business. The Statement of Net Position presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The Statement of Activities presents information showing how the Agency's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods (e.g., accrued interest).

Both of the agency-wide financial statements report only business-type (proprietary) activities, since none of the Agency's activities are considered to be governmental activities supported primarily by taxes.

The agency-wide financial statements can be found on pages 9 through 11 of this report.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the agency-wide and fund financial statements. The notes to the financial statements can be found on pages 12 through 19 of this report.

Other information – In addition to the basic financial statements and accompanying notes, this report also includes certain supplemental information, which includes information concerning revenue bonds and other bonds (conduit debt). This supplementary information can be found on page 20 of this report.

AGENCY-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Agency's financial position. In the case of the City of Syracuse Industrial Development Agency, assets exceeded liabilities by \$4,120,335 as of December 31, 2022.

Cash and cash equivalents constitute the largest portion of the Agency's net position, totaling \$3,618,647. This net position is available for future repayment of outstanding liabilities and for future economic development projects, including those for which the Agency has already committed funding towards. These committed funds are described in Note 4 and Note 8 to these financial statements. The estimated committed funding, through commitments, agreements and contracts in place, total approximately \$1,619,000.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

**Management's Discussion and Analysis (unaudited)
For the Year Ended December 31, 2022**

The following are summarized versions of the agency-wide financial statements:

Statements of Net Position			
	2022	2021	2020
Cash and cash equivalents	\$ 3,618,647	\$ 4,006,875	\$ 3,809,658
Receivables	-	25,000	-
Other assets	565,609	578,223	578,223
Total assets	<u>\$ 4,184,256</u>	<u>\$ 4,610,098</u>	<u>\$ 4,387,881</u>
All other liabilities	63,921	746,764	979,319
Total liabilities	<u>63,921</u>	<u>746,764</u>	<u>979,319</u>
Net position	<u>4,120,335</u>	3,863,334	3,408,562
Total liabilities and net position	<u>\$ 4,184,256</u>	<u>\$ 4,610,098</u>	<u>\$ 4,387,881</u>

ASSETS

Cash used in operations was \$388,228 compared to cash provided by operations of \$213,217 in the previous year.

LIABILITIES

Liabilities decreased \$682,843, primarily as a result of the recognition of grant revenue of \$735,368 related to the Agency's former participation in the BEDI grant program administered by HUD. Ordinary accounts payable increased \$52,525 for routine Agency transactions.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

**Management's Discussion and Analysis (unaudited)
For the Year Ended December 31, 2022**

Statements of Revenues, Expenses and Changes in Net Position			
	2022	2021	2020
Financing fees	\$ 431,679	\$ 1,127,709	\$ 1,103,697
All other income	763,338	43,086	896,044
Total income	1,195,017	1,170,795	1,999,741
Interest expense	-	971	1,931
Public and infrastructure improvements	300,972	12,396	546,223
Legal fees	29,514	78,428	112,053
Professional fees	418,743	419,064	325,605
Professional fees - SURA	141,538	117,779	206,479
COVID-19 Emergency Grants	-	35,785	216,515
Loss on disposal of property	-	-	85,180
All other expenses	47,249	35,600	138,107
Total expenses	938,016	700,023	1,632,093
Increase in net position	257,001	470,772	367,648
Net position – beginning of year	3,863,334	3,392,562	3,024,914
Net position – end of year	\$ 4,120,335	\$ 3,863,334	\$ 3,392,562

FINANCING FEES

SIDA received monies for financing fees totaling \$431,679 from developers and other projects undertaken by the Agency. During 2022, the Agency received \$431,679 for its role in various development projects. Significant project fees received were from: a) \$173,883 – Symphony Tower, LLC, b) \$160,502 – Jemal's Gridley, and c) \$55,500 – JMA Tech Properties.

PUBIC IMPROVEMENTS & PROFESSIONAL FEES

Public improvements include \$57,362 related to SIDA's portion of the Choice Neighborhood Initiative project, \$230,000 for the Infrastructure Project and \$5,831 for SIDA's portion of the NY Choice Application. Professional fees include economic development activities of the Agency and other activities to benefit the City of Syracuse. Significant professional fees included the following: a) \$75,442 for the Syracuse Build Project; b) \$89,100 for the National Development Council ("NDC") contract; and c) \$119,076 for the Downtown Committee of Syracuse related to the security and environmental maintenance contract. Professional fees - SURA or \$141,538, relate to salaries and benefits (allocated from the City of Syracuse).

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

**Management's Discussion and Analysis (unaudited)
For the Year Ended December 31, 2022**

REQUEST FOR INFORMATION

This financial report is designed to provide readers with a general overview of the Agency's finances. If you have questions about this report or need additional information, contact the Agency's board at the City of Syracuse Industrial Development Agency, 201 East Washington Street, Room 605, Syracuse, NY 13202-1432. You may also visit their website at www.syr.gov.net, and navigate to the Neighborhood and Business Development department for more information.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
Statements of Net Position

	December 31,	
	2022	2021
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 3,618,647	\$ 4,006,875
Other loan receivables	-	25,000
Total current assets	<u>3,618,647</u>	<u>4,031,875</u>
Long-term Assets		
Investment in properties, at cost	515,609	528,223
Land and building, at cost, net of depreciation	50,000	50,000
Total long-term assets	<u>565,609</u>	<u>578,223</u>
Total assets	<u>\$ 4,184,256</u>	<u>\$ 4,610,098</u>
LIABILITIES AND NET POSITION		
Current Liabilities		
Accounts payable	\$ 63,921	\$ 11,396
Grant payable	-	735,368
Total current liabilities	<u>63,921</u>	<u>746,764</u>
Net Position		
Net investment in capital assets	50,000	50,000
Unrestricted	<u>4,070,335</u>	<u>3,813,334</u>
Total net position	<u>4,120,335</u>	<u>3,863,334</u>
Total liabilities and net position	<u>\$ 4,184,256</u>	<u>\$ 4,610,098</u>

The accompanying notes are an integral part of these financial statements

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
Statements of Revenues, Expenses and Changes in Net Position

	Year Ended December 31,	
	2022	2021
Revenue		
Financing fees	\$ 431,679	\$ 1,127,709
Grant income	735,368	-
Interest income	6,807	338
Rental and other income	21,163	42,748
Total revenue	<u>1,195,017</u>	<u>1,170,795</u>
Expenses		
Development costs -		
Lakefront projects	3,323	4,118
Public and infrastructure improvements	297,649	8,278
Interest	-	971
Legal fees	29,514	78,428
Professional fees	418,743	419,064
Professional fees - SURA	141,538	117,779
Insurance	16,556	15,367
Taxes - nonexempt	9,571	8,179
Office and other	21,122	12,054
COVID-19 Emergency Grants	-	35,785
Total expenses	<u>938,016</u>	<u>700,023</u>
Change in net position	257,001	470,772
Net position - beginning of year	<u>3,863,334</u>	<u>3,392,562</u>
Net position - end of year	<u>\$ 4,120,335</u>	<u>\$ 3,863,334</u>

The accompanying notes are an integral part of these financial statements

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
Statements of Cash Flows

	Years Ended December 31,	
	2022	2021
Cash flows from operating activities:		
Inflows -		
Interest received	\$ 6,807	\$ 338
Loan fees and grants	431,679	1,127,709
COVID loan	25,000	-
Rents, contributions and miscellaneous fees received	21,163	42,748
Outflows -		
Public improvements	(298,010)	(143,498)
Professional fees	(507,395)	(616,494)
COVID-19 emergency grants	-	(50,416)
Interest payments	-	(971)
Legal fees	(29,514)	(81,001)
Supplies and services	(37,958)	(40,198)
Disbursement of funds - COVID Loans	-	(25,000)
Net cash provided by (used in) operating activities	<u>(388,228)</u>	<u>213,217</u>
Cash flows from noncapital financing activities:		
Payments on bonds payable	-	(16,000)
Net cash used in financing activities:	<u>-</u>	<u>(16,000)</u>
Net increase (decrease) in cash and cash equivalents	(388,228)	197,217
Cash and cash equivalents - beginning of year	<u>4,006,875</u>	<u>3,809,658</u>
Cash and cash equivalents - end of year	<u>\$ 3,618,647</u>	<u>\$ 4,006,875</u>
Reconciliation of change in net position to cash provided by operating activities:		
Change in net position	\$ 257,001	\$ 470,772
Loss on disposal of property	12,614	-
Changes in assets and liabilities:		
Other loans receivables	25,000	(25,000)
Grant payable	(735,368)	-
Accounts payable	52,525	(232,555)
Net cash provided by (used in) operating activities	<u>\$ (388,228)</u>	<u>\$ 213,217</u>

The accompanying notes are an integral part of these financial statements

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

1. Nature of the Organization and Significant Accounting Policies

Nature of the Organization

The City of Syracuse Industrial Development Agency (SIDA) is a public benefit corporation established in 1979 to enhance economic development activities in the city of Syracuse, NY (the "City"). SIDA was established by New York State General Municipal Law (GMU), Article 18-A, Title 2, paragraph 926, also known as the "New York State Industrial Development Agency Act." SIDA's programs include the issuing of revenue bonds for qualified projects and the provision of financial assistance in the form of exemptions from State and local sales and use tax, mortgage recording tax and real property taxes for qualified projects. SIDA is treated by the City as a component unit and is integral to the overall economic development plans of the City.

The basic financial statements of the Agency have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. All of the Agency's funds are proprietary funds, and, therefore, include only business-type activities. There are no material differences between a) net position and fund balances, and b) changes in net position and changes in fund balances, and, therefore, no reconciliation schedules of these items are included in this report.

Basis of Presentation

Agency-wide financial statements – The agency-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements report financial information for the Agency as a whole. Individual funds are not presented in the agency-wide financial statements. The Agency has determined that all of its activities are business-type, which are predominantly or entirely financed with fees and loan repayments from external parties.

Net Position Classifications

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted - Consists of net position with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

1. Nature of the Organization and Significant Accounting Policies (continued)

Net Position Classification (continued)

Unrestricted - Consists of all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The agency-wide statements use the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. PILOT revenues are recognized in the year for which they are due while grants are recognized when grantor eligibility requirements are met.

Order of Use of Resources

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, and then use unrestricted resources as they are needed.

Fixed Assets

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets.

Allowance for Doubtful Accounts

SIDA uses the allowance method to report loans of doubtful collectability. There is no allowance as of December 31, 2022 and 2021.

Statement of Cash Flows

For the statement of cash flows, SIDA considers cash and cash equivalents to be all monies in banks and highly liquid investments with maturity dates of less than three months.

Investment Policy

SIDA's investment policy conforms to the requirements of the New York State General Municipal Law §858-a(3), §10 and §11. The objectives of SIDA's investment activities are to conform to all applicable federal state and other legal requirements, to adequately safeguard principal, to provide sufficient liquidity to meet all operating requirements and to obtain a reasonable rate of return.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

1. Nature of the Organization and Significant Accounting Policies (continued)

Concentrations of Credit Risk

At various times during the year, SIDA's cash and cash equivalents balances exceeded the insured limits of the Federal Deposit Insurance Corporation. However, SIDA's accounts were fully collateralized by securities pledged by the depository bank.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Taxes

Generally, SIDA is exempt from taxes. Section 874 of the New York State General Municipal Law authorized an exemption from real property taxation for any property acquired by an industrial development agency (IDA) or under its jurisdiction or control. To obtain such an exemption, section 412-a of the Real Property Tax law requires the IDA to file an exemption form with the tax assessor. Qualified IDA property is entitled to an exemption from all general taxes imposed by or on behalf of a county, city, town, village or school district, but not from special ad valorem (property) levies or special assessments.

2. Revenue Bonds/Other Financing

SIDA is empowered to finance the acquisition, construction or reconstruction of manufacturing, warehousing, research, commercial, industrial and pollution control projects. SIDA raises funds to accomplish these purposes by issuing negotiable tax-exempt or taxable revenue bonds and by participating in other financing arranged by/for the developers of the projects.

SIDA can provide up to 100% financing for an approved project including the cost of land, construction, equipment, planning and fees. Financing is generally provided at interest rates 1½ to 2% lower than conventional rates. SIDA finances individual projects by issuing revenue bonds in its own name. These bonds are secured by a mortgage on the property and a subsequent lease to the company. The company sells the bonds to banks at a rate lower than the conventional interest rate.

The bonds become an obligation of the company and are amortized by the revenue from the project. Typically, upon completion of a project, the facilities, improvements or equipment are leased to the company for a term equal to the term of the bond issue, which usually ranges from 10 to 25 years.

The annual lease payments equal the annual principal and interest due on the bonds. The assets and liabilities of these projects are not reflected in the attached financial statements, since SIDA treats the projects and bonds as assets and liabilities of the individual developers.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

3. Tax Abatement Programs

The Industrial Development Agency Act (the "Act") of New York State sets forth the powers that SIDA can carry out. In accordance with the Act, SIDA was created to promote, develop, encourage and assist industrial, manufacturing, warehousing, commercial, research and recreation facilities to advance job opportunities, health, and economic welfare of the people of the State of New York. SIDA carries out its mandate by offering financial incentives to attract, retain, and expand businesses within the City of Syracuse. SIDA's financial incentive assistance can include the issuance of low interest revenue bonds and exemptions from real property tax (through the use of payment in lieu of tax (PILOT) agreements), mortgage recording tax, and sales and use tax.

SIDA has instituted a Uniform Tax Exemption Policy ("UTEP") (last revised 6/21/16) which provides guidelines for the granting of real property, mortgage recording, and sales and use tax exemptions. To be eligible for financial assistance, the recipient of the financial assistance must abide by the requirements of this policy and complete an application process as instituted by SIDA. The governing board of SIDA is required to approve all financial incentive assistance requests by recipients in accordance with the UTEP.

In accordance with New York State General Municipal Law, SIDA has instituted a Recapture Policy (last revised 6/21/16) which allows for the recapture of financial incentive assistance provided to recipients for failure to comply with such Recapture Policy. New York State requires a mandatory recapture of the New York State portion of sales and use taxes for recipients for which the recipient was a) not entitled to; b) in excess of the amounts authorized by SIDA; c) for property or services not authorized by SIDA; and/or d) for a recipient that has failed to comply with material term or condition to use of the property or services in the manner required by any of the project documents between the recipient and SIDA. With respect to all other financial assistance provided to the recipient, SIDA shall have the right to suspend, discontinue, recapture or terminate financial assistance to any recipient to the extent that: a) for projects that utilized local sales and use tax exemptions, the project was not entitled to such exemptions, such exemptions were in excess of the amounts authorized by SIDA, and/or such exemptions were for property or services not authorized by SIDA; b) the recipient, upon completion of their project, fails to reach and maintain at least 85% of its employment requirements for job creation and/or retention; c) the total investment actually made with respect to the project at the project's completion date is less than 85% of its investment requirement; d) the recipient fails to provide annually to SIDA certain information to confirm that the project is achieving the investment, job retention, job creation, and other objectives of the project; or e) there otherwise occurs any event of default under any project document or material violation of the terms and conditions of any project document.

SIDA has not made any commitments as part of the agreements other than to reduce taxes. SIDA has chosen to disclose information about some of its tax abatement agreements individually. It established a quantitative threshold of 10% of the total dollar amount of taxes abated during the year.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

3. Tax Abatement Programs (continued)

Information relevant to the disclosure of tax abatement programs induced and in effect for the fiscal year ended December 31, 2022 is estimated as follows:

<u>Tax abatement program</u>	<u>12/31/2022</u>
Mortgage recording tax exemption	\$ 591,427
Sale and use tax exemption	3,219,012
Payment in lieu of tax (PILOT)	16,311,500
Total taxes abated	<u>\$ 20,121,939</u>

The most significant PILOT pertains to Pyramid Companies, related to the Carousel Mall (now Destiny USA) dated December 31, 2005, whereby taxes abated during the current year approximated \$11,506,000. This PILOT expires on December 31, 2035.

4. Investment in Properties

SIDA from time to time will purchase and hold title to properties for future sale and development by a third party. The investment in properties represents capital assets of SIDA, which are reported at historical cost. SIDA periodically reviews its capital assets for impairments. Impairment is indicated when events or changes in circumstances suggest that the service utility of the capital asset may have significantly and unexpectedly declined.

Investment in properties is as follows:

Properties:

309-311, 315-321 S. Warren Street	\$ 323,100
341 Peat Street	176,044
Others	16,465
	<u>\$ 515,609</u>

In addition, the property at Peat Street (also known as the City Crossroads project) has identified pollution concerns as identified in the record of decision by the New York State Department of Environmental Conservation (NYSDEC) dated March 2012. The NYSDEC recommends a remedy that includes excavation, petroleum recovery and site cover to remedy this property. The estimated cost of this pollution remediation was approximately \$1,668,000 in 2018 at the time of the agreement. Any sales of this property to a third party would need to implement this pollution remediation remedy prior to the property being used by the third party. The Agency has not been compelled by the NYSDEC to take remediation action at this time, as such; no pollution remediation liability has been recognized in these financial statements. In July 2019, the Agency and the NYSDEC entered into the 2018 Environmental Restoration Program Agreement for the property, whereby the NYSDEC will begin to implement the pollution remedy in late fiscal year 2020. The Agency is required to contribute 10% of the costs to remedy the pollution in accordance with the agreement. As of December 31, 2022, the estimated costs are \$2,116,000; therefore, SIDA's required contribution is approximately \$211,600. As of December 31, 2022 and 2021, SIDA has expended approximately \$46,500 and \$15,900, respectively; therefore, SIDA's remaining contribution is approximately \$149,200.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

5. Land and Building

SIDA owns the Center Armory Garage Facility (the "Facility") which consists of a parcel of land and the parking garage facility. The Facility was being depreciated on a straight-line basis over an estimated useful life of twenty-five years. The following is a summary of the cost and accumulated depreciation of the facility for the years ended December 31, 2022 and 2021:

	<u>Balance at</u> <u>12/31/2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>12/31/2022</u>
Capital assets at cost:				
Land	\$ 50,000	\$ -	\$ -	\$ 50,000
Buildings	<u>2,815,320</u>	<u>-</u>	<u>-</u>	<u>2,815,320</u>
Total	<u>2,865,320</u>	<u>-</u>	<u>-</u>	<u>2,865,320</u>
Accumulated depreciation:				
Accumulated depreciation	<u>(2,815,320)</u>	<u>-</u>	<u>-</u>	<u>(2,815,320)</u>
Capital assets, net	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>

SIDA and the City of Syracuse (the "City") have entered into a one dollar lease agreement for the Facility whereby the City will operate, maintain, manage and utilize the property as a public parking facility. The City, since 1992, assumes all responsibility for the operation and maintenance of the Facility and the lease agreement further extends is responsibility through December 31, 2024.

6. Brownsfields Economic Development Incentive (BEDI) Grants

In 1998 and 1999, SIDA received approval for (2) Brownfields Economic Development Incentive (BEDI) grants in the amounts of \$1,000,000 and \$875,000, respectively, for the City Crossroads project. SIDA believes it has met the requirements of the grant and as such, has recorded the \$735,368 as grant revenue at December 31, 2022.

7. Conduit Debt Obligations

SIDA has the ability to provide financial assistance to businesses through the issuance of low interest Industrial Development Revenue Bonds and tax exemptions from real property tax, mortgage recording tax, and sales and use tax. Proceeds of the obligations as well as debt service payments are administered by the business through a trustee bank. The obligations are not obligations of SIDA; the primary function of SIDA is to arrange financing between the business and the bond holders. This is a financing arrangement and SIDA merely acts as the financing conduit. These transactions are considered conduit debt obligations. SIDA does not have any obligation to repay the principal and interest of such bonds; as such, the bonds are not reflected as long-term obligations. As of December 31, 2022 and 2021, SIDA has issued bonds with an aggregate principal amount outstanding of \$546,565,000 and \$575,335,000, respectively.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

8. Commitments, Agreements and Contracts

SIDA has various commitments, agreements and contracts in place as of December 31, 2022. The total future committed resources for these arrangements totals \$1,469,748 as of December 31, 2022. A summary of the most significant arrangements are as follows:

- A) SIDA has contracted with the National Development Council ("NDC") to provide certain support services, including but not limited to, assistance with board and staff training and project review. NDC has provided these contract services for the past several years. During June 2022, a contract extension with the NDC is in effect for the term July 1, 2022 through June 30, 2024 and is for an amount not to exceed \$94,200 per year. Costs for the NDC contract were \$47,100, for the year ended December 31, 2022; therefore, SIDA's remaining contribution is approximately \$141,300. These costs are included in professional fees in these financial statements.
- B) SIDA has contracted the Downtown Committee of Syracuse ("DCS") to provide funding for security patrols and for performance of environmental maintenance and improvements within the downtown metropolitan area of the City of Syracuse for a period January 1, 2020 through December 31, 2021. The total 2-year cost of the contract was \$292,920. The contract was extended in January 2022, through June 30, 2022 at a cost not to exceed \$42,511, as this represented unused funds by DCS under the original contract. In June 2022 the contract was further extended, through June 30, 2024 at a cost of \$148,800 in the first year, and \$151,700 in the second year for an aggregate spent of \$300,500. Costs for the DCS contract were \$74,400 and \$209,513, for the years ended December 31, 2022 and 2021, respectively; therefore, SIDA's remaining contribution is approximately \$226,100. These costs are included in professional fees in these financial statements.
- C) SIDA has contracted with CenterState CEO Foundation, Inc. ("CenterState") for the expansion of the Syracuse Tech Garden project to provide funding not to exceed \$1,000,000 over a three year period. The Tech Garden Project is designed to facilitate the expansion of programs and resources for the start up community. No requisitions have been submitted by CenterState as of December 31, 2022.
- D) SIDA contracted with Clarion Associates for an amount not to exceed \$80,000 to work with the City of Syracuse to create an administrative manual, prepare new development applications and provide service to evaluate the new zoning ordinance's performance over a period of time. As of December 31, 2022, \$40,908 has been expended for this contract by SIDA. The contract was extended in December 2022, through December 31, 2023 to use the remaining contract balance of \$39,092.
- E) In June 2022, SIDA contracted with the City of Syracuse to provide up to \$75,500 for the development and design of a new Heritage Park. The City's Heritage Park project is a project in the area of Montgomery Street and East Onondaga Street which will transform a vacant property into a heritage and education site to celebrate the contributions of the richly diverse communities and their resilience to oppression. As of December 31, 2022, \$12,244 has been expended for this contract by SIDA and the remaining balance of the contract is \$63,256.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

9. Related Party Transactions

The City of Syracuse, Syracuse Economic Development Corporation, and Syracuse Urban Renewal Agency ("SURA") are related entities of SIDA. Various transactions occur between SIDA and these entities during the ordinary course of business. The City of Syracuse allocates salaries and benefits for employees of the City that work on behalf of the Agency. These salaries and benefits are included in professional fees - SURA and totaled \$141,538 and \$117,779, respectively for the years ended December 31, 2022 and 2021. Amounts due to or from these entities are ordinarily settled in the current fiscal year.

10. Contingent Liabilities – Destiny USA Project

Pursuant to an agreement between SIDA and Pyramid Company of Onondaga (Pyramid), SIDA acquired certain real property interests in May 2006 – 2009 in furtherance of the Carousel Expansion Project (first phase of conversion of Carousel Center into Destiny USA and closure of Hiawatha Boulevard) from land owners in the vicinity of Carousel Center and certain tenants/condemnees at the Carousel Center (collectively condemnees) by use of eminent domain. Pursuant to State law, the condemnees are entitled to be paid just compensation by SIDA based on the value of the property interest acquired from them by SIDA, and SIDA has settled with most of the condemnees and made advance payment to all condemnees. Certain condemnees have filed claims seeking additional compensation. As part of the SIDA/Pyramid agreement, Pyramid has agreed to indemnify and hold SIDA harmless with regard to all claims and expenses associated with the eminent domain actions and real property acquisitions. Pyramid provided the funds used by SIDA to make the advance payments and funds to settle those compensation claims, which have been settled to date. As of the date of this report, SIDA's attorneys are unable to express an opinion as to the likelihood of an outcome in any of these claims. The financial statements include no accrual for these potential contingent liabilities.

11. Subsequent Events

In preparing the financial statements, management of SIDA has evaluated events and transactions for potential recognition or disclosure through March 21, 2023, the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in this financial statement.

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
Supplemental Schedule of Revenue Bonds and Other Bonds (Conduit Debt Obligations)
For the Year Ended December 31, 2022

Project Purpose	Description of the Financing	Closing Date	Interest At Issuance	If Variable, Range	Principal of the Issue					Term Ending Date
					Bonds Outstanding at January 1, 2022	Incurred During 2022	Developer Paid During 2022	Bonds Outstanding at December 31, 2022		
Real Estate 31020707B	PILOT Revenue Bonds, Carousel Center Project, Series 2016A	10/19/2016	3.000%	3% - 5%	\$ 198,745,000	\$ -	\$ 20,000	\$ 198,725,000	1/1/2036	
Real Estate 31020707B	PILOT Revenue Bonds, Carousel Center Project, Taxable Series 2016B	10/19/2016	5.000%	-	\$ 10,600,000	\$ -	\$ -	\$ 10,600,000	1/1/2036	
Real Estate 31020707B	PILOT Revenue Bonds, Carousel Center Project, Series 2007B	2/27/2007	5.693%	-	\$ 69,125,000	\$ -	\$ 8,645,000	\$ 60,480,000	1/1/2028	
School Facility 31020803	Syracuse City School District,Federally taxable bonds Series 2011B	7/12/2011	5.428%	5.428%	\$ 15,000,000	\$ -	\$ -	\$ 15,000,000	5/1/2027	
School Facility 31020803	Syracuse City School District Project, School Facility Revenue Refunding Bonds Series 2017	4/20/2017	4.000%	3.0%-5.0%	\$ 21,550,000	\$ -	\$ 3,055,000	\$ 18,495,000	5/1/2030	
School Facility 31020803	Syracuse City School District Project, School Facility Revenue Bonds Series 2018A	3/15/2018	5.000%	3.25%-5.0%	\$ 60,925,000	\$ -	\$ 3,415,000	\$ 57,510,000	5/1/2034	
School Facility 31020803	Syracuse City School District Project, School Facility Revenue Bonds Series 2018B	6/20/2018	5.000%	3.0%-5.0%	\$ 35,725,000	\$ -	\$ 1,955,000	\$ 33,770,000	5/1/2035	
School Facility 31020803	Syracuse City School District Project, School Facility Revenue Bonds Series 2019A	4/11/2019	4.000%	4.000%-5.000%	\$ 59,880,000	\$ -	\$ 2,630,000	\$ 57,250,000	5/1/2035	
School Facility 31020803	Syracuse City School District Project, School Facility Revenue Bonds Series 2020A	3/3/2020	4.000%	4.000%-5.000%	\$ 80,140,000		\$ 3,395,000	\$ 76,745,000	5/1/2037	
School Facility 31020803	Syracuse City School District Project, School Facility Revenue Bonds Series 2021A	1/21/2021	5.000%	-	\$ 23,645,000	\$ -	\$ 5,655,000	\$ 17,990,000	5/1/2028	
Grand Total - Revenue Bonds and Other Bonds (Conduit Debt Obligations)					\$ 575,335,000	\$ -	\$ 28,770,000	\$ 546,565,000		

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

The Board of Directors of the
City of Syracuse Industrial Development Agency
Syracuse, New York

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of City of Syracuse Industrial Development Agency (SIDA) as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise SIDA's basic financial statements, and have issued our report thereon dated March 21, 2023.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered SIDA's internal control over financial reporting (internal control) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SIDA's internal control. Accordingly, we do not express an opinion on the effectiveness of SIDA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether SIDA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance *with Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Syracuse, New York
March 21, 2023

CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

POSITIVE ASSURANCE REPORT OVER INVESTMENT PRACTICES

December 31, 2022

INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
City of Syracuse Industrial Development Agency
Syracuse, New York

We have examined management's assertion, herein, that the City of Syracuse Industrial Development Agency's (the Agency) compliance with the New York State Public Authorities Law section 2925 applicable to the Agency's adoption of comprehensive investment guidelines for the year ended December 31, 2022. Management is responsible for the Agency's assertion. Our responsibility is to express an opinion on management's assertion about the Agency's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether management's assertion about compliance with the specified requirements is fairly stated, in all material respects. An examination involves performing procedures to obtain evidence about the Agency's compliance with the New York State Public Authorities Law section 2925 applicable to the Agency's adoption of comprehensive investment guidelines. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of risks of material misstatement of management's assertion, whether due to fraud or error. In making an assessment of the risks of material misstatement, the practitioner considered and obtained an understanding of internal control relevant to the subject matter in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. Accordingly, no such opinion is expressed. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements related to the engagement. Our examination does not provide a legal determination on the Agency's compliance with the specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the year ended December 31, 2022.

This report is intended solely for the information and use of management, the audit committee and Board of Directors, others within the Agency, and for compliance with the New York State Public Authorities Law and is not intended to be and should not be used by anyone other than these specified parties.

Syracuse, New York
March 21, 2023

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
POSITIVE ASSURANCE REPORT**

I) Designation of Depositories

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

Management's Assertion:

The Agency complied with the requirement as of December 31, 2022.

II) 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:

(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 of 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, in any; (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.

Management's Assertion:

The Agency complied with the requirement as of December 31, 2022.

III) Safekeeping and Collateralization

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

Management's Assertion:

The Agency complied with the requirement as of December 31, 2022.

IV) Permitted Investments

- As authorized by General Municipal Law (GML), §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: (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 is guaranteed by the United States of America; (e) obligations of the State of New York; (f) obligations issued pursuant to Local Finance Law §24 or §25(with approval of the State Comptroller) by any municipality, school district or district corporation other than the City of Syracuse; and (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; and (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.

**CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY
POSITIVE ASSURANCE REPORT**

IV) Permitted Investments (continued)

Management's Assertion:

The Agency complied with the requirement as of December 31, 2022.

V) Diversification

It is the policy of the Agency to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

Management's Assertion:

The Agency complied with the requirement as of December 31, 2022.

VI) 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.

Management's Assertion:

The Agency complied with the requirement as of December 31, 2022.

VII) 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 accordance to policy.

Management's Assertion:

The Agency complied with the requirement as of December 31, 2022.

VIII) 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 deliver or book entry thereof.

Management's Assertion:

The Agency complied with the requirement as of December 31, 2022.