



To: SEDCO Board of Directors
From: Eric Ennis
Date: April 2, 2019
Re: SEDCO Board of Directors Meeting Agenda – April 4, 2019

The City of Syracuse Economic Development Corporation (SEDCO) Board of Directors Meeting on **Thursday, April 4, 2019 at 8:30 AM** in the **Atrium** in City Hall Commons at 201 East Washington Street, Syracuse, NY 13202.

I. Call Meeting to Order – Honora Spillane

II. Roll Call –

III. Proof of Notice – Honora Spillane – 1

IV. Minutes – Honora Spillane – 2

Review and vote on the minutes from the March 7, 2019 Board meeting

V. New Business –

2018 Audit Presentation – Michael Lisson – 3

Review of the annual audit for SEDCO and presentation from Grossman St. Amour CPA's

Attachment:

1. *2018 Financial Statements*

2018 Annual Report – Eric Ennis – 4

Review and discussion of the 2018 SEDCO Annual Report

Attachment:

2. *2018 Annual Report*

Grow Syracuse Fund Update – Eric Ennis – 5

Loan Portfolio Report – Eric Ennis – 6

VII. Adjourn



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THE SYRACUSE ECONOMIC DEVELOPMENT CORPORATION

BOARD OF DIRECTORS HAS SCHEDULED

A MEETING

FOR

THURSDAY APRIL 4, 2019

**AT
8:30 A.M
IN THE**

**ATRIUM
CITY HALL COMMONS
201 East Washington St
Syracuse, NY 13202**

FOR MORE INFORMATION PLEASE CALL 473-3275



Minutes
Syracuse Economic Development Corporation
Board of Directors Meeting
Thursday, March 7, 2019
City Hall iLab, Room 215
233 West Washington St
Syracuse NY 13202

Board Members Present: Honora Spillane, Richard Driscoll, Michael Quigley, Hon. Michael Greene, Sheena Solomon, David Bottar, Steve Gross.

Board Members Excused: Ben Bunting, Nick Petragnani, Katie Sojewicz, David Mankiewicz

Staff Present: Eric Ennis, John Vavonese, Fred Marty, Esq., Nicholas Turner.

I. Call Meeting to Order

Ms. Spillane called the meeting to order at 8:34 AM.

II. Roll Call

Ms. Spillane acknowledged that all Board Members were present except for Nick Petragnani, Benjamin Bunting, Katie Sojewicz, and David Makiewicz.

III. Proof of Notice

Ms. Spillane made note acknowledging proof of notice was out in a timely manner.

IV. Minutes

Ms. Spillane asked for a motion approving the minutes from the March 7, 2019 Board meeting.

Mr. Quigley made the motion. Mr. Greene seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE MINUTES FROM THE MARCH 7, 2019 BOARD MEETING.**

V. New Business

Board Committees

Ms. Spillane presented the board committees as proposed in the board agenda package. She stated that SEDCO is required to update these committee to comply with the public authorities law, and reflect the changes in board members since new individuals have joined the Board of Directors.

Ms. Solomon asked how these committees were determined.

Ms. Spillane noted the existing committees were used as a guide however the proposed structure is designed for discussion and changes can be made as requested prior to a vote.

Ms. Solomon requested that these committees could be revisited in the future and changes to the membership of each committee made as needed.

Ms. Spillane asked for a motion to approve the SEDCO Board committees as proposed.

Mr. Bottar made the motion. Mr. Driscoll seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE REVISED BOARD COMMITTEES AS PROPOSED.**

Ambergate Holdings LLC

Mr. Ennis explained the request comes from a Restore NY award applicant named Jamie Stevens, who has been working with the City of Syracuse to rehabilitate an existing building at 701-03 North Salina Street. The project is already underway with significant improvements planned through the rest of 2019. While undertaking the project at 701-03, Mr. Stevens became aware of the opportunity to purchase a two-story carriage house behind his property located at 102 Lock Alley. The request to SEDCO is to purchase the property and stabilize the property. The borrower would then seek to renovate the structure and turn it into a single residential unit to complement the ongoing redevelopment next door.

Mr. Ennis noted the loan committee met and reviewed the loan request, and recommended a two year term for the project, but structured using a 20 year amortization.

Mr. Driscoll asked about the stabilization needs and the proforma that was submitted.

Mr. Ennis replied the repairs have already been quoted by the applicants general contractor on the 701-03 project. The applicant also submitted

Mr. Greene asked about the price range the applicant is consider for the residential unit.

Mr. Ennis replied the price point is still being determined however he has included a monthly rental rate of \$1,800 based upon the square footage.

Mr. Gross and Mr. Quigley added to the discussion from the loan committee meeting and expressed their support of the project to proceed.

Ms. Spillane asked for a motion to approve the proposed project at 102 Lock Alley as proposed, noting the two year term with a 20 year amortization.

Mr. Gross made the motion. Mr. Driscoll seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE LOAN REQUEST FROM AMBERGATE HOLDINGS LLC FOR 102 LOCK ALLEY AS PROPOSED.**

Bullfinch Brewpub LLC

Mr. Ennis stated this project involves the opening of a new brewery and restaurant that is planned within the new Iron Pier Apartments located in the Inner Harbor and developed by COR. The applicant is from Central New York, has been involved in several startup brewery operations, and is seeking to move back to Syracuse from Buffalo, NY. The project request is to purchase equipment and furniture to complete the space. The applicant is seeking \$500,000 from location community lenders and would use the SEDCO financing to help bridge the gap.

Mr. Ennis also noted his recommendation for SEDCO to issue a term sheet that outlined its proposed terms if SEDCO were to proceed, and to assist the applicant with securing financing from another lender.

Ms. Driscoll asked for a motion to approve the issuance of a term sheet to Bullfinch Brewpub LLC, with the proposed terms and contingencies.

Mr. Quigley made the motion. Mr. Greene seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE LOAN REQUEST FROM AMBERGATE HOLDINGS LLC FOR 102 LOCK ALLEY AS PROPOSED.**

2215-21 South Salina Street

Mr. Ennis stated SEDCO has received a request from a borrower that is seeking a subordination from SEDCO on a mortgage the corporation holds on his property at 2215-21 South Salina Street. The property and the borrower, named Theardis Martino, received a loan from SEDCO in 2010 as part of a Main Street program in the South Salina Business Corridor. A loan of \$36,000 was issued by SEDCO, however more than \$33,000 remains unpaid since the borrower stopped making payments in 2012. The building needs repairs made to the roof in order to continue leasing the apartments in the building, and Cooperative Federal Credit Union

Ms. Solomon asked to clarify whether this is still an existing loan on our portfolio, and how we can guarantee the borrower will actually pay back SEDCO.

Mr. Ennis noted this is a loan that was written off in 2016, and acknowledged this is a risk the corporation must consider, however the loan committee did discuss requiring a confession of judgement in order to sign the subordination.

Mr. Gross stated that Cooperative is assisting the property owner and SEDCO should not harm their security and agree to subordinate as long as the building owner is willing to sign the confession of judgement as discussed.

Mr. Ennis also added the borrower's first payment would be required at closing and all legal fees must be paid by the borrower.

Ms. Driscoll made a motion to approve the subordination behind Cooperative Federal Credit Union for 2215-21 South Salina Street, with the proposed terms and contingencies. Mr. Quigley seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE SUBORDINATION REQUEST BEHIND COOPERATIVE FEDERAL CREDIT UNION WITH THE TERMS AND CONTINGENCIES AS PROPOSED.**

VI. Old Business

Community Café LLC

Mr. Ennis stated that there has been a change in leadership at the Syracuse Model Neighborhood Corporation and an interim executive director has been named. The status of the Community Café project is not clear at this time, however Mr. Ennis stated he planned to keep the board updated as more information becomes available and discussions are had with those at SMNC.

Mr. Driscoll also inquired about the status of the loan delinquencies shown in the portfolio list.

Mr. Ennis stated he is in active communication with the owners of Freedom of Espresso and Cathy's Corner Café to continue repaying their loan.

Mr. Driscoll requested staff begin exploring a confession of judgement from these borrowers as a way to add pressure to make these loans current.

Mr. Bottar also requested revising the portfolio report to make this easier to comprehend and separate the deferred loans from the direct loans.

Mr. Ennis agreed to make the changes as requested.

VII. Adjourn

Mr. Driscoll made a motion to adjourn the meeting. Mr. Quigley seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED TO ADJOURN THE MEETING 9:29 AM.**

APRIL 2019 LOAN PORTFOLIO REPORT

DESCRIPTION	OUTSTANDING BALANCE	DELINQUENCY	ORIGINATION DATE	MATURITY DATE
DIRECT LOANS				
WILLOW STREET LOFTS, LLC	\$ 364,000.02	\$ -	6/28/2005	07/01/2027
RHS HOLDINGS LLC	\$ 27,858.26	\$ -	8/31/2006	09/01/2026
JEFFERSON CLINTON COMMONS, (B)	\$ 555,937.56	\$ -	12/9/2007	05/01/2035
JEFFERSON CLINTON COMMONS (A)	\$ 843,536.71	\$ -	12/4/2007	10/01/2044
123 EAST WATER STREET LLC	\$ 17,724.97	\$ -	4/30/2008	09/01/2029
JEFFERSON CLINTON COMMONS (C)	\$ 890,000.00	\$ -	5/1/2008	09/01/2037
BALLE 31 INC.	\$ 111,796.34	\$ -	2/2/2009	02/01/2031
PEOPLE'S COMMUNITY DEV CORP	\$ 2,997.02	\$ -	3/2/2011	06/01/2021
NEW AFRICA OF SYRACUSE INC	\$ 25,333.48	\$ 666.66	9/14/2011	06/01/2028
NEW AFRICA OF SYRACUSE (II)	\$ 28,740.03	\$ 870.12	9/26/2012	06/01/2028
NEAR WESTSIDE INITIATIVE	\$ 65,817.40	\$ 5,919.55	4/9/2013	04/01/2028
STRATHMORE HUNTLEY GROUP	\$ 89,535.56	\$ -	11/6/2014	05/01/2036
DOMINICK'S MARKET INC	\$ 14,281.03	\$ -	1/13/2014	05/01/2026
COMER CATERING	\$ 23,867.64	\$ 1,505.15	10/31/2014	05/01/2026
JERK HUT MATCH LOAN	\$ 5,425.00	\$ -	11/12/2015	02/01/2022
NEAR WESTSIDE INIT UNIT 4	\$ 85,817.24	\$ -	1/22/2016	09/01/2031
PROVIDENCE SERVICES	\$ 9,513.96	\$ -	3/9/2017	04/01/2022
500 SOUTH AVE MATCH LOAN	\$ 7,877.72	\$ -	4/27/2017	11/01/2022
FREEDOM OF ESPRESSO	\$ 57,065.86	\$ -	8/2/2017	09/01/2024
ACROPOLIS PROPERTY MGMT	\$ 35,778.45	\$ -	8/2/2017	09/01/2022
SALON AMARE	\$ 37,278.50	\$ -	12/31/2017	01/01/2023
499 SYRACUSE CITY CENTRE	\$ 79,586.28	\$ -	1/31/2018	02/01/2023
WATER STREET BAGEL	\$ 98,566.99	\$ -	7/16/2018	01/01/2029
KNOWING TREE	\$ 119,513.29	\$ -	8/23/2018	09/01/2028
CNY ARTS	\$ 100,000.00	\$ -	9/12/2018	09/12/2019
TOPS MARKET	\$ 289,212.09	\$ -	10/15/2018	11/01/2028
LA ROASTERIA	\$ 118,100.00	\$ -	11/5/2018	12/01/2020
PEAKS COFFEE	\$ 52,563.62	\$ -	11/5/2018	12/01/2023
HOLIDAY OF NORTH SALINA	\$ 98,100.00	\$ -	1/25/2019	02/01/2021
TOTAL	\$ 4,255,825.02	\$ 8,961.48		
DEFERRED LOANS				
RJB PROPERTIES (CDBG MAIN ST)	\$ 40,000.00	\$ -	1/14/2016	01/14/2021
SWALLOW'S RESTAURANT	\$ 8,000.00	\$ -	7/30/2015	07/20/2020
SWALLOW'S RESTAURANT	\$ 8,000.00	\$ -	7/30/2015	07/20/2020
JERK HUT (CDBG MAIN ST)	\$ 45,296.39	\$ -	12/8/2017	11/08/2022
511-513 N STATE ST	\$ 10,000.00	\$ -	2/4/2016	02/04/2021
CERIO I (CDBG MAIN ST)	\$ 22,960.00	\$ -	5/19/2017	05/19/2022
CERIO II (CDBG MAIN ST)	\$ 8,000.00	\$ -	5/19/2017	05/19/2022
B&B LOUNGE (CDBG MAIN ST)	\$ 42,900.00	\$ -	1/12/2018	01/01/2023
PEPPINOS OFFICE (CDBG MAIN ST)	\$ 18,000.00	\$ -	5/19/2017	05/19/2022
PEPPINOS STORE (CDBG MAIN ST)	\$ 50,000.00	\$ -	11/1/2017	11/01/2022
500 SOUTH AVE (CDBG MAIN ST)	\$ 37,500.00	\$ -	1/19/2018	04/27/2022
CHANGE OF PACE (CDBG MAIN ST)	\$ 37,525.00	\$ -	7/19/2018	06/19/2023
TOTAL	\$ 328,181.39	\$ -		
GUARANTEED LOANS				
BLUE DOT REALTY	\$ 715,590.00	\$ -	2/21/2013	02/28/2033
INCUBATOR CENTER ASSOCIATES	\$ 50,000.00	\$ -	2/13/2008	02/13/2024
TOTAL	\$ 765,590.00	\$ -		
TOTAL LOAN PORTFOLIO	\$ 4,584,006.41	\$ 8,961.48		

**Total Balance does not include loan guarantees*