



To: SEDCO Board of Directors
From: Eric Ennis
Date: October 29, 2021
Re: SEDCO Board of Directors Meeting Agenda – November 1, 2021

The Syracuse Economic Development Corporation **Board of Directors Meeting on Monday, November 1, 2021 at 3:30 PM held virtually via Webex:** <https://syrgov.webex.com/syrgov/j.php?MTID=m374933ce1c79230bdf392c28f3a1065d>

I. Call Meeting to Order

II. Roll Call – 1

III. Proof of Notice - 2

IV. Minutes – 3

Approval of minutes from the July 20, 2021 Board meeting.

V. New Business –

American Rescue Plan Act (ARPA) Loan Program Update – 4

Framework and outline of lending programs to allocate ARPA funding for small business assistance.

Attachment:

1. *Framework memo for use of ARPA funds for small business & economic development purposes*

SEDCCO 2022 Budget – 5

Presentation and review of the 2022 Organizational Budget

Attachment:

1. *2022 Draft Organizational Budget*

Organization and Loan Portfolio Updates – 6

Provide an overview of the latest loan activity and efforts being made to close out the 2021 fiscal year.

VI. Adjourn



PLEASE POST

PLEASE POST

PLEASE POST

PUBLIC MEETING NOTICE

THE SYRACUSE ECONOMIC DEVELOPMENT CORPORATION

HAS SCHEDULED

A

BOARD OF DIRECTORS MEETING

ON

MONDAY, NOVEMBER 1, 2021

AT 3:30 PM.

VIA WEBEX

Meeting Link:

<https://syrgov.webex.com/syrgov/j.php?MTID=m374933ce1c79230bdf392c28f3a1065d>

VIA Phone

+1-408-418-9388

Access Code: 2330 315 8387

For more information, please contact Eric Ennis at EEnnis@syrgov.net

Minutes
Syracuse Economic Development Corporation
Board of Directors Meeting
Tuesday, July 20, 2021
3:30 – 4:30 PM

Meeting was held via Webex
Syracuse NY 13202

Board Members Present: Jennifer Tifft, Ashanti Dickerson, Sheena Solomon, Richard Driscoll, Patrick Lannon, David Mankiewicz, Steve Gross.

Board Members Excused: Nick Petragani, Hon. Michael Greene.

Staff Present: Eric Ennis, John Vavonese, Fred Marty, Esq., Brianca Hill

I. Call Meeting to Order

Ms. Tifft called the meeting to order at 3:37 PM.

II. Roll Call

Ms. Tifft acknowledged that all Board Members were present except for Nick Petragani and Nick Petragani, and were excused.

III. Proof of Notice

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

IV. Minutes

Ms. Tifft asked for a motion approving the minutes from the May 13, 2021 Board meeting.

Ms. Solomon made the motion. Mr. Driscoll seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE MEETING MINUTES FROM MAY 13, 2021.**

V. New Business

American Rescue Plan Act (ARPA)

Mr. Ennis provided an outline of the proposed use and structure for an allocation of \$4 million in funding that is included in the City of Syracuse's proposed use of American Rescue Plan Act (ARPA). He explained the funding would result in the creation of separate funds that would support different elements of small business and economic development projects. This includes a Micro-enterprise Fund,

Small Business Assistance Fund, and a Community Impact Fund. The programs would provide loan financing at varying rates, and the maximum loan size will depend on which fund was being applied for.

Mr. Ennis noted the proposed structure was presented to the Syracuse Common Council, which requested prior to authorizing the ARPA funding that the SEDCO Board approve and submit a resolution that outlines how the funds will be used.

MS. Tifft provided more background about the eligible use of ARPA funds and how that factored into the proposed structure of the SEDCO programs.

Mr. Lannon echoed his support for the structure, and requested the \$75,000 in total sales be removed as a requirement for the micro-enterprise fund.

Ms. Tifft asked for a motion to approve a resolution to receive and establish new small business assistance funds through the American Rescue Plan Act from the City of Syracuse with the noted revisions. Mr. Mankiewicz made the motion. Mr. Driscoll seconded the motion. **ALL BOARD MEMBERS PRESENT APPROVED THE RESOLUTION FOR AMERICAN RESCUE PLAN ACT FUNDS.**

Syracuse Area Landmark Theatre, Inc.

Mr. Ennis introduced a loan request submitted from the Landmark Theatre for a bridge loan to provide financing necessary in the interim to replace the exterior marquee and install new seating throughout the theatre. These capital upgrades are being funded from Empire State Development, and will be reimbursable upon completion of the project. The request to SEDCO is for \$1.8 million, with an expected repayment of the loan within 12 months.

Mr. Ennis also explained this project has been recommended for support through the American Rescue Plan Act, and SEDCO will be receiving a \$1.8 million allocation from the City of Syracuse intended for economic development project lending.

Ms. Solomon asked about the structure of the funding aside from the ESD grant and what SEDCO is being asked to provide bridge financing for.

Mr. Ennis noted the total project cost is 2.4 million, and the remaining costs of the capital projects are being covered by the theatre through a capital campaign and other funding reserves.

Ms. Tifft asked for a motion to approve the loan request as presented to the Syracuse Area Landmark Theatre. Ms. Solomon made the motion. Mr. Lannon seconded the motion. Mr. Driscoll abstained due to a conflict of interest. **ALL BOARD MEMBERS PRESENT WITH THE EXCEPTION OF MR. DRISCOLL APPROVED THE REQUEST FROM SYRACUSE AREA LANDMARK THEATRE.**

New York Main Street (NYMS) Grant Application

Mr. Ennis shared that SEDCO staff are currently preparing a submission to the New York Main Street (NYMS) program to the New York State Department of Homes & Community Renewal. The target area for the submission is the 4500 to 4700 blocks of South Salina Street.

Ms. Jen Tifft asked for a motion to approve the ability for SEDCO to submit an application to the New York Main Street program.

Ms. Solomon made the motion. Mr. Driscoll seconded the motion. **ALL BOARD MEMBERS PRESENT APPROVED TO APPLY TO THE NEW YORK MAIN STREET PROGRAM .**

SEDCO 2020 Annual Report

Mr. Ennis presented the 2020 annual report for the organization, and provided an overview of the accomplishments and projects undertaken during the last fiscal year. This included Covid-19 lending and grant programs, and numerous projects to advance the mission of the organization.

Mr. Mankiewicz thanked SEDCO staff for their work, and noted there a typo that should be corrected for the final version.

Ms. Tifft asked for a motion to approve the 2020 SEDCO Annual Report. Mr. Mankiewicz made the motion. Mr. Dickerson seconded the motion. **ALL BOARD MEMBERS PRESENT APPROVED THE 2020 SEDCO ANNUAL REPORT.**

VI. Adjourn

Ms. Tifft asked for a motion to adjourn the monthly board meeting. Mr. Driscoll made the motion. Ms. Solomon seconded the motion. **ALL BOARD MEMBERS PRESENT APPROVED TO ADJOURN THE MEETING.**

The meeting adjourned at 4:35 PM.



October 29, 2021

Memorandum To: SEDCO Board of Directors
From: Eric Ennis
Re: American Rescue Plan Act (ARPA) Lending Assistance Funds
Draft Program Framework

BACKGROUND:

Following approval from the Syracuse Common Council authorizing a \$4 Million allocation in funds from the American Rescue Plan Act (ARPA), SEDCO staff is presenting the following framework to guide the structure of the proposed lending programs. This framework includes an overview of the application process, communications strategy, and structure to review and make lending decisions. As discussed previously, these lending programs are designed to support small business development, assist in the ongoing recovery from the Covid-19 pandemic, and foster new growth. The investment in SEDCO falls under the City's ARPA Plan priority objective of "Investing in Jobs and Economic Opportunity", and the structure including eligibility criteria has been developed based on guidance provided by the U.S. Department of the Treasury Interim Final Rule 31 CFR Part 35.

APPLICATION PROCESS:

Later this month, SEDCO will formally announce the opening of the application period for ARPA small business assistance, and public an application intake process, and 'Frequently Asked Questions' (FAQ) sheet that will provide a detailed summary of the lending programs and detailed instructions on how to apply. The FAQ sheet will also address common questions regarding eligibility and what documentation is required to submit.

- *Part I: Intake Procedure – Intent to apply*
SEDCO will solicit requests from interested applicants through an online application form process using the software AirTable. By incorporating this easy-to-use survey process that can be completed within minutes online, applicants will be asked to answer an initial set of questions and information regarding their business or organization. This will include details such as business and contact information, year incorporated, industry classification, estimated financial need, and what financial information that the applicant is able to provide.
- *Part II: Formal application form*
Once the AirTable survey has been completed and submitted, SEDCO staff will begin communication and working with the applicant to better understanding their financing needs, and assist them with determining the ARPA lending program for which they are the best fit. Once this has been identified, the applicant will complete a fillable PDF (available for download online or can be completed and mailed or dropped off physically).

REVIEW COMMITTEE PROCESS:

Once information is submitted, collected, and reviewed by SEDCO staff for completeness, a review committee comprised of the board of directors will be convened to review a set of applications for consideration. All loan application and supporting materials will be provided in advance, as well as summary information about the request. The committee will make formal recommendations and require authorization from the entire SEDCO Board. The following list is suggested as a potential structure for the review committees.

Small Business + Micro-enterprise Fund | Proposed Review Committee:

1. *Ashanti Dickerson*
2. *Richard Driscoll*
3. *Patrick Lannon*
4. *David Mankiewicz*
5. *Jen Tifft*

Community Impact Fund | Proposed Review Committee:

1. *Steve Gross*
2. *Hon. Michael Greene*
3. *Nick Petraghani*
4. *Sheena Solomon*
5. *Jen Tifft*

COMMUNICATIONS STRATEGY:

1. *Press Release and Social Media Promotion (in collaboration with the City of Syracuse)*
In the days leading up to the opening of the application portal and launch of the program, SEDCO and the City of Syracuse will prepare a press release and media communications to be shared. SEDCO staff will be available for media interviews to assist with helping spread the word about the program and how to apply.
2. *Email Notification Campaign*
Information will also be shared via email to the small business community, as well as organizational partners, City staff, and Common Councilors to assist with sharing the information and making referrals to apply.
3. *Application Video + Tutorial (recorded via YouTube)*
As part of the technical assistance being offered by SEDCO (see more below), staff will record and post a step-by-step tutorial that can be watched at any time and assist applicants with the submission process.
4. *Community Organization Partners*
The City of Syracuse and SEDCO have strong existing partnerships with community organizations and small business development. We will leverage these partnerships by sharing detailed information and encourage referrals and information sharing to notify and assist those working through the application process.

TECHNICAL ASSISTANCE:

1. *Support by Phone, Virtually, or In-person*
In order to provide further clarity and help answer any questions, SEDCO staff will be available to assist with the application by phone, virtually through Webex, or in-person under necessary circumstances and will follow City of Syracuse safety protocols.
2. *Tutorial Video available on YouTube*
As previously mentioned, SEDCO staff will also create and publish a tutorial video to walk through the application process in a step by step process and will be available to view publicly anytime.
3. *Community Partners*
Additionally, SEDCO will seek assistance from community organizations and small business development partners to assist any applicants that may be part of their catchment area or an existing client with filling out and completing the application form.



American Rescue Plan Act (ARPA) Lending Assistance Funds

SMALL BUSINESS + MICROENTERPRISE ASSISTANCE FUND

Purpose and Intent:

Designed to provide financial assistance to businesses with 50 or fewer employees, as well as a funding to support micro-enterprise businesses with less than 10 employees. SEDCO will provide deferred loans to applicants who are able to achieve objectives including job retention/creation, investment, and/or adapting business practices to become more resilient in the wake of the Covid-19 pandemic. Approved applicants will have the opportunity to receive loan forgiveness as long as key investment objectives are achieved. Within this allocation, a minimum of 20% of this funding will be awarded to microenterprise firms intended to support businesses with 10 or fewer employees. Applicants within priority industries (e.g. *tourism, travel, hospitality, child care, food service, retail trade, personal service, manufacturing, medical services, and transportation*) will be viewed more favorably

Eligible criteria:

- For-profit business located in Syracuse with <50 employees that have experienced a decline in sales in 2020, including a portion of funds dedicated to microenterprises with <10 employees
- Priority will be given to applicants who were not already assisted by SEDCO and SIDA Covid-19 small business grant programs
- Startup businesses incorporated after March 1, 2020 may be eligible for assistance, however the business location must be located within a designated ARPA-qualified census tract

Guidelines for Loan Forgiveness:

- All purchases and investments using SEDCO funds must be verified as eligible expenses such as receipts, vendor invoices, and/or copies of payments made by the borrower
- The business must remain in operation during the term of the agreement
- For borrowers that own property within the City of Syracuse, all taxes owed to the City must be current and no outstanding code violations must exist
- The borrow will retain the number of employees at the time of application or add employees during the term of the agreement
- Any borrower established after March 1, 2020 must receive technical assistance from a small business advising organization (e.g. SCORE, Onondaga SBDC, UpStart)
- Borrower must retain ownership of the entity and/or any affiliated property for the term of the agreement

COMMUNITY DEVELOPMENT IMPACT FUND

Purpose and Intent:

Designed to provide critical gap financing for projects that are proposed or in the planning stages and will improve the built environment of the neighborhood where the project is located. These investments will generate significant community impact resulting in job creation, neighborhood revitalization, and/or generating additional economic activity within the city of Syracuse.

Eligibility criteria:

- Capital improvements, renovations, or planning costs associated with project development
- Bridge loan financing for real estate projects delayed due to Covid-19
- Initiatives to support commercial business districts and establish new market opportunities
- Pre-development soft costs for GSPDC-owned properties that include commercial uses, and located within a designated ARPA-qualified census tract

	<i>Small Business + Micro-Enterprise Assistance Fund</i>		<i>Community Impact Fund</i>
Review Committee	Small Business Assistance Review Committee		Community Impact Review Committee
Applicant Criteria	Business with 10 or fewer employees in an industry or location that has experienced economic hardship	Business with 50 or less employees, and experienced a decline in sales and/or located in a ARPA eligible census tract	Business or development entity making capital investment resulting in renovation or other physical real estate improvements
Maximum Loan Size	\$ 5,000.00	\$ 25,000.00	\$ 200,000.00
Interest Rate	1.0%	1.5%	2.0%
Term	2 Years	5 Years	Up to 15 Years
Forgivable?	Yes	No	No

SYRACUSE ECONOMIC DEVELOPMENT CORPORATION
APPROVED ANNUAL BUDGET
FISCAL YEAR ENDING DECEMBER 31, 2022

	2020	2021	2021	2022
	<u>Actual</u>	<u>Budget</u>	<u>Projected</u>	<u>Budget</u>
GRANT INCOME	100,433	350,000	2,999,576	3,200,000
BANK INTEREST INCOME	469	600	200	400
CD INTEREST INCOME - SCFCU	1	1	1	1
INTEREST INC. SCFCU SECONDARY	3,000	3,000	3,000	3,000
LOAN INTEREST INCOME - UNREST	91,244	98,045	92,200	156,668
LOAN LATE FEE	3	100	-	100
INTEREST INCOME - DEYS	95,805	42,902	102,955	42,902
TOTAL REVENUE	290,955	494,648	3,197,932	3,403,071
OFFICE EXPENSE	3,139	1,000	3,500	2,500
SEDCO SALARY	42,564	43,134	43,824	70,000
SEDCO FICA	2,999	3,259	3,050	5,355
SEDCO HEALTH	13,332	13,710	15,008	22,357
SEDCO RETIREMENT	3,930	4,090	4,000	4,107
PROF SERVICES	941	1,000	500	1,000
PROF SERVICES - AUDIT/ACCTING	12,500	14,500	14,500	14,500
LEGAL FEES	8,047	8,500	5,000	8,500
INSURANCE - DIRECTORS	1,345	1,500	1,356	1,500
DEVELOPMENT GRANTS	7,045	250,000	-	250,000
DEV GTS - MIDLAND/LINCOLN/BELL	-	595	-	595
COVID RELIEF GRANT-HUD	100,433	350,000	400,000	-
AMERICAN RESCUE PLAN			2,800,000	3,000,000
BAD DEBT EXPENSE	-	20,000	-	20,000
MISC - BANK CHARGES	433	450	450	450
TOTAL EXPENSES	196,708	711,737	3,291,188	3,400,864
CURRENT PROFIT (LOSS)	94,247	(217,089)	(93,256)	2,207