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

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To: Board of Directors  
City of Syracuse Industrial Development Agency

From: Judith DeLaney

Date: November 10, 2020

Re: Board of Directors Meeting Agenda (Special)– November 13,2020

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The City of Syracuse Industrial Development Agency will hold a **Special** Board of Directors Meeting on **Friday, November 13, 2020 at 8:00 a.m.** **Members of the public may participate at:** <https://syrgov.webex.com/syrgov/j.php?MTID=mc98390cdf45fbf2b37c07a9160590058>  
**Meeting Access Code: 173 982 6912 Password: 6kMsQTmHh64 VIA Phone: (408) 418-9388**  
**Access Code: 173 982 6912**

II. Roll Call –

I. Call Meeting to Order –

III. Proof of Notice – 1

VI. New Business –

**Smith Building LLC – Judy DeLaney – 2**

Approval of a resolution authorizing an amendment of the PILOT resolution for the Project

*Attachments:*

1. *PILOT Resolution. (Under separate cover).*

VII. Adjournment –

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

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PLEASE POST

PLEASE POST

PLEASE POST

**PUBLIC MEETING NOTICE**

**THE SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY**

**HAS SCHEDULED**

**A**

**SPECIAL BOARD OF DIRECTORS MEETING**

**ON**

**FRIDAY, NOVEMBER 13, 2020**

**At 8:00 a.m.**

**VIA WEBEX**

**Meeting Link:**

**<https://syrgov.webex.com/syrgov/j.php?MTID=mc98390cdf45fbf2b37c07a9160590058>**

**Meeting Access Code: 173 982 6912**

**Password: 6kMsQTmHh64**

**VIA PHONE**

**(408) 418-9388**

**Access Code: 173 982 6912**

**For More Information, Please Contact Judith DeLaney, Executive Director [jdelaney@syr.gov](mailto:jdelaney@syr.gov)**

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201 East Washington Street  
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Tel (315) 473-3275

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**EXECUTIVE SUMMARY**

**Agenda Item: 3**

**Title: Smith Building LLC**

**Requested By: Judith DeLaney**

**OBJECTIVE:** Approval of a resolution authorizing an amendment to the PILOT Resolution for the Project.

**DESCRIPTION:**

**Direct expenditure of fund:**  Yes  No

**Type of financial assistance requested**

**PILOT**

**Sales Tax Exemption**

**Mortgage Recording Tax Exemption**

**Tax Exempt Bonds**

**Other**

**SUMMARY:** In December 2019 the Board of Directors approved a Project for the Company at 500 Blvd East (aka Smith Restaurant Supply Building). The applicant proposed the acquisition and gut renovation of the two adjoining buildings on the site (31000 sq. ft.) for conversion to a mixed residential/commercial mixed use. At completion the project will include 37 residential units and 2500 sq. ft. of commercial space. The cost of the Project is estimated to be \$6,596,160.00. The Board of Directors approved benefits for the Project the form of a exemptions for mortgage and sales tax and a 15 year PILOT agreement valued at \$684,911.75. The Project is now about to close with the Agency. In preparing documents for the closing it came to the attention of staff an error was made in the original PILOT calculation as the starting value for the base assessment was incorrect. That error has now been corrected and the value of the PILOT exemption is now correctly forecast to be \$763,730.15. Staff is requesting the Board of Directors amend the original PILOT resolution. There are no other changes.

**ATTACHMENTS:**

1. Cost Benefit Analysis. (Revised)
2. PILOT Resolution .

**REVIEWED BY:**

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

**Meeting:** November 13, 2020  
Finance Committee

**Prepared By: J.A. DeLaney**

**Project Summary**

**1. Project:** Smith Building LLC **2. Project Number:** 0

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

**5. Tax Parcel(s):** 103.-13-01.0 **6. Type of Project:** Commercial/Residential

<b>7. Total Project Cost:</b>	<b>\$ 6,596,160</b>
Land	\$ 416,160
Site Work	\$ -
Building	\$ 5,550,000
Furniture & Fixtures	\$ -
Equipment	\$ -
Equipment Subject to NYS Production Exemption	\$ -
Engineering/Architecture Fees	\$ 300,000
Financial Charges	\$ 160,000
Legal Fees	\$ 25,000
Other	\$ 25,000

<b>8. Total Jobs</b>	0
8A. Job Retention	0
8B: Job Creation (Next 5 Years)	0

<b>Cost Benefit Analysis:</b>	Smith Building LLC	
	<b>Fiscal Impact (\$)</b>	
<b>Abatement Cost:</b>		<b>\$1,243,307</b>
Sales Tax	\$440,000	
Mortgage Tax	\$39,577	
Property Tax Relief (PILOT)15yr	\$763,730.15	
<b>New Investment:</b>		<b>\$9,100,450</b>
PILOT Payments 15yrs	\$590,828.84	
Project Wages (5 yrs)	\$0	
Construction Wages	\$2,176,500	
Employee Benefits (5 years)	\$0	
Project Capital Investment	\$6,266,160	
New Sales Tax Generated	\$0	
Agency Fees	\$66,962	
<b>Benefit:Cost Ratio</b>	<b>7.32 :1</b>	

CORRECT

Estimated Regular Taxes			
		Current Tax Rate/1000:	39,3806
		Project Value	\$1,950,000.00
Year	PILOT %	Tax rate	Payment
1	100%	40.168212	\$78,328.01
2	100%	40.97157624	\$79,894.57
3	100%	41.79100776	\$81,492.47
4	100%	42.62682792	\$83,122.31
5	100%	43.47936448	\$84,784.76
6	100%	44.34895177	\$86,480.46
7	100%	45.2359308	\$88,210.07
8	100%	46.14064942	\$89,974.27
9	100%	47.06346241	\$91,773.75
10	100%	48.00473166	\$93,609.23
11	100%	48.96482629	\$95,481.41
12	100%	49.94412281	\$97,391.04
13	100%	50.94300527	\$99,338.86
14	100%	51.96186538	\$101,325.64
15	100%	53.00110268	\$103,352.15
			\$1,354,558.99

Estimated PILOT Payments			
		Tax Rate/1000:	39,3806
		Project Value	\$1,415,000.00
Year	Exemption %	PILOT rate	PILOT Payment
1	100%	40.168212	\$0.00
2	100%	40.97157624	\$0.00
3	100%	41.79100776	\$0.00
4	100%	42.62682792	\$0.00
5	100%	43.47936448	\$0.00
6	100%	44.34895177	\$0.00
7	100%	45.2359308	\$0.00
8	100%	46.14064942	\$0.00
9	100%	47.06346241	\$0.00
10	100%	48.00473166	\$0.00
11	80%	48.96482629	\$13,857.05
12	60%	49.94412281	\$28,268.37
13	40%	50.94300527	\$43,250.61
14	20%	51.96186538	\$58,820.83
15	0%	53.00110268	\$74,996.56
			\$219,193.42

Estimated Base Assessment Payments			
		Current Tax Rate/1000:	39,3806
		Project Value	\$535,000.00
Year	PILOT %	Tax rate	Payment
1	100%	40.168212	\$21,489.99
2	100%	40.97157624	\$21,919.79
3	100%	41.79100776	\$22,358.19
4	100%	42.62682792	\$22,805.35
5	100%	43.47936448	\$23,261.46
6	100%	44.34895177	\$23,726.69
7	100%	45.2359308	\$24,201.22
8	100%	46.14064942	\$24,685.25
9	100%	47.06346241	\$25,178.95
10	100%	48.00473166	\$25,682.53
11	100%	48.96482629	\$26,196.18
12	100%	49.94412281	\$26,720.11
13	100%	50.94300527	\$27,254.51
14	100%	51.96186538	\$27,799.60
15	100%	53.00110268	\$28,355.59
			\$371,635.42

Exhibit A		Smith Building LLC	
Total Annual Payment			
Year	Amount		
1	\$21,489.99		
2	\$21,919.79		
3	\$22,358.19		
4	\$22,805.35		
5	\$23,261.46		
6	\$23,726.69		
7	\$24,201.22		
8	\$24,685.25		
9	\$25,178.95		
10	\$25,682.53		
11	\$40,053.23		
12	\$54,988.48		
13	\$70,505.12		
14	\$86,620.43		
15	\$103,352.15		
Total	\$590,828.84		

Comparison	
Estimated 15 year Regular Taxes	\$1,354,558.99
Estimated 15 year PILOT Payments	\$590,828.84
Estimated 15 year Savings	\$763,730.15

*TA CORRECT*

Estimated Regular Taxes		
Year	PILOT %	Payment
		39,3806
		\$1,950,000.00
		Current Tax Rate/1000:
		Project Value
		Tax rate
1	100%	\$78,328.01
2	100%	\$79,894.57
3	100%	\$81,492.47
4	100%	\$83,122.31
5	100%	\$84,784.76
6	100%	\$86,480.46
7	100%	\$88,210.07
8	100%	\$89,974.27
9	100%	\$91,773.75
10	100%	\$93,609.23
11	100%	\$95,481.41
12	100%	\$97,391.04
13	100%	\$99,338.86
14	100%	\$101,325.64
15	100%	\$103,352.15
		\$1,354,558.99

Estimated PILOT Payments			
Year	Exemption %	PILOT rate	PILOT Payment
			39,3806
			\$1,264,103.00
		Tax Rate/1000:	
		Project Value	
		PILOT rate	
1	100%	40.168212	\$0.00
2	100%	40.97157624	\$0.00
3	100%	41.79100776	\$0.00
4	100%	42.62682792	\$0.00
5	100%	43.47936448	\$0.00
6	100%	44.34895177	\$0.00
7	100%	45.2359308	\$0.00
8	100%	46.14064942	\$0.00
9	100%	47.06346241	\$0.00
10	100%	48.00473166	\$0.00
11	80%	48.96482629	\$12,379.32
12	60%	49.94412281	\$25,253.81
13	40%	50.94300527	\$38,638.32
14	20%	51.96186538	\$52,548.12
15	0%	53.00110268	\$66,998.85
			\$195,818.42

Estimated Base Assessment Payments			
Year	PILOT %	Tax rate	Payment
			39,3806
			\$685,897.00
		Current Tax Rate/1000:	
		Project Value	
		Tax rate	
1	100%	40.168212	\$27,551.26
2	100%	40.97157624	\$28,102.28
3	100%	41.79100776	\$28,664.33
4	100%	42.62682792	\$29,237.61
5	100%	43.47936448	\$29,822.37
6	100%	44.34895177	\$30,418.81
7	100%	45.2359308	\$31,027.19
8	100%	46.14064942	\$31,647.73
9	100%	47.06346241	\$32,280.69
10	100%	48.00473166	\$32,926.30
11	100%	48.96482629	\$33,584.83
12	100%	49.94412281	\$34,256.52
13	100%	50.94300527	\$34,941.65
14	100%	51.96186538	\$35,640.49
15	100%	53.00110268	\$36,353.30
			\$476,455.36

Exhibit A Smith Building LLC		
Year	Amount	Total Annual Payment
1	\$27,551.26	
2	\$28,102.28	
3	\$28,664.33	
4	\$29,237.61	
5	\$29,822.37	
6	\$30,418.81	
7	\$31,027.19	
8	\$31,647.73	
9	\$32,280.69	
10	\$32,926.30	
11	\$33,584.83	
12	\$34,256.52	
13	\$34,941.65	
14	\$35,640.49	
15	\$36,353.30	
Total		\$672,273.78

Comparison	
Estimated 15 year Regular Taxes	\$1,354,558.99
Estimated 15 year PILOT Payments	\$672,273.78
Estimated 15 year Savings	\$682,285.21

## AMENDED PILOT RESOLUTION

As a result of the public health emergency created by COVID-19, the Federal, State and local bans on meetings or gatherings, and pursuant to Governor Cuomo's Executive Order 202.1 issued on March 12, 2020, as amended from time to time, the City of Syracuse Industrial Development Agency (the "**Agency**") held a meeting on the 13<sup>th</sup> day of November, 2020, at 8:00 a.m., local time, electronically which was made available via Webex at: <https://syrgov.webex.com/syrgov/j.php?MTID=mf5fd07723c24a5fe022c472801312c9e> (or by accessing the link on the Agency's website) and using meeting number 173 982 6912 and password 6kMsQTmHh64; or via telephone at (408) 418-9388 with access code: 173 982 6912, in conjunction with the matter set forth below.

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

**PRESENT VIA TELE/VIDEOCONFERENCE** (in accordance with the Governor's Executive Order 202.1):

**THE FOLLOWING PERSONS WERE ALSO PRESENT VIA TELE/VIDEOCONFERENCE** (in accordance with the Governor's Executive Order 202.1):

The following resolution was offered by \_\_\_\_\_ and seconded by \_\_\_\_\_:

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

**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);

**WHEREAS**, by application dated November 12, 2019 (the “*Application*”), Smith Building, 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 11,604 sq. ft. of real property improved by an existing multi-story approximately 31,196 sq. ft building (the “*Building*”), located at 500 Erie Boulevard East, in the City of Syracuse, New York (the “*Land*”); (ii) (a) the renovation of the Building for mixed-use to include 37 income restricted apartments, common areas and commercial space as follows: (1) on the first floor, six apartment units totaling approximately 3,557 sq. ft., commercial/retail space totaling approximately 2,629 sq. ft. and approximately 2,602 of common area space; (2) on the second floor, eleven apartment units totaling approximately 6,371 sq. ft. and approximately 967 of common area space; (3) on the third floor, three apartment units totaling approximately 1,565 sq. ft. and approximately 416 sq. ft. of common area space; (4) on the fourth floor, eleven apartment units totaling approximately 6,371 sq. ft. and approximately 967 sq. ft. of common area space; (5) on the fifth floor, three apartment units totaling approximately 1,722 sq. ft. and approximately 416 sq.ft. of common area space; and (6) on the sixth floor, three apartment units totaling approximately 1,565 sq. ft. and approximately 416 sq. ft. of common area space; and (b) the construction of an approximately 263 sq. ft. addition on the east end of the Building to accommodate stairs and an elevator for residential occupants; site improvements including but not limited to sidewalk construction, tree pits, lighting and parking landscape buffer areas, 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, construction, renovation, 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 apartments will be, on average, income restricted to 80% of the area median income (“*AMI*”) with a minimum of 20% of the apartments being rent restricted to 65% of the AMI rent limit for the City (collectively, the “*Rent Restrictions*”); and

**WHEREAS**, on December 17, 2019, the Agency adopted an Inducement Resolution, PILOT Resolution and Final Approving Resolution authorizing the Project and granting the Financial Assistance (collectively, the “*Approving Resolutions*”); and

**WHEREAS**, on December 17, 2019, the Agency approved a request for a payment in lieu of taxes 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**, following the approval of the PILOT, an error was discovered in the original base assessment figure causing the Agency to perform an updated PILOT analysis which resulted in a corrected schedule, as more fully set forth on **Exhibit “B”** attached hereto (the “**Corrected Schedule**”) which schedule conforms to the Agency's UTEP; and

**WHEREAS**, the Corrected Schedule results in a decrease in PILOT payments to the Agency in the amount of \$84,032.93 resulting from the decrease of payments on the base assessed value over the course of the fifteen year term; however the schedule does not alter the percentage of abatement on the improvements during the 15 year term; and

**WHEREAS**, approval of the Corrected Schedule is in furtherance of the Project, which underwent an environmental review by the Agency pursuant to the State Environmental Quality Review Act (“**SEQRA**”) and does not require reconsideration or further review by the Agency under SEQRA.

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

(1) Approval of the Corrected Schedule is in furtherance of the Project and does not require reconsideration or further review by the Agency under SEQRA.

(2) The Agency hereby approves the Corrected Schedule and the (Vice) Chair and/or Executive Director, acting individually, are each authorized to execute and deliver a PILOT agreement (the “**PILOT Agreement**”) providing for the Corrected Schedule attached as **Exhibit “B”** 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 Lease Documents, a PILOT Agreement and the Agreement (as defined in the Inducement Resolution) 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) 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 November 23, 2020, with the original thereof on file in my office, 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), as temporarily amended by Executive Order 202.1 issued on March 12, 2020, as amended from time to time (“*EO 202.1*”), such meeting was open to the general public and public notice of the time and how to participate in such meeting was duly given in accordance with such Section 104 and EO 202.1; (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 this \_\_\_ day of \_\_\_\_\_, 2020.

City of Syracuse Industrial Development Agency

\_\_\_\_\_  
Rickey T. Brown, Secretary

(S E A L)

**EXHIBIT "A"**

**PILOT SCHEDULE**

<i>Year</i>	<i>Amount</i>
1	\$27,657.32
2	\$28,210.46
3	\$28,774.67
4	\$29,350.17
5	\$29,937.17
6	\$30,535.91
7	\$31,146.63
8	\$31,769.56
9	\$32,404.96
10	\$33,053.05
11	\$46,141.09
12	\$59,739.42
13	\$73,863.23
14	\$88,528.10
15	\$103,750.02
Total	\$674,861.77

**EXHIBIT "B"**

**CORRECTED PILOT SCHEDULE**

<b>Smith Building LLC</b>	
<b>Total Annual Payment</b>	
<i>Year</i>	<i>Amount</i>
1	\$21,489.99
2	\$21,919.79
3	\$22,358.19
4	\$22,805.35
5	\$23,261.46
6	\$23,726.69
7	\$24,201.22
8	\$24,685.25
9	\$25,178.95
10	\$25,682.53
11	\$40,053.23
12	\$54,988.48
13	\$70,505.12
14	\$86,620.43
15	\$103,352.15
<b>Total</b>	<b>\$590,828.84</b>