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

To: Board of Directors
City of Syracuse Industrial Development Agency

From: Judith DeLaney

Date: January 14, 2021

Re: Board of Directors Meeting Agenda – January 19, 2021

The City of Syracuse Industrial Development Agency will hold a Board of Directors Meeting on **Tuesday, January 19th, 2021 at 8:00 a.m.** Members of the public may participate at:
<https://syrgov.webex.com/syrgov/j.php?MTID=m5d995c638fce31a45faaa5331fda5a4f>
Meeting Access Code: 179 073 9202 Password: CTcE5mazN36 Via Phone (408) 418-9388 Access Code: 179 073 9202

I. Call Meeting to Order –

II. Roll Call –

III. Proof of Notice – 1

IV. Minutes – 2

Approval of the Minutes from the December 16, 2020 Board of Directors meeting.

V. New Business –

Butternut Crossing LLC – Sue Katzoff – 3

Approval of a resolution authorizing the Agency's participation in the modification of financing documents relative to the Project.

Attachments:

1. *Correspondence.*
2. *Resolution.*

Pavone Associates/ Butternut Plaza LLC – Sue Katzoff – 4

Approval of a resolution authorizing the Agency's participation in the discharge of mortgage documents relative to the Project.

Attachments:

1. *Correspondence.*
2. *Resolution.*

VI. Adjournment –

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

PLEASE POST

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PUBLIC MEETING NOTICE

THE SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY

HAS SCHEDULED

A

BOARD OF DIRECTORS MEETING

ON TUESDAY, January 19, 2021

At 8:00 a.m.

VIA WEBEX

MEETING LINK:

<https://syrgov.webex.com/syrgov/j.php?MTID=m5d995c638fce31a45faaa5331fda5a4f>

MEETING ACCESS CODE: 179 073 9202

PASSWORD: CTcE5mazN36

VIA PHONE

(408) 418-9388

ACCESS CODE: 179 073 9202

For More Information, Please Contact Judith DeLaney, Executive Director

jdolaney@syr.gov.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, December 16, 2020

Due to the declaration of a public health emergency and the social distancing requirements imposed at the Federal, State and local level, this meeting was held in accordance with Executive Order 202.1 by video/telephone conference that was made available to the public.

Board Members Present: Kathleen Murphy, Steven Thompson, Kenneth Kinsey, Rickey T. Brown and Dirk Sonneborn, all via tele/videoconference (in accordance with the Governor's Executive Order 202.1).

Staff Present: Judith DeLaney, Susan Katzoff, Esq., John Vavonese, Lori McRobbie, all via tele/videoconference (in accordance with the Governor's Executive Order 202.1).

Others Present: Maarten Jacobs, Nicholas Petragani, Gail Cawley, Gail Montplaisir, Daniel Schulman, Esq., Suzanne Slack, Donna Harris, Lauryn LaBorde, Doug Sutherland, all via tele/videoconference (in accordance with the Governor's Executive Order 202.1).

I. Call Meeting to Order

Ms. Murphy called the meeting to order at 8:04 a.m.

II. Public Hearing –

Joint Schools Construction Board¹

Ms. Murphy opened the Hearing at 8:04 a.m. and asked Ms. DeLaney to read the Notice of Public Hearing on the Project. A copy of the notice is attached and included in the minutes.

Ms. DeLaney read the notice and indicated that no written comments were received. Ms. Murphy asked if anyone wished to speak in favor of the Project. No one spoke in favor of the Project.

¹ The hearing was open to the public in accordance with Executive Order 202.1.

Ms. Murphy then asked numerous times if anyone wished to speak in opposition to the Project. No one spoke in opposition of the Project.

Ms. Murphy closed the Public Hearing at 8:09 a.m.

III. Roll Call

Ms. Murphy acknowledged that in addition to herself, Board members Steven Thompson, Kenneth Kinsey, Rickey T. Brown and Dirk Sonneborn were present.

IV. Proof of Notice

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

V. Minutes

Ms. Murphy asked for a motion approving the minutes from the November 23, 2020 Board of Directors meeting. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **THE MOTION TO APPROVE THE MINUTES FROM THE NOVEMBER 23, 2020 BOARD OF DIRECTORS MEETING WAS UNANIMOUSLY APPROVED.**

VI. New Business

Joint Schools Construction Board

Ms. Katzoff noting a Public Hearing had just concluded requested the Board consider a resolution authorizing the sale of the Agency's refunding bonds.

The resolution seeks the authority of the Board to issue up to \$30,000,000 to refund all or a portion of two series of bonds previously issued by the Agency in 2010 and 2011, to execute and deliver all the necessary bond transactional documents and to take all other necessary actions necessary to effectuate the issuance of the refunding bonds. The resolution also seeks the authorization, at the request of the school district, to reduce the Agency's administrative fee to ½ of the amount of the bonds which historically has been the request and has been authorized by the board as these funds are being used to improve the school district.

Ms. Katzoff noted there were people from the district on the call if anyone had questions. She also noted it is the anticipation that the bonds will be issued in the first quarter of 2021. They are currently shooting to issue in February.

There being no discussion Ms. Murphy asked for a motion to approve the bond sale resolution. Mr. Kinsey made the motion. Mr. Thompson seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF THE ISSUER'S SCHOOL FACILITY REVENUE REFUNDING BONDS (SYRACUSE CITY SCHOOL DISTRICT PROJECT), SERIES 2021 (TAXABLE AND/OR TAX-EXEMPT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$30,000,000 AND THE EXECUTION OF RELATED DOCUMENTS.**

Salina First LLC

Ms. Katzoff reported that Salina 1st is the project being undertaken at 1081 South Salina Street_. The Board previously approved this project and authorized all of the resolutions. It has been a couple of years since the original inducement, however, there was an initial delay as a result of zoning and permitting issues which have been resolved and thereafter the pandemic hit. Ms. Katzoff noted that there was a representative on the call today (Gail Montplaisir) to answer any questions. All permitting issues have been resolved with the City and the company is now in the process of putting final financing together but need a little more time to finalize. The Company is requesting the Agency Agreement be extended to June 30, 2021 to provide sufficient time to finalize financing and close on the transaction. No additional Financial Assistance is being requested.

There being no discussion Ms. Murphy asked for a motion to approve the request. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION APPROVING AN EXTENSION OF THE AGENCY AGREEMENT BETWEEN THE AGENCY AND THE COMPANY UNTIL JUNE 30, 2021; AND AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH.**

JMA Tech Properties LLC

Ms. DeLaney reported that the Agency received correspondence from the Company requesting a waiver of the Agency's Local Access Policy for one subcontractor on the project. The Company sought bids and received three responses. Two from within the six-county area (MSA Region) and one from Chemung County company which was substantially lower. Request is for the Agency to waive its Local Access Policy for this one instance to authorize the Company to accept this lower bid. Ms. DeLaney stated that Gail Cawley is on the call if any board members had questions.

Mr. Thompson asked if the Chemung County company brings their own workers. Ms. Cawley said it is for fabrication and supervision will come from CF Evans, ideally, they will work with a local contractor for the actual labor to install.

There being no further discussion, Ms. Murphy asked for a motion to approve the request. Mr. Sonneborn made the motion. Mr. Brown seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION AUTHORIZING A WAIVER OF THE AGENCY'S LOCAL ACCESS POLICY.**

Franklin Lofts LLC

Ms. Katzoff reported that the Agency has received a request to waive certain provisions of the Agency Lease for the Franklin Lofts project. The Agency Lease states that transfer, sale or assignment of documents is not allowed without the prior consent of the Agency. These provisions protect the Agency so they know who the developer is, to ensure that the developer has the financial wherewithal to manage the project and that appropriate investments are being made with respect to the project.

The project closed in 2002 or 2003. The Company was given a 20-year PILOT which has approximately 3 ½ years left. The Company is looking to refinance the project so they can re-invest all of the money back into the project to replace all of the windows in the building. The total cost is over \$2,000,000. Ms. Katzoff noted that Doug Sutherland was on the call to answer any questions. The replacement of the windows is necessary to keep the project viable going forward. Refinance is through Freddie Mac and Freddie Mac refuses to refinance unless the lease transactional documents would remain in place in the event of a foreclosure. In the event of a foreclosure Freddie Mac wants to maintain the lease and PILOT structure and they want it to remain in place for one subsequent sale without the need for the Agency's prior approval.

As part of the refinance, Freddie Mac would agree to assume, in the event of a foreclosure, all of the obligations under the lease transactional documents, to operate it as a project, agree to comply with all of terms a developer would expect the need or prior consent for one subsequent assignment.

Ms. Katzoff recommended the board consider the following in making a determination: this was a 20-year PILOT and you are 17 years into the PILOT and there has never been a late payment or default under the transactional documents. There are only approximately 3 1/2 years left on the PILOT and the last year ramps up to 100% of real property taxes. This is an exceptional request because of how Freddie Mac is doing business right now. Another consideration to be taken into account is that lenders are underwriting and looking at projects differently than they did before because of the worldwide pandemic. There are other industrial development agencies that have allowed this kind of transfer to take place because you are maintaining economic development. The risk to the Agency of not knowing who the new developer would be in the event of a foreclosure.

Ms. Katzoff noted that the developer, Doug Sutherland and Nick Petragani from the lending side are on the call to answer any questions.

Mr. Petragani, Senior Vice President and Regional Director of the Community Preservation Corporation (CPC), spoke about the request from an underwriting perspective. CPC is an affordable housing and community revitalization finance firm and a seller servicer for Freddie Mac which allows CPC to originate loans on behalf of Freddie Mac which they end up purchasing. CPC did the construction and permanent financing on this project and is now working on the refinancing to allow the Company to pull some equity out to finance the window replacement project. The challenge is the underwriting issue. Since the COVID pandemic Freddie Mac has become more conservative in their underwriting by greatly reduced any income associated with mixed-use projects that have a commercial component. For this project they have completely discounted the income from 2 tenants and with the remaining commercial tenants they have taken a 30% vacancy and collection factor despite the fact that the commercial side has been fully leased since day one and the residential side has maintained a high occupancy rate. The underwriting being undertaken by Freddie Mac is very conservative and they are requiring that the abated/PILOT be included in the unlikely event at there is a foreclosure they want to make sure the PILOT survives so the underwriting is maintained.

Mr. Sutherland talked about the project and showed a slide show regarding the removal of the old factory windows. A copy of the side show is attached. Mr. Sutherland explained that during

construction, the factory windows could not be removed for historic reasons. The windows were restored which was just a band-aid but not a permanent solution. The windows have been leaking and freezing. The frames are rusted which causes glass panes to break. Mr. Sutherland outlined the plan for the refinance funds which are outlined in the attached slides.

Ms. Katzoff asked Mr. Petragani to confirm that if the board agrees to the waiver, Freddie Mac will agree (now) to assume the leases and the PILOT Agreement in the event of a future foreclosure. Mr. Petragani said yes. Mr. Schulman, counsel for the developer said that was his understanding as well that Freddie Mac would assume the obligations under the leases. Ms. Katzoff said this provides protection for the Agency in terms of maintaining the project as a qualified project under the General Municipal Law and making the PILOT payments. Freddie Mac would assume the obligations in the first instance and be permitted to sell the property/project to one subsequent owner without requiring SIDA's consent. The subsequent owner would likewise have to assume the obligations under the lease documents.

Ms. Murphy stated that she asked Ms. Katzoff to work with counsel for both the lender and the developer and just confirm in the documents, if this is approved, should the developer be in foreclosure, that the lender would provide notice to the IDA so they would know who the next owner or operator would be.

Mr. Sonneborn asked Ms. Katzoff for simplification and quantification of the board's risk. Ms. Katzoff said the only risk to the Agency is that they would not know ahead of time who the developer/owner becomes in the unlikely event of a foreclosure. Protection for the Agency is that Freddie Mac would be obligated to assume all of the obligations under the leases including reporting and use of the project.

Ms. Katzoff said financial exposure is no greater than now. Lender would have to cure default and make payments so in some ways there is greater security.

Ms. Murphy reminded everyone that the refinance includes a \$475,000 reserve fund.

Mr. Sutherland said they have been through a rigorous underwriting process with the lender and it was determined that they are not a bad risk.

Mr. Petragani said the reserve fund is there for debt service issues.

Ms. Murphy asked Mr. Sutherland if residential side is holding up since the pandemic. Mr. Sutherland reported that occupancy rates are no different than last year. The coffee shop and hair salon have taken a hit.

There being no further discussion, Ms. Murphy asked for a motion to approve the request. Mr. Sonneborn made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION AUTHORIZING A WAIVER OF THE AGENCY'S POLICY RELATIVE TO THE SURVIVABILITY OF A PILOT AGREEMENT.**

Volunteer Lawyers Project of Onondaga County Inc.

Ms. Murphy asked that Ms. Katzoff step out of the meeting as she is on the board of the Volunteer Lawyers Project.

Ms. DeLaney reported that in July 2020 the Board of Directors approved a resolution establishing a COVID-19 Emergency Grant and Loan Program. It was anticipated that loans may be given to both commercial and not-for-profits. One of the provisions of the resolution for the loans was that a borrower had to provide collateral satisfactory to the Agency. The only loan approved was to the Volunteer Lawyers Project (VLP) who was approved for a loan in the amount of \$25,000. VLP has advised that their New York State funding has been delayed and they would like to initiate the loan. As a non-profit, VLP is not able to provide a personal or corporate guarantees or collateral and as such, staff is requesting a waiver of this requirement.

Mr. Sonneborn asked if it was a timing circumstance with the State it is not a question of collectability issue and Ms. DeLaney confirmed it was a timing issue. Mr. Sonneborn said he would like to see that representation to that fact formal documented. Ms. DeLaney said she will request the formal written correspondence advising of that.

There being no further discussion, Ms. Murphy asked for a motion to approve the request. Mr. Sonneborn made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A WAIVER OF A TERM AND CONDITION THE COVID-19 EMERGENCY LOAN PROGRAM RELATIVE TO THE VOLUNTEER LAWYERS PROJECT OF ONONDAGA COUNTY.**

Ms. DeLaney reported that with regard to the grant portion of the program they have disbursed approximately \$171,000 and they have \$110,000 left. She expects that balance will be disbursed by the end of the year.

2021 Board of Directors Meeting Schedule

Ms. Murphy invited Ms. Katzoff back into the meeting. Ms. Katzoff rejoined.

Ms. Murphy indicated that the new board meeting schedule is attached to the agenda.

Ms. Katzoff reported to the Board that the Dupli Associates project was closing the following day and that the Smith Building project closed approximately 10 days ago. The Maguire project and the Salt City Market projects are set to close on Monday, December 21, 2020. She congratulated the board on all really great projects and a successful year end.

VII. 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 8:50 AM.**

Franklin Properties

The Lofts at Franklin Square
Syracuse, New York



O.M. EDWARDS CO. Inc.
SYRACUSE, NEW YORK.

PIERCE
STU
DET













EXIT

AMES IRON WORKS, OSWEGO, N.Y.





CAUTION



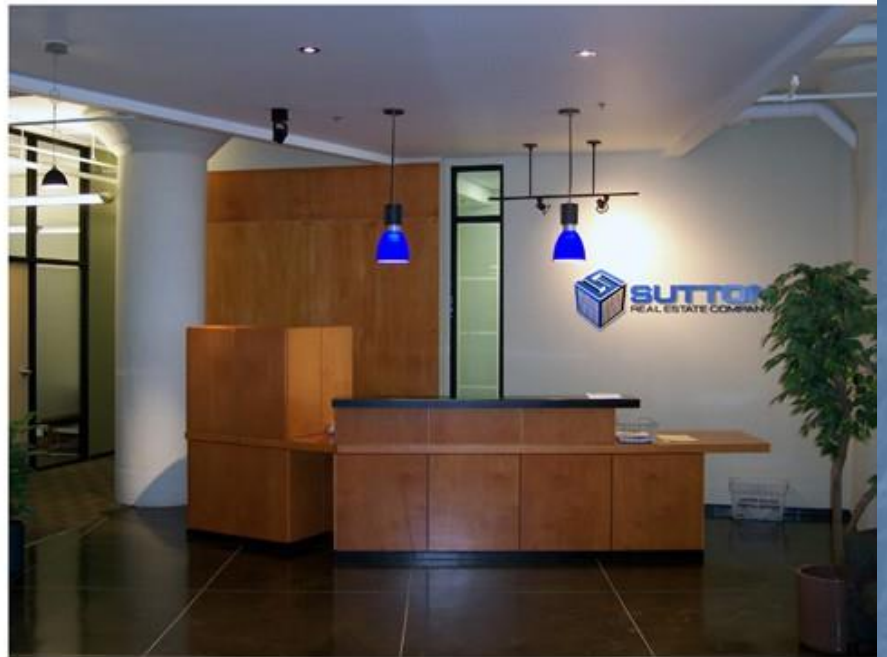






5 9'94













Franklin Lofts: Planned Reinvestment of Proceeds:

December 16, 2020

1. <u>Window Replacement Program</u>	\$2,000,000
<ul style="list-style-type: none">• Remove/replace 630 100-year old factory windows with historically-sensitive energy-efficient models• Repair masonry/sill damage from demo/removal• Relocate individual residents while work underway	
2. <u>Lender-required COVID-19 Reserves</u>	\$ 475,000
3. <u>Tenant Allowance for Refitting Space</u>	\$ 800,000
<ul style="list-style-type: none">• Likely loss of two office tenants – 6,400 sf and 13,500 sf• TFA Reserve #1 – 6,400 sf x \$20/sf = \$128,000• TFA Reserve #2 – 13,500 sf x \$40/sf = \$540,000• Excavate/provide new midpoint exterior entry - \$125,000	
4. 10% Contingency for Above	\$ 327,500
5. Estimated Reinvestment over the next three years	\$3,602,500

City of Syracuse
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EXECUTIVE SUMMARY

Agenda Item: 3

Title: Butternut Crossing LLC

Requested By: Sue Katzoff

OBJECTIVE: Approval of a resolution authorizing the Agency's o participation in the modification of financing documents relative to 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: See attached correspondence and resolution.

ATTACHMENTS:

1. Correspondence.
2. Resolution.

REVIEWED BY:

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

Meeting: January 19, 2021

Prepared By: J.A. DeLaney

DeLaney, Judith

From: Hempson-Elliott, Natalie P. <n hempsonelliott@bhlawpllc.com>
Sent: Tuesday, January 12, 2021 2:35 PM
To: DeLaney, Judith
Cc: Katzoff, Susan R.; McRobbie, Lori L.
Subject: Butternut Crossing Commercial Enterprises - Amendment Documents
Attachments: 1st AMENDMENT TO CIF RA 201207 (002).DOCX; 1st Amendment of CIF Mor 201207 (002).DOCX

Dear Ms. Delaney:

This email shall serve as a formal request to the City of Syracuse Industrial Development Agency ("SIDA") to execute two amendment documents in connection with the Butternut Crossing Commercial Enterprises, LLC Project, which closing occurred on December 21, 2017.

SIDA is currently a party to a Mortgage and Security Agreement, dated December 21, 2017 ("Mortgage") and a Regulatory Agreement, dated December 21, 2017 ("Regulatory Agreement").

Butternut Crossing Commercial Enterprises, LLC and the Housing Trust Fund Corporation ("HTFC") have agreed to reduce the term of the Regulatory Agreement from 50 years to 30 years. In order to effectuate the foregoing, the HTFC prepared two documents, which amend the terms of the Mortgage and Regulatory Agreement to reduce the term of the Regulatory Agreement from 50 to 30 years. I have attached the amendment documents for reference.

Please do not hesitate to contact me if you have any questions regarding the foregoing.

Thanks,
Natalie

Natalie P. Hempson-Elliott
BOUSQUET HOLSTEIN PLLC

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APPROVING 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 19th day of January, 2021, at 8:00 a.m., local time, electronically which was made available via Webex at: <https://syrgov.webex.com/syrgov/j.php?MTID=m136109a9471af981bce3cdc2584d5ee7>; (or by accessing the link on the Agency's website) and using meeting number 179 073 9202 and password CTcE5mazN36; or via telephone at (408) 418-9388 with access code: 179 073 9202, 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 THE AGENCY'S PARTICIPATION IN THE MODIFICATION OF CERTAIN FINANCING DOCUMENTS WITH REGARDS TO A PROJECT AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH

WHEREAS, 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, at the request of Butternut Crossing Commercial Enterprises, LLC (the "**Company**"), by resolution adopted November 19, 2015 (the "**Inducement Resolution**"), the Agency undertook a project (the "**Project**") consisting of: (A)(i) the acquisition of an interest in

all or a portion of an approximate .224 acre parcel of improved real property located at 618-620 North Townsend Street, in the City of Syracuse, New York (the "**Land**"); (ii) the construction of approximately 3,870 square feet of commercial space on the first floor (the 3,870 square feet of commercial space being referred to herein as the "**Commercial Space**" or the "**Facility**") which is part of a larger approximately 16,400 square foot building being constructed for use as an affordable housing complex, all located on the Land; (iii) the acquisition and installation in the 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 property tax, State and local sales and use tax and mortgage recording tax (the "**Financial Assistance**"); (C) the appointment of the Company or its designee as an agent of the Agency in connection with the acquisition, construction and equipping 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, in December 2017, the Company and Agency entered into a lease transaction to effectuate the undertaking of the Project and the conference of the approved Financial Assistance (the "**Lease Transaction**"); and

WHEREAS, the Company and the Agency previously entered into a mortgage and security agreement (the "**Mortgage**") dated December 21, 2017 in favor of Housing Trust Fund Corporation ("**HTFC**") to secure the Company's obligation under a corresponding note in the amount of \$580,514.00 to secure construction financing for the Project (the "**Note**") and a regulatory agreement dated December 21, 2017 (the "**Regulatory Agreement**"); and

WHEREAS, in conjunction with the Note and Mortgage, and as part of the Project approval, the Agency provided the Company with an exemption from the mortgage recording tax otherwise due on the Mortgage. The Company is not seeking any additional exemption in this regard; and

WHEREAS, by correspondence dated January 12, 2021, the Company requested the Agency participate in: (i) the modification of the Mortgage and Regulatory Agreement (collectively, the "**Loan Modification**") to reduce the term of the Regulatory Agreement from 50 years to 30 years through the execution of both the 1st Amendment of Rural and Urban Community Investment Fund Program Mortgage and Security Agreement ("**Amendment of Mortgage**") and the 1st Amendment of Regulatory Agreement ("**Amendment of Regulatory Agreement**"); and (ii) the execution and delivery of all other documents reasonably necessary, upon advice of Agency's counsel, to effectuate the Loan Modification (collectively with the Amendment of Mortgage and the Amendment to Regulatory Agreement, the "**Modification Documents**"); and

WHEREAS, the Agency Lease dated as of December 1, 2017, executed by the Company and the Agency in connection with the Project (the "**Agency Lease**"), anticipated the Agency's participation in such Modification Documents; and

WHEREAS, the Loan Modification is in furtherance of the Financial Assistance that was previously approved for the Project, which underwent an environmental review by the Agency pursuant to the State Environmental Quality Review Act (“**SEQRA**”), and the present request for Loan Modification and the execution and delivery of the Modification Documents is insubstantial 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) Based upon the representations made by the Company to the Agency, the Agency hereby makes the following findings and determinations:

(a) The Agency's participation in the Loan Modification and the execution and delivery of the Modification Documents will not result in a change to the Project as originally considered and therefore no further SEQRA review or action is required; and

(b) The Agency has the authority to, and hereby does, approve its participation in the Loan Modification and the execution and delivery of the Modification Documents. The Chair, Vice Chair and/or 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 Modification Documents, or required to carry out the intent of, this Resolution, and to execute and deliver 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 herein and to do and cause to be done any such other acts and things, as the (Vice)Chair determines, on advice of counsel to the Agency, may be necessary or desirable to consummate the transactions contemplated by this Resolution. The execution thereof by the Chair, Vice Chair or Executive Director constitutes conclusive evidence of such approval.

(2) As conditions precedent to the Agency's participation in the Loan Modification and the execution and delivery of the Modification Documents, all as set forth herein: (i) the Company shall be current with all required administrative fees and all reporting obligations under the Agency Lease and any other documents executed in conjunction with the Lease Transaction; (ii) there shall be no event of default under the Agency Lease or any other documents executed in conjunction with the Lease Transaction; (iii) the Company shall submit to the Agency the appropriate fee, including the Agency's legal fees associated with the approval of the Loan Modification and/or the execution and delivery of the Modification Documents; and (iv) the Company shall provide proof of insurance as required under the Agency Lease as well as any additional required certificates or documents or reporting information, in exchange for the Agency's participation therein and the execution and delivery of the Modification Documents.

(3) Should the Agency's participation in the Modification Documents 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 Modification Documents, 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.

(4) 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.

(5) 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 the Executive Director, all documents necessary to effect the Loan Modification and the Modification Documents.

(6) The Secretary and/or the Executive Director of the Agency is 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.

(7) 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 January 19, 2021, with the original thereof on file in my office, 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), 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 on _____.

City of Syracuse Industrial Development Agency

Rickey T. Brown, Secretary

(S E A L)

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

EXECUTIVE SUMMARY

Agenda Item: 4

Title: Pavone Associates/Butternut Plaza LLC

Requested By: Sue Katzoff

OBJECTIVE: Approval of a resolution authorizing the Agency's participation in the discharge of mortgage documents relative to 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: See attached correspondence and resolution.

ATTACHMENTS:

1. Correspondence.
2. Resolution.

REVIEWED BY:

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

Meeting: January 19, 2021

Prepared By: J.A. DeLaney

MANGANO LAW OFFICE, PLLC

ROCCO MANGANO
rmangano@manganolaw.com

440 EAST WASHINGTON STREET
SYRACUSE, NEW YORK 13202
(315) 471-0065
FAX (315) 448-0246

January 5, 2021

Judith Delaney, Executive Director
Syracuse Industrial Development Agency
City Hall Commons, 6th Floor
201 East Washington Street
Syracuse, NY 13202

**Re: Pavone Associates Mortgage to Syracuse Industrial Development Agency
Dated December 11, 1997
500 Butternut Street, Syracuse, New York**

Dear Ms. Delaney:

Please be advised that I represent Pavone Associates and Butternut Plaza, LLC, who have contracted to sell the above-referenced premises. A title search discloses a \$50,000.00 mortgage dated December 11, 1997, from Pavone Associates to Syracuse Industrial Development Agency. I enclose a copy of a portion of the title search for your reference.

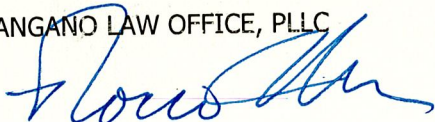
Would you confirm that this mortgage has been satisfied, and issue a Discharge of Mortgage?

Please let me know if you require anything further before acting upon this request.

Thank you for your consideration.

Very truly yours

MANGANO LAW OFFICE, PLLC



Rocco Mangano

RM/cmc
Enclosure

cc: Angelo Pavone
cc via email: Jason Kiefer, Esq. (jkiefer@jkieferlaw.com)

PAVONE ASSOCIATES, 500 BUTTERNUT STREET, CITY OF SYRACUSE, ONONDAGA COUNTY, NEW YORK

TO

SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY, A PUBLIC BENEFIT CORPORATION ORGANIZED UNDER SECTION 570 OF THE GENERAL MUNICIPAL LAW, CITY HALL COMMONS, 201 EAST WASHINGTON STREET, CITY OF SYRACUSE, ONONDAGA COUNTY, NEW YORK

MORTGAGE

AMOUNT: \$50,000.00
DATED: DECEMBER 11, 1997
ACK'D: DECEMBER 11, 1997
REC'D: DECEMBER 16, 1997
@ 1:33 P.M.
BK. 9288 PG. 38

COVERS,

THE SAME PREMISES AS DESCRIBED AT NO. 88 ABOVE, TOGETHER WITH THE SAME.

THIS MORTGAGE SHALL BE SUBJECT AND SUBORDINATE TO A MORTGAGE TO MARINE MIDLAND BANK.

ALLIED AMERICAN ABSTRACT CORP.

PAVONE ASSOCIATES, 5081 PINE VALLEY DRIVE, FAYETTEVILLE, N.Y. 13066

TO

BUTTERNUT PLAZA, LLC, 5081 PINE VALLEY DRIVE, FAYETTEVILLE, N.Y. 13066

WARRANTY DEED

DATED: AUGUST 1, 2006
ACK'D: AUGUST 1, 2006
CONSIDERATION: \$1.00
TRANS. TAX: \$0.00
REC'D: AUGUST 14, 2006
@ 8:01 A.M.
BK. 4953 PG. 776

CONVEYS,

THE SAME PREMISES AS DESCRIBED AT NO. 88 ABOVE, TOGETHER WITH THE SAME.

TOGETHER with all right title and interest of grantors in and to the land lying in the streets and roads in front of and adjoining said premises;

Subject to liens, encumbrances, easements and restrictions of record;

Being a portion of the premises conveyed to the 500 Butternut Street Company by Quitclaim Deed dated June 20, 1979 and recorded in the Onondaga County Clerks Office on August 9, 1979 in Book 2736 at page 250&c.

Being the same premises described in a Quitclaim Deed dated November 7, 1985 made by Angelo Pavone and Frank Pavone, as Grantors, to Anthony S. Santaro, as Grantee, and recorded on February 7, 1989 in Book 3236 at Page 93&c in the Onondaga County Clerks Office which deed was given to correct the deed given by 500 Butternut Street Company to Angelo Pavone and Frank Pavone dated January 12, 1984 and recorded in the Onondaga County Clerks Office January 12, 1984 in Book No. 3064 at page 299&c.

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 19th day of January, 2021, at 8:00 a.m., local time, electronically which was made available via Webex at: <https://syrgov.webex.com/syrgov/j.php?MTID=m136109a9471af981bce3cdc2584d5ee7>; (or by accessing the link on the Agency's website) and using meeting number 179 073 9202 and password CTcE5mazN36; or via telephone at (408) 418-9388 with access code: 179 073 9202, 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 THE AGENCY'S PARTICIPATION IN THE DISCHARGE AND TERMINATION OF CERTAIN MORTGAGE DOCUMENTS AND AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS 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, 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, the Agency received correspondence dated January 5, 2020 from counsel to Pavone Associates ("**Mortgagor**") and Butternut Plaza, LLC (the "**Owner**" and together with Pavone, collectively, "**Company**"). Owner is the current owner of 500-524 Butternut Street, Syracuse, New York (the "**Property**"); and

WHEREAS, the Property is under contract to be sold; and

WHEREAS, in the course of the sale, it was discovered that a Mortgage from the Mortgagor dated December 11, 1997 (Book 9288, page 38) in the amount of \$50,000; payable to the City of Syracuse Industrial Development Agency (the "**1997 Mortgage**") remains on record with the Onondaga County Clerk's office; and

WHEREAS, counsel to the Company has advised that the underlying debts described in the instruments have been paid in full and therefore is requesting that the Agency execute and deliver a mortgage discharge and/or termination for the 1997 Mortgage and any and all other customary forms or documents necessary to evidence the satisfaction of the 1997 Mortgage (collectively referred to as the "**Discharge Documents**"); and

WHEREAS, the Agency has confirmed on its books and records that there is no outstanding obligation owed from the Company to the Agency; 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 as to 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). The Agency has classified the granting of the Waiver and the approval of the Transfers as a "Type II" action as that term is defined under SEQRA, and therefore no further review is required.

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, the Agency hereby makes the following findings and determinations:

(a) The action authorized pursuant to this Resolution constitutes a Type II action under SEQRA and no further review is required; and

(b) The Agency has the authority to, and hereby does, approve its participation in the execution and delivery of the Discharge Documents. The (Vice) Chair and/or 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 Discharge Documents, or take any other action required to carry out the intent of, this Resolution upon the advice of counsel, and to execute and deliver 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 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 execution thereof by the (Vice) Chair or Executive Director constitutes conclusive evidence of such approval.

(2) As a condition precedent to the Agency's participation in the execution and delivery of the Discharge Documents, all as set forth herein, the Company will submit to the Agency or its designee all of the Agency's legal fees associated with the Company's request and/or the Discharge Documents and the Company shall execute and deliver the Discharge Documents; and the Company shall agree to promptly file the Discharge Documents and provide the Agency with proof of such filing..

(3) Should the Agency's participation in the Discharge Documents or any related documents 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 Discharge Documents, 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.

(4) 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.

(5) The Secretary and/or the Executive Director of the Agency is 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.

(6) 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 January 19, 2021, with the original thereof on file in my office, 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.

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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**

By: _____
Rickey T. Brown, Secretary

(SEAL)