

**City of Syracuse Industrial Development Agency**

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Minutes

Board of Directors Meeting

Tuesday, June 15, 2021

**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.**

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

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

**Others Present:** Christopher Bianchi, Scott Dumas, Charles Wallace, Christine Stevens, Jeff Appel and Rick Moriarty (via tele/videoconference, in accordance with the Governor's Executive Order 202.1); and Matthew Oja (in Common Council Chambers).

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**I. Call Meeting to Order**

Ms. Murphy called the meeting to order at 8:01 a.m.

**II. Roll Call**

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

**III. Proof of Notice**

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

#### **IV. Public Hearing**

##### **101 North Salina St. LLC<sup>1</sup>**

Ms. Murphy opened the Hearing at 8:02 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 that was published in the newspaper into the record. 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.

Ms. Murphy then asked if anyone wished to speak in opposition to the project. No one spoke in opposition to the project.

Ms. Murphy closed the Public Hearing at 8:06 a.m.

##### **1970 W. Fayette LLC<sup>1</sup>**

Ms. Murphy opened the Hearing at 8:06 a.m. and asked Ms. Katzoff to read the Notice of Public Hearing on the project. A copy of the notice is attached and included in the minutes.

Ms. Katzoff read the notice that was published in the newspaper into the record. 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.

Ms. Murphy then asked if anyone wished to speak in opposition to the project. No one spoke in opposition to the project.

Ms. Murphy closed the Public Hearing at 8:11 a.m.

#### **V. Minutes**

Ms. Murphy asked for a motion approving the minutes from the May 18, 2021 Board of Directors meeting. Mr. Kinsey made the motion. Mr. Brown seconded the motion. **THE MOTION TO APPROVE THE MINUTES FROM THE MAY 18, 2021 BOARD OF DIRECTORS MEETING WAS UNANIMOUSLY APPROVED.**

#### **VI. Committee Report**

Ms. Murphy reported the Finance Committee held a meeting on June 10, 2021 and made the following recommendations to the Board of Directors with respect to: (1) 101 North Salina St, LLC – approve the undertaking of the project and the request for financial assistance; and (2) 1970 W. Fayette, LLC - approve the undertaking of the project and the request for financial assistance.

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<sup>1</sup> The hearing was open to the public in accordance with Executive Order 202.1.

## VII. New Business

### 101 North Salina St. LLC

Ms. Katzoff noting a Public Hearing had just concluded requested the members consider resolutions approving the project.

She advised the first resolution for consideration was a SEQRA resolution. Ms. Katzoff noted that that this project was before the Board previously in 2018. The company then submitted a full Long Form EAF and a full review was undertaken and determined that the then project was a Type I action. The Agency authorized itself to act as Lead Agency. The appropriate notices were sent to the involved agencies and a full review was undertaken. The Agency was prepared at that time to indicate that there was no negative impact associated with this project. The project was then delayed.

The Agency has now received a supplemental/amended application with respect to this project and another Long Form EAF was submitted. It was reviewed by the Agency and the Company and it was determined after the Company reviewed everything that had been submitted to the involved agencies back in 2018 that the scope of this project was subsumed within the project originally reviewed. The prior project was much larger but all of the information that was reviewed by the involved agencies in 2018 continue to be part of the project now with no substantial changes. The Agency has determined after all of that review that this is a Type 1 Action but will not have an environmental impact.

There being no discussion Ms. Murphy asked for a motion to approve the SEQRA resolution. Mr. Sonneborn made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION DETERMINING THAT THE UNDERTAKING OF A CERTAIN PROJECT AT THE REQUEST OF 101 NORTH SALINA ST, LLC WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.**

Ms. Katzoff then asked the Board to consider the inducement resolution for the project which authorizes the undertaking of the project, authorizes the appointment of the Company as agent of the Agency for purposes of undertaking and completing the project and the execution and delivery of an Agency Agreement. It authorizes state and local sales and use tax exemptions in the amount not to exceed \$435,488 and the corresponding mortgage recording tax exemption. The resolution outlines the reasons and need for relocation of the tenant, VIP Structures.

There being no discussion Ms. Murphy asked for a motion to approve the inducement resolution. Mr. Sonneborn made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION AUTHORIZING THE UNDERTAKING, ACQUISITION, CONSTRUCTION, RECONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF A COMMERCIAL PROJECT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE AGENCY AND THE COMPANY.**

Ms. Katzoff then requested the Board consider a PILOT resolution for the project which seeks the approval of a 15-year Priority Commercial PILOT in conformity with the Agency's UTEP.

The Company will continue to pay 100% of real property taxes on the property as it exists right now. The PILOT abatement outlined in the resolution applies only to the improvements that are being made on the project.

There being no discussion Ms. Murphy asked for a motion to approve the PILOT resolution. Mr. Sonneborn made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION APPROVING A PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A PILOT AGREEMENT.**

Ms. Katzoff then requested consideration of a final resolution for the project which authorizes the execution and delivery of all necessary lease transactional documents to confer the approved financial assistance benefits to the project.

There being no discussion Ms. Murphy asked for a motion to approve the final resolution. Mr. Sonneborn made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A COMMERCIAL PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY.**

### **1970 W. Fayette LLC**

Ms. Katzoff advised the first resolution for consideration was a SEQRA resolution. She stated the Company in conjunction with its application, submitted an EAF and its own analysis of the project and the scope. The Agency reviewed it and concurred that it deemed the project to be an Unlisted Action and that the project will not have a significant negative impact on the environment. A negative declaration is attached to the resolution.

Ms. Murphy reminded everyone that the applicants are available to answer any questions.

There being no discussion Ms. Murphy asked for a motion to approve the SEQRA resolution. Mr. Thompson made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION CLASSIFYING A CERTAIN PROJECT AS AN UNLISTED ACTION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT, DECLARING THE AGENCY LEAD AGENCY FOR PURPOSES OF AN UNCOORDINATED REVIEW THEREUNDER AND DETERMINING THAT THE ACTION WILL NOT HAVE A SIGNIFICANT IMPACT ON THE ENVIRONMENT.**

Ms. Katzoff then asked the Board to consider the inducement resolution which authorizes the undertaking of the project by the Agency and the granting of certain financial assistance and the execution and delivery of an Agency Agreement. It indicates the project is in a Highly Distressed Area. It authorizes the appointment of the Company as agent of the Agency for purposes of undertaking the project and receiving sales and use tax exemptions in an amount not to exceed \$293,518.80 and the corresponding mortgage recording tax exemption.

Ms. Murphy reminded everyone this is the former Strathmore Paint location at 1970 West Fayette Street.

There being no discussion Ms. Murphy asked for a motion to approve the inducement resolution. Mr. Thompson made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION AUTHORIZING THE UNDERTAKING, ACQUISITION, RECONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF A PROJECT; APPOINTING THE COMPANY AS AGENT OF THE AGENCY FOR THE PURPOSE OF THE ACQUISITION, RECONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF THE PROJECT; AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AGREEMENT BETWEEN THE AGENCY AND THE COMPANY.**

Ms. Katzoff then requested the Board consider a PILOT resolution for the project providing a standard 10-Year PILOT in conformance with the Agency's UTEP. The PILOT abatement outlined in the resolution applies only to the improvements that are being made on the project. The Company will continue to pay 100% of real property taxes on the property as it exists today.

There being no discussion Ms. Murphy asked for a motion to approve the PILOT resolution. Mr. Thompson made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION APPROVING A PAYMENT IN LIEU OF TAX SCHEDULE AND AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A PILOT AGREEMENT.**

Ms. Katzoff then requested consideration of a final resolution for the project authorizing the execution and delivery of all necessary lease transactional documents which confer the approved financial assistance benefits to the project subject and conditioned upon the Company's compliance of the Agency's resolutions.

There being no discussion Ms. Murphy asked for a motion to approve the final resolution. Mr. Kinsey made the motion. Mr. Brown seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS BY THE AGENCY IN CONNECTION WITH A COMMERCIAL PROJECT UNDERTAKEN AT THE REQUEST OF THE COMPANY.**

### **Beacon Armory LLC**

Ms. DeLaney reported that the Agency received an application for financial assistance from Beacon Armory LLC for a project to be located at 120-24 Walton Street in the City's Armory Square district. This is the six-story Bentley Settle Building. Due to a glut of office space exacerbated by the pandemic, the approximately 42,900 sq.ft. building is almost completely vacant with the exception of one small commercial tenant on the first floor. The owners are proposing a repurpose and conversion of the five upper floors of the building to one and two bedroom residential units. The first floor and basement, which was where Empire Brewery was formerly located, will be reconfigured and upgraded for new commercial tenants to be determined. Cost of the Project is estimated to be \$4,500,000. The owners are requesting

benefits from the Agency in the form of mortgage tax exemption valued at approximately \$56,250 and a sales tax exemption valued at \$200,000. A PILOT is not requested for this project. The Bentley Settle Building is a contributing building in the Armory Square Historic District and has a long history of being vacant and needs assistance to survive. The owners are requesting assistance from the Agency to offset the cost of renovating a historic structure coupled with the current rising costs of construction. Ms. DeLaney noted that Jeff Appel, one of the partners of Beacon Armory, is on the call if anyone has any questions.

Mr. Appel stated it is a grand building and a conversion to residential will allow for it to survive.

Mr. Sonneborn asked if Mr. Appel is aware if there is a demand for residential space in the Armory Square area? Mr. Appel is confident that there is a market for the units.

Mr. Sonneborn asked if the benefits being sought are critical to the financial success of the project? Mr. Appel explained that if the Project did not receive benefits from SIDA then they would have to find some other source to fill the gap because they are cobbling together financing. This is not fully bank financed. They are putting in substantial capital.

Mr. Thompson asked how many apartments there will be? Mr. Appel said five 2-bedroom units and twenty-five 1-bedroom units.

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

### **VIII. Adjournment**

There being no further business to discuss Ms. Murphy asked for a motion to adjourn the meeting. Mr. Sonneborn made a motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN THE MEETING AT 8:32 AM.**