

**City of Syracuse Industrial Development Agency**

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Minutes

Board of Directors Meeting  
Tuesday, March 23, 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 that was made available to the public.**

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

**Board Member Excused:** Steven Thompson.

**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:** Michael Lisson, James Knittel, Jennifer Tift, Timothy Lynn, Esq., Melissa Zell, Lauryn LaBorde, Anna Daughton, Gail Cawley, Graziano Zazzara, Jr., David Pida, Rick Moriarty (all via tele/videoconference (in accordance with the Governor's Executive Order 202.1)).

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**I. Call Meeting to Order**

Ms. Murphy called the meeting to order at 8:05 a.m.

**II. Roll Call**

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

**III. Proof of Notice**

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

#### **IV. Minutes**

Ms. Murphy asked for a motion approving the minutes from the February 16, 2021 Board of Directors meeting. Mr. Sonneborn made the motion. Mr. Brown seconded the motion. **THE MOTION TO APPROVE THE MINUTES FROM THE FEBRUARY 16, 2021 BOARD OF DIRECTORS MEETING WAS UNANIMOUSLY APPROVED.**

#### **V. Committee Report**

Ms. Murphy reported the Audit Committee held a meeting on March 23, 2021. Michael Lisson of Grossman St. Amour CPAs, the Agency's independent auditor, gave a presentation on the Agency's draft 2020 financial statements. The Committee approved a motion to recommend to the Board of Directors acceptance of the financial statements and other annual reports as the official statements of the Agency.

#### **VI. New Business**

##### **Agency Draft Financial Statements**

Mr. Lisson reported that the audit went extremely well. It was a clean audit and there were no issues or concerns with controls or processes. The audit opinion was unmodified. The majority of financing fees in 2020 came from the Joint Schools Construction Board bond issuance and the JMA Wireless project. There were also legal settlement fees in the amount of approximately \$800,000 related to the Hotel Syracuse project. Expenses were in align with board approved expenses. Public improvements included approximately \$500,000 (\$387,000 paid as of December 31<sup>st</sup>) of improvements related to the Hiawatha Boulevard /Creekwalk Project. The Agency paid for the Creekwalk improvements and the City paid for the engineering and infrastructure around the bridge. There were other professional fees incurred SIDA related to the Downtown Committee and the NDC contract.

Mr. Lisson said that conduit debt outstanding is consistent to past years. A lot of bonds are refunded or refinanced. The only bonds that remain outstanding are the Carousel Center bonds and the City of Syracuse School District bonds.

Ms. Murphy asked for a motion to accept the financial statements. Mr. Kinsey made the motion. Mr. Sonneborn seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ACCEPT THE DRAFT FINANCIAL STATEMENTS AS THE OFFICIAL 2020 FINANCIAL STATEMENTS OF THE AGENCY.**

##### **Conflict Waivers**

First, Ms. Katzoff advised that the Maguire Family Limited Partnership project started several years ago. The entirety of the project closed at the end of 2020. They are looking to refinance this year. SIDA will participate as anticipated in their lease documents. As of March 1, 2021, the firm that represents Maguire in Ithaca joined the Bousquet Holstein firm. That raises a potential conflict of interest. Ms Katzoff is requesting the Board grant a waiver to allow Maguire to continue using the attorney (who is now part of Ms. Katzoff's firm) to represent

Maguire solely with respect to the refinancing. The lender is driving the mortgage documents and they do not involve any changes/amendments to SIDA's lease documents. SIDA participates in the loan documents and we mandate SIDA's language be incorporated in the loan documents. Maguire has agreed to execute SIDA's standard waiver letter. Going forward, Maguire's attorney has advised them that they will need to seek new counsel for any projects, amendments or other documents related to the SIDA lease transaction or project.

Secondly, Ms. Katzoff advised that upon review of 444 East Genesee Street, LLC's application Bousquet Holstein ran a conflict check and it was discovered that several years ago Larry Bousquet, who is one of her partners, represented the company which raises a potential conflict of interest. Mr. Bousquet reached out to his client to explain the issue and they agreed to sign SIDA's standard waiver letter to allow Ms. Katzoff to represent SIDA and find other counsel should an actual conflict arise. Mr. Bousquet is not representing the Company presently and is not involved in the SIDA project.

Mr. Sonneborn asked if Ms. Katzoff was advising the board as to whether they should accept this conflict, with regard to the nature of the relationship and the work that needs to be done would she advise them to obtain separate counsel. Ms. Katzoff said, hypothetically, regarding the refinance, we often believe we are not adverse to banks because we are on the same side and they hold the security interest and determine the structure. The IDA just makes sure the documents contain their standard language. No one is personally liable. The only interest is a leasehold interest. If there is a PILOT, the bank needs to agree to subordinate to the PILOT. Refinance does not require any changes to lease documents. Regarding 444 East Genesee Street, LLC, the attorney from her office is not currently representing the company. The company was or its members were a former client of the firm and may come back at some time, but in this context, getting the waiver letter is sufficient. She said the Board should feel comfortable asking anybody other than her if they agree or consult with Corporation Counsel.

There being no discussion, Ms. Murphy asked for a motion to approve a waiver of the conflict of interest with regard to the Maguire Family Limited Partnership, exclusively applied to the refinancing of their project. Mr. Sonneborn made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION APPROVING THE AGENCY'S WAIVER OF THE CONFLICT OF INTERSET WITH REGARD TO THE MAGUIRE FAMILY LIMITED PARTNERSHIP, EXCLUSIVE APPLIED TO THE REFINANCING OF THEIR PROJECT.**

Ms. Murphy also asked for a motion to approve a waiver of the conflict of interest with regard to 444 East Genesee Street LLC. Mr. Sonneborn made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION APPROVING THE AGENCY'S WAIVER OF THE CONFLICT OF INTERSET WITH REGARD TO THE 444 EAST GENESEE STREET LLC PROJECT.**

### **444 East Genesee Street LLC**

Ms. DeLaney reported that the Agency received an application for financial assistance from 444 East Genesee Street LLC for a project located at 444 East Genesee Street across from Firefighter's Memorial Park. The building has been vacant for more than 20 years. The

developers are proposing a mixed-use commercial project. There will be 24 residential one-bedroom units on the upper three floors and the bottom floor will have some retail, a lobby and parking for the tenants. All affordable housing. Asking for approval for funding from New York State HCR and will be income restricted. The project cost is estimated to be \$4,100,000. Benefits requested from the Agency are a mortgage recording tax exemption in the amount of approximately \$29,942, a sales tax exemption in the approximate amount of \$151,400 and the qualify for a 15 Year Priority & Commercial PILOT schedule, value to be determined after review by the City Assessor.

Ms. DeLaney said the Board is being asked to approve a request for the Agency to act as lead agency for the purposes of SEQRA and further authorize a public hearing.

Ms. DeLaney pointed out that the project owner, Grazi Zazzara is on the call to answer any questions.

Mr. Sonneborn asked how long the present owner has owned the building. Mr. Zazzara said approximately 3.5 years.

Mr. Kinsey asked when the project will commence. Mr. Zazzara said the project has received site plan approval by the Planning Board and they pulled the permit last week. He anticipates commencing May 1<sup>st</sup> or May 15<sup>th</sup> and it will be a 9-month process.

There being no further discussion, Ms. Murphy asked for a motion to authorize the Agency to act as Lead Agency for purposes of SEQRA. Mr. Kinsey made the motion. Mr. Sonneborn seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION CLASSIFYING A CERTAIN PROJECT AS A TYPE I ACTION AND DECLARING THE INTENT OF THE CITY OF SYRACUSE INDUSTRIAL DEVELOPMENT AGENCY TO BE LEAD AGENCY FOR PURPOSES OF A COORDINATED REVIEW PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT.**

Ms. Murphy asked for a motion to authorize 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 COMMERCIAL FACILITY AT THE REQUEST OF THE COMPANY CONSTITUTES A PROJECT; DESCRIBING THE FINANCIAL ASSISTANCE IN CONNECTION THEREWITH; AND AUTHORIZING A PUBLIC HEARING.**

### **Rapid Response Monitoring Services Inc.**

Ms. Katzoff reported that Rapid Response Monitoring Services Inc. closed on their transaction with the Agency back in 2014 for the facility at 400 West Division Street which is their offices and main call center. The Company is now asking the Agency to participate in the refinancing of existing debt obligations on the facility. The Agency's lease anticipates it will participate in financings of this nature. In addition, they have asked for approval of additional mortgage recording tax exemption in the amount of \$41,250. At the time of the 2014 closing, there was a pre-existing first mortgage in place to which the Agency was not a party. At closing the Agency

participated in a second mortgage in the amount of \$5,000,000. The Company is now going to consolidate the first mortgage, the second mortgage and a line of credit. The total amount of debt they are looking to consolidate is approximately \$10,500,000. The Agency is being asked to participate in those loan documents. The pre-existing first mortgage was there when the Agency came into the picture, it remained there when we closed, so that is part of the delta between what we originally provided in mortgage recording tax exemption and what they are seeking now.

Ms. Katzoff pointed out that there are representatives from the Company on the call should the Board have any questions.

Mr. Sonneborn asked Ms. Katzoff if the Agency's risk change at all? Ms. Katzoff said there is no recourse to the Agency. The exposure is limited only to the interest the Agency has in the property which is a leasehold interest. If the lender needed to foreclose, the Agency's leasehold interest would go away but the lender cannot come after the Agency for any monetary recovery.

There being no further discussion, Ms. Murphy asked for a motion to authorize a public hearing. Mr. Brown made the motion. Mr. Sonneborn seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION APPROVING: (1) THE AGENCY'S PARTICIPATION IN THE REFINANCING OF THE PROJECT; AUTHORIZING THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH; AND (2) AUTHORIZING AN INCREASE IN CERTAIN FINANCIAL ASSISTANCE.**

### **JMA Tech Properties LLC**

Ms. DeLaney reported that the Agency received a request for a waiver of the Agency's Local Labor Policy for a subcontractor outside of the six-county area. Specifications were sent to 16 vendors, 13 of which were located in the Agency's footprint and three outside. None of the local contractors were able to meet the specifications. Ms. DeLaney said that Gail Cawley from JMA is on the call for questions.

Ms. Cawley said that original bid packages were sent out in October-November to 16 vendors. Nothing back from the local vendors. The Company reached out again with focus on 3 of them, but in all cases it was a no-bid. In mid-January she reached out again and received an incomplete bid. At this point, the apparent low bidder is out of the Rochester area and they would like to move forward with them.

Ms. Murphy asked Ms. Cawley to describe the specific, particular type and size of concrete work to meet the Company's needs. Ms. Cawley said it is flatwork, however the interior concrete in this project is unique and requires a level of precision to achieve a completely flat surface. Further complicating the process is the volume of concrete to be placed on both levels of the manufacturing building and the associated timeframe to install it – larger firms have more precise equipment and capacity. The schedule is very important as is the detail. The type of equipment going into the building requires flatness and levelness and reduction of any type of vibration that can be translated from the floor into any of this machinery doing measurements.

That level of detail seems to create challenges for other vendors. The amount of steel piles, 12 inch concrete on slab and grade, double mat rebar that gets installed in conjunction to the steel pile and bed is just a level of detail that is more specific and refined and scared off some bidders.

Ms. Murphy asked for questions or comments. There being none, Ms. Murphy asked for a motion to authorize the waiver. 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.**

### **Dupli Associates LLC**

Ms. DeLaney advised that the Agency is being asked to approve a resolution authorizing a waiver of the Agency's Local Access Policy with regards to the Dupli project. The Company is asking for a waiver for a subcontractor from Rochester for plumbing services for the project. They are not licensed in Onondaga County so they will be using a subcontractor in Onondaga County to do the work. Ms. DeLaney said Tim Lynn is on the call to speak about the request.

Mr. Lynn apologized for the oversight, he reviewed the subcontractor lists and somehow this got by him. The vendor is not licensed in Onondaga County so they sub-subcontracted with a local company. Details of that arrangement are still being worked out.

Mr. Lynn said he did a full review of the other contractors and confirmed they are all local and satisfy the policy. The plumbing contract is a relatively small piece of the construction project (3%).

Mr. Brown asked if this was the plumbing contract? Mr. Lynn said yes, does not include fixtures. Mr. Brown expressed concern because there is one minority plumber in the area and that work being outsourced is a concern for him. Mr. Lynn said he will keep that in mind for future projects. A lot of his projects have a MWBE requirement.

Ms. Murphy commended Mr. Lynn for coming forward and explaining the error and that it was not intentional or done purposefully.

Ms. Murphy asked for further questions or comments. There being none, Ms. Murphy asked for a motion to authorize the waiver. Mr. Kinsey made the motion. Mr. Sonneborn seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION AUTHORIZING A WAIVER OF THE AGENCY'S LOCAL ACCESS POLICY.**

### **VII. Adjournment**

There being no further business to discuss Ms. Murphy asked for a motion to adjourn the meeting. Mr. Kinsey made a motion. Mr. Sonneborn seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN THE MEETING AT 9:10 AM.**