

City of Syracuse Industrial Development Agency

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Minutes

Board of Directors Meeting

Tuesday, November 16, 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 with public access.

Board Members Present: Kathleen Murphy, Steven Thompson, Rickey T. Brown, Kenneth Kinsey, Dirk Sonneborn

Staff Present: Judith DeLaney, Susan Katzoff, Esq. and Lori McRobbie

Others Present: Timothy Lynn, Esq., Christopher Bianchi, Jeremy Thurston, Milan Tyler, Esq., Lindsey Haubenreich, Esq., John Lenio, Megan Craig, Mitch Latimer, Karoline Leonard, TJ Shaw, Jim Masson, Charles Wallace, Rick Moriarty

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, Rickey T. Brown, Kenneth Kinsey and Dirk Sonneborn were present.

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 October 19, 2021 Board of Directors meeting. Mr. Thompson made the motion. Mr. Sonneborn seconded the motion. There being no discussion, **THE MOTION TO APPROVE THE MINUTES FROM THE OCTOBER 19, 2021 BOARD OF DIRECTORS MEETING WAS UNANIMOUSLY APPROVED.**

V. New Business

400 South Salina Street, LLC

Ms. Katzoff stated this project involves the former Sibley's building and that a public hearing was held at the Agency's last meeting. It involves the renovation of a building for mixed-use.

The Agency previously appointed itself lead agent for purposes of a coordinated SEQRA review. All required notices to involved or interested parties were provided. The appropriate time has passed. The applicant submitted a full EAF and upon review it was determined that this project is a Type 1 action. Parts 2 and 3 which were prepared by the Agency are attached to your agenda indicating the Agency's findings that the project will not have a significant impact on the environment. As a result, a negative declaration is being proposed. The first resolution for consideration is the SEQRA resolution making the foregoing findings.

There being no discussion Ms. Murphy asked for a motion to approve the SEQRA resolution with negative declaration. Mr. Thompson made the motion. Mr. Brown seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION DETERMINING THAT THE UNDERTAKING OF A CERTAIN PROJECT AT THE REQUEST OF 400 SOUTH SALINA STREET, LLC WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.**

Ms. Katzoff then asked the Board to consider the inducement resolution for this project. Ms. Katzoff noted a typo in the resolution relative to the date of the public hearing. The public hearing was held on October 19, 2021 and that date will be corrected in the resolution.

Ms. Katzoff said this resolution authorizes the undertaking of the Project and the execution and delivery of an Agency Agreement which she noted needs to be executed by the Company and returned with 14 business days. In addition, the inducement resolution authorizes the financial assistance in the forms of State and local sales and use tax exemptions in an amount not to exceed \$1,588,485 and mortgage recording tax exemptions in an approximate amount of \$225,000. The Project is located in a Highly Distressed Area of the City and Hayner Hoyt will be a tenant which is relocating to remain competitive in their market industry. Alion Science and Technology will also be a tenant. The lease at their current facility will expire before moving to the project facility.

Ms. Murphy indicated that Jeremy Thurston was in attendance and available for questions. Mr. Sonneborn asked who the employer was with regards to the \$100M payroll figure over a 10-year period. Ms. DeLaney said it is combined payroll figure for all tenants. Mr. Thurston confirmed that the figure takes into account Alion, Hayner Hoyt, The Redhouse and future tenants.

There being no further discussion Ms. Murphy asked for a motion to approve the inducement resolution. Mr. Brown made the motion. Mr. Sonneborn seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION AUTHORIZING THE UNDERTAKING, ACQUISITION, RECONSTRUCTION, RENOVATION, EQUIPPING AND COMPLETION OF A MIXED-USE 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 15-Year PILOT which conforms with the Agency's UTEP and contains no deviation from the standard policy. A copy of the PILOT schedule was attached to the resolution.

There being no discussion Ms. Murphy asked for a motion to approve the PILOT resolution. Mr. Brown made the motion. Mr. Sonneborn 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 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. Thompson 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.**

Jemal's Gridley, LLC

Ms. Katzoff stated this project involves the former M&T Bank building and associated garage and the Larned building. The public hearing was previously held. It involves a mixed-use project. The Agency previously appointed itself lead agent for purposes of conducting a coordinated SEQRA review. All notices required to be provided to involved or interested parties were provided and sign-off or time lapsed was received. The applicant submitted a full EAF and upon review the Agency determined that this project is a Type 1 action. Parts 2 and 3 which were prepared by the Agency and are attached to your agenda indicating the Agency's findings and that the project will not have a significant impact on the environment and as a result a negative declaration is being proposed. The first resolution for consideration is the SEQRA resolution making the foregoing findings.

Ms. Murphy indicated that there are representatives of the project in attendance at the meeting and available for questions.

There being no discussion, Ms. Murphy asked for a motion to approve the SEQRA resolution with negative declaration. Mr. Brown 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 JEMAL'S GRIDLEY, LLC WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.**

Ms. Katzoff then asked the Board to consider the inducement resolution. The project is located in a Highly Distressed Area of the City. This resolution authorizes the undertaking of the project, the appointment of the Company as the Agency's agent and the conference of financial assistance benefits subject to the terms of the resolution in the form of State and local sales and use tax exemptions in an amount not to exceed \$835,817 and mortgage recording tax exemptions in the approximate amount of \$120,376. No PILOT is being requested. This resolution also authorizes the execution and delivery of the Agency's standard Agency Agreement which is attached to the resolution as an exhibit which needs to be executed by the Company and returned with 14 business days in order to remain eligible for benefits.

There being no discussion Ms. Murphy asked for a motion to approve the resolution. Mr. Brown made the motion. Mr. Sonneborn 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 consideration of a final resolution for the project authorizing the execution and delivery of all necessary lease transactional documents to confer the approved financial assistance benefits on to the project.

There being no further discussion, Ms. Murphy asked for a motion to approve the final resolution. Mr. Brown made the motion. Mr. Sonneborn 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.**

101 North Salina Street, LLC

Ms. Katzoff said this is the old Post-Standard building. This project was previously approved by the Board and is slated to close by the end of the year. A couple of months ago the Company requested and the Agency approved the temporary appointment for purposes of sales and use tax exemption so that the Company could start ordering certain equipment and undertaking certain work while finalizing their financing. The Company asked for one prior extension which expires November 20, 2021. The Company asked for a further extension until December 31, 2021.

Ms. Katzoff noted that Chuck Wallace, a representative of the Company, is on the call and she has been told by the Company that they will close on the lease transaction by the end of the year.

Ms. Katzoff said the Company did remit ¼ of the Agency's administrative fee in exchange for obtaining the temporary appointment.

There being no discussion, Ms. Murphy asked for a motion to approve the resolution authorizing the extension of the temporary appointment through December 31, 2021. Mr. Sonneborn made

the motion. Mr. Thompson seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION APPROVING THE EXTENSION OF THE TEMPORARY APPOINTMENT OF THE COMPANY AS AGENT OF THE AGENCY UNTIL DECEMBER 31, 2021; AND THE EXECUTION AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH.**

Clinton Street SOMA Project LLC

Ms. Katzoff reported that the project was undertaken in 2008 and closed with the Agency in 2009. The project has been completed. The leases by their terms were set to expire in July 2011. Leases need to be terminated to clear title.

Also, because this was so many years ago and various changes/opinions regarding the authority of IDAs to provide grants, the Agency provided a grant to the project for certain work to be done and in exchange took back a mortgage simply to ensure the work was performed. The work has been performed and the terms of the mortgage have been satisfied. The Company has requested the Agency terminate the leases and sign and deliver a satisfaction of the grant mortgage.

There being no discussion, Ms. Murphy asked for a motion to approve the resolution. Mr. Sonneborn made the motion. Mr. Thompson seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVING THE TERMINATION OF CERTAIN LEASE DOCUMENTS; AND AUTHORIZING THE EXECUTION OF ANY AND ALL NECESSARY DOCUMENTS.**

Center Armory Garage Lease

Ms. DeLaney said the Agency has owned the Center Armory Garage since construction but it has been maintained by the City of Syracuse. Recently it came to staff's attention that a lease that was approved by the Common Council in 2018 was never finalized. Staff is moving forward to get a lease finalized at this point. The board is being requested to approve a lease at the rental rate of \$1.00 per year for three years. If approved by the Agency, the lease will be presented to the Common Council for approval at its next meeting. It has already been presented at the Common Council study session and committee.

Mr. Sonneborn asked if this was a memorialization of what the Agency has been doing. Ms. DeLaney said yes. In 2018 the Agency was presented with an opportunity to sell the garage which was approved by the administration at the time. The sale never went through. The City and SIDA have been operating as if the lease were finalized.

Mr. Sonneborn asked Ms. Katzoff if this was a memorialization of what happened in 2018 which was a one-year lease? And now we are looking at a new 3-year lease?

Ms. Katzoff said this is a memorialization of what you have been doing since the inception of this garage. The City has always operated and maintained it in conjunction with the Agency even though the Agency technically owns it. In 2018 a decision was made to put the terms in writing and the Common Council approved the preparation of a lease. The lease was never finalized. What the Common Council approved in 2018 was a one-year lease because of the potential sale of the garage. The sale fell through and now, once again, the parties want to

formalize the arrangement into a lease. The Common Council reviewed it at its study session and we received correspondence from the City asking for the lease. I drafted a lease and the parties agreed that it would be a 3-year term in the event that a sale presents itself, there is an out for both parties so that the Agency can sell it.

There being no further discussion, Ms. Murphy asked for a motion to approve the lease. Mr. Sonneborn made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY AUTHORIZED THE EXTENSION OF A LEASE WITH THE MUNICIPALITY FOR CERTAIN PROPERTY; AND AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE WITH RESPECT THERETO.**

327 Montgomery Street

Ms. DeLaney said the Agency owns a building located at 327 Montgomery Street which is across the street from the YMCA. It has been vacant since 2019 and there was talk of the City moving some of its offices there. The City has decided it is not going to use it. Staff is requesting authority to obtain an updated appraisal on the property. An appraisal was done in 2019. Staff is required to get 3 quotes, which it did, the lowest being \$3,000. Copy of proposal was included in the agenda.

Mr. Thompson asked what the building was appraised at in 2019. Ms. DeLaney said \$140,000. There is some question that assessor has pointed out regarding the square footage used on that appraisal which is one of the reasons staff wishes to get another one.

There being no further discussion, Ms. Murphy asked for a motion to approve the appraisal contract in an amount not to exceed \$3,000. Mr. Brown made the motion. Mr. Thompson seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION AUTHORIZING THE APPRAISAL CONTRACT IN AN AMOUNT NOT TO EXCEED \$3,000.**

Grossman St. Amour CPA's PLLC

Ms. DeLaney told the Board that proposed engagement letter from Grossman St. Amour for public accounting services for fiscal year 2021 is included in the agenda. The fee for services is \$17,500 which is \$500 more than last year. During the month of December they will review the Agency's books and prepare financial statements.

Mr. Sonneborn asked how long they have been doing audit work for the Agency? Ms. DeLaney said at least five years.

There being no further discussion, Ms. Murphy asked for a motion to approve the engagement of Grossman St. Amour for public accounting services for the fiscal year 2021 as discussed. Mr. Brown made the motion. Mr. Kinsey seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION AUTHORIZING THE MOTION TO ENGAGE GROSSMAN ST. AMOUR TO PROVIDE PUBLIC ACCOUNTING SERVICES FOR THE FISCAL YEAR 2021.**

VI. Other Business

Ms. Murphy introduced Mitch Latimer and Jim Masson from the carpenter's union who have joined the meeting to share a possible proposal they are working on state-wide.

Mr. Latimer, a council representative for the North Atlantic States Regional Council of Carpenters, said he is here today as part of the Syracuse Build Steering Committee to talk about the inclusion of apprenticeship language/programs in policies of the Agency in regards to approved projects. In line with the Agency's Mission Statement, this would be an added opportunity to provide for local men and women to have a pathway to a career in construction. He said he provided Ms. Murphy with a few different versions of the apprenticeship language to review with the full board. New York State approved apprenticeship programs are the gold standard in training.

Ms. Murphy advised that this will need to be discussed at a Committee level meeting.

Mr. Kinsey asked if it was going to be an apprentice program? Mr. Latimer said yes, they would like to include apprenticeship language in a policy of the Agency so contactors involved in the projects would have apprenticeship programs in place so not only would they get one job opportunity, but we are hoping for a career with skilled workforce locally.

Mr. Kinsey asked when they will get a chance to review the proposal? Ms. Murphy said she will work with Mr. Latimer and Mr. Masson on to get the final language they would like to see as a policy and schedule a Committee meeting shortly to review it in depth and answer any questions the Board has.

Mr. Sonneborn gave acknowledgement for Mr. Vavonese's service to the organization. Ms. Murphy said we are grateful for his hard work and wish him the best.

Ms. Katzoff thanked TJ Shaw, a college student monitoring the meeting for a class project, for joining the meeting and asked if he had any questions. He said he did not.

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 8:34 AM.**