

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

Finance Committee Minutes
Thursday, June 10, 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.

Committee Members Present: Kathleen Murphy, Steven Thompson, Dirk Sonneborn

Committee Members Excused: Kenneth Kinsey, Rickey T. Brown

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

Other Present: Scott Dumas, Charles Wallace, Christine Stevens, Sarah Stevens

I. Call Meeting to Order

Ms. Murphy called the meeting to order at 8:03 a.m.

II. Roll Call

Ms. Murphy acknowledged all Committee members present except Kenneth Kinsey and Rickey T. Brown.

III. Proof of Notice

Ms. Murphy noted that notice of the meeting had been timely and properly provided.

IV. Minutes

Ms. Murphy asked for a motion approving the minutes from the May 13, 2021 Finance Committee meeting. Mr. Sonneborn made the motion. Mr. Thompson seconded the motion. **ALL COMMITTEE MEMBERS PRESENT UNANIMOUSLY APPROVED THE MINUTES FROM THE MAY 13, 2021 FINANCE COMMITTEE MEETING.**

V. New Business

101 North Salina St. LLC

Ms. DeLaney reported that the Company's application for financial assistance was presented to the Board of Directors at its last board meeting and a public hearing was authorized which will be conducted on June 15, 2021. The Finance Committee is being asked to review the application and make a recommendation to the Board members relative to the undertaking of the project and conference of benefits.

The project is to be located at 101 North Salina Street, the former Post-Standard Building to be rebranded "The Post". The owners intend to redevelop approximately 80,000 sq. ft. of the building that has been vacant for a number of years. The remainder of the building is currently occupied by Advance Media. At completion, Chase Design, a design and consulting firm will lease 35,000 sq. ft. VIP Structures will relocate from their current headquarters and occupy an additional 23,000 sq. ft. A third tenant to be determined will occupy 11,000 sq. ft. Current jobs to be located to the building total 197 with another 41 new jobs forecasted. The project is estimated to cost \$19,115,532. The Company is requesting benefits from the Agency in the form of exemptions valued at approximately \$112,500 in mortgage tax and \$435,488 in sales tax, and a 15-year PILOT with abatement valued at \$1,971,466. During the term of the PILOT the project owner will continue to pay taxes on the amount of acquisition of the building (\$3,800,000) because per the Agency's PILOT policy, they pay on the higher of the assessed value or the purchase price. In this case the purchase price was higher. The City's Assessment Commissioner has determined that at completion the project will be valued at approximately \$7,525,000. During the term of the PILOT the property owner will pay \$3,157,667 in PILOT payments to the City of Syracuse. The benefit to cost ratio is 55.06:1.

Ms. DeLaney noted that Charlie Wallace was present if anyone had any questions regarding the project.

Ms. Katzoff clarified that Chase Design's lease is up in their current space so relocation does not create an issue. As discussed by Charlie Wallace at the last board meeting and in correspondence to the Agency, VIP Structure is relocating to remain competitive within its industry.

Mr. Sonneborn asked Ms. DeLaney about the cost/benefit analysis ratio. Ms. DeLaney said it is strong.

Ms. Murphy asked about the timing of Chase Design's occupancy. Mr. Wallace said the retail lab area will be operational by November 2021 with the balance of construction of the space to be completed by March 4, 2022 with occupancy by April 4, 2022.

There no further discussion, Ms. Murphy asked for a motion for a recommendation to the Board of Directors to undertake the project and approve the financial assistance for the Project. Mr. Sonneborn made the motion. Mr. Thompson seconded the motion. **ALL COMMITTEE**

MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO MAKE A RECOMMENDATION TO THE BOARD OF DIRECTORS TO UNDERTAKE THE PROJECT AND APPROVE THE REQUEST FOR FINANCIAL ASSISTANCE.

1970 W. Fayette LLC

Ms. DeLaney reported that the Company's application for financial assistance was presented to the Board of Directors at its last board meeting and a public hearing was authorized which will be conducted on June 15, 2021. The Finance Committee is being asked to review the application and make a recommendation to the Board members relative to the undertaking of the project and conference of benefits.

The Agency received an application from the Company requesting financial assistance for a project to be located 1970 West Fayette Street, the former site of the Strathmore Paint Building. Long vacant, the Company intends to gut and reconstruct the main 33,000 sq. ft. building into a retail commercial mixed-use space with a first floor food co-op and warehouse, a restaurant, and hair salon and second and third floor commercial space including a "brain education center". The second structure (a metal shed structure) will be relocated and serve as an outdoor dining space. Four smaller vacant parcels will be re-subdivided with the larger parcel to provide 51 parking spaces.

The project investment is estimated to be \$6,121,299 with new job creation of 25 positions over five years. The Company is requesting benefits from the Agency in the form of exemptions valued at approximately \$33,750 in mortgage tax and \$293,518.80 in sales tax, along with a 10-year PILOT with abatement valued at \$458,757.96. During the term of the PILOT the project owner will continue to pay taxes on the current assessed value of the building and the parcels (\$363,000). At completion, the City's Assessment Commissioner has determined the value of the Project to be \$1,630,000. The owner will pay \$245,183 in PILOT payments to the City. The benefit to cost ratio is 13.91:1.

Ms. DeLaney said that Scott Dumas and Sarah Stevens were present if anyone had questions.

Mr. Dumas said with regards to the brain center is funded by a local ivy league school via grant funding. The professors of the neuroscience department live here locally and will teach college and high school about the brain functions. The professors teach grad students to teach other students.

Mr. Dumas said the owners of Eden, a local restaurant downtown, will run the food co-op. Local farmers will deliver fresh produce to this location for local distribution. The goal is that essentially this becomes a healthy grocery market, in time, to start a CSA (Community Supported Agriculture) operating this space.

Ms. DeLaney asked about the condition of the building and asked if issues are anticipated.

Mr. Dumas said the project faces a series of challenges. It is land-locked and has elevation issues. Site has been neglected by municipal utility decisions. Storm water utility lines run

directly beneath and adjacent to the metal structure and they are not being moved. The building was constructed in pieces over time and does not have an efficient layout. Additionally the building has continued to deteriorate especially over the past for years.

Mr. Sonneborn asked about environmental concerns due to buildings prior use. Mr. Dumas said it was built in 1874. Strathmore Paints moved into it in 1942. While there are signs of environmental concerns a lot of testing has been done. Prior to the Company's involvement there was a limited Phase I. Tests have shown levels just below levels for Brownfield so all cost fall to the Company, but testing has not resulted in any significant concerns.

Mr. Sonneborn asked Ms. Katzoff if the Agency has concerns about environmental issues. Ms. Katzoff said SIDA is fully indemnified by project developer.

Ms. Katzoff asked about status of financing. Ms. Dumas reported that financing is lined up with Tompkins. They have approval and an appraisal has been done. Construction is to start as soon as possible.

Ms. Stevens said an application to fill a small gap in funding will be submitted for the June 30, 2021 round. They are hoping for approval by August 31, 2021.

Ms. Murphy asked about ownership of the property. Mr. Dumas said the property is a partnership (1970 W. Fayette LLC) of which he is a partner.

Mr. Thompson spoke about the storm cellar dumping into Onondaga Lake. Mr. Dumas said the Burr family (prior owners) received awards in 1980s for environmental protections and noted they went above and beyond what was being done back at that time. He said the new project will service the Tip Hill neighborhood too and be an anchor to the neighborhood.

There being no further discussion, Ms. Murphy asked for a motion for a recommendation to the Board of Directors to undertake the project and approve the financial assistance for the Project.

Mr. Thompson made the motion. Mr. Sonneborn seconded the motion. **ALL COMMITTEE MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO MAKE A RECOMMENDATION TO THE BOARD OF DIRECTORS TO UNDERTAKE THE PROJECT AND APPROVE THE REQUEST FOR FINANCIAL ASSISTANCE.**

VI. Miscellaneous

Mr. Sonneborn said he was asked by someone what the Agency does to encourage participation in public meetings?

Ms. Katzoff said notices are published in the newspaper and posted on the Agency's website. During the pandemic, people are able to participate via Webex which includes a telephone call in number and had the opportunity to submit comments via email or USPS ahead of the meeting.

Mr. Sonneborn asked about neighbors affected by development of a project? Ms. Katzoff said there is a distinction to be made at a City level (zoning, permitting and planning) and what the Agency is obligated to do pursuant to the General Municipal Law. The Agency complies in all respects with the GML and open meetings law.

Ms. Murphy said Planning and Zoning has a system and process in place relative to community impact. Ms. DeLaney said her office monitors pre-development meetings and is aware of the projects. The City does notify neighbors, etc.

Ms. Murphy said as of July 1st we will be live and in person which may make people more comfortable to participate.

Ms. DeLaney asked about timing of publication of the notice of hearing. L. McRobbie said the notice needs to be published once 10 days before meeting. Ms. DeLaney said it is also posted on the Agency's website.

Ms. Katzoff said the June board meeting is in-person for any board members in chambers following certain protocol and guidelines. The public will participate via Webex. The July board meeting will be in-person for all, in chambers.

VII. Adjournment

There being no further business to discuss Ms. Murphy asked for a motion to adjourn the meeting. Mr. Sonneborn made a motion to adjourn. Mr. Thompson seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN THE MEETING AT 8:39 AM.**