

**City of Syracuse Industrial Development Agency**

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Minutes

Board of Directors Meeting

Tuesday, April 27, 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, 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:** Jennifer Tiff, Lauryn LaBorde, Anna Daughton, Graziano Zazzara, Jr., Ryan Benz, 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 8:03 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**

##### **444 East Genesee Street LLC<sup>1</sup>**

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 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. Mr. Zazzara, applicant and developer spoke in favor of the project. His firm does property management and leasing for approximately 120 units currently in downtown Syracuse. The current market is lacking an affordable rental, middle tier option. project sits prominently at a highly traveled and highly visible corner so they gave extra attention to designing the building's exterior to create a modern, aesthetically pleasing look. The building will be renamed to honor Syracuse firefighters and will be a great success and a great addition to the City.

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 8:10 a.m.

#### **V. Minutes**

Ms. Murphy asked for a motion approving the minutes from the March 23, 2021 Board of Directors meeting. Mr. Sonneborn made the motion. Mr. Brown seconded the motion. **THE MOTION TO APPROVE THE MINUTES FROM THE MARCH 23, 2021 BOARD OF DIRECTORS MEETING WAS UNANIMOUSLY APPROVED.**

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

Ms. Murphy reported the Finance Committee held a meeting on April 23, 2021 and made the following recommendations to the Board of Directors with respect to: (1) 444 East Genesee Street – approval of the application and waiver regarding Local Labor Policy for one sub-contractor on the project; (2) JMA Tech Properties LLC's - approval of request for infrastructure support around the JMA project, particularly with respect to new or improved water and sewer lines servicing that neighborhood as well as the hospitals going up towards the University; and (3) adoption of the first quarter financials of the Agency.

Ms. Murphy asked for a motion to approve the report. Mr. Kinsey made the motion. Mr. Brown seconded the Motion. **THE MOTION TO APPROVE THE FIRST QUARTER REPORT OF THE FINANCE COMMITTEE WAS UNANIMOUSLY APPROVED.**

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

## VII. New Business

### 444 East Genesee Street 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 stated the Board previously appointed itself as Lead Agency for purposes of undertaking a coordinated review and determined that this was a Type I action. The appropriate notices were sent to the involved agencies. The Planning Commission for the City had done its own review and determined that it was an Unlisted Action and would not have a significant impact on the environment. They confirmed, as did the other involved agencies, that the project had not changed from what they reviewed and all parties agreed that it will not have a significant impact on the environment.

The Agency required, received and reviewed a Full Environmental Assessment Form from the applicant and there is a negative declaration attached to the resolution.

There being no discussion Ms. Murphy asked for a motion to approve the SEQRA resolution. Mr. Kinsey made the motion. Mr. Thompson seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION DETERMINING THAT THE UNDERTAKING OF A CERTAIN PROJECT AT THE REQUEST OF 444 EAST GENESEE STREET LLC WILL NOT HAVE A SIGNIFICANT IMPACT ON THE ENVIRONMENT.**

Ms. Katzoff then asked the Board to consider the inducement resolution for the project authorizing the undertaking of the project, the granting of certain financial assistance and the execution and delivery of an Agency Agreement. 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 the amount of \$151,400 and approves a mortgage tax exemption.

There being no discussion Ms. Murphy asked for a motion to approve the inducement resolution. Mr. Kinsey made the motion. Mr. Brown 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 providing a 15-Year Priority Industry PILOT in accordance with the Agency's UTEP. There is no deviation because of the nature of the project and the affordable housing units.

Mr. Sonneborn asked if the cost benefit ratio of 9.68:1 is typical? Ms. Murphy said each project has its own unique package and deferred to Ms. DeLaney. Ms. DeLaney concurred that no project is typical and each project is analyzed on its own merit and indicated staff believed the benefit ratio to be reasonable for this 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 noted for the record that all PILOT schedules approved by the Agency, require the applicant to continue to pay 100% of the real property taxes due on the assessed value on the property as it exists on the date you enter into the PILOT Agreement. The City never loses taxes on the property as it exists. The PILOT provides an abatement with respect solely to the improvements put on that property. That helps make the budget/pro forma work on these projects, especially on affordable housing units.

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.

There being no discussion Ms. Murphy asked for a motion to approve the final resolution. Mr. Kinsey 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.**

Ms. Katzoff then requested the board consider a waiver of the Agency's Local Access Policy for this project as requested by the Company. The Finance Committee has reviewed and conferred and the attached correspondence attached to the agenda from the developer indicates that the developer bid the services out to several vendors but only one vendor came back with a bid that would cover both the glazing and the application of the sheet metal on the exterior of the building. In addition to significant cost savings to the project by going with the joint bid it also helps to ensure that going forward there will be no leaks and by using the same vendor for both applications allows for a degree of certainly for the developer in terms of recourse, one vendor is responsible. The developer has indicated that he will require the vendor to hire local labor to the extent they are available for both processes.

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

### **JMA Tech Properties LLC & Ranalli/Taylor St. LLC**

Ms. DeLaney reported that JMA Tech Properties LLC has requested financial assistance to assist them with an infrastructure-project on Cortland and Clinton Street. The project involves improvements to each street including, but not limited to, the replacement of water mains and slip lining of sewer lines in the 100 block of Cortland street and the 1000 block of South Clinton. Total project cost is estimated at \$1.1M.

The water main and slip lining portion of the project is estimated to cost \$749,000 which costs are a benefit to the public. The impacted water mains and sewer lines serve the Southside neighborhood and the hospital/University area. The Company is requesting funding of \$230,000 from the Agency to help with the project. The Finance Committee reviewed this request and recommends the project. Public hearing, if approved, will be held May 18, 2021.

There being no discussion, Ms. Murphy asked for a motion to approve a resolution for a public hearing. Mr. Sonneborn made the motion. Mr. Brown seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION AUTHORIZING A PUBLIC HEARING WITH REGARDS TO A REQUEST FOR FINANCIAL ASSISTANCE RELATED TO A PROJECT.**

### **400 West Division Street LLC**

Ms. DeLaney reported that the Agency received an application from 400 West Division Street LLC (the "Company") for a project to be located at 400 West Division Street in the Franklin Square neighborhood. A blighted building was demolished and the site is now vacant. The Company proposes construction of a 54,000 sq.ft, 3-story mixed use commercial/residential building with 107 adjacent parking spaces. The Company is a related entity to Rapid Response and due to Rapid Response's growth the Company is undertaking this project. The first floor commercial space will be occupied by both the Company and a related entity, Sonitrol Services of New York Inc. As a result of the expansion, the Company forecasts an additional 75 jobs over a period of 5 years at the new location. The Second and third floors will consist of 28 one-bedroom and two-bedroom units to be rented at market rate. The project is estimated to cost \$19,086,000. The Company is requesting benefits in the form of mortgage tax exemption valued at approximately \$82,500, a sales tax exemption valued at \$1,360,000, along with a Standard 10-year PILOT (value to be determined after review by the City Assessor). Ms. DeLaney noted that Anna Daughton a representative with the Company is on the call if anyone has any questions. The Board is being asked to authorize a public hearing.

There being no discussion, Ms. Murphy asked for a motion to approve a resolution for a public hearing. Mr. Sonneborn made the motion. Mr. Brown seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A RESOLUTION DETERMINING THAT THE ACQUISITION, CONSTRUCTION, 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.**

### **313 S. Salina Street LLC**

Ms. DeLaney reported that the Agency is being asked to authorize a public hearing regarding an application from 313 S. Salina Street LLC for a project to be located at 313 South Salina Street. The five-story building is eligible for the historic register and is owned by a single member LLC who also operates the Dollarwise retail store on the first floor. The four upper floors have been vacant and in disuse for a number of years. The owner has made past efforts to rehabilitate the property but has been unable to do so due to the expense of renovating a historic property. The proposed project will renovate the exterior façade and update the first floor retail space along with a new residential lobby. The four upper floors will be converted to nine residential one and two-bedroom market-rate apartments. The cost of the project is estimated to be \$2,813,712. The Company is requesting benefits in the form of exemptions from mortgage recording tax valued at approximately \$14,726 and exemptions from sales tax in the amount of \$110,461. A PILOT is not requested as the project qualifies for the City's 485-a exemption. Ms. DeLaney noted that Ryan Benz, construction manager for the project, is on the call for questions.

Mr. Sonneborn questioned the relatively small size of the project compared with others. Ms. DeLaney said the applicant requested mortgage and sales tax exemptions for a mixed-use, historic building in a block of historic buildings to make the project feasible. It is definitely an improvement, but it is up to the Board to evaluate the benefits. The Agency's benefits will help make the project work.

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

Ms. Katzoff spoke about a potential conflict of interest with her firm regarding the 313 S. Salina St. project. The owner is utilizing a partner at her firm to assist them in structuring their historic tax credits. The owner is not working with her firm relative to the SIDA Application they have retained Bond Schoeneck & King to represent them before SIDA. We are asking the Board waive the conflict contingent upon receipt of its standard waiver letter from the applicant so that in the event of an actual conflict such as a default under the lease documents, Bousquet Holstein can continue to represent the Agency. The Agency has no roll in structuring the historic tax credits. The Agency has the right to seek other counsel, such as corporation counsel in terms of the conflict. Ryan Benz spoke and said that the owner, Mr. Hoque, is aware of and has no concerns regarding the conflict or the waiver and has retained separate counsel from Bond Schoeneck & King with regards to the SIDA application and process.

Ms. Murphy asked for a motion to approve the conflict of interest waiver as set forth. Mr. Sonneborn made the motion. Mr. Brown seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE MOTION TO APPROVE THE CONFLICT OF INTEREST WAIVER WITH REGARDS TO THE 313 S. SALINA STREET LLC PROJECT.**

## **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. Brown seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED A MOTION TO ADJOURN THE MEETING AT 8:40 AM.**