



**To:** SEDCO Board of Directors  
**From:** Ben Slate  
**Date:** May 13, 2026  
**Re:** SEDCO Board of Directors Meeting Agenda – May 13, 2026

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The Syracuse Economic Development Corporation **Board of Directors Meeting on Wednesday May 13, 2026, at 4:00 PM, held in One Park Place, 300 South State Street, Syracuse, NY 13202.**

**I. Call Meeting to Order**

**II. Roll Call**

**III. Proof of Notice**

**IV. Minutes**

Approval of minutes from the December 10, 2025, Board Meeting.

**V. Staff Updates**

**VI. SEDCO 2025 Audit Financial Statements Presentation by Grossman St. Amour**

Review, discussion, and acceptance of the SEDCO 2025 Audited Financial Statements.

**VII. New Business**

**Community Impact Fund Request-**

Review and discussion of the loan financing request submitted as part of the Community Impact Fund for consideration.

**1. The Cracked Bean Roastery, LLC**

**VIII. Assessment of SEDCO Loan Interest Rates.**

Review and assessment of the current SEDCO loan interest rates, including discussion of potential restructuring and revisions to existing rate policies.

**IX. Update and Discussion Regarding Loan Portfolio**

Discussion regarding SEDCO's Loan Portfolio and the status of collection efforts.

**X. Adjourn**



PLEASE POST

PLEASE POST

PLEASE POST

**PUBLIC MEETING NOTICE**

**THE SYRACUSE ECONOMIC DEVELOPMENT CORPORATION**

**HAS SCHEDULED**

**A**

**BOARD OF DIRECTORS MEETING**

**ON**

**Wednesday, May 13, 2026**

**AT 4:00 PM**

**IN THE BURNET EXECUTIVE CONFERENCE ROOM**

**LOCATED AT**

**SYRACUSE CITY OFFICES AT ONE PARK PLACE**

**300 SOUTH STATE STREET SUITE 700, SYRACUSE, NY 13202**

**Link to Meeting:**

**<https://teams.microsoft.com/meet/276439906272112?p=tSYK7kYqjnrYsCw7QR>**

**For more information, please contact Benjmain Slate at [SEDco@syr.gov](mailto:SEDco@syr.gov)**

**Minutes**  
Syracuse Economic Development Corporation  
Board of Directors Meeting  
Wednesday December 10, 2025  
4:00 – 5:00 PM

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Meeting was held in **One Park Place, 300 South State Street, Syracuse, NY 13202**

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**Board Members Present:** Eric Ennis, Calvin Corriders, Sheena Solomon, Patrick Lannon, Carl Thomas, Steve Gross

**Board Members Excused:** Rita Paniagua, Andrew Fish, and Melissa Davis

**Staff Present:** Benjamin Slate, Ted Spencer, Trecoy Boyd

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**I. Call Meeting to Order**

Mr. Ennis called the meeting to order at 4:08 PM.

**II. Roll Call**

Mr. Ennis acknowledged that all Board Members were present except for Rita Paniagua, Andrew Fish, and Melissa Davis.

**III. Proof of Notice**

Mr. Ennis made note acknowledging proof of notice was out in a timely manner.

**IV. Minutes**

Mr. Ennis and board members reviewed the meeting minutes from the October 8, 2025, Board meeting. No further discussion was held regarding the minutes and the board members present recommended for approval. Ms. Solomon made the motion to approve the request. Mr. Corriders seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED.**

**V. New Business**

Review and discussion of the loan financing requests submitted for consideration.

1. Dakshin by Ambu

Mr. Slate provided an overview of the loan request from Dakshin by Ambu Inc. owned by Vimala Mohanraj, for the expansion of her restaurant operations in Armory Square, Downtown Syracuse. Ms. Mohanraj currently operates the business was seeking \$200,000.

The borrower requested a \$200,000 loan with a 60-month term (5 years) at a fixed interest rate of 4%. The loan proceeds will be used for final upgrades, and equipment purchases to continue their growth. SEDCO will secure a first-position lien on all furniture, fixtures, and equipment purchased with SEDCO funds, along with a personal guarantee from Ms. Mohanraj. Staff recommended approval of the loan based on the business performance, sound financial projections, and the project's potential to strengthen the local restaurant scene and contribute to economic activity in Armory Square. During deliberation the board discussed the project and recommended a decrease in loan size to \$100,000. Mr. Thomas made the motion to approve the request. Mr. Gross seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED.**

## **VI. Syracuse Development Center**

SEDCO staff provided an overview of the Syracuse Development Center project. Previously, the SEDCO Board of Directors approved a resolution authorizing an agreement with the City of Syracuse to receive \$11,000,000 for investment in the Syracuse Development Center project. Since that time, the Board has approved three additional requests through electronic votes.

The first request authorized SEDCO to enter into an agreement with the Onondaga County Housing Initiative Program (OCHIP) to receive a \$750,000 grant to support redevelopment of the SDC project. The funds are intended to be allocated as follows: a \$250,000 loan to the Albanese Organization and a \$500,000 grant to Home HeadQuarters, Inc. for the construction of townhomes on the site. **BOARD MEMBERS UNANIMOUSLY APPROVED**, with Ms. Paniagua and Ms. Davis abstaining.

The second request authorized SEDCO to enter into two loan agreements with the Albanese Corporation and its affiliate. The first loan agreement is in the amount of \$9,000,000. SEDCO staff recommended a deferred loan with a 0.25% interest rate and a term not to exceed 55 years. Funding for this loan will be provided through the grant from the City of Syracuse. The second loan agreement is for \$250,000 and carries the same terms as the first loan. Funding for this loan will be provided through the OCHIP grant. **BOARD MEMBERS UNANIMOUSLY APPROVED**, with Ms. Paniagua and Ms. Davis abstaining.

The final request authorized a grant to Home HeadQuarters, Inc. in an amount not to exceed \$500,000. These funds will support the development of 27 new townhomes on the SDC campus. Funding for this grant will also be provided through the OCHIP grant. **BOARD MEMBERS UNANIMOUSLY APPROVED**, with Ms. Paniagua and Ms. Davis abstaining.

## **VII. Portfolio Update**

SEDCO staff provided an update to the Board on the status of the portfolio restructuring. The discussion focused on the progress of project, including which borrowers are in communication to resume repayment and which are experiencing hardship. Staff also outlined next steps, which include continuing outreach to the remaining borrowers and beginning the process of drafting and amending the necessary legal documents.

#### **VIII. Approval of 2026 Fiscal Year Budget**

Mr. Ennis provided an overview of SEDCO's proposed annual budget for the fiscal year ending December 31, 2026. The presentation included a review of SEDCO's Statement of Activity and Financial Position for 2025, outlining key financial metrics such as revenue, assets, liabilities, equity, and projected expenses. The proposed budget reflects SEDCO's financial standing and anticipated needs for the upcoming year, ensuring alignment with its operational goals and fiscal responsibilities.

Ms. Solomon made the motion to approve the request. Mr. Thomas seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED.**

#### **VII. Adjourn**

Mr. Ennis asked for a motion to adjourn the monthly board meeting. Mr. Gross made the motion to adjourn. Ms. Solomon seconded the motion. **ALL BOARD MEMBERS PRESENT APPROVE TO ADJOURN THE MEETING.**

The meeting adjourned at 5:02 PM.

**SYRACUSE ECONOMIC DEVELOPMENT CORPORATION**

**Consolidated Financial Statements**

**December 31, 2025 and 2024**

**SYRACUSE ECONOMIC DEVELOPMENT CORPORATION**  
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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of the  
Syracuse Economic Development Corporation

### **Report on the Audit of the Consolidated Financial Statements**

#### ***Opinion***

We have audited the consolidated financial statements of the Syracuse Economic Development Corporation (SEDCO), a component unit of the City of Syracuse, New York as of and for the years ended December 31, 2025 and 2024, and the related notes to the consolidated financial statements, which collectively comprise the Syracuse Economic Development Corporation's basic financial statements as listed in the table of contents.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Syracuse Economic Development Corporation as of December 31, 2025 and 2024, and the respective changes in financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Syracuse Economic Development Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Consolidated Financial Statements***

The Syracuse Economic Development Corporation's management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Syracuse Economic Development Corporation's ability to continue as a going concern for twelve months beyond the financial statement issuance date, including any currently known information that may raise substantial doubt shortly thereafter.



### ***Auditor's Responsibilities for the Audit of the Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Syracuse Economic Development Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Syracuse Economic Development Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles general accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for purpose of forming an opinion on the financial statements that collectively comprise the Syracuse Economic Development Corporation's basic financial statements. The Consolidating Statement of Net Position and Consolidating Statement of Activities and Changes in Net Position are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Consolidating Statement of Net Position and Consolidating Statement of Activities and Changes in Net Position are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Consolidating Statement of Net Position and Consolidating Statement of Activities and Changes in Net Position are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 13, 2026 on our consideration of the Syracuse Economic Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to solely describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Syracuse Economic Development Corporation's internal control over financial reporting and compliance.



Syracuse, New York  
May 13, 2026

**SYRACUSE ECONOMIC DEVELOPMENT CORPORATION**  
**Management's Discussion and Analysis - unaudited**  
**For the Year Ended December 31, 2025**

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Management's discussion and analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of SEDCO's financial activity, and (c) identify changes in SEDCO's financial position for the year ended December 31, 2025. Please read it in conjunction with SEDCO's financial statements.

**FINANCIAL HIGHLIGHTS**

- SEDCO's total liabilities and total net position was \$1,194,107 and \$14,936,563, respectively, at December 31, 2025.
- SEDCO's total net position decreased by \$768,946 in the 2025 fiscal year. This was primarily due to salaries and professional fees incurred during 2025 in excess of interest income earned during the year.
- SEDCO approved 12 new loans in 2025, totaling \$1,506,268. From all loans and notes outstanding, SEDCO received \$1,233,280 of principal payments and \$173,896 of interest payments on these loans.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

SEDCO's financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. As such, revenues are recognized when earned, rather than when received, and expenses are recognized when incurred, rather than when paid. See the notes to the financial statements for a summary of SEDCO's significant accounting policies.

Following the MD&A are the basic financial statements and notes of SEDCO, which are essential to a full understanding of the data contained in the financial statements. SEDCO's basic financial statements are designed to provide readers with a broad overview of SEDCO's finances, in a manner similar to a private-sector business.

The **Statement of Net Position** presents information similar to a Balance Sheet. The statement is presented in the format where assets, minus liabilities, equal net position. Assets and liabilities are presented in order of liquidity, and are classified as current and non-current. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of SEDCO is improving or deteriorating.

The **Statement of Activities and Changes in Net Position** presents information showing how SEDCO's net position changed during the year; revenues less expenses. The focus of the statement is the change in net position, which is similar to net income or loss for a business entity.

The **Statement of Cash Flows** reports net cash provided by or used by operating activities.

The **Notes to Financial Statements** provide additional information that is essential to a full understanding of the information included in the financial statements.

The entity-wide financial statements report only business-type (proprietary) activities, since none of SEDCO's activities are considered to be governmental activities supported primarily by taxes.

**SYRACUSE ECONOMIC DEVELOPMENT CORPORATION**  
**Management's Discussion and Analysis - unaudited**  
**For the Year Ended December 31, 2025**

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**Fund Financial statements** – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. SEDCO, like other component units of state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. SEDCO treats its only fund, the operating fund, as a proprietary fund, as there are no reconciling items between the government-wide financial statements as presented, and as such, no fund financial statements are presented.

**Proprietary funds** – Proprietary funds are used to account for essentially the same functions reported as proprietary activities in the government-wide financial statements. However, unlike the entity-wide financial statements, proprietary fund financial statements focus on current sources and uses of spendable resources, as well as in balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating SEDCO's near-term financing requirements. Because the focus of proprietary funds is narrower than that of the entity-wide financial statements, it is useful to compare the information presented for proprietary funds with similar information presented for proprietary activities in the entity-wide financial statements. By doing so, readers may better understand the long-term impact of SEDCO's near-term financing decisions.

#### **ENTITY-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of SEDCO's financial position. In the case of SEDCO, assets exceeded liabilities by \$14,686,653 as of December 31, 2025. A significant portion of the net position is with a mortgage note receivable from Dey's totaling \$4,290,185 and with other loans outstanding totaling \$9,554,093, net.

SEDCO's note receivable with one developer for the Dey's building had a balance of \$4,290,185 at December 31, 2025. The terms of the original note have been modified to interest only payments in 2025 as the building owners are currently renovating the building to convert underutilized commercial space into residential space.

SEDCO provides low cost, fixed asset financing for commercial businesses operating in the City of Syracuse. Net loans outstanding was \$10,100,152 as of December 31, 2025. During fiscal year 2025, SEDCO approved new loans totaling \$1,506,268 throughout the City of Syracuse.

SEDCO's revenues are primarily from interest earnings on outstanding loans and notes. These interest earnings totaled \$173,896 for the year ended December 31, 2025. Expenses totaling \$983,495 primarily relate to SEDCO carrying out its mission of providing loans and providing other economic assistance throughout the City of Syracuse.

**SYRACUSE ECONOMIC DEVELOPMENT CORPORATION**  
**Management's Discussion and Analysis - unaudited**  
**For the Year Ended December 31, 2025**

The following are summarized versions of the government-wide financial statements for the three years ended December 31:

**Statements of Net Position**

|                                     | 2025                 | 2024                 | 2023                 |
|-------------------------------------|----------------------|----------------------|----------------------|
| Cash and cash equivalents           | \$ 2,036,482         | \$ 2,050,112         | \$ 4,205,478         |
| Restricted cash                     | 250,000              | 250,000              | 250,000              |
| Grant receivable - City of Syracuse | -                    | 360,620              | 360,620              |
| Loans receivable, net               | 9,554,093            | 9,827,164            | 7,276,626            |
| Notes receivable                    | 4,290,185            | 4,290,185            | 4,290,185            |
| Total assets                        | <u>\$ 16,130,760</u> | <u>\$ 16,778,081</u> | <u>\$ 16,382,909</u> |
| Escrows and accounts payable        | \$ 740,351           | \$ 611,216           | \$ 717,622           |
| Deferred federal monies             | 453,756              | 461,266              | 1,237,859            |
| Total liabilities                   | <u>\$ 1,194,107</u>  | <u>\$ 1,072,482</u>  | <u>\$ 1,955,481</u>  |
| Net Position                        | <u>\$ 14,936,653</u> | <u>\$ 15,705,599</u> | <u>\$ 14,427,428</u> |

**Statements of Activities and Changes in Net Position**

|                                   | 2025                 | 2024                 | 2023                 |
|-----------------------------------|----------------------|----------------------|----------------------|
| <b>Revenue:</b>                   |                      |                      |                      |
| Grant and contribution revenue    | \$ 8,482             | \$ 12,015            | \$ 34,000            |
| Interest income - loans and notes | 173,896              | 135,406              | 130,492              |
| Interest income - bank            | 32,171               | 95,171               | 84,840               |
| ARPA income                       | -                    | 1,220,993            | 1,889,940            |
| Total revenue and other support   | <u>214,549</u>       | <u>1,463,585</u>     | <u>2,139,272</u>     |
| <b>Expenses:</b>                  |                      |                      |                      |
| Salaries and benefits             | 343,371              | 135,688              | 138,296              |
| Grant program - CDBG              | 7,510                | -                    | 34,000               |
| Credit allowance expense          | 546,059              | -                    | 500,000              |
| Loan / grant conversion           | -                    | -                    | 312,973              |
| Other expenses                    | 86,555               | 49,726               | 89,480               |
| Total expenses                    | <u>983,495</u>       | <u>185,414</u>       | <u>1,074,749</u>     |
| Change in net position            | <u>(768,946)</u>     | <u>1,278,171</u>     | <u>1,064,523</u>     |
| Net position - beginning of year  | <u>15,705,599</u>    | <u>14,427,428</u>    | <u>13,362,905</u>    |
| Net position - end of year        | <u>\$ 14,936,653</u> | <u>\$ 15,705,599</u> | <u>\$ 14,427,428</u> |

**REQUEST FOR INFORMATION**

This financial report is designed to provide readers with a general overview of SEDCO's finances. If you have questions about this report or need additional information, contact SEDCO's board at the Syracuse Economic Development Corporation, 300 South State Street, Suite 700, Syracuse, NY 13202. You may also obtain information via SEDCO's website located on the City of Syracuse, New York website at: <http://www.syr.gov/Boards-and-Commissions/Municipal-Boards/SEDCO-Overview>

**SYRACUSE ECONOMIC DEVELOPMENT CORPORATION**  
**Consolidated Statements of Net Position**

|                                     |    | <b>December 31,</b> |               |
|-------------------------------------|----|---------------------|---------------|
|                                     |    | <b>2025</b>         | <b>2024</b>   |
| <b>ASSETS</b>                       |    |                     |               |
| Current Assets:                     |    |                     |               |
| Cash and cash equivalents           | \$ | <b>2,036,482</b>    | \$ 2,050,112  |
| Restricted cash                     |    | <b>250,000</b>      | 250,000       |
| Grant receivable - City of Syracuse |    | -                   | 360,620       |
| Loans receivable                    |    | <b>1,074,265</b>    | 1,942,463     |
| Notes receivable                    |    | <b>500,000</b>      | 500,000       |
| Total current assets                |    | <b>3,860,747</b>    | 5,103,195     |
| Loans receivable, net               |    | <b>8,479,828</b>    | 7,884,701     |
| Notes receivable, net               |    | <b>3,790,185</b>    | 3,790,185     |
|                                     | \$ | <b>16,130,760</b>   | \$ 16,778,081 |
| <b>LIABILITIES AND NET POSITION</b> |    |                     |               |
| Current Liabilities:                |    |                     |               |
| Escrows and accounts payable        | \$ | <b>740,351</b>      | \$ 611,216    |
| Deferred federal monies             |    | <b>453,756</b>      | 461,266       |
| Total current liabilities           |    | <b>1,194,107</b>    | 1,072,482     |
| Net Position:                       |    |                     |               |
| Unrestricted                        |    | <b>14,686,653</b>   | 15,455,599    |
| Restricted - Grow America Fund      |    | <b>250,000</b>      | 250,000       |
| Total Net Position                  |    | <b>14,936,653</b>   | 15,705,599    |
|                                     | \$ | <b>16,130,760</b>   | \$ 16,778,081 |

The accompanying notes are an integral part of these financial statements

**SYRACUSE ECONOMIC DEVELOPMENT CORPORATION**  
**Consolidated Statements of Activities and Changes in Net Position**

|                                   | <b>Year Ended December 31,</b> |                             |
|-----------------------------------|--------------------------------|-----------------------------|
|                                   | <b>2025</b>                    | <b>2024</b>                 |
| <b>REVENUE</b>                    |                                |                             |
| Grant and contribution revenue    | \$ 8,482                       | \$ 12,015                   |
| Interest income - loans and notes | 173,896                        | 135,406                     |
| Interest income - bank            | 32,171                         | 95,171                      |
| ARPA income                       | -                              | 1,220,993                   |
| Total revenue                     | <u>214,549</u>                 | <u>1,463,585</u>            |
| <b>EXPENSES</b>                   |                                |                             |
| Professional fees                 | 61,517                         | 30,073                      |
| Grant program - CDBG              | 7,510                          | -                           |
| Salaries and benefits             | 343,371                        | 140,316                     |
| Other expenses                    | 25,038                         | 15,025                      |
| Credit allowance expense          | 546,059                        | -                           |
| Total expenses                    | <u>983,495</u>                 | <u>185,414</u>              |
| Change in net position            | <u>(768,946)</u>               | <u>1,278,171</u>            |
| Net position at beginning of year | <u>15,705,599</u>              | <u>14,427,428</u>           |
| Net position at end of year       | <u><u>\$ 14,936,653</u></u>    | <u><u>\$ 15,705,599</u></u> |

The accompanying notes are an integral part of these financial statements

**SYRACUSE ECONOMIC DEVELOPMENT CORPORATION**  
**Consolidated Statements of Cash Flows**

|   | <b>Year Ended December 31,</b> |                |
|---|--------------------------------|----------------|
|   | <b>2025</b>                    | <b>2024</b>    |
| Cash flows from operating activities  |                                |                |
| Inflows   |                                |                |
| Interest payments   | \$ 206,067                     | \$ 230,577     |
| Loan payments - principal   | 1,233,280                      | 825,970        |
| Proceeds from American Rescue Plan Act agreement                                  | -                              | 444,400        |
| Grant and contribution proceeds   | 360,620                        | 12,015         |
| Outflows  |                                |                |
| Services and employees  | (421,779)                      | (236,909)      |
| Loans issued  | (1,391,818)                    | (3,431,419)    |
| Net cash used in operating activities   | (13,630)                       | (2,155,366)    |
| Cash and cash equivalents at beginning of year                                    | 2,300,112                      | 4,455,478      |
| Cash and cash equivalents at end of year  | \$ 2,286,482                   | \$ 2,300,112   |
| Reconciliation of change in net position to cash provided by operating activities |                                |                |
| Change in net position  | \$ (768,946)                   | \$ 1,278,171   |
| Credit allowance expense  | 546,059                        | -              |
| Changes in operating assets and liabilities:                                      |                                |                |
| Loans receivable  | (272,988)                      | (2,550,538)    |
| Grant receivable - City of Syracuse   | 360,620                        | -              |
| Escrows and accounts payable  | 129,135                        | (106,406)      |
| Deferred federal monies   | (7,510)                        | (776,593)      |
| Net cash used in operating activities   | \$ (13,630)                    | \$ (2,155,366) |

The accompanying notes are an integral part of these financial statements



**SYRACUSE ECONOMIC DEVELOPMENT CORPORATION**  
**Notes to the Consolidated Financial Statements**

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**1. Nature of the Organization and Significant Accounting Policies**

**Nature of the Organization**

The Syracuse Economic Development Corporation (SEDCO) is a not-for-profit corporation established in 1979 to assist the City of Syracuse (City), New York in its efforts to foster joint public/private development ventures in the City. SEDCO has been granted tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. The Internal Revenue Service has determined that SEDCO is not a private foundation. SEDCO is treated as a component unit by the City of Syracuse and is integral to the overall economic development plans of the City.

The basic financial statements of SEDCO have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. SEDCO is a proprietary fund, and, therefore, includes only business-type activities. There are no differences between a) net position and fund balances, and b) changes in net position and changes in fund balances, and, therefore, no reconciliation schedules of these items are included in this report.

**Principles of Consolidation**

The accompanying consolidated financial statements include the accounts of SEDCO and its wholly owned subsidiaries Deys Centennial Plaza, Inc. and Deys Centennial Plaza Limited Partnership. All significant intercompany accounts and transactions have been eliminated in the consolidation.

**Basis of Presentation**

SEDCO is considered a governmental entity for accounting and financial reporting purposes. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Government-wide financial statements include the Statement of Net Position, the Statement of Activities and Changes in Net Position, and the Statement of Cash Flows. These statements report financial information for SEDCO as a whole. SEDCO has determined that all of its activities are business-type, which are predominantly financed with fees and loan repayments from external parties.

The Statement of Activities and Changes in Net Position reports the expenses of a given function offset by program revenues directly connected with the functional program. A function is an assembly of similar activities and may include portions of a fund or summarize more than one fund to capture the expenses and program revenues associated with a distinct functional activity. Program revenues include charges for services and grants and contributions. These revenues are subject to externally imposed restrictions to these program uses.

**SYRACUSE ECONOMIC DEVELOPMENT CORPORATION**  
**Notes to the Consolidated Financial Statements**

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**1. Nature of the Organization and Significant Accounting Policies (continued)**

**Use of Estimates**

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Lending Activities**

SEDCO considers its lending activities, described in Note 2, as operating activities for purposes of the Statement of Cash Flows. SEDCO considers itself to be a single function agency, with all of its expenses incurred for economic development loaning activities. Management and general and fundraising expenses are immaterial and are not segregated in the financial statements.

**Grow America Fund**

The National Development Council (NDC) is a national nonprofit established in 1969. NDC's work focuses on homes, jobs and community. The Grow America Fund is a national small business lending program administered by NDC. NDC operates as a community development lender to support the creation of jobs and the expansion of eligible small businesses in underserved communities, particularly minority and women-owned businesses. NDC loans are partially guaranteed by the U.S. Small Business Administration. SEDCO began participating in the Grow America Fund in 2017 with an initial contribution of \$250,000. SEDCO is required to contribute another \$250,000, as shown as restricted in the Statement of Net Position, after program loans in the Fund exceed \$1,000,000. A total of \$975,000, as of December 31, 2025 and 2024, of Grow America Fund program loans have been made with \$25,000 of lending capacity remaining. There were no contributions made by SEDCO in 2025 or 2024.

**Cash and Cash Equivalents**

The corporation considers all short-term investments purchased with an original maturity of three months or less to be cash equivalents. At various times during the year, SEDCO's cash and cash equivalents balances exceeded the federally insured limits of \$250,000. At December 31, 2025 and 2024, SEDCO's uninsured cash and cash equivalents balances totaled approximately \$1,490,400 and \$1,426,600 respectively. Restricted cash represents monies restricted for agreements and other specified purposes in accordance with the terms and conditions of such agreements and contracts.

**2. Loan Activities**

SEDCO's major activities involve the loaning of funds for commercial businesses in the City of Syracuse, New York. For the years ended December 31, 2025 and 2024, SEDCO issued new loans totaling \$1,506,268 and \$3,376,508, respectively.

**SYRACUSE ECONOMIC DEVELOPMENT CORPORATION**  
**Notes to the Consolidated Financial Statements**

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**3. Loans Receivable and Allowance for Credit Losses**

SEDCO provides financial assistance to businesses and other local economic development entities in the City of Syracuse as a means of supporting business expansion and job creation. One form of financial assistance is loans. Since all the loans are to businesses and other entities within the City of Syracuse, all such loans are concentrated geographically in the City of Syracuse. The ability of the borrowers to honor their loans is dependent on the real estate and general economic conditions in the City of Syracuse and surrounding communities. Loans are reported at their outstanding unpaid principal balances, net of an allowance for credit losses. Interest income is not accrued for past due principal balances. Loan origination fees, if any, are received at closing. Interest rates range from 0% to 5% on loans.

The allowance for credit losses is management's estimate of losses inherent in the loan portfolio and is recorded as a reduction of loans. Management performs a monthly evaluation of the adequacy of the allowance. The allowance is based on past loan loss experience, past delinquency rates and subsequent recoveries. For the years ended December 31, 2025 and 2024 an allowance for credit losses of \$1,000,000 and \$500,000 was recorded, respectively.

Loans are concentrated solely in the City of Syracuse. SEDCO considers a concentration of loans that are equal to or greater than 5% of the total loans outstanding. A summary of such concentrations is as follows:

| Borrower   | 2025                 |             | 2024                 |             |
|------------|----------------------|-------------|----------------------|-------------|
| A          | \$ 2,067,929         | 20%         | \$ 2,102,558         | 20%         |
| B          | -                    | 0%          | 1,000,000            | 10%         |
| All others | 8,486,164            | 80%         | 7,224,606            | 70%         |
| Total      | <u>\$ 10,554,093</u> | <u>100%</u> | <u>\$ 10,327,164</u> | <u>100%</u> |

Borrower A – This borrower consists of three separate loans. Loan A is a \$908,099 loan with an annual interest rate of 5%. Beginning on November 1, 2014, equal monthly principal and interest payments are due over a 30 year period. Loan B is a \$600,000 loan with an annual interest rate of 1%. Beginning on May 1, 2015, monthly principal and interest payments of \$1,500 are required for 20 years with a balloon payment due in May 2035 for \$352,685. Loan C is \$1,000,000 with an annual interest rate of 0%. The loan began repayment on September 1, 2008 at an amount of \$833 per month over a 30-year period with a balloon payment of \$700,834 due August 2038. All three loans are secured by a mortgage on the borrower's property.

Borrower B – This loan is for \$1,000,000 and has an annual interest rate of 3%. The total amount of the loan and interest is due on April 30, 2025. The loan was paid in full during 2025.

SEDCO also issues loans as in substance grants provided to borrowers which are generally only payable if terms and conditions of such loans are not adhered to. If the terms and conditions of such loans are adhered to, the principal and interest will generally be forgiven. These types of loans are not considered loans for purposes of the financial statements and are excluded from the \$10,100,152 and \$9,827,164 of net loans receivable as of December 31, 2025 or 2024.

**SYRACUSE ECONOMIC DEVELOPMENT CORPORATION**  
**Notes to the Consolidated Financial Statements**

**3. Loans Receivable and Allowance for Credit Losses (continued)**

A summary of such loans/grants as of December 31 is as follows:

| Borrower/Grantee | 2025 |              | 2024 |              |
|------------------|------|--------------|------|--------------|
| A                | \$   | 408,906 100% | \$   | 460,020 64%  |
| All others       |      | - 0%         |      | 262,181 36%  |
|                  | \$   | 408,906 100% | \$   | 722,201 100% |

A summary of the activity of these loans/grants for the year ended December 31 is as follows:

| 1/1/2025   | New       | Reclassified |              | 12/31/2025 |
|------------|-----------|--------------|--------------|------------|
| Beginning  | Issuances | from         | Deductions   | Ending     |
|            |           | Loans        |              |            |
| \$ 722,201 | \$ -      | \$ -         | \$ (313,295) | \$ 408,906 |

Borrower A – The loan was for \$1,022,274 and bears interest of 2.4%. Annual payments of principal and interest are due each February 28<sup>th</sup> for 20 years, beginning February 28, 2014. Payments are only required if the borrower has sufficient cash flow from the property based on terms and conditions of the loan. The amount of principal to forgive is \$51,114 each year. As of December 31, 2025, cumulative principal of \$613,368 has been forgiven in accordance with the terms and conditions of the loan.

All others - These grants are only repayable from the grantee if the grant conditions established by SEDCO are not adhered to during the course of the grant period.

**4. Note Receivable**

SEDCO was the owner of Deys Centennial Plaza and established Deys Centennial Plaza Limited Partnership (DCPLP) to complete rehabilitation of the land and buildings.

In December 2009, the Deys Centennial Plaza Project was sold to developers. Two notes totaling \$5,500,000, both bearing interest at 3%, were issued to the developers.

In September 2021, the notes receivables were restructured into one note in the amount of \$4,290,185 and reissued by SEDCO. The terms of the note were restructured as follows:

- a) Interest only payments of \$3,575 commencing November 1, 2021, and continuing on the first day of each consecutive month through April 1, 2023
- b) On or before April 1, 2023, the borrower shall make a principal payment in the amount of \$500,000
- c) Interest only payments of \$3,159 commencing May 1, 2023, and continuing on the first day of each consecutive month through October 1, 2031
- d) At maturity or the earlier acceleration of the note, the borrower shall pay the entire principal balance plus all accrued and unpaid interest and fee.

**SYRACUSE ECONOMIC DEVELOPMENT CORPORATION**  
**Notes to the Consolidated Financial Statements**

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**4. Note Receivable (continued)**

For the years ended December 31, 2025 and 2024 SEDCO received interest income of \$42,902 and \$39,327, respectively. The borrower failed to make principal payments in accordance with the restructured terms in 2025 or 2024. The Organization is currently working with the borrower to receive payment.

The amount due on the notes is as follows:

| Year Ended December 31: | Principal           | Interest          | Total               |
|-------------------------|---------------------|-------------------|---------------------|
| 2026                    | \$ 500,000          | \$ 37,902         | \$ 537,902          |
| 2027                    | -                   | 37,902            | 37,902              |
| 2028                    | -                   | 37,902            | 37,902              |
| 2029                    | -                   | 37,902            | 37,902              |
| 2030                    | -                   | 37,902            | 37,902              |
| Thereafter              | 3,790,185           | 31,585            | 3,821,770           |
|                         | <u>\$ 4,290,185</u> | <u>\$ 221,095</u> | <u>\$ 4,511,280</u> |

The loan is secured through a subordinate mortgage on the property and guarantees from the borrowers.

**5. Escrows Payable**

Escrows payable represent amounts held by SEDCO on behalf of borrowers. The payable is reduced as the money is released to pay authorized disbursements on behalf of the borrower. The payables were \$688,424 and \$567,954 as of December 31, 2025 and 2024, respectively.

**6. Grants and Deferred Income**

SEDCO periodically receives monies from the City of Syracuse (the "City") for certain programs administered by SEDCO. These programs contain eligibility requirements for which SEDCO must meet. Monies received in advance of meeting these eligibility requirements are recorded as deferred revenue in these financial statements.

**1) Community Development Block Grant (CDBG) Entitlement Program**

This program is authorized under Title I of the Housing and Community Development Act (HCDA) of 1974, as amended. On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act provided an emergency supplemental appropriation of CDBG funding for states, entitlement communities, and insular areas. This appropriation, referred to as CDBG-CV program funds, to distinguish it from the annual formula CDBG program, is to be used similarly as annual formula grants, but specifically to prevent, prepare for, and respond to the coronavirus. SEDCO received grants totaling \$500,000 from the City pertaining to the CDBG-CV program funds. As of December 31, 2025 SEDCO's cumulative eligible and allowable costs totaled \$490,644. The grant expenditures are subject to various federal regulations as required by the Department of Housing and Urban Development, under CFDA 14.218. These regulations impose a 6-year period of performance, therefore SEDCO must expend the remaining funds by August 2027.

**SYRACUSE ECONOMIC DEVELOPMENT CORPORATION**  
**Notes to the Consolidated Financial Statements**

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**7. Income Taxes**

SEDCO is a not-for-profit corporation exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, and has been classified as an organization that is not a private foundation under Section 509(a) of the Code. SEDCO also believes none of its activities are subject to unrelated business income tax; therefore, no provision for such income tax has been made in the financial statements for the years ended December 31, 2025 and 2024. SEDCO has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. It is SEDCO's policy to recognize any interest and penalties in the provision for taxes. SEDCO's tax returns are subject to examination by taxing authorities for a period of three years from the date they are filed.

Under provisions of the Internal Revenue Code, companies that are treated as partnerships (Deys Centennial Plaza and Deys Centennial Plaza Limited Partnership (Deys Entities)) are not subjected to income taxes, and any income or loss realized is taxed to the individual members. Accordingly, no provisions for federal income taxes appear in the financial statements.

**8. Related Parties**

SEDCO's offices and accounting personnel are furnished and paid by the primary government, the City of Syracuse, New York. The City of Syracuse allocates salaries and benefits for employees of the City that work on behalf of the Corporation. These salaries and benefits are included in salaries and benefits expense and totaled \$343,371 and \$140,316, respectively for the years ended December 31, 2025 and 2024. Amounts due to or from the City of Syracuse are ordinarily settled in the current fiscal year.

**9. Subsequent Events**

In preparing the financial statements, management of SEDCO has evaluated events and transactions for potential recognition or disclosure through May 13, 2026, the date the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

## **SUPPLEMENTAL INFORMATION**

**SYRACUSE ECONOMIC DEVELOPMENT CORPORATION**  
**Consolidating Statement of Net Position**  
**December 31, 2025**

|   | Syracuse Economic<br>Development<br>Corporation | Dey's<br>Centennial<br>Plaza<br>Limited | Dey's<br>Centennial<br>Plaza<br>Inc. | Intercompany<br>Eliminations | Consolidated<br>Total |
|---|---|---|--------------------------------------|------------------------------|-----------------------|
| <b>ASSETS</b>   |   |   |                                      |                              |                       |
| Current Assets:   |   |   |                                      |                              |                       |
| Cash and cash equivalents   | \$ 1,728,807                                    | \$ 178,473                              | \$ 129,202                           | \$ -                         | \$ 2,036,482          |
| Restricted cash   | 250,000   | -                                       | -                                    | -                            | 250,000               |
| Loans receivable  | 1,074,265                                       | -                                       | -                                    | -                            | 1,074,265             |
| Notes receivable  | 500,000   | -                                       | -                                    | -                            | 500,000               |
| Total current assets  | <u>3,553,072</u>                                | <u>178,473</u>                          | <u>129,202</u>                       | <u>-</u>                     | <u>3,860,747</u>      |
| Loans receivable, net   | 8,479,828                                       | -                                       | -                                    | -                            | 8,479,828             |
| Notes receivable, net   | 3,790,185                                       | -                                       | -                                    | -                            | 3,790,185             |
|   | <u>\$ 15,823,085</u>                            | <u>\$ 178,473</u>                       | <u>\$ 129,202</u>                    | <u>\$ -</u>                  | <u>\$ 16,130,760</u>  |
| <b>LIABILITIES AND NET POSITION</b>                                 |   |   |                                      |                              |                       |
| Current Liabilities:  |   |   |                                      |                              |                       |
| Escrows and accounts payable  | \$ 740,351                                      | \$ -                                    | \$ -                                 | \$ -                         | \$ 740,351            |
| Deferred federal monies   | 453,756   | -                                       | -                                    | -                            | 453,756               |
| (Receivable) / Payable to Syracuse Economic Development Corporation | (287,416)                                       | 162,239                                 | 125,177                              | -                            | -                     |
| Total current liabilities   | <u>906,691</u>                                  | <u>162,239</u>                          | <u>125,177</u>                       | <u>-</u>                     | <u>1,194,107</u>      |
| Total liabilities   | <u>906,691</u>                                  | <u>162,239</u>                          | <u>125,177</u>                       | <u>-</u>                     | <u>1,194,107</u>      |
| Net Position:   |   |   |                                      |                              |                       |
| Unrestricted  | 14,666,394                                      | 16,234                                  | 4,025                                | -                            | 14,686,653            |
| Restricted - Grow America Fund                                      | 250,000   | -                                       | -                                    | -                            | 250,000               |
| Total Net Position  | <u>14,916,394</u>                               | <u>16,234</u>                           | <u>4,025</u>                         | <u>-</u>                     | <u>14,936,653</u>     |
|   | <u>\$ 15,823,085</u>                            | <u>\$ 178,473</u>                       | <u>\$ 129,202</u>                    | <u>\$ -</u>                  | <u>\$ 16,130,760</u>  |

The accompanying notes are an integral part of these financial statements



**SYRACUSE ECONOMIC DEVELOPMENT CORPORATION**  
**Consolidating Statement of Activities and Changes in Net Position**  
**For the Year Ended December 31, 2025**

|                                   | Syracuse<br>Economic<br>Development<br>Corporation | Dey's<br>Centennial<br>Plaza<br>Limited | Dey's<br>Centennial<br>Plaza<br>Inc. | Intercompany<br>Eliminations | Consolidated<br>Total |
|-----------------------------------|--|---|--------------------------------------|------------------------------|-----------------------|
| <b>REVENUE</b>                    |  |   |                                      |                              |                       |
| Grant and contribution revenue    | \$ 8,482   | \$ -                                    | \$ -                                 | \$ -                         | \$ 8,482              |
| Interest income - loans and notes | 173,896  | -                                       | -                                    | -                            | 173,896               |
| Interest income - bank            | 32,171   | -                                       | -                                    | -                            | 32,171                |
| Total revenue                     | <u>214,549</u>                                     | <u>-</u>                                | <u>-</u>                             | <u>-</u>                     | <u>214,549</u>        |
| <b>EXPENSES</b>                   |  |   |                                      |                              |                       |
| Professional fees                 | 61,492   | 25                                      | -                                    | -                            | 61,517                |
| Grant program - CDBG              | 7,510  | -                                       | -                                    | -                            | 7,510                 |
| Salaries and benefits             | 343,371  | -                                       | -                                    | -                            | 343,371               |
| Credit allowance expense          | 546,059  | -                                       | -                                    | -                            | 546,059               |
| Other expenses                    | 24,846   | 96                                      | 96                                   | -                            | 25,038                |
| Total expenses                    | <u>983,278</u>                                     | <u>121</u>                              | <u>96</u>                            | <u>-</u>                     | <u>983,495</u>        |
| Change in net position            | (768,729)  | (121)                                   | (96)                                 | -                            | (768,946)             |
| Net position at beginning of year | 15,685,123   | 16,355                                  | 4,121                                | -                            | 15,705,599            |
| Net position at end of year       | <u>\$ 14,916,394</u>                               | <u>\$ 16,234</u>                        | <u>\$ 4,025</u>                      | <u>\$ -</u>                  | <u>\$ 14,936,653</u>  |

The accompanying notes are an integral part of these financial statements



May 13, 2025

Memorandum To: **SEDco Board Fo Directors**  
Re: **Cracked Bean Roastery, LLC | SEDco Community Impact Fund**  
Staff Recommendation: **\$150,000**

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**Borrower Background:**

The Cracked Bean Roastery, LLC is owned and operated by Michelle Curse, who founded the business in 2018 as a side venture focused on coffee roasting and sales. Michelle initially learned the roasting process independently and began selling coffee through wholesale accounts and local farmers markets.

In 2021, Michelle transitioned to operating the business full-time and opened The Cracked Bean Roastery's first café location in Syracuse's Eastwood neighborhood on James Street. The business sources green coffee beans and roasts them in-house in small batches for sale through its café, retail, and wholesale channels. The company currently employs 4 full-time employees and 4 part-time employees.

In 2024, Michelle began planning for the expansion of the business through the development of a second location within the City of Syracuse. During her site search, she identified 719 East Genesee Street as a potential location for expansion. The proposed second location would allow the business to expand its operations beyond coffee service into restaurant offerings. Plans for the site include a full kitchen and extended operating hours intended to serve the surrounding neighborhood and customer base.

**Proposed Project:**

The Cracked Bean Roastery is seeking to expand its operations through the opening of a second location at 719 East Genesee Street in Syracuse. The property, formerly occupied by Strong Hearts Café, has remained vacant since their departure.

The proposed project involves the redevelopment of the existing commercial space into a brick-and-mortar coffee shop with a full kitchen to support dine-in and take-out food service operations. The new location is intended to expand the company's current business model beyond coffee sales and café service. The project is also expected to create 8 new full-time positions and 4 new part-time positions upon completion and stabilization of operations.

The site is located near downtown Syracuse in an area expected to experience continued redevelopment activity associated with the Interstate 81 infrastructure project. The applicant has identified nearby residents, Syracuse University students, nearby hospitals and visitors, the adjacent hotel, and surrounding businesses as potential customer bases for the location.

The total estimated project cost is approximately \$493,000. The applicant is currently in discussions with Pursuit regarding additional project financing and has also received an offer from Growth & Equity for financing in an amount not to exceed \$30,000 for the purchase of initial inventory.

**SEDco Loan Request:**

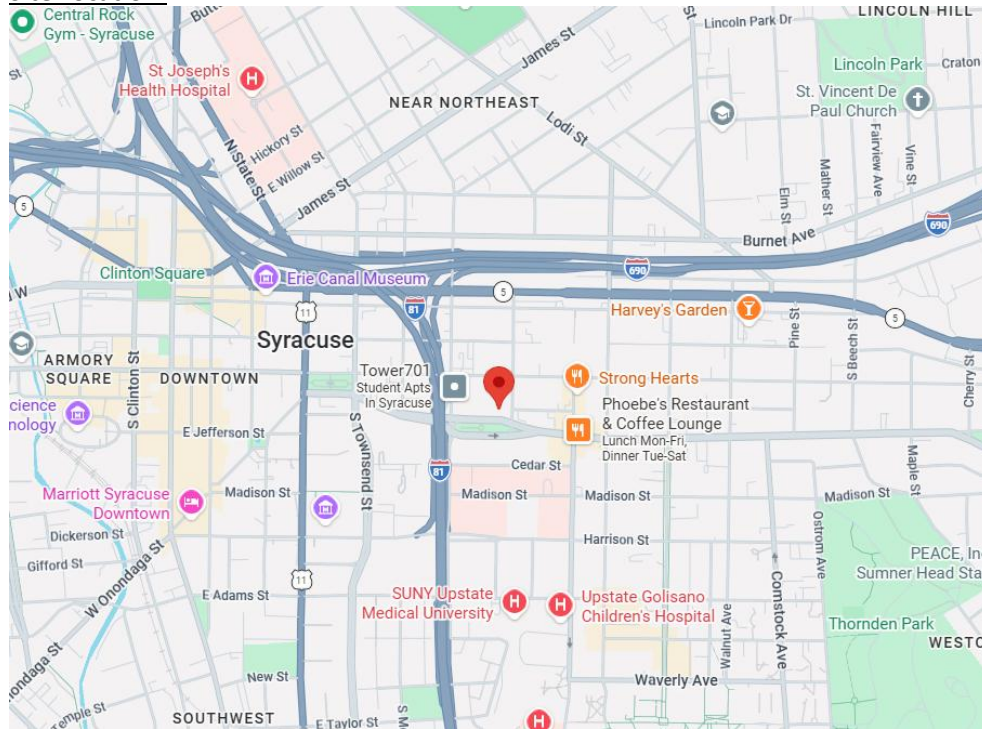
The applicant is requesting a loan in the amount of \$200,000. Loan proceeds will be used to assist with the renovation and rehabilitation of the commercial space at 719 East Genesee Street, as well as the purchase and installation of equipment necessary for business operations at the proposed second location.

The total estimated project cost is approximately \$493,000. The applicant is currently working with Pursuit, which is considering financing through the SBA 7(a) loan program. In addition, Growth & Equity has committed up to \$30,000 to be used toward the purchase of initial inventory for the business.

### Collateral:

SEDCO will hold a subordinate lien position behind Pursuit Lending and the SBA in connection with the proposed financing structure

### Site Location:



**SOURCES & USES:**

| <b>Uses</b>             |                 |                     |
|-------------------------|-----------------|---------------------|
| 1                       | Construction    | \$55,933.00         |
| 2                       | Electrical      | \$37,023.00         |
| 3                       | Plumbing        | \$44,690.00         |
| 4                       | HVAC            | \$2,528.00          |
| 5                       | Flooring        | \$13,781.12         |
| 6                       | Finishes        | \$60,827.00         |
| 7                       | Contingency     | \$17,658.00         |
| 8                       | Equipment       | \$159,559.88        |
| 9                       | Working Capital | \$101,000.00        |
| <b>Total Investment</b> |                 | <b>\$493,000.00</b> |

| <b>Sources</b>          |                 |                     |
|-------------------------|-----------------|---------------------|
| 1                       | SEDCO           | \$150,000.00        |
| 2                       | Pursuit         | \$263,000.00        |
| 3                       | Growth & Equity | \$30,000.00         |
| 4                       | Owners' Equity  | \$50,000.00         |
| <b>Total Investment</b> |                 | <b>\$493,000.00</b> |

To date, the applicant has invested approximately \$51,600 toward project-related costs. SEDCO funding is intended to support remaining eligible project costs, including leasehold improvements and equipment purchases associated with the buildout and opening of the new location.

**Recommendation:**

The proposed project at 719 East Genesee Street would support the expansion of The Cracked Bean Roastery's operations through the redevelopment and occupancy of a long-vacant commercial property. The project represents a meaningful private investment in the corridor and is expected to contribute the surrounding neighborhood through increased commercial activity and property utilization. In addition, the expansion is projected to create 12 new jobs, further strengthening economic development in the region.

SEDCO staff has reviewed the company's historical operating performance, projected financial statements, and anticipated cash flow generation. Based on the demonstrated operational history of the business, the strength of the projected cash flows, and the overall economic impact associated with the project, staff recommends approval of the request as presented.

The recommended approval of a loan would be for the amount of \$150,000 with a total term of 78 months, structured as six (6) months of interest-only payments followed by seventy-two (72) months of principal and interest payments. Approval of the loan shall be contingent upon the receipt of a signed commitment letter from Pursuit Lending in the amount of \$263,000.



May 13, 2026

Memorandum To: **SEDco Board of Directors**  
Re: SEDco Loan Interest Rate Structure

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**Review and Reassessment of SEDco Loan Interest Rate Structure:**

SEDco's current lending structure generally targets fixed interest rates between 3.00% and 5.00%. While this approach has historically supported economic development objectives and borrower affordability, prevailing market conditions and current lending practices among financial institutions suggest that a reassessment of SEDco's rate structure may be appropriate.

Most conventional lenders currently price commercial loans using a prime lending rate benchmark based on their preferred financial index or source, typically applying an additional spread of approximately 200 to 250 basis points or greater depending on project risk, collateral, and borrower strength. In comparison, SEDco's current rates are materially below prevailing market lending rates, regardless of changes in broader interest rate conditions.

**Recommendation:**

To better align SEDco's lending practices with current market conditions while continuing to provide favorable financing terms to borrowers, staff recommend consideration of a revised rate structure tied directly to the Wall Street Journal Prime Rate. Under this approach:

- The maximum SEDco interest rate would be set at the current WSJ Prime Rate.
- The minimum SEDco interest rate would be set at WSJ Prime minus 250 basis points.
- Final loan pricing within that range would continue to be determined based on factors including project risk, collateral coverage, borrower financial strength, and economic development impact.
- The applicable Prime Rate would be established seven (7) days prior to the applicable Loan Committee meeting and remain fixed for the duration of the commitment letter period.
- The SEDco Board of Directors would retain the discretion to approve an interest rate above or below the proposed range based on its judgment and/or the recommendation of SEDco staff when warranted by specific project considerations or economic development objectives.

This structure would allow SEDco to maintain below-market and flexible financing options while creating a more responsive and sustainable framework that adjusts to changing market conditions. It would also provide consistency and transparency in loan pricing while preserving the organization's ability to support economic development projects within the City of Syracuse.