



To: SEDCO Board of Directors
From: Eric Ennis, Executive Director
Date: July 25, 2022
Re: SEDCO Board of Directors Meeting Agenda – July 26, 2022

The Syracuse Economic Development Corporation **Board of Directors Meeting on Tuesday July 26, 2022 at 4:00 PM** held via Webex: [Please click here to join the meeting](#)

I. Call Meeting to Order

II. Roll Call – 1

III. Proof of Notice - 2

IV. Minutes – 3

Approval of minutes from the June 28, 2022 Board meeting.

V. New Business –

ARPA Lending Programs Community Impact Fund Requests – 4

Review and discussion of the loan financing requests submitted as part of the American Rescue Plan Act (ARPA) Community Impact Fund for consideration.

Project Requests under Consideration:

1. Cedric Stevens
 - *Attachment: Memo to the SEDCO Board of Directors*
2. Pyramids Halal Meat Inc.
 - *Attachment: Memo to the SEDCO Board of Directors*

New York Main Street Application – 5

Application for commercial and mixed-use building façade improvements for 4500-4700 Block of South Salina Street.

Attachment:

1. *Map of NYMS Target Area*

VI. Old Business –

1. Top Stitch Upholstery – 6
 - *Attachment: Summary memo of clarification answers*

VII. Organizational Updates – 7

VIII. Adjourn



PLEASE POST

PLEASE POST

PLEASE POST

PUBLIC MEETING NOTICE

THE SYRACUSE ECONOMIC DEVELOPMENT CORPORATION

HAS SCHEDULED

A

BOARD OF DIRECTORS MEETING

ON

TUESDAY JULY 26, 2022

AT 4:00 PM.

VIA WEBEX

Meeting Link:

<https://syrgov.webex.com/syrgov/j.php?MTID=m905463d41c347be27c1216432322d01b>

VIA Phone

+1-408-418-9388

Access Code: 2338 440 2963

For more information, please contact Vaughntorrien Davis at Vdavis@syrgov.net

Minutes
Syracuse Economic Development Corporation
Board of Directors Meeting
Tuesday, June 28, 2022
4:00 – 5:00 PM

Meeting was held via WebEx
Syracuse NY 13202

Board Members Present: Michael Greene, Karolina Marcinkowski, Eric Ennis, Jacky Duong, Vaughn Davis, Richard Driscoll, Patrick Lannon, Fred Marty, Nicholas Petragnani, Brianca Hill, Jennifer Tifft, Stephen Gross, Sheena Solomon

Board Members Excused: Mr. Fish, Mr. Dickerson, and Mr. Barbee

Staff Present: Eric Ennis, Fred Marty, Esq., Jacky Duong, Vaughn Davis, Cole King, Brianca Hill.

I. Call Meeting to Order

Ms. Tifft called the meeting to order at 4:02 PM.

II. Roll Call

Ms. Tifft acknowledged that all Board Members were present except for Mr. Fish, Pastor Dickerson and Mr. Barbee

III. Proof of Notice

Ms. Tifft made note acknowledging proof of notice was out in a timely manner.

IV. Minutes

Ms. Tifft asked for a motion approving the minutes from the May 24, 2022 Board meeting.

Mr. Gross made the motion. Mr. Petragnani seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE MEETING MINUTES FROM MAY 24, 2022.**

V. New Business

American Rescue Plan Act (ARPA) Community Impact Fund Requests

Mr. Davis introduced a total of one (1) request that was reviewed and considered by committees convened as part of the Community Impact Fund. He provided background that these requests are eligible for up to \$200,000 in financing with a maximum term of 15 years at 2.0% interest. The project was discussed and reviewed, with a separate vote taking place with the SEDCO Board of Directors.

1. J. B. Brady DBA Brady Systems: Approval of \$200,000

Ms. Tifft asked for a motion to approve J. B. Brady DBA Brady Systems for \$200,000 for a period of 15 years (180 months) at 2.0% interest, with an interest-only period of six (6) months during the time of construction.

Ms. Solomon made the motion. Mr. Driscoll seconded the motion. **ALL BOARD MEMBERS VOTED TO APPROVE J. B. BRADY DBA BRADY SYSTEMS FOR COMMUNITY IMPACT FUND ASSISTANCE.**

SEDCO ARPA Small Business Assistance Fund Requests:

Mr. Ennis introduced a total of three (3) requests that were reviewed and considered by committees convened as part of the Small Business Assistance Fund. He provided background that these requests are eligible for up to \$25,000 in financing at 1.5% interest.

Mr. Ennis reviewed each of the three requests in detail and based on the information for each applicant reflected in the summary memorandums provided to the board. Each project was discussed and reviewed, with a separate vote taking place with the SEDCO Board of Directors.

1. Star Boutique

Ms. Tifft asked for a motion to approve Star Boutique for \$24,160 for a period through December 2026 at an interest rate of 1.5%.

Mr. Driscoll made the motion for the full amount on condition that the staff investigates the auto expense making sure it's eligible. Ms. Solomon seconded the motion.. **ALL BOARD MEMBERS PRESENT VOTED TO APPROVE STAR BOUTIQUE FOR SMALL BUSINESS ASSISTANCE FUND.**

2. North Salina Car Wash of Syracuse

Ms. Tifft asked for a motion to approve North Salina Car Wash of Syracuse. for \$25,000 for a period through December 2026 at an interest rate of 1.5%.

Mr. Petragani made the motion. Mr. Lannon seconded the motion. **ALL BOARD MEMBERS VOTED TO APPROVE NORTH SALINA CAR WASH OF SYRACUSE FOR THE SMALL BUSINESS ASSISTANCE FUND.**

3. TopStitch Upholstery

The Board discussed the request and agreed that further due diligence was required. SEDCO staff agreed to provide additional insight and clarifications from the applicant and would follow up directly with the ARPA committee members that have been previously involved with the loan request and met with the applicant.

Ms. Tifft asked for a motion to delegate authority to approve a request to TopStitch Upholstery to the ARPA Community Impact Fund review committee following additional due diligence and clarification for \$25,000 for a period through December 2026 at an interest rate of 1.5%.

Ms. Gross made the motion. Mr. Driscoll seconded the motion. **ASIDE FROM SHEENA SOLOMON WHO OPPOSED, ALL BOARD MEMBERS VOTED TO ASSIGN APPROVAL AUTHORITY TO THE ARPA COMMUNITY IMPACT FUND REVIEW COMMITTEE TO DETERMINE THE REQUEST FOR TOPSTITCH UPHOLSTERY.**

VI. Adjourn

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

The meeting adjourned at 5:02 PM.



June 22, 2022

Memorandum To: SEDCO Board of Directors
From: Vaughntorrien Davis
Re: Cedric Stevens, Inc.
SEDCO ARPA Community Impact Fund Loan Request – \$200,000.00

Background:

Cedric Stevens, Inc. is a real estate development company established in 2020 and currently owns 722 Butternut Street, located in Syracuse’s Prospect Hill Neighborhood on the Northside. The building has been occupied by squatters for two years, due to the eviction moratorium that was put in place due to the pandemic. This has caused loss in revenue and property damage that requires a “full gut rehab”. The squatters have since left the premise and the owner is now able to move forward with renovations. The property is currently located a couple of blocks away from St. Joseph’s hospital and 23 other commercial businesses.

Most recently, the building housed ‘Cougars on Butternut Street’ a bar and tavern which closed and the ground floor commercial has remained vacant ever since. At this time no tenant has been identified to fill the ground level commercial space and this remains available for lease. The owner has struggled to recruit tenant interest due to the condition of the building and storefront.

The applicant is seeking SEDCO financing to bring the property up to acceptable conditions so potential residential and commercial tenants will have an interest in renting space making the property have a part in making the community better.

Proposed Project:

Cedric Stevens, Inc. owner of 722 Butternut Street is looking to redevelop this vacant property, improving its contribution to the streetscape. The two-story building, will add 4 new residential units and up to 2 commercial units to the area once redevelopment is complete. This will consist of a roughly \$665,500 in investments that will include ACM and mold abatement, new mechanicals, site work and facade improvements, new windows and doors, new flooring, walls, fixtures, and updated plumbing and electrical.

Loan Request:

Cedric Stevens Inc. is seeking \$200,000 in financing through SEDCO ARPA Community Impact Fund that will be used to support interior renovations as this will aid in soliciting new tenants for commercial and residential space adding potential employment and housing for the community.

SOURCES & USES:

Project Budget:

Table with 2 columns: Item, Amount. Row 1: Building Construction & Renovation (SEDCO) \$ 665,500.00. Row 2: TOTAL INVESTMENT \$ 665,500.00

Project Sources:

Table with 2 columns: Item, Amount. Row 1: SEDCO Community Impact financing \$ 200,000.00. Row 2: Owner Equity \$ 30,340.00. Row 3: Loan \$ 410,160.00. Row 4: 25k National Grid Grant \$ 25,000.00

TOTAL INVESTMENT

\$ 665,500.00

Impact of Covid-19:

“Due to the COVID pandemic we were unable to take the legal steps to remove squatters from the building. This enabled them to remain and damage the building that it now requires a full gut rehab. This not only caused a significant loss in rental income, it has now increased the rehab of the building. The COVID pandemic also increased construction materials by almost 30%, which now also causes the redevelopment budget to have been increased.”

Borrower:

Cedric Stevens is the sole owner of Cedric Stevens Inc. He also owns other residential properties within the city.

Collateral:

SEDCO would seek to hold a subordinate mortgage lien on the 722 Butternut Street property for the amount of the loan. A personal guarantee from Cedric Stevens would also be secured as the owners of the borrowing entity.

Recommendation:

Staff is recommending that the Board of Directors approve this loan amount as presented. This project is located a few blocks from St. Joseph’s hospital and multiple commercial properties that would benefit from the rehab of 772 Butternut Street. The project will result in the activation of new ground level commercial storefront-space creating new employment opportunities, as well as bring multiple residential units back online directly within the Butternut Street corridor-one of the most economically challenged areas within the City of Syracuse.

Based on the maximum terms available as part of the Community Impact Fund, SEDCO would structure the interest rate at 2.0% for this loan, with a term of a fifteen (15) years (180 months). The first 6 months would be an interest-only period in order for the project to fully get underway prior to principal and interest payments being collected.



July 26, 2022

Memorandum To: SEDCO Board of Directors
 From: Vaughntorrien Davis
 Re: Pyramids Halal Meat Inc.
 SEDCO Community Impact Fund Loan Request – \$200,000.00

Background:

Pyramids Halal Meat Inc. is a market and restaurant that was founded in 2011 and is located at 1700 Lodi St. on the City’s Northside. The applicant owns three (3) properties that they are looking to renovate and update the appliances in order to improve the business offerings including an expanded space for the market and prepared foods, and result in renovated affordable housing.

Proposed Project:

The Pyramids Halal Meat Inc. is a project that focuses on updating the interior and exterior of the market as well as much needed updates to affordable rental properties. It will consist of a full interior renovation (updating the floors, paint and appliances) for the 1700 Lodi St. location that currently houses the market. The project also includes renovating and updating two (2) rental properties that are used for section 8 housing. The updating of 100 Park Street and 913 butternut Street include a new roof, siding, windows, a new kitchen and bathroom and a driveway. All three properties are owned by the applicant entity (Pyramids Halal Meat, Inc.). The applicant’s original intentions were to use the funds from the market to finance the renovations to the rental properties. However, due to Covid-19 the market has not been able to generate sufficient revenue to accomplish this. These projects have been deferred in order to prioritize the retention of employees and to prevent reducing staff hours or pay. Also, the added expenses for the market due to recent inflated prices of inventory and the increasing cost of construction materials has proven to be an obstacle.

Loan Request:

The funds received from SEDCO will be used for a combination of uses including site work construction involving the renovation and purchase of new appliances for the 1700 Lodi store. The request also includes a new roof, siding and windows for the 1000 Park St location. And a complete renovation of the 913 Butternut Street apartment including the kitchen, bathrooms and bedrooms. A portion of the SEDCO funds would also be used for attorney's fees to undertake and complete the project.

Sources and Uses:

Project Budget:

a. Building Construction & Renovation	\$150,000.00
b. Engineering/ Architect Fees	\$15,000.00
c. Site Work/ Demolition	\$40,000.00
d. Equipment	\$20,000.00
e. Furniture & Fixtures	\$15,000.00
f. Legal Fees	\$5,000.00
g. <u>Permitting Fees</u>	<u>\$5,000.00</u>
TOTAL INVESTMENT	\$250,000.00

Project Sources:

a. SEDCO Community Impact financing	\$200,000.00
b. <u>Owner Equity</u>	<u>\$50,000.00</u>
TOTAL INVESTMENT	\$250,000.00

Impact of Covid-19:

Due to Covid-19 the applicant has been unable to move forward with their expansion of the market or undertake the improvements to the rental properties. The cost of construction materials has increased significantly, and the business has prioritized the need to retain their employees and workforce throughout the pandemic. The applicant has allocated all attention over the past two years to the market so that he wouldn't have to lay off employees or cut their pay. This caused projects such as the rental properties to be postponed.

Borrower:

Hani Mahmoud is the sole owner and principal behind the applicant entity Pyramids Halal Meat Inc.

Collateral:

SEDCO would seek to hold a subordinate mortgage lien on the three properties; 1700 Lodi St, 1000 Park St and, 913 Butternut St. for the amount of the loan. A personal guarantee from Hani Mahmoud would also be secured as the owner of the borrowing entity.

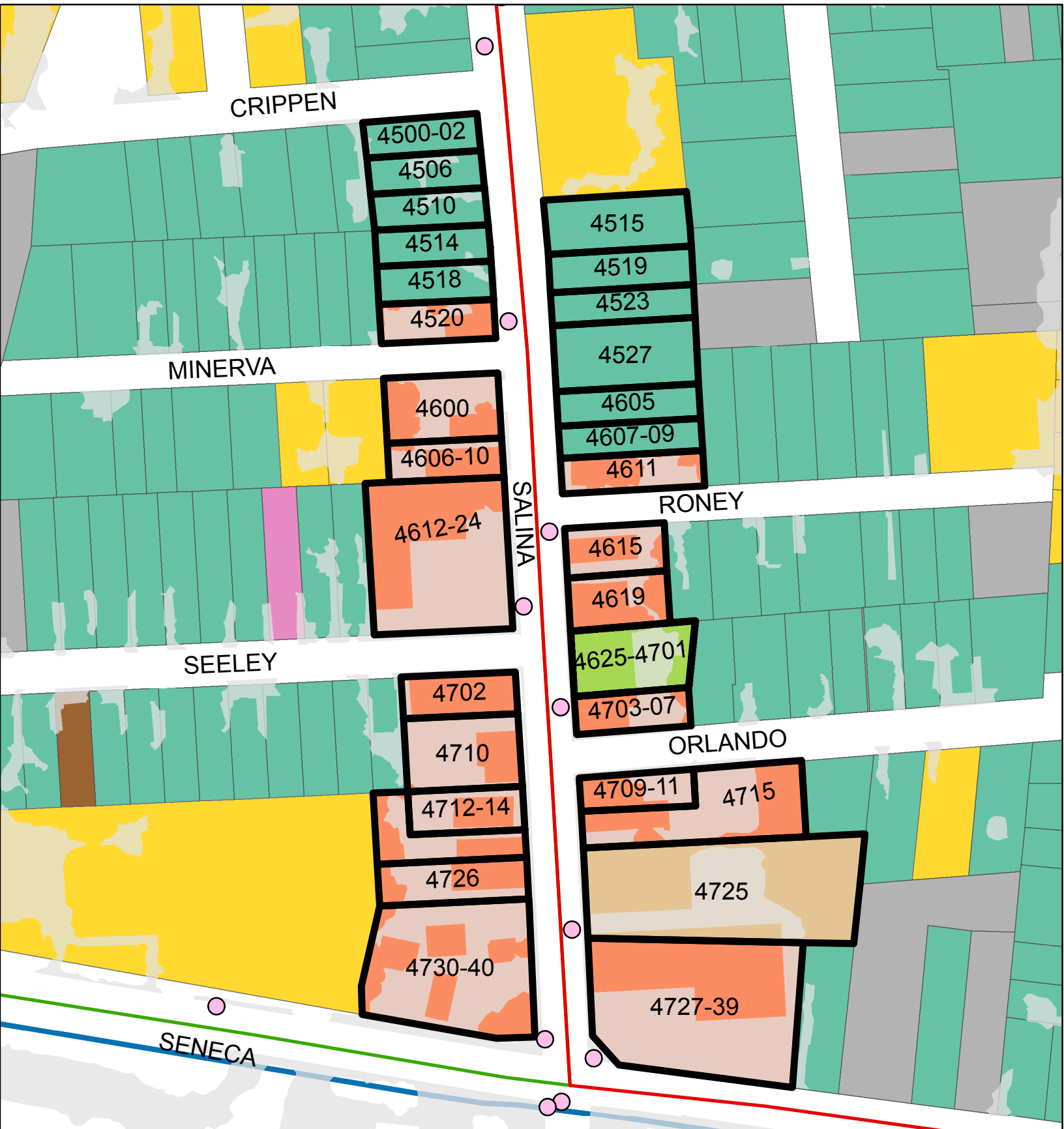
Recommendation:

Staff is recommending that the Board of Directors consider a recommendation to approve the request based on the terms outlined below. This is a project that is vital food source to a neighborhood that is culturally diverse and requires that their food is prepared and cared for in a specific manner.

Based on the terms available as part of the Community Impact Fund, SEDCO would structure the interest rate at 2.0% for this loan, with a term of a fifteen (15) years (180 months). The first 6 months would be an interest-only period in order for the project to fully get underway prior to principal and interest payments being collected.

2022 New York Main Street Application

S Salina St Corridor



MAP KEY

Census Tract 61.01

- Land Use**
- Residential - Apartment
 - Community Services
 - Multiple Residence
 - Religious
 - Residential - Single or Two Family
 - Residential - Three Family
 - Utilities
 - Vacant Land
 - Parking



Bus Shelter



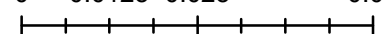
Bus Stop

Block Group

- 2
- 3
- Target Area



0 0.0125 0.025 0.05 Miles



This map was prepared by the Department of Neighborhood and Business Development based on property records and is provided for planning purposes only. CSJ | 07/29/2021

TopStitch Upholstery Funding Explanation

1) What has created the need for you to hire from outside of the region and need to recruit individuals from outside of the United States for your staffing needs?

There are no existing training schools for Automotive Upholstery in the United States, let alone in this area, and moreover there exists no qualified and available workers in this area. Upholsterers are a dying breed and upholstery itself is a dying trade in the United States. We posted a job on Indeed.com and ZipRecruiter.com for over 2 years with no candidates applying to said job. We have employed the services of the InterFaith Group/Agency on James Street looking for people to no avail. And we have employed the services of La Liga on the Westside of Syracuse with little success for general laborers. We have contacted upholstery shops in NYC and other major cities in New York, Shops in Pennsylvania, Virginia, Ohio, Indiana, The New England States, and Florida, and all to no avail. We have posted job openings on Facebook.com, and in specific groups on Facebook.com and had one (1) person contact us from Washington State but never called back to finalize any employment. Exhausting our efforts here in the USA, we started looking outside the USA. Puerto Rico was our first contact until we learned from a government official that if we hire a Puerto Rican without registering with the agency that we would face a misdemeanor charge in PR. From there we moved on to other central and south american countries. It was easier finding qualified and available upholsterers in countries outside the USA than in the USA. Skilled trades are taught more in those countries than here.

2) Within the budget in your revised request, legal expenses for immigrant visa expenses were listed at approximately \$11,000. Can you please provide more insight into exactly what the proceeds of the SEDCO funds would be used to pay for in order to hire the two additional staff from outside the Country. Do these projected costs include both legal services and also the cost of obtaining the visas themselves?

The projected costs are straight from the Bolowski Law Firm in Buffalo for completing the legal processes with the Federal Department of Labor and the Immigration Services Department (\$8,000), and the cost of expedited visas for two employees (\$1,500 each/\$3,000 for both).

3) Can you further explain the process used to identify the two individuals being hired using immigrant visas, and will these be full time positions once they are hired? It was referenced that the business is securing new contracts that are helping you to expand and grow your workforce. Can you provide more insight into the size of the new contracts that are supporting this staffing growth? What is the average rate of pay for employees, and will these numbers be consistent for the domestic as well as immigrant workforce?

We were able to contact some upholstery shops in Cuba and Columbia and asked them to provide our contact information to potential candidates over there. We received two replies from Raul in Cuba, and Fabian in Columbia. We then spoke with each of them via WhatsApp and Skype to ascertain their experience and work ethic via video chats. Once identified and vetted we contacted Bolowski Law Firm to inquire about permanent visas for them to work here. Both of these individuals will be Full Time Employees at our facility. The business has secured contracts and bids that will support our growth and staffing. We have configured a part of our shop to handle and produce 10' by 40' dump trailer covers for STS Trailer in Syracuse, which they will be selling to their customers directly and will provide us around \$216,000 a year. We have also won bids on remodeling contracts with The Gem Diner for their booth seating and Connor's Restaurant in Fort Myers Florida that will provide for an additional \$23,000 in revenue for July 2022. We also are finalizing the sale of 3 Touchless Covers which will also increase revenue approximately \$36,000. We are further closing on a contract with Lockheed Martin for EST table covers. The owner is actively seeking contracts and large projects to secure. The average pay for experienced upholsterers is \$20 to \$25 an hour (ie., \$42,000/yr.) and all upholsterers will be paid equally, regardless of origin or immigration status.

If there are any other questions or concerns please feel free to contact me.