



To: SEDCO Board of Directors
From: Eric Ennis
Date: June 27, 2022
Re: SEDCO Board of Directors Meeting Agenda – June 28, 2022

The Syracuse Economic Development Corporation **Board of Directors Meeting on Tuesday, June 28, 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 May 24, 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. Brady Systems
 - Attachment: *Memo to Board of Directors*

ARPA Lending Programs Micro-enterprise & Small Business Assistance Fund Requests – 5

Review and discussion of funding requests received for the ARPA lending programs.

Attachment:

1. *Applicant summary of funding requests*

VI. Adjourn



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PUBLIC MEETING NOTICE

THE SYRACUSE ECONOMIC DEVELOPMENT CORPORATION

HAS SCHEDULED

A

BOARD OF DIRECTORS MEETING

ON

TUESDAY, June 28, 2022

AT 4:00 PM.

VIA WEBEX

Meeting Link:

<https://syrgov.webex.com/syrgov/j.php?MTID=mf20165f60598812a6964e26d3ed2fbb5>

Meeting Access Code: 2347 117 5314

Password: iaYxVAFW323

VIA Phone

(408) 418-9388

Access Code: 2347 117 5314

For More Information, Please Contact Eric Ennis at EEnnis@syrgov.net

Minutes
Syracuse Economic Development Corporation
Board of Directors Meeting
Tuesday, May 24, 2022
4:00 – 5:00 PM

Meeting was held via Webex
Syracuse NY 13202

Board Members Present: Jennifer Tifft, Richard Driscoll, Patrick Lannon, Steve Gross, Nick Petragrani, Sheena Solomon, Michael Greene, Ashanti Dickerson, Andrew Fish, Mark Barbee, and Karolina Marcinkowski.

Board Members Excused: None.

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 4:04 PM.

II. Roll Call

Ms. Tifft acknowledged that all Board Members were present except for Ashanti Dickerson, who was excused.

Mr. Ennis also introduced and welcomed Vaughn Davis, who was recent hired as the Business Loan Manager for SEDCO and the City of Syracuse Department of Neighborhood & Business Development.

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 April 26, 2022 Board meeting.

Mr. Lannon made the motion. Mr. Barbee seconded the motion. **ALL BOARD MEMBERS PRESENT EXCEPT FOR MR. FISH WHO ABSTAINED UNANIMOUSLY APPROVED THE MEETING MINUTES FROM APRIL 26, 2021.**

V. New Business

American Rescue Plan Act (ARPA) Community Impact Fund Requests

Mr. Ennis introduced a total of five (5) requests that were 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.

Mr. Ennis reviewed each of the five 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. Salina 1st, LLC

Ms. Tifft asked for a motion to approve Salina 1st LLC for \$200,000 for a period of 15 years (180 months) at 2.0% interest, with an interest-only period of two (2) years (24 months) during the time of construction.

Mr. Greene made the motion. Mr. Barbee seconded the motion. Mr. Petraghani noted to the board he would abstain due to a conflict of interest with the project. **ALL BOARD MEMBERS PRESENT EXCEPT FOR MR. PETRAGHANI WHO ABSTAINED VOTED TO APPROVE SALINA 1ST LLC FOR COMMUNITY IMPACT FUND ASSISTANCE.**

2. La Roasteria, Inc.

Ms. Tifft asked for a motion to approve La Roasteria, Inc. for \$200,000 for a period of 15 years (180 months) at 2.0% interest.

Mr. Driscoll made the motion. Mr. Dickerson seconded the motion. **ALL BOARD MEMBERS VOTED TO APPROVE LA ROASTERIA, INC. FOR COMMUNITY IMPACT FUND ASSISTANCE.**

3. Women's Economic Institute

Ms. Tifft asked for a motion to approve the Women's Economic Institute, Inc. for \$200,000 for a period of two years (24 months) at 2.0% interest; with an interest-only period for the term of the loan (24 months) amortized for a period of 15 years.

Ms. Solomon made the motion. Mr. Fish seconded the motion. **ALL BOARD MEMBERS VOTED TO APPROVE THE WOMEN'S ECONOMIC INSTITUTE FOR COMMUNITY IMPACT FUND ASSISTANCE.**

4. African & Caribbean Central Market LLC

Ms. Tifft asked for a motion to approve African & Caribbean Central Market 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.

Mr. Petragnani made the motion. Mr. Lannon seconded the motion. **ALL BOARD MEMBERS VOTED TO APPROVE AFRICAN & CARIBBEAN CENTRAL MARKET LLC FOR COMMUNITY IMPACT FUND ASSISTANCE.**

5. Acropolis Center, LLC: approval of \$100,000

Ms. Tifft asked for a motion to approve Acropolis Center LLC for \$100,000 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.

Mr. Gross made the motion. Mr. Fish seconded the motion. **ALL BOARD MEMBERS VOTED TO APPROVE AFRICAN & CARIBBEAN CENTRAL MARKET LLC FOR COMMUNITY IMPACT FUND ASSISTANCE.**

American Rescue Plan Act (ARPA) Lending Program Requests

Mr. Ennis provided an overview of the requests that were submitted and considered as part of the initial application requests submitted as part of the first round of the program. In total, 3 Micro-enterprise Assistance Fund requests (totaling \$5,000 or less); as well as 4 Small Business Assistance Fund requests (totaling \$25,000 or less) have been brought before the SEDCO Board for consideration following review and advanced with recommendations to approve from the ARPA Review Committee that met prior to the meeting.

Mr. Ennis presented the draft terms and conditions for loans approved as part of the ARPA programs, including:

Micro-Enterprise Assistance Fund:

1. *Term: 12 months (one year) from the date of closing, with an interest rate of 1.0%.*
2. *Loans will be forgivable, with no principal or interest payments required as long as all expenses are deemed eligible and documentation of expenses are provided, and all program requirements are met by the borrower.*
3. *Borrower must remain current on all City/School Property Taxes, Water Department fees, and any other fees connected to the City of Syracuse.*
4. *Legal fee / closing costs: \$0.*

Small Business Assistance Fund:

1. *Term: Through December 1, 2026 (approximately 51 months), with an interest rate of 1.5%.*
2. *A micro-enterprise with 10 or less employees will receive their first \$5,000 in principal forgiven as long as all expenses are deemed eligible and documentation of expenses are provided, and program requirements are met by the borrower.*
3. *Collateral: Personal Guarantee*
4. *Borrower must remain current on all City/School Property Taxes, Water Department fees, and any other fees connected to the City of Syracuse.*
5. *Legal fee / closing costs: \$300.*

The discussion with the board included clarifying questions about the applicants and the nature of their business.

Mr. Ennis noted that SEDCO staff has undertaken a review of all expenses and the business in order to confirm all recommended amounts are based upon eligible expenses and use of funds. He also noted that one Small Business Fund applicant (Phyllip Martin Real Estate) was withdrawn due to a change in the business which no longer made it eligible for consideration.

Ms. Tifft asked for a motion to approve all 3 applications submitted for the Micro-Enterprise Assistance Fund, as well as 4 applications submitted for the Small Business Assistance Fund (in light of the withdrawn application) with the aforementioned terms and conditions for each recipient approved for the funding amounts recommended and presented to the board.

Mr. Fish made the motion. Mr. Driscoll seconded the motion. **ALL BOARD MEMBERS PRESENT APPROVED 7 APPLICATIONS INCLUDED AS PART OF THE AMERICAN RESCUE PLAN ACT (ARPA) LENDING PROGRAMS.**

VI. Adjourn

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

The meeting adjourned at 5:34 PM.



June 27, 2022

Memorandum To: SEDCO Board of Directors

From: Vaughntorrien Davis

Re: J.B. Brady, Inc.
SEDCO ARPA Community Impact Fund Loan Request –
\$200,000.00

Background:

J.B. Brady, Inc. dba Brady Systems is a local company that was founded in 1955 that sells and services scales, weighing-systems and commercial food service equipment. Their current location of 811 N. Alvord Street is in dire need of repair. Due to the impact of COVID19 on their customer's they immediately saw a 15-20% drop in their service calls. The business currently employs approximately 21 people. The economic challenges due to the pandemic put the applicant in a situation where they were forced to reduce their staffing in order to stay viable. With the current rate of inflation on parts and supply prices, Brady Systems has increased their employee wages to keep the staff from leaving and going to a competitor.

The applicant is seeking funding from the SEDCO ARPA Community Impact Fund to restore their 140 year-old historic brick building. It's in need of significant restoration work to keep it safe, functional and allowing the company to maintain their headquarters at its current location in Syracuse.

Proposed Project:

The company's headquarters is a 140-year-old historic brick building located on Syracuse's Northside. They've been in business in this neighborhood since 1955. In order to maintain its historic integrity, it needs significant restoration work to keep it safe, functional. This will allow the company's headquarters to remain in the City for many more years to come.

The applicant has identified a scope of work to make building repairs and improvements using SEDCO Community Impact Fund financing. The list below includes the known planned restoration efforts for the building at 811 Alvord Street:

1. Heritage Masonry Restoration - Repair and repoint various sections of brick exterior
2. JK General Contracting - Reconstruction of section of interior steps
3. Bon-Ton Glass Company - Replace various windows
4. There is a vacant upper floor apartment which will be gutted and then rented out adding value to the neighborhood by investment in this project."

Loan Request:

J.B. Brady Inc. is seeking \$200,000 in financing through SEDCO ARPA Community Impact Fund that will be used to support renovations to the 140 year old historical building; providing a safe and functionally up to date work environment for their employees.

SOURCES & USES:

Project Budget:

a. Façade Work	\$120,000.00
b. Interior Steps Reconstruction	\$20,000.00
c. <u>Windows</u>	<u>\$60,000.00</u>
TOTAL INVESTMENT	\$200,000.00

Project Sources:

a. <u>SEDCO Community Impact financing</u>	<u>\$200,000.00</u>
TOTAL INVESTMENT	\$200,000.00

Impact of Covid-19:

The applicant immediately saw a 15-20% drop in their volume of service calls. In order to remain viable they needed to make a similar reduction in our staffing levels. The uncertainty of the post pandemic atmosphere affects their customers and in turn their need for the applicant's products and services. More recently, inflation has entered the picture. Equipment, parts and supplies prices are increasing at rates that haven't been seen before.

Borrower:

Ross W. Stefano is the sole owner of J.B. Brady Inc.

Collateral:

SEDCO would seek to hold a subordinate mortgage lien on the 811 N. Alvord Street property for the amount of the loan. A personal guarantee from Ross W. Stefano would also be secured as the owners of the borrowing entity.

Recommendation:

Brady Systems went before the Loan Committee on June 23rd for initial approval. The project is located on the Northside's Washington Square district and is a historical building that has been a staple in the community for 140 years. The financing will assist a legacy manufacturing business within the City and help reposition the company for the future.

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.

SEDCO ARPA Lending Programs | Small Business Assistance Fund Requests | 6.28.22

Applicant	Industry Classification	Contact Person	Neighborhood	Fund Category	Qualified Census Tract?	Requested Amount	Recommendation	Forgivable Portion?	Description of Request	Impact of Covid-19	Justification
Star Boutique of CNY	Retail Trade	Fatuma Osman	Northside	Small Business Assistance Fund	Yes	\$ 24,160.00	\$ 24,160.00	Yes	Star Boutique CNY is a small family-owned retail shop specializing in selling affordable clothing and accessories to refugee and local residents. The applicant is seeking funding to purchase inventory, update their website, pay utilities and rent, and purchase equipment.	Star Boutique CNY opened in 2019, right before the pandemic struck throughout the world. In March of 2020, the owner took a huge hit by investing over \$20,000 in clothing for the youth to prepare for back-to-school season in September. Unfortunately that inventory went unsold as kids were mandated to work from home for the school year.	Loss of small business revenue
North Salina Car Wash of Syracuse	Personal Service / Automotive	Jesse Guyer	Washington Square	Small Business Assistance Fund	Yes	\$ 25,000.00	\$ 25,000.00	Yes	This property was originally built in 1988, multiple upgrades and additions have been made by the previous owners, the latest approximately around 2010. The applicant purchased this property and business in early 2020 (prior to covid) and has been able to make several small repairs/ upgrades, but larger upgrade items have been sidelined due to funding and Covid.	Shortly after purchasing the business in January 2020, Covid became a reality. Everything was uncertain, and we were forced to shut down temporarily. Staffing was uncertain and several people chose not to come back to work. Our 24/7 self-serve operations actually became more in-demand, since people were home, they had more time to clean and service their cars. The behind-the-scenes cleaning and property and maintenance was difficult with less employees, but we were able to rise to the task.	Disproportionately impacted populations and communities
TopStitch Upholstery	Retail Trade	Joe Gallagher	Park Avenue	Small Business Assistance Fund	Yes	\$ 25,000.00	\$ 25,000.00	Yes	Applicant is applying for funding in order to bring on additional staff and purchase equipment to improve workflow for the business.	"COVID-19 hit TopStitch Upholstery hard. The owner depleted his entire 401k, savings and damaged his credit to keep the doors open, get the jobs done and keep the customers satisfied" "We experienced slower production due to the inability to hire employees due to the quarantine"	Disproportionately impacted populations and communities
TOTAL SEDCO FUNDING AMOUNTS:						\$ 74,160.00	\$ 74,160.00				