



**To:** SEDCO Board of Directors  
**From:** Eric Ennis  
**Date:** March 28, 2022  
**Re:** SEDCO Board of Directors Meeting Agenda – March 29, 2022

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The Syracuse Economic Development Corporation **Board of Directors Meeting on Tuesday, March 29, 2022 at 3:30 PM held via Webex:** <https://syrgov.webex.com/syrgov/j.php?MTID=m3e6f77134fe92debf02e2a77ae690d22>

**I. Call Meeting to Order**

**II. Roll Call – 1**

Welcome New Board Members: *Mark Barbee; Andrew Fish; Karolina Marcinkowski*

**III. Proof of Notice - 2**

**IV. Minutes – 3**

Approval of minutes from the March 3, 2022 Board meeting.

**V. New Business –**

**Vibrant Syracuse Spaces, LLC – SEDCO Traditional Loan Request – 4**

Review and discussion of a request for traditional loan financing to complete the buildout and renovation of a mixed-use building located at 200 West Fayette Street.

Attachment:

1. *Memo to the Board of Directors*

**American Rescue Plan Act (ARPA) Lending Programs – 5**

Provide an overview of the loan requests received and reviewed at the committee level for the Micro-Enterprise Assistance Fund and Small Business Assistance Fund categories.

Attachment:

1. *Summary table of submitted requests, applicant information, and committee recommendations*

**ARPA Lending Status Report – 6**

Provide an overview of updates based on loan requests reviewed and approved by the board of directors.

**VI. Adjourn**



PLEASE POST

PLEASE POST

PLEASE POST

**PUBLIC MEETING NOTICE**

**THE SYRACUSE ECONOMIC DEVELOPMENT CORPORATION**

**HAS SCHEDULED**

**A**

**BOARD OF DIRECTORS MEETING**

**ON**

**TUESDAY, MARCH 29, 2022**

**AT 3:30 PM.**

**VIA WEBEX**

**Meeting Link:**

**<https://syrgov.webex.com/syrgov/j.php?MTID=m3e6f77134fe92dbf02e2a77ae690d22>**

**VIA Phone**

**+1-408-418-9388**

**Access Code: 2344 940 5398**

**For more information, please contact Eric Ennis at [EEnnis@syrgov.net](mailto:EEnnis@syrgov.net)**

**Minutes**  
Syracuse Economic Development Corporation  
Board of Directors Meeting  
Wednesday, March 3, 2022  
12:00 – 1:30 PM

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Meeting was held via Webex  
Syracuse NY 13202

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**Board Members Present:** Jennifer Tift, Ashanti Dickerson, Richard Driscoll, Patrick Lannon, Steve Gross, Hon. Michael Greene, Sheena Solomon.

**Board Members Excused:** Nick Petragnani.

**Staff Present:** Eric Ennis, Fred Marty, Esq., Jacky Duong, Brianca Hill; Cole King; Vinita Armstrong.

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**I. Call Meeting to Order**

Ms. Tift called the meeting to order at 12:08 PM.

**II. Roll Call**

Ms. Tift acknowledged that all Board Members were present except for Nick Petragnani, who was excused.

**III. Proof of Notice**

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

**IV. Minutes**

Ms. Tift asked for a motion approving the minutes from the December 29, 2021 Board meeting.

Ms. Gross made the motion. Mr. Driscoll seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE MEETING MINUTES FROM DECEMBER 29, 2021.**

**V. New Business**

**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, 23 Micro-enterprise Assistance Fund requests (totaling \$5,000 or less); as well as 20 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 56 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 questions about two applicants in which more information was requested: OMNI Procurement and T&G Furniture. With both requests, SEDCO staff agreed to go back and seek additional clarification on how the funds requested in the application were being used in order to ensure enough information is provided regarding these two requests. The board expressed their support for all of the requests and agreed each one fit the eligibility criteria for the program based on the information submitted. The board agreed to that based upon the review conducted by SEDCO staff, and noting the recommendation to approve that was provided by the ARPA Review Committee, that 41 of the 43 requests should be approved. The two remaining requests, from OMNI Procurement and T&G Furniture respectively, would be placed on hold and would be considered again at the next meeting once more information has been received. Additionally, the board recommended approval of Park & Save convenience, however asked SEDCO staff to verify the status of this food store as an authorized business with all necessary approvals from the City of Syracuse, and to verify there have not been previous issues with this business.

Ms. Tiffit asked for a motion to approve all 23 applications submitted for the Micro-Enterprise Assistance Fund, as well as 18 applications submitted for the Small Business Assistance Fund, with the exception of OMNI Procurement and T&G Furniture be approved with the aforementioned terms and conditions for each recipient be approved for the funding amounts recommended and presented to the board. Ms. Solomon made the motion. Mr. Dickerson seconded the motion. **ALL BOARD MEMBERS PRESENT**

**APPROVED 41 APPLICATIONS INCLUDED AS PART OF THE AMERICAN RESCUE PLAN ACT (ARPA) LENDING PROGRAMS.**

**Organizational Updates**

Mr. Ennis notified the board that David Mankiewicz has stepped down from the SEDCO Board of Directors, which has now led to three vacancies within the board. Following discussions with Mayor Walsh, SEDCO will welcome on three new board members in the coming weeks and are expected to join the next board meeting that will be held later in March. These new members include: Mark Barbee; Andrew Fish; Karolina Marcinkowski.

Mr. Ennis also notified the board that Jacky Duong has accepted a new role in place of John Vavonese as the Senior Financial Analysis for the Department of Neighborhood & Business Development. As part of Mr. Duong's role he will provide financial oversight of SEDCO, similar to the responsibilities that were held by Mr. Vavonese. Mr. Duong would be present and attending all SEDCO board meetings going forward.

**VI. Adjourn**

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

The meeting adjourned at 1:36 PM.



March 28, 2021

Memorandum To: SEDCO Board of Directors  
From: Eric Ennis  
Re: Vibrant Syracuse Space, LLC  
SEDCO Loan Request – \$200,000.00

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**Background:**

Since 2005, Rick Destito has been the owner and operator of ‘The Gear Factory’, located at 200 South Geddes Street, at the corner of Geddes and West Fayette Street. The 65,000 square foot building is a former industrial manufacturing facility that was home to the Brown-Lipe Gear Company, which created component parts and other manufactured goods for bicycles, motor vehicles, and other transportation industries.

Over several years and various construction phases, Mr. Destito has converted vacant former industrial space into a combination of commercial artist studios, performance/rehearsal space for musicians, and other commercial space such as a photography studio that has occupied the building for 6 years. More recently, Mr. Destito and Vibrant Syracuse Spaces completed new apartments on the 4<sup>th</sup> and 5<sup>th</sup> floors of the building, creating 30 units of new live/work housing for artists and creative professionals, many of who utilize the work studios on the lower floors. The residential units are fully leased, and there is a waiting list of musicians and artists seeking to lease the commercial studios – evidence of the strong demand for the services the Gear Factory provides.

Vibrant Syracuse Spaces, LLC is now undertaking a new phase to renovate the Gear Factory’s 3<sup>rd</sup> floor which is currently vacant, and establish new artist work units that will be available for lease later this year. The monthly cost to rent a commercial unit is projected to range from \$255 to \$800 based on unit size.

**Proposed Project:**

The applicant is seeking assistance from SEDCO to provide financing capital in order to complete the buildout of the 3<sup>rd</sup> floor of the Gear Factory. This will add new space to meet the strong and growing demand for artist space, and to expand the role the facility plays as an incubator for entrepreneurs in the arts and creative industries. Work has already started on the buildout of the 3<sup>rd</sup> floor space, however due to rising costs of construction materials, the overall project has increased, leading the application to seek financing instead of solely using owner equity. The project is expected to be complete in June 2022.

**Loan Request:**

Vibrant Syracuse Spaces, LLC is requesting loan financing from SEDCO in the amount of \$200,000 in order to complete the complete buildout of the 3<sup>rd</sup> floor of the building, and result in the creation of 19 new artist work spaces available for rent.

**Sources and Uses:**

*Project Budget:*

a. Interior demolition	\$ 5,000
b. Metal Studs/Sheetrock	\$ 35,000
c. Finishes (painting, flooring, etc.)	\$ 25,000
d. Plumbing	\$ 15,000
e. HVAC	\$ 54,000
f. Electrical	\$ 45,000
g. Fire Detection	\$ 12,000

h. Contingency	\$ 21,300
i. <u>Soft Costs</u>	\$ 3,407
TOTAL	\$ 230,707

*Project Sources:*

a. Owner Equity	\$ 30,707
b. <u>SEDCO Loan Financing</u>	\$ 200,000
TOTAL	\$ 230,707

**Borrower:**

Rick Destito is the sole owner of Vibrant Syracuse Spaces, LLC. The majority of the applicant's assets are tied to real estate properties, with five owned and managed within the City of Syracuse, including the Gear Factory. The applicant has worked with SEDCO before and was a previous borrower – in 2016 SEDCO financed a \$50,000 bridge loan to buildout first floor commercial space for a photography studio. The loan was repaid in full upon completion of the project and disbursement of the grant in 2017. The photography business is still an anchor tenant of the building today. During the term of the bridge loan, Mr. Destito remained in regular communication with SEDCO about the status of the project and there were no issues as a borrower up to when the loan was repaid in full with interest.

**Collateral:**

SEDCO would seek to hold a subordinate mortgage lien on the property for the amount of the loan – the lien would fall in second position behind a mortgage held by Home HeadQuarters. A personal guarantee from Mr. Destito would also be secured as the sole owner of the borrowing entity.

**Recommendation:**

A committee of SEDCO Board Members, tasked with considering the Community Impact Fund met with the applicant, and **recommended a reduced loan amount of \$125,000, with an interest rate at 3.0% with a term of fifteen (15) year (180 months) period.** This would maintain consistency with traditional SEDCO loan financing programs, since the applicant is located outside of an ARPA-eligible census tract, and therefore ineligible to receive assistance through the Community Impact Fund. The review committee voiced their support for the project, and feel confident in the applicant's ability to complete the project at the lower recommended loan amount.

The Gear Factory is an important piece to the ongoing revitalization efforts underway on the South Geddes Street business corridor. Recent progress include the opening of new apartment units on the upper floors of the Gear Factory, as well as Ponchito's Restaurant, however additional investment is needed to leverage outside entrepreneurs and businesses into the Near Westside neighborhood.

The financial support from SEDCO will assist in these ongoing efforts, and provide the capital necessary to complete a project that will build upon the Gear Factor's role as an incubator for new ideas and activity in the artist and creative community in Syracuse.

**SEDCO ARPA Lending Programs | Micro-Enterprise Assistance Fund Requests | 3.29.22**

<b>Applicant</b>	<b>Industry Classification</b>	<b>Neighborhood</b>	<b>Fund Category</b>	<b>Qualified Census Tract?</b>	<b>Requested Amount</b>	<b>Recommendation</b>
<b>Forge Collection Co.</b>	Retail Trade	Strathmore	Micro-Enterprise Assistance Fund	No	\$ 5,000.00	\$ 5,000.00
<b>Hawkins Mitigaton LLC</b>	Professional Services	Eastwood	Micro-Enterprise Assistance Fund	No	\$ 3,500.00	\$ 3,500.00
<b>Image Intergrator LLC</b>	Professional Services	Near Westside	Micro-Enterprise Assistance Fund	Yes	\$ 4,985.00	\$ 4,950.00
<b>Katapult Solutions</b>	Professional Services	Near Westside	Micro-Enterprise Assistance Fund	Yes	\$ 5,000.00	\$ 5,000.00
<b>Mariel Keppler, DBA</b>	Professional Services	Strathmore	Micro-Enterprise Assistance Fund	No	\$ 5,000.00	\$ 2,800.00
<b>Mind Body &amp; Spirit Family Threapy</b>	Personal Services	Eastwood	Micro-Enterprise Assistance Fund	No	\$ 5,000.00	\$ 5,000.00
<b>Pawsitivitea CNY LLC</b>	Food Service	Lakefront	Micro-Enterprise Assistance Fund	No	\$ 5,000.00	\$ 5,000.00
<b>TOTAL SEDCO FUNDING AMOUNTS:</b>				<b>2</b>	<b>\$ 33,485.00</b>	<b>\$ 31,250.00</b>



**SEDCO ARPA Lending Programs | Small Business Assistance Fund Requests | 3.29.22**

<b>Applicant</b>	<b>Industry Classification</b>	<b>Neighborhood</b>	<b>Fund Category</b>	<b>Qualified Census Tract?</b>	<b>Requested Amount</b>	<b>Recommendation</b>	<b>Forgivable Portion?</b>
<b>Alla Center LLC</b>	Professional Services	Salt Springs	Small Business Assistance Fund	Yes	\$ 25,000.00	\$ 18,000.00	Yes
<b>All About Me Childcare Center</b>	Childcare	Southwest	Small Business Assistance Fund	Yes	\$ 25,000.00	\$ 25,000.00	Yes
<b>Baghdad Restaurant LLC</b>	Food Service	Downtown	Small Business Assistance Fund	Yes	\$ 25,000.00	\$ 25,000.00	Yes
<b>BTC Ventures</b>	Hospitality	Downtown	Small Business Assistance Fund	Yes	\$ 25,000.00	\$ 25,000.00	Yes
<b>Express Taxi &amp; Medical Transport</b>	Transportation	Northside	Small Business Assistance Fund	Yes	\$ 17,950.00	\$ 17,950.00	Yes
<b>Go Hard Training</b>	Personal Services	Eastside	Small Business Assistance Fund	No	\$ 15,000.00	\$ 5,000.00	Yes
<b>LSB Cleaning</b>	Professional Services	Brighton	Small Business Assistance Fund	Yes	\$ 20,000.00	\$ 20,000.00	Yes
<b>Razzle Dazzle Italian Ices</b>	Food Service	Lakefront	Small Business Assistance Fund	No	\$ 25,000.00	\$ 25,000.00	Yes
<b>Syracuse Posters (315 Elite Enterprises, Inc.)</b>	Retail Trade	Lakefront	Small Business Assistance Fund	No	\$ 25,000.00	\$ 5,000.00	Yes
<b>T&amp;G Furniture</b>	Retail Trade	Northside	Small Business Assistance Fund	Yes	\$ 20,000.00	\$ 10,000.00	Yes
<b>OMNI Procurement</b>	Professional Services	Lakefront	Small Business Assistance Fund	No	\$25,000.00	\$ 25,000.00	Yes
<b>TOTAL SEDCO FUNDING AMOUNTS:</b>				<b>7</b>	<b>\$ 247,950.00</b>	<b>\$ 200,950.00</b>	