



To: SEDCO Board of Directors
From: Vaughn Davis
Date: September 6, 2023
Re: SEDCO Board of Directors Meeting Agenda – September 7, 2023

The Syracuse Economic Development Corporation **Board of Directors Meeting on Thursday September 7, 2023, at 3:30 PM held in person in the iLab Conference Room in City Hall, 233 East Washington Street, Syracuse, NY 13202.**

I. Call Meeting to Order

II. Roll Call – 1

III. Proof of Notice - 2

IV. Minutes – 3

Approval of minutes from the June 1, 2023, Board meeting.

VI. New Business – 4

ARPA Small Business Assistance Fund Requests

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

1. COBRA Construction
2. Twisted Images

ARPA Community Impact Fund Requests

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

1. Mastro Restaurant Group
2. Infinity Events, LLC
3. Shekinah Gloria Ministries Inc. (Hope Café)
4. Teamwork Coatings, Inc
5. Punch & Die Metal Fabrication
6. Sarah's Guest House

Organizational Updates

1. EPA Brownfield Conference 2023

VII. Adjourn



PLEASE POST

PLEASE POST

PLEASE POST

PUBLIC MEETING NOTICE

THE SYRACUSE ECONOMIC DEVELOPMENT CORPORATION

HAS SCHEDULED

A

BOARD OF DIRECTORS MEETING

ON

THURSDAY September 7, 2023

AT 3:30 PM

IN THE) CONFERENCE ROOM AT ONE PARK PLACE

LOCATED AT

SYRACUSE CITY HALL

233 E. WASHINGTON STREET, SYRACUSE, NY 13202

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

Minutes

Syracuse Economic Development Corporation
Board of Directors Meeting
Thursday, June 1, 2023
3:30 – 4:30 PM

Meeting was held in-person at:
The iLab at City Hall
233 E. Washington Street
Syracuse, NY 13202

Board Members Present: Eric Ennis, Rita Paniagua, Stephen Gross, Sheena Solomon, Richard Driscoll, Ashanti Dickerson, Patrick Lannon, Andrew Fish, Calvin Corridors, Jr.

Board Members Excused: Karolina Marcinkowski, Mark Barbee,

Staff Present: Vaughn Davis, Suzanne Macpherson, Jakia Durham Kelly, Fred Marty, Esq.

I. Call Meeting to Order

Mr. Ennis called the meeting to order at 3:34 PM.

II. Roll Call

Mr. Ennis acknowledged that all Board Members were present except for Karolina Marcinkowski, Mark Barbee.

III. Proof of Notice

Mr. Ennis made note acknowledging proof of notice was sent out in a timely manner and the change of location.

IV. Minutes

Mr. Ennis reviewed the SEDCO Board meeting minutes from May 4, 2023, and asked for a motion for approval.

Mr. Fish made the motion. Ms. Paniagua seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE MEETING MINUTES FROM MAY 4, 2023.**

V. New Business

1. ARPA Micro-Enterprise Assistance Fund Request:

- Parvenue Transportation Services

Mr. Davis provided an overview of the request from Parvenue Transportation seeking \$5,000 for a period of two (2) years and 2% interest. The funding was requested to purchase new kitchen equipment to assist with upgrading their kitchen space, as well as preparing them for future relocation.

Mr. Fish made the motion. Mr. Dickerson seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED.**

- M. Lemp Jewelers, Inc

Mr. Davis provided an overview of the request from M. Lemp Jewelers, Inc seeking \$3,775 for a period of two (2) years and 2% interest. The funding was requested for capital upgrades to the structure they're located in to enhance security and the exterior façade.

It was recommended by staff to grant Solutions \$4,000.00.

Mr. Driscoll made the motion. Ms. Paniagua seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED.**

2. Traditional SEDCO Financing:

- Mr. Davis provided an overview of the request from Miss Prissy's seeking \$200,000 for a period of nine (9) years (108 Months), 3% interest and an interest only period for the first eight (8) months to ensure that the applicant completes the project and begins generating revenue.
- A contingency was placed that requires the firm to produce an executed commitment from another traditional lending source in the amount no less than \$170,000 as well as enroll in Onondaga Community College's Small Business Development Center (SBDC).
- The funding was requested to assist with the buildout of their new location on S. Warrant Street

Mr. Dickerson made the motion, and it was suggested by the SEDCO Board that a twelve **(12) month period of interest only payments** would be more appropriate with assisting the applicant completes the project and begin operating. Ms. Solomon seconded the motion. **ALL BOARD MEMBERS PRESENT VOTED UNANIMOUSLY APPROVED THE REQUEST.**

VI. Adjourn

Mr. Gross made a motion to adjourn the meeting. Ms. Solomon seconded the motion. **ALL BOARD MEMBERS PRESENT VOTED IN FAVOR TO ADJOURN THE MEETING.**

The meeting was adjourned at 4:39PM.

SEDCO ARPA Lending Programs Application Summary
Financial Request Analysis
Fund Type: _____



<i>PART I: APPLICANT INFORMATION</i>					
Business Name	Business Address	Business/Industry Category:	Year Founded	Current # of employees	Total Amount Requested
					\$

<i>PART II: BUSINESS LOCATION</i>			
Neighborhood Location:		Located within ARPA-designated Census Tract?	<input type="checkbox"/> Y <input type="checkbox"/> N

<i>PART III: BUSINESS OWNERSHIP</i>					
Owner Name(s)	Residential Address:	% Owner	Credit Score	Total Covid-19 Assistance Received?	\$
				Previously Assisted by SEDCO/SIDA Covid Programs?	<input type="checkbox"/> Y <input type="checkbox"/> N
				Did the business experience a decline in 2020/21?	<input type="checkbox"/> Y <input type="checkbox"/> N

<i>PART IV: USE OF ARPA FUNDS:</i>		
Summary of the Requested Use of Funds:	Impact of Covid-19:	Efforts Taken Since March 2020:

<i>PART V: BUSINESS FINANCIALS</i>					
Business Financials			Supporting Documents Submitted		
	FY2022	FY 2023 (Interim)	The following documents were submitted with the request:		
Total Sales	\$	\$	Completed Application		
Total Income (Loss)	\$	\$	2021 Corporate Tax Returns		
Total Expenses	\$	\$	2021 Personal Tax Returns		
Net Profit (Loss)	\$	\$	2022 Interim Financials		
			Personal Financial Statement		
			NYS-45 Form		

<i>PART VI: PROPOSED BUDGET + PERSONAL FINANCIALS</i>					
Proposed SEDCO ARPA Budget			Personal Financial Statement		
Amount	Expense/Item	Purpose		Owner #1	Owner #2
\$			Total Assets	\$	\$
\$			Total Liabilities	\$	\$
\$			Net Worth	\$	\$
\$			Eligible for Forgiveness?		Y <input type="checkbox"/> N
\$			Staff Recommendation:		\$
\$					

Other Notes

SEDCO ARPA Lending Programs Application Summary
Financial Request Analysis
Fund Type: _____



<i>PART I: APPLICANT INFORMATION</i>					
Business Name	Business Address	Business/Industry Category:	Year Founded	Current # of employees	Total Amount Requested
					\$

<i>PART II: BUSINESS LOCATION</i>			
Neighborhood Location:		Located within ARPA-designated Census Tract?	<input type="checkbox"/> Y <input type="checkbox"/> N

<i>PART III: BUSINESS OWNERSHIP</i>					
Owner Name(s)	Residential Address:	% Owner	Credit Score	Total Covid-19 Assistance Received?	\$
				Previously Assisted by SEDCO/SIDA Covid Programs?	<input type="checkbox"/> Y <input type="checkbox"/> N
				Did the business experience a decline in 2020/21?	<input type="checkbox"/> Y <input type="checkbox"/> N

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Amount	Expense/Item	Purpose		Owner #1	Owner #2
\$			Total Assets	\$	\$
\$			Total Liabilities	\$	\$
\$			Net Worth	\$	\$
\$			Eligible for Forgiveness?		Y <input type="checkbox"/> N
\$			Staff Recommendation:		\$
\$					

Other Notes



September 5, 2023

Memorandum To: **SEDco Board of Directors**
From: Vaughntorrien Davis
Re: Mastro Restaurant Group | ARPA Community Impact Fund
Staff Recommendation: **\$200,000.00** in ARPA loan Financing

Borrower:

Mastro Restaurant Group, LLC (MRG) was founded by local restaurateur Kyle Mastropietro. MRG is currently in the process of finishing the last remaining work in phase 2 of building out a new bar and connecting bakery in the heart of Armory Square, located at 165 Walton Street the former location of Blue Tusk. MRG is the owner and parent company to several restaurant operations including Kasai Ramen, Danny's Steaks, both of which recently operated storefronts in Armory Square, as well as two take-out restaurants (known as "Ghost Kitchens"): Decir Algo and Syracuse Smash Burger.

In the midst of this significant expansion, MRG has been working to fully renovate and build a new restaurant and bar concept known as "The Tap House".

MRG has completed much of the buildout of the space investing **\$140,101.84** towards the project so far to go towards, new interior improvements, replacement of the bar, plumbing improvements, and new furniture & fixtures. Over the course of this buildout, the applicant ran into numerous unforeseen obstacles during phase 1 of the build out, such as mold abatement, delays with securing the necessary approvals, including a waiver for a grease trap, which led to an increase in costs and resulted in growing financial obligations that have built up during the last 18 months while the project has been ongoing.

Upon speaking with Mr. Mastropietro about the obstacles his new venture has been enduring, he noted that he was able to obtain permits to continue working on the buildout, the mold abatement is complete (though it required more construction work than initially anticipated), and he has taken steps to reduce costs and consolidating his businesses. This resulted in a decision to temporarily close Kasai Ramen and Danny's Steaks to relocate kitchen equipment and focus all operations on the Tap House to full open and operate this new restaurant and adjacent bakery. Kyle has stated his intent to reopen Kasai and Danny's in the future, hopefully elsewhere in Armory Square, but the focus is currently to successfully open and operate the Tap House.

Over the past 18 months over the course of the project, MRG has compiled significant debt and financial obligations that Kyle and his team are working through to satisfy the debts that have been made public. This includes enrolling in available payment plans where available, resolving outstanding payments owed, and maintaining close communications with those that he has outstanding debt.

Based on the information we have gathered, and documentation provided by Kyle, these include:

- The State Department of Taxation and Finance
 - Amount owed: \$128,928.00
- Reliance Financial of New Jersey
 - Amount owed: \$21,111.00
- Michael Romano of Fayetteville
 - Amount owed: \$3,774.24
- Sysco Foods
 - Amount owed: \$53,761.22

The applicant has also recently engaged in discussions with new investors who are seeking to invest up to \$100,000 in new equity into the business, which would be used to provide the funds necessary to pay outstanding debts and be used as working capital and the initial cash flow necessary to finish the project and begin operations. Kyle anticipates with the investor and loan capital available; the Tap House restaurant and bakery spaces would be finished and open later this Fall.

Proposed Project:

The funds requested are for a project that has already completed phase 1 of their build out and is requesting ARPA funding to complete what is left in order to complete the buildout and improvements to the restaurant and bakery space.

The funds the applicant requesting will go towards:

- Plumbing and Electrical upgrades.
- New Flooring.
- Construction Labor.
- Purchasing new light fixtures and furniture.
- An awning.
- A new Beer Draft System.
- Painting.
- A new hood vent for the bakery.

Mr. Mastropietro's project will help add to the revitalization of Armory Square by:

- Filling two vacant storefronts.
- Providing a space for individuals to enjoy baked goods and coffee during the day and in the evening come together to partake in Armory Square's night life.
- Adding additional job opportunities in the city.

SEDCO Loan Request – \$200,000.00

Usage of Funds:

The funds received from SEDCO will be used to complete the remainder of the Taphouse's buildout.

SOURCES & USES:

Project Budget:

a. Plumbing	\$23,850.00
b. Electric	\$9,850.00
c. Flooring	\$26,000.00
d. Construction Labor	\$8,000.00
e. Light Install	\$922.00
f. Awning	\$10,568.00
g. Beer Draft System	\$33,104.16
h. Audio Visual	\$5,000.00
i. Bakery Hood Vent	\$15,700.00
j. Bakery Paint	\$600.00
k. Smallware	\$50,000.00
l. Mold Abatement	\$10,000.00
m. Taphouse Paint	\$1,500.00
TOTAL INVESTMENT	\$195,094.16

Project Sources:

a. <u>SEDCO Community Impact financing</u>	<u>\$195,094.16</u>
TOTAL INVESTMENT	\$195,094.16

Proposed Loan Terms & Conditions:

After consulting with the Loan Review Committee, staff recommends the SEDCO Board of Directors approve the loan amount of \$200,000 as presented.

Based on the maximum terms available as part of the Community Impact Fund, SEDCO would structure the interest rate at 3.0% for this loan, with a term of ten (10) years (120 months) to reflect the term of the lease. The first six (6) months would be an interest-only period giving the applicant time to become established and begin generating revenue.

Collateral:

SEDCO would seek to hold a subordinate lien through a UCC filing on all the furniture, fixtures and equipment purchased with the funds for capital upgrades. The applicant has also offered the ability for SEDCO to hold a subordinate lien on K. Mastropietro's personal residence, a residential property which he owns. SEDCO will also secure personal guarantees from K. Mastropietro as the founder and owner of the applicant entity.

SEDCO would also place the following contingencies below:

- Before funds are disbursed the applicant must provide repayment arrangements for all judgments referenced above.
- An approval from the State Liquor Authority.
- A contract showing the finalized negotiations with proposed investors detailing how much funds:
 - Are being invested in totality.
 - The percentage of ownership each investor will have upon investing into the bar.
 - A guarantee that all funds invested will go towards the Taphouse **only**, and not towards any other debts.



September 7, 2023

Memorandum To: **SEDCO Board of Directors**
From: Vaughntorrien Davis
Re: Infinity Events, Inc | ARPA Community Impact Fund
Staff Recommendation: **\$199,500.00** in SEDCO ARPA loan Financing

Borrower:

Infinity Events, Inc. is a local firm established in 2013 that provides a venue that specializes in hospitality and food services for those who host events in the heart of downtown Syracuse. Owned by Kevin Samolis, Infinity Events, Inc. is located at 332 South Salina St. and has played a part in the revitalization efforts of S. Salina however, due to pandemic in 2020, quarantine, and the business has had to struggle to accommodate the reservations that were canceled or postponed and in need of rebooking while trying to take new reservations. This has resulted in a significant loss in revenue that was an obstacle that with time they were able to overcome.

Infinity Events, has weathered the storm of the COVID-19 Pandemic and is now in a stable condition to upgrade their event space, making it more energy efficient, aesthetically pleasing for their clients and additional services in the form of room and board for those who use the event space as a wedding reception. They have partnered with VIP Structures to develop the space behind the former Singer Building to use as an outdoor patio for additional event space. When the room is not reserved it will be available for rent through AirBNB, ensuring the ability to generate revenue from it is continuous throughout the year.

Proposed Project:

The funds requested are to assist with the completion of capital upgrades to the applicant's event space so that it is more energy efficient and providing services that will make them a more appealing location to host an event.

The funds they're requesting will go towards:

- The insulation of the ceiling, windows, and doors on the fifth floor.
- Replacing the carpet on the third floor.
- Repaving and development of the former Singer Building space.
- Construction of a living space to be rented to wedding reception clients, and those who are looking for accommodations during a brief stay in downtown Syracuse.

SEDCO Loan Request – \$199,773.00

Usage of Funds:

The funds received from SEDCO will be used to complete the buildout of an apartment and capital upgrades to the event space.

SOURCES & USES:

Project Budget:

a. Carpeting	\$46,892.00
b. Ceiling Insulation	\$3,375.00
c. Window Upgrades	\$9,583.00
d. HVAC System	\$27,500.00
e. Signage	\$15,000.00
f. Lighting & fencing	\$1,850.00
g. Equipment	\$33,971.00
h. Architect Fees	\$11,700.00
i. <u>Apartment Construction</u>	<u>\$205,000.00</u>
TOTAL	\$354,871.00

Project Sources:

a. SEDCO Community Impact financing	\$199,773.00
b. <u>Owner Equity</u>	<u>\$155,098.00</u>
TOTAL	\$354,871.00

Recommendation:

After consulting with the Loan Review Committee, staff recommends the SEDCO Board of Directors approve the loan amount of \$199,500 as presented to assist with the renovation and updates to the 332 South Salina Street event space and allow the applicant to reapply for Traditional SEDCO financing upon the completion of the construction project next door.

Based on the maximum terms available as part of the Community Impact Fund, SEDCO would structure the interest rate at 3.5% for this loan, with a term of ten (10) years (120 months) to reflect the term of the lease. The first six (6) months would be an interest-only period giving the applicant time to begin generating revenue.

Collateral:

SEDCO would seek to hold a subordinate lien on the 332 South Salina Street property as well a UCC filing on all the furniture, HVAC equipment and fixtures purchased with the funds for capital upgrades.

SEDCO will also secure personal guarantee from K. Samolis as the founder and director of the applicant entity.

Impact of Covid-19:

COVID-19 has caused the applicant a loss in revenue totaling up to approximately \$1.7million dollars and the loss of 2/3 of their staff.

The applicant has used this opportunity to raise the base pay for all employees, implemented a paid sick leave for staff as well as a Benefit package in hopes of attracting employees.



September 7, 2023

Memorandum To: SEDCO Board of Directors
From: Vaughntorrien Davis
Re: Shekinah Gloria Ministries Inc. DBA Hope Cafe | ARPA Community Impact Fund Request
Staff Recommendation: \$62,500.00 in SEDCO ARPA loan Financing

Borrower:

Shekinah Gloria Ministries Inc. DBA Hope Café was established in 2005 and is a local non-profit organization that helps provide meals and education to children from low-income families and owns the Hope Café. The restaurant is currently working on expanding to two new locations. One in Clay, NY and the other in the Syracuse, at 444 E. Genesee Street. They were in the process of expanding but due to the pandemic was forced to cancel their project and lose the \$100,000 already invested in the project. After a couple years of adjusting to the "new Normal" and some much-needed revamping they would like to begin working on expanding their brand and continuing to help feed local children from low income families and countries in S. America.

Proposed Project:

The applicant is requesting funds to fill the gap in completing the Buildout of their new restaurant location at 444 East Genesee Street. The expansion project will include:

- * Renovation of the site to accommodate food service
* New Kitchen Equipment
* New Furniture and Fixtures

SEDCO Loan Request – \$62,500.00

Usage of Funds:

The funds received from SEDCO will be used for the construction and renovation phase of the restaurant’s build out.

SOURCES & USES:

Project Budget:

Table with 2 columns: Item, Amount. Rows include Land & Property Acquisition (\$5,000.00), Building Construction & Renovation (\$60,000.00), Equipment (\$50,000.00), Furniture & Fixtures (\$15,000.00), Engineering/Architect Fees (\$6,000.00), Legal Fees (\$1,000.00), Permitting Fees (\$1,500.00), Contingency (\$5,000.00), and TOTAL INVESTMENT (\$143,500.00).

Project Sources:

Table with 2 columns: Item, Amount. Rows include SEDCO Community Impact financing (\$62,500.00), Owner Equity (\$81,000.00), and TOTAL INVESTMENT (\$143,500.00).

Recommendation:

After consulting with the Loan Review Committee, staff recommends the SEDCO Board of Directors approve the loan amount of \$62,500 as presented as the project is an opportunity to invest in the local food community as well as assist one of the City's Non-Profit organizations who assists with feeding and educating the children in our local community.

Based on the maximum terms available as part of the Community Impact Fund, SEDCO would structure the interest rate at 3.0% for this loan, with a term of five (5) years (60 months) to reflect the term of the lease. This is subject to change as the applicant is working with the landlord to extend the lease further.

The first 3 months would be an interest-only period for the project to fully get underway prior to principal and interest payments being collected.

Collateral:

SEDCO would seek to hold a UCC filing on all the furniture, fixtures and equipment purchased with the funds for the build out. SEDCO will also secure a personal guarantee from Matthew Cullipher as the founder and director of the applicant entity.

Impact of Covid-19:

N/A



September 7, 2023

Memorandum To: **SEDCO Board of Directors**
 From: Vaughntorrien Davis
 Re: Teamwork Coatings, Inc | ARPA Community Impact Fund Request
 Staff Recommendation: **\$175,000.00** in SEDCO ARPA loan Financing

Borrower:

Teamwork Coatings, Inc was established in 2021 and is a manufacturing company that specializes in coating metal equipment used for medical, military purposes. Owned by Gary Campbell and Ted Jeske the company currently has 8 full time employees that work in their warehouse, located at 116 Granger St., and would like to add additional employment opportunities as the business is looking to expand however, due to a roof that’s in need of repair, space that employees can work safely is severely limited.

Teamwork Coatings, Inc is rapidly growing and needs staff to fulfil their contractual obligations but will need to have the roof replaced so that the employees can work in areas that aren’t leaking when it rains or when the snow has melted.

Proposed Project:

The applicant is requesting funds to complete capital improvements to their 116 Granger St. location. The main workshop where the processing of parts and components occur, is approximately 5,800 sq.ft with a 16’8" high parallel chord long span design metal truss, flat roof, supported on peripheral cinder block constructed walls.

Currently a tar/paper style roofing surface layer is in service. With significant "ponding" during heavy rainfall and snow melt, leaks often manifest themselves in random areas. Other than the safety hazard created by these leaks, there is approximately a 20% reduction in working space thereby restricting both capacity and throughput.

SEDCO Loan Request – \$200,000.00

Usage of Funds:

The funds received from SEDCO will be used for the replacement of the roof of the Granger St. location.

SOURCES & USES:

Project Budget:

a. <u>Building Construction & Renovation</u>	<u>\$200,000.00</u>
TOTAL INVESTMENT	\$200,000.00

Project Sources:

a. SEDCO Community Impact financing	\$175,000.00
b. <u>Owner Equity</u>	<u>\$ 25,000.00</u>
TOTAL INVESTMENT	\$200,000.00

Recommendation:

After consulting with the Loan Review Committee, staff recommends the SEDCO Board approve a loan in the amount of \$175,000 as presented as the business needs assistance with replacing their roof to continue to operate and hire additional employees to continue to serve the local medical and industrial firms, along with the various medical, military, and industrial firms in other states.

Based on the maximum terms available as part of the Community Impact Fund, SEDCO would structure the interest rate at 3.0% for this loan, with a term of fifteen (15) years (180 months).

The first 6 months would be an interest-only period for the project to fully get underway prior to principal and interest payments being collected.

Collateral:

SEDCO would seek to hold a subordinate lien on the 116 Granger Street property in the amount of the award amount. SEDCO will also secure personal guarantees from T. Jeske and G. Campbell as the founders and directors of the applicant entity.

Impact of Covid-19:

N/A



September 6, 2023

Memorandum To: **SEDCO Board of Directors**
 From: Vaughntorrien Davis
 Re: Punch & Die Metal Fabrication, LLC | ARPA Community Impact Fund
 Staff Recommendation: **\$120,000.00** in ARPA loan Financing

Borrower:

Punch and Die Metal Fabrication, LLC (P&D) is a manufacturing company, founded in 2018 by Tiffany Munford. P&D is currently housed at 1035 Montgomery Street in downtown Syracuse and specializes in metal fabrication and custom metal working. They have experienced an increase in business and are looking to expand their ability to meet the requests of product at a higher volume while also improving on the overall quality of their products.

Proposed Project:

The applicant’s project requires the purchase of 3 major pieces of equipment: 3kw laser cutting table, 130-ton press brake and a 3kw laser welding machine. The current press brakes that are currently used are about 50 yrs. old, they are in need to be replaced as the wear and tear over time has taken its toll. The addition of the laser will help increase output allowing the applicant to take on bigger projects. Lastly, they are looking to improve their welding capabilities to improve the quality of their product, so they are purchasing a welder.

SEDCO Loan Request – \$115,000.00

Usage of Funds:

The Requested funds are to assist with the purchase of three machines that will increase the firms quality of work and production capabilities.

SOURCES & USES:

Project Budget:

a. Equipment	\$112,880.00
b. Building & renovation (Wall Removal)	\$10,000.00
c. <u>Shipping</u>	<u>\$8,000.00</u>
TOTAL INVESTMENT	\$130,880.00

Project Sources:

a. SEDCO Community Impact financing	\$112,880.00
b. <u>Owner Equity</u>	<u>\$18,000.00</u>
TOTAL INVESTMENT	\$130,880.00

Proposed Loan Terms & Conditions:

After consulting with the Loan Review Committee, staff recommends the SEDCO Board of Directors approve the loan amount of \$120,000 as presented.

Based on the maximum terms available as part of the Community Impact Fund, SEDCO would structure the interest rate at 3.0% for this loan, with a term of ten (15) years (180 months) to reflect the term of the lease. The first six (6) months would be an interest-only period giving the applicant time to become established and begin generating revenue.

Collateral:

SEDCO would seek to hold a subordinate lien through a UCC filing on all equipment purchased with the funds for capital upgrades. SEDCO will also secure personal guarantees from T. Munford as the founder and owner of the applicant entity.



September 7, 2023

Memorandum To: **SEDCO Board of Directors**
From: Vaughntorrien Davis
Re: Sarah's Guest House | ARPA Community Impact Fund
Staff Recommendation: **\$185,000.00** in ARPA loan Financing

Borrower:

Sarah's Guest House (SGH) was founded in 1994 as the only adult healthcare hospitality house in Central New York, and 29 years later, it remains the only adult healthcare hospitality home in CNY. Their mission is to provide lodging, meals, transportation, and comfort to patients and families of patients receiving medical care in CNY. Since our inception, 20,500+ stayed under our roof at 100 Roberts Avenue, located on the Southwest side of the City of Syracuse. In the historic Strathmore neighborhood and a neighbor to Most Holy Rosary Church which is located directly across the street.

Individuals who stay at the home are asked to donate \$25 a night for their stay, or \$40 a night for double occupancy. The cost to SGH is \$90 per room, per night, and engage in several annual fundraisers/campaigns to cover the cost of offering our mission so that no guest is ever turned away for their inability to pay. Guests are typically of lower economic backgrounds and provide a donation when and if able.

With proximity to quality medical care being a key determinant of healthcare, the lodging is significant to patients from out of the area who are referred to SGH community for essential medical care, often lifesaving care. SGH's existence provides our out-of-town guests with access to quality healthcare through the skilled healthcare institutions located in CNY including, Upstate Medical University, Crouse Hospital, St. Joseph's Hospital, the VA, and Community Hospital. They partner with each medical institution along with local providers such as Hematology-Oncology Associates of CNY. Individuals are provided with comfortable lodging, including a bedroom, access to a fully stocked kitchen, homey living spaces, and an outdoor area for respite. Free transportation is also provided to and from medical facilities, home-cooked meals provided by volunteer meal makers, along with weekly trips to the grocery store to stock the house full of staple food items. SGH's intent is to offer all the comforts of home including internet access, laundry service, cable television. Most importantly, lend a listening ear, and staff/volunteers provide compassion and comfort to guests in need of emotional support. Most of the guests reside in New York State, most of whom come to Syracuse from the rural areas of the North Country where highly skilled, cutting-edge medical technology and care are not available.

health crisis & at a time of need.

SGH is one of nearly 200 adult healthcare hospitality homes across the US and is the only adult healthcare hospitality home in CNY. their mission provides a home away from home when specialized medical care is not available in someone's home community and they need to travel miles away for the best/proper healthcare, which is often lifesaving.

Proposed Project:

The funds requested are for a project that has already completed phase 1 and is currently working on phase 2 of their build out and is requesting ARPA funding to complete what is left in order to complete the renovations and improvements to the living space.

SEDCO Loan Request – \$200,000.00

Usage of Funds:

The funds received from SEDCO will be used to complete the remainder of the renovations to the 100 Roberts Ave location.

SOURCES & USES:

Project Budget:

a. Renovation & Construction	\$80,000.00
b. Plumbing	\$32,000.00
c. Electrical	\$20,000.00
d. Elevator Installation	\$18,723.00
e. Architect Fees	\$10,000.00
f. Equipment	\$18,500.00
TOTAL INVESTMENT	\$179,223.00

Project Sources:

a. SEDCO Community Impact financing	\$179,223.00
TOTAL INVESTMENT	\$179,223.00

Proposed Loan Terms & Conditions:

After consulting with the Loan Review Committee, the staff’s recommendation is for the SEDCO Board of Directors to approve the loan amount of \$185,000 as presented.

Based on the maximum terms available as part of the Community Impact Fund, SEDCO would structure the interest rate at 3.0% for this loan, with a term of ten (10) years (120 months). The first six (6) months would be an interest-only period giving the applicant time to become established and begin generating revenue.

Collateral:

SEDCO would seek to hold a lien on the 100 Roberts Ave building, fixtures and equipment purchased with the funds for capital upgrades.