



To: SEDCO Board of Directors
From: Vaughn Davis
Date: October 4, 2023
Re: SEDCO Board of Directors Meeting Agenda – October 5, 2023

The Syracuse Economic Development Corporation **Board of Directors Meeting on Thursday October 5, 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 September 7, 2023, Board meeting.

VI. New Business – 4

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. 304 E. Onondaga St, LLC
2. 499 Syracuse City Centre, LLC
3. LM Lifestyle Collections, LLC

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 October 5, 2023

AT 3:30 PM

IN THE INNOVATION LAB (iLAB) CONFERENCE ROOM

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, September 7, 2023
3:30 – 4:30 PM

Meeting was held in-person at:
The Permits Conference Room in City Hall Commons
201 E. Washington Street
Syracuse, NY 13202

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

Board Members Excused: Karolina Marcinkowski, Sheena Solomon, Ashanti Dickerson, 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 3:42 PM.

II. Roll Call

Mr. Ennis acknowledged that all Board Members were present except for Karolina Marcinkowski, Nick Petragnani, Ashanti Dickerson, and Mark Barbee

III. Proof of Notice

Mr. Ennis made a 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 June 1, 2023 + electronic correspondence, and asked for a motion for approval.

Ms. Paniagua made the motion. Mr. Fish seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE MEETING MINUTES FROM JUNE 1, 2023.**

V. New Business

1. ARPA Small Business Assistance Fund Request:

- COBRA Construction

Mr. Davis provided an overview of the request from COBRA Construction seeking \$25,000 for a period of five (5) years and 2% interest. The funding was requested to purchase transportation and safety equipment to help with specific construction jobs in the area, including lead abatement.

It was recommended by staff to grant COBRA Construction \$20,000.

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

- Twisted Images

Mr. Davis provided an overview of the request from Twisted Images seeking \$23,000 for a period of five (5) years and 2% interest. The funding was requested for capital upgrades to their display cases, marketing and professional website development, and a tattoo removal machine that will allow them to offer an increase in services to their current clientele.

It was recommended by staff to grant Twisted Images \$15,000.

After further discussion, the Board determined that, due to reconsider Twisted Images' application in the future due to the company's owner is also the owner of COBRA Construction.

2. ARPA Community Impact Fund Request:

- Mastro Restaurant Group

Mr. Davis provided an overview of the request from Mastro Restaurant Group seeking \$200,000 for a period of ten (10) years (120 Months) and 3% interest. The first six (6) months would be an interest-only period giving the applicant time to become established and begin generating revenue. The funding was requested to complete the buildout needed renovate the restaurant space for "The Tap House" to open.

It has been made public that the business owner has debts and closed two restaurants earlier this year.

As 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. SEDCO will also secure personal guarantees from K. Mastropietro and his spouse as the founder and owner of the applicant entity.

SEDCO would also place the following contingencies below:

- Before the loan deal is closed, the applicant must provide repayment arrangements for all judgments referenced above.
- 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
- Work with an attorney, and co-borrower to structure between Tap house LLC in addition to MRG, Inc.
- Documentation required for executed sublease & operating agreement.

Mr. Ennis made the motion to move forward with the included collateral and contingencies. Mr. Driscoll seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED.**

- *Infinity Events, Inc.*

Mr. Davis provided an overview of the request from Infinity Events, Inc. seeking \$199,773. The funding was requested to assist with upgrading their event space, making it more energy efficient and appealing to a larger client base.

Staff recommended that the Board approve the applicant for \$199,500 for a period of ten (10) years (120 months) and 3.5% interest rate, with the first six (6) months being an interest-only period giving the applicant time to begin generating revenue.

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

- *Shekinah Global Ministries, Inc.*

Mr. Davis provided an overview of the request from Shekinah Global Ministries Inc. DBA Hope Cafe seeking \$62,500. The funding was requested to assist with filling the gap for the buildout of their new restaurant space at 444 East Genesee Street.

Staff recommended that the Board approve the applicant for \$62,500 for a period of five (5) years (60 months) and 3.0% interest rate 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

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

- Teamwork Coatings, Inc.

Mr. Davis provided an overview of the request from Teamwork Coatings, Inc. seeking \$200,000. The funding was requested to assist with rebuilding the roof on their warehouse and office space, which would allow for more of the building to be used, and allow the company to take on more bids.

Staff recommended that the Board approve the applicant for \$175,000 for a period of fifteen (15) years (180 months) and 3.0% interest rate. The first six months would be interest-only for the roof project to get underway and completed.

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

- Punch & Die Metal Fabrication

Mr. Davis provided an overview of the request from Punch & Die Metal Fabrication seeking \$115,000. The funding was requested to assist purchasing three major pieces of equipment, a laser cutting table, a press brake and a laser welding machine.

Staff recommended that the Board approve the applicant for \$120,000 for a period of fifteen (15) years (180 months) and 3.0% interest rate, with a period of 6 months interest-only so that the company may become more established and begin generating revenue.

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

- Sarah's Guest House

Mr. Davis provided an overview of the request from Sarah's Guest House seeking \$200,000. The funding was requested to assist with completing Phase II of their renovation and buildout of the 100 Roberts Avenue property.

Staff recommended that the Board approve the applicant for \$185,000 for a period of ten (10) years (120 months) and 3.0% interest rate, with a period of 6 months interest-only so that the organization has time to complete the renovation project and help more families.

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

VI. Adjourn

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

The meeting was adjourned at 4:58PM.



October 5, 2023

Memorandum To: **SEDCO Board of Directors**
 From: Vaughntorrien Davis
 Re: 304 E. Onondaga St, LLC | ARPA Community Impact Fund Request
 Staff Recommendation: **\$100,000.00** in SEDCO ARPA loan Financing

Borrower:

304 E Onondaga St LLC is a real estate development company that purchased 304 E Onondaga St with the intention of renovating the property and leasing it to The Noble Cellar Inc for the purposes of opening a restaurant. The Noble Cellar Inc is owned by the same partners as 304 E Onondaga LLC.

Interior renovations include the demolition or removal of existing aged and outdated elements including the existing bar, service station, booths, and decorative elements such as the “faux rooftops.” The hardwood floors will be repaired and refinished, and new tile will be installed behind the bar and along the bar where bar stools will be situated. Nearly all existing light fixtures will be replaced. Nearly all walls, doors, and ceilings will be repainted. Existing bathrooms will receive light renovations such as new vanities, mirrors, and wall coverings. Additionally, the furnace and AC will need to be replaced.

Proposed Project:

The funds requested are to finance the buildout for the applicant’s tenant, The Noble Cellar.

The funds they're requesting will go towards:

- Interior renovations.
- Hardwood floor repairs and refinishing.
- Furnishing and Fixtures.
- Painting.
- Renovations of the restrooms
- Replacement of the furnace and Air Conditioning

SEDCO Loan Request – \$200,000.00

Usage of Funds:

The funds received from SEDCO will be used to complete the buildout of a new restaurant.

SOURCES & USES:

Project Budget:

a. Site work/ Demolition	\$7,000.00
b. Building Renovations	\$68,628.50
c. Equipment	\$21,879.00
d. Furniture & Fixtures	\$49,842.00
e. Engineering/ Architect Fees	\$2,750.00
f. Permitting Fees	\$340.00
g. <u>Design Services</u>	<u>\$8,474.50</u>
TOTAL	\$158,914

Project Sources:

a. SEDCO Community Impact financing	\$100,000.00
b. <u>Owner Equity</u>	<u>\$58,914.00</u>
TOTAL	\$158,914.00

Recommendation:

After consulting with the Loan Review Committee, staff is recommending the SEDCO Board of Directors approve the loan amount of \$100,000 as presented.

Based on the maximum terms available as part of the Community Impact Fund, SEDCO would structure the interest rate at 4.0% for this loan, with a term of Ten (10) years (120 months).

The first 6 months would be an interest-only period for the project to finish and time for the restaurant to begin generating revenue.

Collateral:

SEDCO would seek to hold a subordinate lien on the 304 E. Onondaga Street property as well a UCC filing on all the furniture, and fixtures purchased with the funds for the restaurant buildout.

SEDCO will also secure personal guarantee from R. Zaccaria and S. Pelligrini as the founders and directors of the applicant entity.

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



PART I: APPLICANT INFORMATION

Business Name	Business Address	Business/Industry Category:	Year Founded	Current # of employees	Total Amount Requested
					\$

PART II: BUSINESS LOCATION

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

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 2021/22?	<input type="checkbox"/> Y <input type="checkbox"/> N

PART IV: USE OF ARPA FUNDS:

Summary of the Requested Use of Funds:	Impact of Covid-19:	Efforts Taken Since March 2020:

PART V: BUSINESS FINANCIALS

Business Financials			Supporting Documents Submitted	
	FY 2022	FY 2023 (Interim)	The following documents were submitted with the request:	
Total Sales	\$	\$	Completed Application	
Total Income (Loss)	\$	\$	2022 Corporate Tax Returns	
Total Expenses	\$	\$	2022 Personal Tax Returns	
Net Profit (Loss)	\$	\$	2023 Interim Financials	
			Personal Financial Statement	
			Invoices / Quotes	

PART VI: PROPOSED BUDGET + PERSONAL FINANCIALS

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



October 5, 2023

Memorandum To: **SEDCO Board of Directors**
 From: Vaughntorrien Davis
 Re: 499 Syracuse City Centre, LLC | ARPA Community Impact Fund Request
 Staff Recommendation: **\$200,000.00** in SEDCO ARPA loan Financing

Borrower:

449 Syracuse City Centre, LLC is a local real estate development firm that has owned the structure at 499 South Warrant St. since 2010 and is looking to renovate and build five (5) new apartments on the eighth floor to rent at market rate. They’ve begun the renovations, however, are in need of financing to ensure that the apartments are finished and ready to be rented in a timely manner to mitigate the loss of revenue from the floor being unoccupied.

Proposed Project:

The applicant is requesting funds to complete renovations, and repairs to their 499 South Warren St. building.

The project will include:

- * Façade repairs
- * Renovations to the 8th floor’s offices and bathrooms

SEDCO Loan Request – \$200,000.00

Usage of Funds:

The funds received from SEDCO will be used to compensate the contractors for services rendered and to ensure the completion of the renovations to the 8th floor and needed façade repairs.

SOURCES & USES:

Project Budget:

a. Sitework/Demolition	\$25,000.00
b. Building Construction & Renovation	\$110,000.00
c. Equipment	\$25,000.00
d. Furniture & Fixtures	\$10,000.00
e. Engineering/Architect Fees	\$25,000.00
f. Legal Fees	\$2,500.00
g. <u>Permitting Fees</u>	<u>\$2,500.00</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

Recommendation:

After consulting with the Loan Review Committee, staff is recommending the SEDCO Board of Directors approve the loan amount of \$200,000 as presented as the project will be an addition to the much-needed rental space in the downtown to accommodate the influx of businesses moving to the city.

Based on the maximum terms available as part of the Community Impact Fund, SEDCO would structure the interest rate at 4.0% for this loan, with a term of Ten (10) years (120 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 499 S. Warren Street Property. SEDCO will also secure personal guarantees from N. M. Friedfertig as the owner and director of the applicant entity.

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



PART I: APPLICANT INFORMATION

Business Name	Business Address	Business/Industry Category:	Year Founded	Current # of employees	Total Amount Requested
					\$

PART II: BUSINESS LOCATION

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

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 2021/22?	<input type="checkbox"/> Y <input type="checkbox"/> N

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\$			Total Assets	\$	\$
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\$			Net Worth	\$	\$
\$			Eligible for Forgiveness?		Y <input type="checkbox"/> N
\$			Staff Recommendation:		\$
\$					

Other Notes



October 5, 2023

Memorandum To: **SEDCO Board of Directors**
 From: Vaughntorrien Davis
 Re: LM Lifestyle Collections, LLC | ARPA Community Impact Fund Request
 Staff Recommendation: **\$96,000.00** in SEDCO ARPA loan Financing

Borrower:

LM Lifestyle Collections LLC dba Le Melange, was established in January of 2022 with its first location opening in August of 2022. The applicant was initially located at 309 West Fayette and spent approximately \$400,000 in renovations, updates, and its buildout. All of this was self-funded by owner, Rebecca Ewald. Through Le Mélange’s fast growth and the communities substantial support, the current location was quickly outgrown, and a more full-service location was needed. 309 West Fayette Street also posed substantial operational issues due to the leaking roof that in time would only continue to worsen and begin to cause damage to the restaurant; creating not only an unsafe environment to work in but also to serve food. Due to these conditions the applicant moved to a new location at 238 W. Jefferson St; the former Lemongrass location. The new space allows for a much larger footprint for both guests and employees as it’s located across the street from a local museum (The MOST), a few blocks away from the Landmark Theatre and within walking distance of the downtown business district. Though the new location is ideal for Rebecca’s vision it still needs some work in capital upgrades, additional equipment, and security measures.

Proposed Project:

The applicant is requesting funds to complete capital improvements and upgrades to the applicant’s restaurant.

SEDCO Loan Request – \$95,000.00

Usage of Funds:

The funds received from SEDCO will be used for capital upgrades including but not limited to interior, exterior renovations, security upgrades.

SOURCES & USES:

Project Budget:

a. Construction & Demolition	\$45,000.00
b. Equipment	\$40,000.00
c. Furniture & Fixtures	\$20,000.00
d. Technology (POS & ADT)	\$10,000.00
e. Attorney Fees	\$1,000.00
TOTAL INVESTMENT	\$96,000.00

Project Sources:

a. SEDCO Community Impact financing	\$96,000.00
TOTAL INVESTMENT	\$96,000.00

Recommendation:

After consulting with the Loan Review committee, staff is recommending the SEDCO Board of Directors approve the loan amount of \$96,000 as presented.

Based on the maximum terms available as part of the Community Impact Fund, SEDCO would structure the interest rate at 4.0% for this loan, with a term of ten (10) years (120 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 capital upgrades, including the security equipment. SEDCO will also secure a personal guarantee from R. Ewald as the owner and director of the applicant entity.

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



PART I: APPLICANT INFORMATION

Business Name	Business Address	Business/Industry Category:	Year Founded	Current # of employees	Total Amount Requested
					\$

PART II: BUSINESS LOCATION

Neighborhood Location:		Located within ARPA-designated Census Tract?	<input type="checkbox"/> Y <input type="checkbox"/> N
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\$			Net Worth	\$	\$
\$			Eligible for Forgiveness?		Y <input type="checkbox"/> N
\$			Staff Recommendation:		\$
\$					

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