

Onondaga County Industrial Development Agency
Special Meeting Minutes
September 23, 2015

A special meeting of the Onondaga County Industrial Development Agency was held on Wednesday, September 23, 2015 at the 333 West Washington Street, Syracuse, New York in the large conference room on the first floor.

Chairperson called the meeting to order at 8:00 am with the following:

PRESENT:

Jessica Crawford
Victor Ianno
Patrick Hogan
Janice Herzog
Steve Morgan
Lisa Dell

ABSENT:

Daniel Queri

ALSO PRESENT:

Julie Cerio, Executive Director
Honora Spillane, OCIDA, Secretary & Treasurer
Karen Doster, Recording Secretary
Steven Coker, Office of Economic Development
Tony Rivizzigno, Gilberti Law Firm
Samir Tawil, Syracuse Apartments, LLC
Christopher Andreucci, Harris Beach PLLC
James Thrasher, Syracuse Apartments, LLC
Sara Wisniewski, Gilberti Law Firm
Dan Fitzpatrick, Onondaga County Legislature

CONFLICT OF INTEREST DISCLOSURE

The Conflict of Interest Statement was circulated and there were no comments.

SYRACUSE APARTMENTS, LLC

Chris Andreucci, counsel for Syracuse Apartments, LLC stated that the total project cost is about \$40,500,000 and will transform the area. He introduced Samir Tawil who is the 38% owner. He stated that there is a correction on the application referring to the number of jobs. Samir Tawil stated that there will be about 20 maintenance people as well as the 4 administrative.

Samir Tawil stated that he has been in the area for 45 years, he has a current business on the corner of East Brighton and Thurber since 1985 and it has been a depressed area. He stated that he owns several other pieces of property in the area. He stated that he built a brand new 2 family adjacent to this property in 2001 to help preserve the area and owns a couple other houses in the area. He stated that he believes that this is an unbelievable opportunity for the City of Syracuse, for the County and for him to stabilize the area and have some growth with interest from national companies that would like to come to the area to service the project.

Jessica Crawford asked what is there now. Samir Tawil stated that there is vacant land and there is a liquor store and bakery which will be moving up the street on Brighton.

Jessica Crawford asked if it is zoned residential. Chris Andreucci stated that it is zoned properly for this project. He stated that it is an assemblage of parcels and has different zones but the project can be built on any of them so no need for zoning change. He stated that the idea is to aggregate the parcels so it would be 1 not 7.

Steve Morgan asked what was meant by it would spark some interest of national companies. Samir Tawil stated that he thinks they can get a major chain grocery store, fuel, food services and some local people opening a business.

Steve Morgan stated that it is not just an apartment complex; it is going to be commercial property as well. Chris Andreucci stated that this project is just the apartments.

Steve Morgan stated that he feels with the additional people in the area there might be some interest from other businesses. Samir Tawil stated that he talked with some national chains that have a lot of interest if the development goes through. He stated that it is not just for the development but what it is going to do for the entire neighborhood. He stated that he thinks it will bring in residents in the neighborhood, stabilize the neighborhood and prices of property in the area will increase.

Steve Morgan asked what price point and level for the residential units. Samir Tawil stated that they will be \$1,000 per bed for high end student housing with around the clock security, gyms, study area, underground heated parking and a library. He stated that it is 1.25 miles to the University campus and they are talking to a transportation company to offer direct transportation.

Jessica Crawford stated that it is in a residential neighborhood and she would be interested to hear what the neighbors think in terms of traffic and students. Honora Spillane stated that a public hearing only concerns the benefits the IDA. Chris Andreucci stated that the SEQRA concerns the traffic impacts and that has been done by the City of Syracuse and a negative declaration has been issued.

Jessica Crawford asked if the public hearing has been held. Chris Andreucci stated that they are requesting a public hearing to be held. Honora Spillane stated that the public can comment on the project but the IDA public hearing is only about the benefits being provided by the Agency.

Victor Ianno asked who is going to build the units. Samir Tawil stated that Breuer Construction is the GC but his LLC is going to own it. He stated that they are familiar with this type of development and that is one of the reasons they went with Breuer. He stated that it is going to create local jobs and there will be some minority participation in the jobs.

Victor Ianno asked how big is the student housing market and can it dry up. Samir Tawil stated that anything is possible but SU's growth is between 5-12% a year in students.

Jessica Crawford asked if they have the support of the University. Samir Tawil stated that he has spoken with a couple people from the University and he thinks they are getting out of the housing business.

Jessica Crawford stated that if this is so positive and has so much support would this project be done without the IDA. Chris Andreucci stated that financial assistance is required to make it financially feasible. He stated that if they had to go above the \$1,000 a bed, the feasibility of the project dwindles.

Steve Morgan asked if they have gone to the City IDA. Samir Tawil stated no because coming to the OCIDA there is one less step of government.

Jessica Crawford asked if they would typically go through the City. Janice Herzog stated that they have the choice. Tony Rivizzigno stated that the City can only do projects within the City but OCIDA can do projects in the City and the County.

Pat Hogan stated that this is a great project for that neighborhood because of the tremendous amount of stress in that neighborhood with the lack of student housing in that neighborhood. He stated that the neighborhood groups would applaud this.

Jessica Crawford asked if the neighborhood would applaud this. She stated that there is more traffic and congestion. Pat Hogan stated that where this project is located that wouldn't be a problem. He stated that the neighbors are concerned about the houses being converted into student housing. Samir Tawil stated that they worked with the outer Comstock Group and they were happy.

Janice Herzog stated that some of the houses are run down, not exactly safe and there are always issues so it is great to know that students will have a place that is safe. She asked if there are other apartment complexes in the area for students and what are their rents. Samir Tawil stated that he is not exactly sure the rents are but they did a study before going into the project and they felt very strongly with the right financing and PILOT program that it is a feasible project. He stated that this will also put the landlords of other area apartments on their toes and to upgrade if they want to be competitive.

Victor Ianno asked if they have done a project like this before. Samir Tawil stated the business he is involved with has done 2 projects in Mississippi, 1 in Texas and this is first in the Northeast. Victor Ianno asked if they will equity in this project. Samir Tawil stated that they will have an enormous amount of equity in the project.

Janice Herzog stated that she read that Syracuse Apartments is negotiating membership interest. Chris Andreucci stated that the majority ownership 63% stake is Michael Augustine and he is thinking about selling his interest. He stated that the ownership interest might change but the Syracuse Apartments, LLC will remain the project. He stated that Sam Tawil is the other 39% and he is staying involved.

Jessica Crawford stated that this project really isn't creating jobs when you look at intent and support that the IDA can offer. Chris Andreucci stated that he this is a commercial project because it brings people in the area to support the businesses immediately surrounding the project. He stated that it is not a job creation but a transformational increase of economic activity.

Victor Ianno stated that Mr. Augustine is considering selling his interest. Chris Andreucci stated that he is discussions but there is nothing binding. He stated that they want to break ground in November so they need to get that in order before then.

Steve Morgan stated that the application says March 2016 for construction commencement. Samir Tawil stated that was originally what their thoughts were but they want to do infrastructure now because earth moving is good in November. He stated that they would like to get the site work done before spring. He stated that they will start developing as early as March.

Janice Herzog asked what happens if Syracuse Apartments LLC finds it difficult to fill with students and is there a backup plan in terms of letting general population rent. Samir Tawil stated that they will rent to senior citizens but he does not see a problem.

James Thrasher reviewed a map of location.

Tony Rivizzigno stated that Harris Beach is on the IDA's list for bond counsel and we need a conflict waiver.

Upon a motion by Lisa Dell, seconded by Steve Morgan, the OCIDA Board approved a resolution waiving any conflict of interest between the Agency and Syracuse Apartment, LLC's project Counsel (Harris Beach, PLLC). Motion was carried.

Upon a motion by Lisa Dell, seconded by Pat Hogan, the OCIDA Board approved a resolution describing the proposed Syracuse Apartments, LLC project, the financial assistance the Agency may provide and authorizing a public hearing for the project. Motion was carried.

Upon a motion by Lisa Dell, seconded by Steve Morgan, the OCIDA Board approved a resolution authorizing the execution of the Agent Agreement outlining the responsibilities of the Developer (Syracuse Apartments, LLC) and Agency for the project. Motion was carried.

FINGER LAKES RAILWAY CORP LEASE EXTENSION

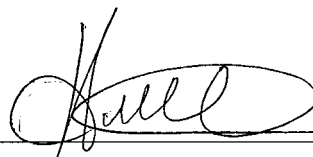
Julie Cerio stated that the IDA has a 20 year PILOT with a 10 year ability to negotiate with Finger Lakes Railway along with other counties and we are at the 10 year mark. She stated that they are trying to come up with mutually agreeable terms but haven't been able to get all the details worked out yet. She stated that it ends at the end of September and they need until December to continue to work something out. She stated that the language from 10 years ago has become obsolete and need to bring it up to modern day.

Upon a motion by Lisa Dell, seconded by Janice Herzog, the OCIDA Board approved a resolution authorizing the Tolling, along with the execution by the Executive Director of a Tolling Agreement to memorialize same, the term of which shall be finalized by the Executive Director and Harris Beach, PLLC as special counsel to the Agency regarding the Lease. Motion was carried.

Tony Rivizzigno stated that he received some documents from Tops Market who is modifying their mortgage. He stated that the Agency is on the mortgage because we did a PILOT agreement. He stated that he thought it was approved before but he is not sure it was done so consent to the modification is requested.

Upon a motion by Jessica Crawford, seconded by Janice Herzog, the OCIDA Board approved a resolution to sign the necessary documents for the mortgage modification of the Tops Markets. Motion was carried.

Upon a motion by Lisa Dell, seconded by Janice Herzog, the OCIDA Board adjourned the meeting at 11:40 am. Motion was carried.



Honora Spillane, Secretary