



Tony Fiorito, Chairman
Merike L. Treier, Executive Director

DOWNTOWN COMMITTEE OF SYRACUSE, INC.

September 20, 2022

City Center/Redhouse

3:00 p.m.

Meeting Minutes

Attendance

- Members:** Chairman Fiorito, Mss. Angrand, Katzoff, Zell, Messrs. Bianchetti, Bryant, Nutting (via phone), Tascarella
- Staff:** Mss. Reed, Schroeder, Sherlock, and Treier; Messrs. Campanie, Travers, Pham, Rockhill
- Guests:** Mr. Matt Funicello, JF Real Estate
Ms. Samara Hannah, Redhouse Arts Center
Mr. Cory LaDuke, JF Real Estate
Ms. Debbie Ruthven, Money Federal Credit Union
Mr. Jeremy Thurston, The Hayner Hoyt Corporation
Mr. Tamar Underwood, Redhouse Arts Center

I. WELCOME AND INTRODUCTIONS

Mr. Fiorito welcomed members and guests present. He also thanked the Redhouse for providing the unique space today for the Board meeting. On behalf of the Board, he congratulated Mr. Conor Rockhill on his promotion to Economic Development Specialist. Mr. Rockhill will be attending the IDA Conference in Vancouver, Canada this week. He also congratulated the following Downtown Committee staff members on their work anniversaries: Ms. Schroeder – 7 years in August, Ms. Sherlock – 8 years in August, and Mr. Campanie celebrating 10 years as of September.

II. REDHOUSE ARTS CENTER: CURRENT HAPPENINGS & 2022 – 2023 SEASON

Ms. Samara Hannah gave a brief background on the history of Redhouse Arts Center. The Redhouse boasts a professional theater season and also offers an amazing educational program in schools, at the Redhouse, and for the community. The Redhouse was founded in 2004 as the Contemporary Theater of Syracuse, which went defunct, and a group then came together to resurrect it as the Redhouse. Its current building was purchased in 2014 and performances went live in 2018. The theater programs had been growing at a 30% rate between the time they were in the new space until the pandemic shut everything down. The out-of-area reach was up to 20%. The Redhouse has two mainstage theaters that can seat 200-250 people and can be used as rehearsal space, meeting space, or for other flexible uses. Redhouse reaches about 50-60,000 people per year and because of the

pandemic, have adjusted how they reach audiences, such as the introduction of virtual programs. The Redhouse’s programs went into schools this summer, and their summer camps were 98% full. Programs are also offered at different locations including City Parks, The Dunbar Center, and the Rosamond Gifford Zoo.

Mr. Tamar Underwood, Artistic Director, gave a preview of the upcoming season at the Redhouse. He commented that after last season’s shutdown, the Redhouse wanted to celebrate everyone coming back together to witness live theater and to have that reflected in their programming. This season they chose performances to reflect what we have gone through together as a community and society post-shutdown. Their opening play, “Angels in America” runs October 14 – 23, and is an important play of the late 20th century as it parallels what we are going through now. Redhouse will feature “A Christmas Story” musical December 9 – 14. The play includes 12 adolescents from the community. “By the Way, Meet Vera Stark” runs February 14 – March 5, 2023, and “Bridges of Madison County” runs May 12 – 21, 2023. Ms. Hannah added that during the pandemic the Redhouse got approved as a Qualified Production Facility (QPF), which allows it to receive qualified tax credits from New York State. The Redhouse will be bringing traveling productions to Syracuse to do studio rehearsals for international tours. She noted that the crew from “Tootsie” was in Syracuse and rehearsing at Redhouse before their national tour. Redhouse is also hosting the rehearsals for “Annie” that will be shown at the Landmark Theatre. The Redhouse is an incubator for growing the arts in Central New York. The Redhouse also works with the Visit Syracuse Film Office to foster the arts within the community. The national shows result in impactful hotel room revenue and other economic spending generated for the area.

III. APPROVAL OF MINUTES FROM MAY 17, 2022

Mr. Fiorito asked the Board if there were any questions on the Minutes of May 17, 2022, and there were none. Ms. Zell moved to approve the minutes, and Ms. Angrand seconded the motion. The motion was unanimously approved.

FINANCIAL REPORT

A. As of June 30, 2022

Ms. Treier reported that on the year-end financial statement, the year ended with a small surplus due to the Franklin Street Parking Lot revenue performing ahead of budget. The surplus generated from that lot helps deliver the Downtown Committee’s marketing and communications programs. The Herald Place Parking Lot (which offer primarily monthly permits) also performed well. Under Income, the Progress Breakfast exceeded expectations in terms of sponsorship and ticket sales. She pointed out that Bank Alley is a new item of revenue and expense that was added, which was funded by a combination of the NY Main Street grant, that the Board approved funds from the reserve account. Overall, the year ended with a slight surplus.

Ms. Treier asked if there were any questions on the June 30, 2022 financial report and there were none. She asked for a motion to approve the report subject to audit. Mr. Bryant moved, and Mr. Tascarella seconded. The motion was unanimously approved.

Ms. Treier noted that the Downtown Committee contracts with Fust Charles Chambers, LLP for auditing services. The 2021-2022 fiscal year audit is currently underway.

B. As of July 31, 2022

Ms. Treier reported on the July 31, 2022 financial report which is one month into the new fiscal year. She noted under Income, the Arts and Crafts Festival revenue has started to come in. Another \$20,000 is expected in revenue for the art show, which is a result of a grant received through the Syracuse Festivals Fund Program. The Herald Place Parking Lot revenue is anticipated to fall short of budget projections due to the loss of several monthly parkers. Several of those spots are available and will be marketed to nearby employees and residents. She noted under Income and Expense there is a new line – SIDA Agreement #3 – which is the current agreement that started on July 1.

Ms. Treier asked if there were any questions.

Mr. Nutting noted that he will have a discussion with Ms. Treier regarding renting the parking spaces back from the Downtown Committee.

Ms. Treier asked for a motion to approve the July 31, 2022 Financial Report subject to audit. Ms. Zell moved, and Mr. Bianchetti seconded the motion. The motion was unanimously approved.

IV. ADMINISTRATION

A. Accounting Services Provision

Ms. Treier updated the Board on the Downtown Committee's accounting services. The Downtown Committee contracts with CenterState CEO as part of its Support Services Agreement to provide accounting and financial services. She announced that the Senior Vice President of Accounting took another position, and her job has been posted. Two positions in the department are filled, and CenterState CEO has contracted with Dannible and McKee, LLP to provide accounting services until that role is filled.

B. Staffing Updates

Ms. Treier announced that the Downtown Committee is currently interviewing for a Communications Associate position that has been posted on several job boards, in the newsletter, and through social media. Interviews are currently underway. She noted that interviews are also being conducted for a full-time Environmental Maintenance position as well as a part-time environmental maintenance role. The part-time position is specific to the weekends. There are also two open positions within the security team for weekend coverage (which the existing security staff have been taking additional shifts to cover.)

C. Authorization to Execute Cost-Sharing Agreement with City

Ms. Treier noted that every five years the Downtown Committee enters a cost-sharing agreement with the City of Syracuse for streetscape related items. Historically the Downtown Committee has dedicated \$25,000 in funds for public space amenities such as benches, trash cans or trees, beautification, flowers and the City has covered \$12,500 of its expenses. This year, the budget has been increased to \$30,000, which was approved as part of the annual budget. The \$30,000 will be spent on streetscape improvements and the Downtown Committee will be reimbursed for up to \$15,000 from the City of Syracuse. This is reflected in the new five-year Agreement, and the only other change in the agreement is the addition of language pertaining to the City's new municipal sidewalk program.

Ms. Treier asked the Board for authorization to allow the executive director to execute the cost-sharing agreement with the City. Mr. Fiorito moved, and Mr. Bryant seconded. Ms. Angrand and Ms. Katzoff abstained from the vote. The motion was unanimously approved.

V. PROGRAM REPORTS

A. Signature Events – Downtown Living Tour

Ms. Schroeder announced that the 16th Annual Downtown Living Tour is scheduled for Saturday, September 24. There are nine tour stops this year and the Downtown Committee is doing something a little differently by featuring four furnished Airbnb units on the tour. Downtown is also 99% occupied and there are no available units to show for this event. The units featured on the tour include the Gere Building in Hanover Square; Montgomery House 315; Apartments on Warren (413-417 S. Warren St.); Piper Phillips Residences in Armory Square; and the Merrell-Soule Lofts in Franklin Square. The tour also features all four of the downtown museums as tour stops in support of the tour's theme "Live Downtown for a Day." All museums will have free admission the day of the tour. She noted that a

number of downtown businesses are offering “downtown deals” as part of the tour. Veo Bike has partnered with the Downtown Committee and is offering free scooter rides between Downtown and Franklin Square. She invited the Board members to come down and enjoy the tour.

B. Economic Development: Commercial Occupancy Report

Mr. Rockhill presented the Summer 2022 Commercial Occupancy Report. This report captures a point in time record of all the commercial space downtown, and is primarily office focused. This year there was a 20% response rate (compared to last year at 14%). He refreshed the Board on the four classifications of office space downtown: Class A – top of the line, highest quality, highest rent; Class B – less modern but still has many amenities including an elevator; Class C – most basic space downtown with the fewest amenities and lowest rent. Class T – space in transition.

Mr. Rockhill noted increases in downtown’s Class A and C occupancy, while Class B occupancy continued to hover at approximately 90%. Rents increased for Class B space (up \$2.50/SF) and Class C space (\$1.50/SF), while they dropped about \$0.50/SF for Class A space. Retail occupancy went down about 1% while adding 60,000 SF new space, which indicates new space is being mostly absorbed as it is completed. A new category of light manufacturing space was added to the report to capture space used for less intensive manufacturing as well as waRedhouse and research and development space, like at The Post, City Center, and the Whitlock Building.

Mr. Rockhill reported that the 2022 Retail occupancy is consistently trending at approximately 74-75% with a 1% decrease in total occupancy. As more retail spaces came online the average retail asking rent increased \$.20/SF with a current asking range of \$9/SF - \$26/SF. He noted more retail trend information will be reported when the Annual Vacant Storefront Survey is conducted in December.

Mr. Fiorito commented that most of the Class B and C space that had higher vacancies have been absorbed by residential, which continues to be in demand.

Mr. Funicello commented that it is interesting how the Light Manufacturing (a popular category) is transitioning to downtown, particularly in the newer buildings. Over the past three years, there have been a series of five-year or longer office lease agreements signed and it will be interesting to see what comes after that when their leases end and tenants have a chance to renegotiate.

Ms. Zell commented on the leased, but unused, office space by mostly Class A tenants and wondered how the lack of occupancy affects the city water/sewer fee budget, as their services are not being utilized.

Mr. Fiorito added that over the next few years, as leases end, what the office tenants will be doing, whether it's down-sizing or hybrid uses, is yet to be seen.

Ms. Schroeder commented that the Downtown Committee receives requests for a variety of office space requirements. Large floor plans have become more popular. As we see the changes in long-term leases for spaces that are not fully occupied there will be robust opportunities for sublets which can serve as a trial period for businesses to locate downtown before they sign a longer-term lease.

Mr. Funicello noted that flexibility and amenities will be the key moving forward for tenants looking for quality buildings. Tenants also want to see the opportunity for co-working space downtown. There are developers that have co-working space, and the hope is to build relationships with those tenants and work with them long-term as they continue to grow.

Ms. Angrand commented that co-working office spaces are known for developing their own communities for pop-up or freelance workers. Some companies offer the option to employees to find co-working space and they will pay for it. Many people are looking for flexibility when they are searching for a job and do not necessarily want to set up an office at home.

Ms. Zell noted many calls about co-working space. Employees have to weigh the cost of working in a small off-site office versus working from home.

Ms. Treier commented that it was an original plan to put housing in City Center, but due to the high level of interest from potential tenants Hayner Hoyt brought through, it was decided to make the building all commercial space. She agreed the flexibility is key.

VI. OTHER BUSINESS AND ADJOURN

Ms. Treier reminded the Board that they were given a copy of the updated Downtown Housing Guide as part of the Downtown Living Tour presentation. She also provided a copy of CNY Business Journal *Revitalize Syracuse VI* publication.

With no other business before the Board, the meeting was adjourned at 3:55 p.m.

VII. PRESENTATION & TOUR OF CITY CENTER

Mr. Jeremy Thurston of The Hayner Hoyt Corporation gave an update on the construction plans for City Center. He noted that they are halfway through construction and shared renderings of what the building will look like when it's completed, including an outdoor space on the upper level, a courtyard that cuts through all four stories of the building and parking garage. He highlighted the area where new main entrance for the Redhouse section will be and its marquee placement. One of the tenants that has committed to leasing space at City Center is Huntington Ingalls, and they will be occupying about 18,000 square feet on the ground floor and a majority of the fourth floor. Mr. Thurston commented that Hayner Hoyt is also relocating its headquarters to the third floor. A heated sidewalk will be installed in a majority of the courtyard and breezeway to manage snow and ice.

Mr. Fiorito asked how many parking spaces there will be, and Mr. Thurston noted there will be a total of 700, most of which are already pre-committed.

Ms. Schroeder asked if all the space was spoken for on the ground level and if they had plans for another retail tenant. He noted that they are still looking for a retail or restaurant business to occupy the space.

Mr. Thurston anticipates about 300 people in the building every day and this number could go as high as 300-450 once it is completely occupied. Completion of the entire building is expected by the end of January 2023 and all new tenants will have 10-year leases.

Mr. Fiorito and Ms. Treier thanked Mr. Thurston for his presentation and subsequent tour of the building.

Next Meeting

Tuesday, November 15, 2022