



CITY OF UTICA

Utica Industrial Development Agency
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ROBERT M. PALMIERI
MAYOR

JOSEPH HOBICA, SR.
CHAIRMAN

JACK SPAETH
EXECUTIVE DIRECTOR

February 2, 2016 8:30a.m.
Utica Industrial Development Agency Regular Meeting
Utica City Hall – 1 Kennedy Plaza, Utica

Members Present: Chairman Joseph Hobika, Sr, John Buffa, Emmett Martin, Vin Gilroy

Member Excused: John Zegarelli

Also Present: Jack Spaeth (Executive Director), Laura Ruberto (BS&K – UIDA Counsel)

Others: Arun and Kalpen Patel (Lafayette Hotel Associates, LLC), Dom Pavia, Fred Swayze and Fran Hardy (NE Reg Council of Carpenters), Alex Geroud and Mark D'Iorio (Observer Dispatch)

1) CALL MEETING TO ORDER: The meeting was called to order by Mr. Gilroy at 8:37a.m. The Finance, Governance and Audit Committees, as they consist of sitting Agency members, meet as a committee of the whole, and in doing such, meet at every meeting.

2) APPROVAL OF MINUTES: A motion was made by Mr. Buffa, seconded by Mr. Martin, to approve the minutes of the January 5, 2016 meeting. All in favor.

3A) OLD BUSINESS: Northeast Reginal Council of Carpenters - Presentation

Mr. Spaeth introduced Mr. Swayze and Mr. Hardy. Mr. Swayze addressed Agency members and requested that the UIDA adopt language in support of utilizing local labor for any projects that the UIDA is providing benefits to. Agency members thanked the gentlemen for their time and stated the UIDA would take the request under consideration.

3A) OLD BUSINESS: Vecino Group

Mr. Spaeth provided to Agency members a PILOT scenario as it relates to Vecino Group's development of the former Jeffrey Hardware Building on Blecker Street into affordable housing with a number of units earmarked for those within OPWDD. The PILOT suggests a 32 year PILOT whereby the first two years are at 0% decrease during the construction phase and the remaining 30 years at 33.15% decrease based on the finished project assessment. Ms. Ruberto quoted an excerpt from a letter from the NYS Department of Homes and Community Renewal stating 'Therefore, the Agency would also look favorably towards the Project being in receipt of a PILOT coterminous with the HFA first mortgage.' After some discussion, a request was made to obtain the commitment letter from NYS DHCR acknowledging the preference to have the PILOT and first mortgage terms the same.

With no more discussion, Mr. Martin made a motion, seconded by Mr. Gilroy to adopt a supplemental inducement resolution relating to the Vecino Group New York, LLC (Astari Utica) facility, granting preliminary approval for financial assistance that is a deviation from the Agency's Uniform Tax Exemption Policy, adopting a SEQR resolution for the project and authorizing the Agency to conduct a public hearing contingent upon receiving said commitment letter. All in favor.

4A) NEW BUSINESS: Hotel Utica

Mr. Spaeth briefly described the project and then introduced Mr. Arun Patel. Mr. Patel stated that his group is looking to purchase the hotel and to stabilize it upon their occupancy. As with his other hotel ventures, Mr. Patel expressed the desire to make it a good experience for all. Mr. Patel stated the following: Lafayette Hotel Associates, LLC is working with the Bank of Utica on the purchase of the hotel; they will be working toward securing a new flag (perhaps a Hilton or Marriott product); initial work to be addressed is the façade and probable demolition of the free-standing garage and identifying a qualified restaurant operator. Future renovations of the rooms and hotel will be dictated by the requirements of the new flag. Questions from Agency members included use of the upper four floors and timeline. Mr. Patel stated that the four upper floors are under consideration for either luxury apartments or executive suites and will ultimately be decided by the new flag. As to timeline, Mr. Patel will be working diligently to get the hotel stabilized as soon as possible and to move forward with upgrades. The UIDA is contemplating a PILOT schedule of twenty years, during which time the company will make a fixed PILOT payment.

After little discussion, Mr. Gilroy made a motion, seconded by Mr. Martin to adopt an inducement resolution relating to the Lafayette Hotel Associates, LLC (Hotel Utica) facility, granting preliminary approval for financial assistance that is a deviation from the Agency's Uniform Tax Exemption Policy, adopting a SEQR resolution for the project, authorizing the Agency to conduct a public hearing and adoption of a Statement of Findings as this is a retail facility. All in favor.

5) EXECUTIVE SESSION: Not entered into

6) ADJOURNMENT: There being no further business brought before the Agency, Mr. Buffa made a motion to adjourn, seconded by Mr. Gilroy and the meeting was adjourned at 9:43am.

A special meeting of the Agency is scheduled for Thursday, February 18, 2016 at 12noon at the Fort Schuyler Club located at 254 Genesee Street.

The next regular meeting of the Utica Industrial Development Agency is scheduled for Tuesday, March 1, 2016 at 8:30am.