



CITY OF UTICA

Utica Industrial Development Agency
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DAVID R. ROEFARO
MAYOR

JOSEPH HOBIKA
CHAIRMAN

JACK SPAETH
EXECUTIVE DIRECTOR

March 3, 2009
Utica Industrial Development Agency Regular Meeting
8:30 a.m.

Members Present: Emmett Martin, Angela Vanderhoof, Nancy Pattarini

Excused: Joseph Hobika, Sr., John Buffa

Also Present: Jack Spaeth (Executive Director), Laura Ruberto (Bond, Schoeneck & King – Agency transaction counsel), Robert Sullivan (U&ED Commissioner)

CALL MEETING TO ORDER: The meeting was called to order by the Executive Director at 8:35 a.m.

APPROVAL OF MINUTES: A motion was made by Ms. Vanderhoof and seconded by Mr. Martin to approve the minutes of the February 3, 2009 meeting. With no discussion, the motion passed unanimously.

OLD BUSINESS: Harza Building:

Mr. Spaeth began discussion by sharing the JDA's response letter to Mr. Clark (attached). The JDA is accepting Mr. Clark's proposal for the \$300,000 purchase of the property. Agency members reviewed the letter and made comments. Mr. Spaeth informed the Agency that he has been in contact with Mr. Clark and Robert Kwon (JDA) toward the finalization of the purchase. Mr. Kwon is conferring with NYS counsel on the release of the JDA's mortgage on the property and securing a written guarantee that the \$1.0m grant will be available. Mr. Spaeth added that he stated to Mr. Kwon, that Mr. Clark will walk away from the deal if the grant does not materialize. Mr. Clark included in his proposal a request for Empire Zone and UIDA benefits. As such, Mr. Spaeth has forwarded applications for both programs to Mr. Clark for completion.

Mr. Sullivan informed the Agency that he had been approached by representatives of the Indy Garage Sale and a request to hold their annual garage/craft sale in the City Center. Agency members discussed and upon acceptable insurance in place for the event, felt there should be no problem. Mr. Spaeth requested of Mr. Sullivan for a representative to contact him for details.

OLD BUSINESS: Accounting Request for Proposal

Mr. Spaeth sent an RFP for accounting services for the Agency to nine accountants/bookkeepers in the area and had received only one for an amount much more than the Agency currently pays. Agency members suggested resending the RFP to Utica-only accountants. Mr. Spaeth will assemble a new list and forward to the Agency for recommendations.

OLD BUSINESS: Directors and Officers Insurance

Mr. Spaeth had sent out an RFP for D&O Insurance for Agency Members. Mr. Spaeth received one quote from Eisnor Insurance in the amount of \$1,725.00 per year. Mr. Martin has reviewed the proposal and found it to be inadequate as it offers \$1.0m coverage which would include both legal fees and award amount should there be a suit. Mr. Martin

explained that many times the legal fees amount to more than the award in these cases. As Mr. Martin has secured our current D&O policy through Preferred Mutual, it was suggested and a request made to contact Eisnor Insurance for them to file Broker of Record letter to assume the current policy into their book of business.

NEW BUSINESS: Trenton Road LLC

The Agency has received a request from Trenton Road LLC to amend the Facility description for the Colonial Square Facility to change the number of single-family homes from 70 to 110. BS&K had requested the company prepare an analysis of how this will affect the PILOT payments so they are to advise the board on the impact of this change and what action may be required to effectuate the change. Ms. Ruberto stated that the PILOT payments would actually increase as a result of the amendment.

A motion was made by Ms. Vanderhoof and seconded by Ms. Pattarini to approve certain amendments to the Facility description to change the number of single family houses from 70 to 110. After some discussion, the motion passed unanimously.

NEW BUSINESS: CWC-ZuZu LLC

Ms. Ruberto informed the Agency that Mr. JK Hage, via CWC-ZuZu LLC, has assigned the Genesee Street facility (CWC ZuZu LLC as the Agency's original agent) to Adirondack Capital LLC. Transaction Counsel (BS&K) has taken exception to this as the Agency was not informed by Mr. Hage of this action though Mr. Hage feels it was contemplated for in the original Lease Agreement documents and has since filed a Warranty Deed to that end. It is transaction counsel's opinion that the only action taken by the Agency and approved in this matter is the granting of a SubLease Agreement to Hage & Hage, LLC, not that of transferring all rights and provisions to a new Lessor. After some discussion, Agency members felt Mr. Hage should follow proper procedure in this matter. Ms. Ruberto will inform Mr. Hage of its decision.

NEW BUSINESS: PAAA Issues (PARIS System)

Mr. Spaeth informed the Agency that he has been inputting information into the PARIS System for compliance with PAAA. This includes posting required documents to the Agency's webpage on the City of Utica website.

Ms. Vanderhoof at this point asked to be excused due to a prior engagement and thus the items below were outlined, but not fully discussed with the remaining members and no vote was requested due to lack of quorum.

NEW BUSINESS: Committee Charters (Audit and Governance)

Mr. Spaeth provided Agency members with charters outlining basic parameters and duties of the Audit and Governance Committees.

NEW BUSINESS: Agency By-Laws

Mr. Spaeth provided Agency members with language for the inclusion of the Charter Committees into the Agency's By-Laws.

NEW BUSINESS: Agency Fees

Mr. Spaeth suggested the Agency review fess charged to clients for UIDA services.

NEW BUSINESS: Agency Counsel Engagement

Mr. Spaeth had received an engagement letter from BS&K and forwarded it to Agency members for review and comment.

The above items will be brought before the Agency at the next scheduled meeting for further discussion and action.

ADJOURNMENT: There being no further business brought before the Agency, Mr. Martin made a motion to adjourn which was seconded by Ms. Pattarini and the meeting was adjourned at 9:46 a.m.