



CITY OF UTICA

Utica Industrial Development Agency
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DAVID R. ROEFARO
MAYOR

JOSEPH HOBICA
CHAIRMAN

JACK SPAETH
EXECUTIVE DIRECTOR

May 5, 2009
Utica Industrial Development Agency Regular Meeting
8:30 a.m.

Members Present: Joseph Hobika, Sr., John Buffa, Nancy Pattarini, Angela Vanderhoof

Excused: Emmett Martin

Also Present: Jack Spaeth (Executive Director); Laura Ruberto (Bond, Schoeneck & King – Agency transaction counsel); Robert Sullivan (U&ED Commissioner); Stephen Reilly, Jim Soos and Erin Maloney (Pyramid Group); Steve Buck and Elizabeth Oglesby (Buck Construction); Terry Thrubin (United Group)

CALL MEETING TO ORDER: The meeting was called to order by the Chairman at 8:41 a.m.

APPROVAL OF MINUTES: A motion was made by Ms. Vanderhoof and seconded by Ms. Pattarini to approve the minutes of the April 24 and April 30, 2009 special meeting. With no discussion, the motion passed unanimously.

OLD BUSINESS: Harza Building:

Mr. Hobika, Sr. opened the discussion by confirming that liability insurance was secured by Mr. Tom Clark on the Harza Building and fire insurance would be covered by the City of Utica. Mr. Sullivan reiterated that the State wants a commitment of jobs by Mr. Clark as a provision of the purchase of the property. Mr. Spaeth was directed to contact Rob Kwon from NYS ESDC to confirm job commitment.

It was agreed at the last meeting that Agency Members would contact local politicians to garner financial support of the disposition of the property. Ms. Vanderhoof had occasion to speak with Congressman Michael Arcuri to which she said he is open to assistance.

The matter will continue to be monitored by Agency members and the Executive Director.

OLD BUSINESS: CWC-ZuZu, LLC/Hage & Hage, LLC:

The matter was discussed briefly and postponed until the July 2009 meeting of the Agency.

OLD BUSINESS: Riverside Enterprises, LLC:

Discussion opened with Ms. Ruberto by clarifying the PILOT request. Riverside is requesting a 100% tax abatement on the incremental increase of the taxes applicable on the four pads to be developed. Ms. Ruberto added that Riverside needs to more accurately pinpoint the number of jobs to be created by the tenants as opposed to offering a preliminary number and then narrowing up or down, as the case may be. Mr. Spaeth explained that the State is ever more watchful of stated job goals versus actual jobs created by companies. Should actual jobs not be realized, provision for clawback of benefits conferred could be exercised. Mr. Soos estimated that there would be 78 Full Time Equivalents (FTEs). Typically retail facilities have 15 FTEs and restaurants have considerably more. When questioned as to the vacant spaces in the center (former Linens and Things and three spaces between Burlington Coat Factory and the tractor supply), Mr. Soos stated the space is available and being marketed. Ms. Pattarini asked Riverside representatives if there is a vision or

theme expected for the center. Mr. Soos said that cash flow dictates the extent of renovations and updates. He added that the restaurants should have landscaping components built into their development plans and that as signs and lighting go up, the appearance of the center should likewise improve.

Mr. Hobika, Sr. asked to be excused due to a prior engagement.

NEW BUSINESS: Buck Construction/Colonial Square:

Ms. Ruberto introduced the project. Buck Construction is purchasing 22 lots of the 110 lots available as Phase 1 of the single family development in the Colonial Square project owned by Trenton Road, LLC. United Group, through Trenton Road, LLC, received approval for the project in 2007. The original project entailed the construction of 144 senior citizen housing units, common clubhouse, and 110 single family units. To date, Trenton Road, LLC has completed the clubhouse and senior citizen housing which is 40% leased (the contractor was Buck Construction). Buck Construction has stepped in to start the single family residential development with the purchase of 22 lots. The road adjacent to Phase 1 of the residential development will be completed by Buck as well and in time will be dedicated to the City of Utica: Trenton Road, LLC will be responsible for the roads until dedicated and the project as a whole if Buck fails to complete. As the PILOT will be assignable from Trenton Road, LLC, Buck Construction is seeking the mortgage tax exemption as well as a sales tax exemption for construction costs. The PILOT engages when a certificate of occupancy is issued and will be 20% of taxes due for the first 5 years, stepping up until year 11 when 100% of the taxes will be due. Ms. Thrubin explained that there would be three more phases to the residential component. Mr. Buck asked if the mortgage recording tax exemption is transferable to the end purchasers of the single family homes. Ms. Ruberto stated she would look into the issue and report back to the Agency. Discussion turned to sales price. Mr. Buffa was concerned by the over saturation in the housing market and the introduction of new units into the market. Mr. Buck expressed that the current housing market is overpriced and many homebuyers are finding it difficult to get mortgages for to purchase due to the economy. Mr. Buck felt the selling price of the homes will be very attractive versus comparables and that the construction for them was justified.

Ms. Thrubin asked to get a fee structure for the project and the structure of the assignment. Ms. Ruberto will be in contact with Ms. Thrubin to discuss further.

EXECUTIVE SESSION:

A motion was made by Ms. Pattarini and seconded by Mr. Buffa to enter Executive Session. The motion passed unanimously.

A motion was made by Mr. Buffa and seconded by Ms. Pattarini to exit Executive Session. The motion passed unanimously.

Agency members expressed their want to further discuss the Buck, Riverside, Harza and Hage issues and requested the Vice-Chairperson to call a Special Meeting of the Agency on Friday, May 8, 2009 at 8:00am.

ADJOURNMENT: There being no further business brought before the Agency, Ms. Vanderhoof made a motion to adjourn which was seconded by Mr. Buffa and the meeting was adjourned at 9:47 a.m.