



CITY OF UTICA

Utica Industrial Development Agency
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ROBERT M. PALMIERI
MAYOR

JOSEPH HOBICA, SR.
CHAIRMAN

JACK SPAETH
EXECUTIVE DIRECTOR

May 6, 2014 9:30a.m.
Utica Industrial Development Agency Regular Meeting
City Hall – Urban & Economic Development Conference Room

Members Present: Emmett Martin, John Zegarelli, John Buffa, Vin Gilroy

Excused: Joseph Hobika, Sr.

Also Present: Jack Spaeth (Executive Director), Linda Romano (BS&K – Agency attorney)

Others:

1) CALL MEETING TO ORDER: The meeting was called to order by the Executive Director Mr. Spaeth at 8:31a.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. Martin, seconded by Mr. Zegarelli, to approve the minutes of the April 25, 2014 meeting. The motion passed unanimously.

3A) OLD BUSINESS: Primo Property Management, LLC

Ms. Romano presented a Final Resolution and a Statement of Findings as it pertains to Primo Property Management, LLC.

The PILOT formula for Primo Property Management, LLC will be: 4 years at 0.0%, 3 years at 50% and 3 years at 75%. In the 11th year, taxes would be 100%. This financial assistance is a deviation from the Agency's Uniform Tax Exemption Policy, and the reasons for the Agency's deviation were outlined in the deviation letters that were sent to the affected taxing jurisdictions.

The Company intends to develop portions of the Facility to be operated as a "retail facility," and the General Municipal Law restricts financial assistance to retail facilities unless they meet certain criteria. One such criterion under the GML is that a facility is located in a "highly distressed area," and because the Facility is located within an area designated as an Empire Zone, it qualifies for financial assistance.

Prior to a formal vote on this matter, Mr. Buffa disclosed he has a conflict of interest as his employer, NBT Bank, has provided funding to the principals and/or entities owned by the principals of Primo Property Management, LLC [although NBT Bank is not financing this specific project]. Members of the Agency acknowledged Mr. Buffa's conflict and that Mr. Buffa does not directly profit from his involvement. As such, Mr. Martin made a

motion, seconded by Mr. Zegarelli to waive the conflict of interest. With no further discussion, the motion passed unanimously.

Likewise, prior to a formal vote, Mr. Gilroy disclosed that he is the accountant for Primo Property Management, LLC and its principals. Members of the Agency acknowledged Mr. Gilroy's conflict and that Mr. Gilroy does not directly profit from his involvement. As such, Mr. Zegarelli made a motion, seconded by Mr. Martin to waive the conflict of interest. With no further discussion, the motion passed unanimously.

As such, Mr. Martin made a motion, seconded by Mr. Zegarelli, to (a) adopt a Final Resolution, authorizing financial assistance that is a deviation from the Agency's Uniform Tax Exemption Policy and authorizing the form and execution of related documents subject to approval by counsel and (b) adopt a Statement of Findings and request Mayor Palmieri confirm the financial assistance to a retail project for Primo Property Management, LLC. With no further discussion, the motion passed unanimously.

4A) NEW BUSINESS: Uniform Tax Exemption Policy discussion

Mr. Spaeth informed Agency members that he has had conversations with Agency counsel regarding the need to revisit and revise the Agency's Uniform Tax Exemption Policy (UTEP). Mr. Spaeth will provide members with UTEPs from other IDA's across the state as reference. Agency counsel has provided Mr. Spaeth with a memo with their initial review of the UTEP. Mr. Spaeth asked that members review the other UTEPs so that a fruitful discussion will take place at the Agency's next meeting. Once an approved draft has been prepared, the UTEP will be forwarded to the affected taxing jurisdictions for comment.

5) EXECUTIVE SESSION:

Not entered into

6) ADJOURNMENT: There being no further business brought before the Agency, Mr. Martin made a motion to adjourn which was seconded by Mr. Buffa and the meeting was adjourned at 9:06am.

The next regular meeting of the Utica Industrial Development Agency is scheduled for Tuesday, June 3, 2014 at 8:30am.