

May 12, 2008

Utica Industrial Development Agency

2:00 p.m.

Members Present: John Buffa, Jack Spaeth, Joseph Hobika, Sr., Angela Z. VanDerhoof, Emmett Martin

Excused: None

Also Present: Joseph Hobika, Jr., General Counsel, Joe Catadoris, New Hartford Sheet Metal

The meeting was called to order by Chairman Hobika, Jr. at 2:00 p.m.

A motion was made by Mr. Spaeth and seconded by Mrs. VanDerhoof to approve the minutes of the April 1, 2008 Meeting. The motion passed unanimously.

**New Business:**

**New Hartford Sheet Metal:** Mr. Hobika, Jr. introduced Joseph Catadoris, the owner of New Hartford Sheet Metal and gave a brief overview. Thereafter, Mr. Catadoris outlined the proposed project and thereafter made a request for a standard 10 year PILOT, a mortgage tax exemption and a sales tax exemption. Mr. Catadoris advised that Agency members that aside from purchasing the building which has housed his business for the past fifteen years and making a substantial capital investment in equipment and improvements, the project was expected to result in the creation of approximately 20 FTE jobs in the next three years.

Thereafter, Mr. Spaeth made a motion to go into Executive Session. Said motion was seconded by Mr. Buffa and passed unanimously and the Agency went into Executive Session at 2:06 p.m. Mr. Buffa made a motion to come out of Executive Session at 2:20 p.m. The motion was seconded by Mr. Spaeth and passed unanimously.

Thereafter, Mrs. VanDerhoof made a motion seconded by Mr. Buffa to preliminarily approve the project and grant preliminary inducement for the purposes of performing due diligence. The motion passed unanimously. Mr. Catadoris was directed to submit a supplemental application for Jaychlo, LLC, the real estate holding company and to make financials available for review by Agency members.

**Notices and Procedures:** Mr. Hobika, Jr. was then directed to report on an inquiry made by Urban and Economic Development Commissioner Sullivan regarding the transmission of Notices and the duties of Jack Spaeth as they relate to his position at the City and his position as Assistant Secretary of the Agency. An email which was distributed prior to the meeting is attached to the minutes and provides clarity to the issue. In addition, Mr. Hobika, Sr. provided historical background with regard to the

operation of the Agency and the responsibility of Agency officers and members versus duties as employees of the City. Commissioner Sullivan elected not to attend the meeting although he was invited to do so.

**Insurance Issues:** Mr. Martin reported to the Agency that he was able to obtain standard liability and casualty coverage for the Agency as it relates to the Harza Building in fulfillment of the directives at the April 1, 2008 meeting. Mr. Martin further reported that bid specifications were being drawn up by the City of Utica Board of Contract and Supply to assist the Agency with putting future coverage out to bid. Mr. Martin then went on to report that he had arranged for Officers and Directors coverage after polling 10 different companies. Thereafter a motion was made by Mr. Buffa and seconded by Mr. Spaeth to acquire Directors and Officers coverage pursuant to the proposal submitted by Mr. Martin as part of the directives at the April 1, 2008 meeting. After discussion, the motion passed unanimously. Specifications will have to be prepared for bids on future coverage.

**Harza Building:** A brief discussion ensued wherein no member or staff could report any further information being provided subsequent to inquiries made prior to the April 1, 2008 Agency meeting and the delivery of a memorandum outlining the Agency's position with regard to the ownership and operation of the building.

Hobika, Jr. reported that he received a report from the tenant Claims Solutions regarding issues related to the deteriorating condition of their suite due to HVAC leaks and a cracked window. In addition, issues have occurred regarding the automated entry system. Mr. Spaeth indicated that he had received these complaints in the past, but with the limited funding that the Agency had regarding the building and the uncertain status of the ownership of the building, only stopgap measures had been undertaken. Mr. Spaeth then reported that the Agency incurred \$66,000 in operating expenses and received only \$22,000 in rent.

**Audit:** Mr. Spaeth reported that he and Mr. Hobika, Jr. were working with the Auditors to prepare the 2007 report to New York State. Unfortunately, according to Mr. Spaeth the auditors were not available to attend the meeting but would make themselves available in the near future.

**Financials:** Mr. Spaeth reported that in response to several inquiries regarding the Agency's cash position and financial statements, he would eventually provide information to the Agency members. Mr. Hobika, Jr. followed up that it was imperative that the Agency members know the cash position of the Agency since the forced management of the Harza building had cost the Agency over \$44,000 in the first three months of 2008. Mr. Spaeth did report that the City transferred \$18,000 to the Agency to cover some of the shortfall in conformance with the prior Administration's promise to the Agency.

**Authority Training:** Mr. Spaeth reported that he did not have anything further to report on the status of local Authority Training. He would report to the Agency with new information at the next meeting.

**NYSEDC Annual Meeting:** Mr. Spaeth requested authority to attend the Annual Meeting of the New York State Economic Development Council (the Agency is a member). The meeting was being held from May 21 until May 23, 2008 at the Otesaga Resort in Cooperstown. After a brief discussion Mrs. VanDerhoof made a motion to authorize Mr. Spaeth to attend and authorized the expenditure of Agency funds for t overnight stays, registration and meals. The motion was seconded by Mr. Martin and passed unanimously.

**Adjournment:** There being no further business brought before the Agency, Mr. Spaeth made the motion to adjourn which was seconded by Mrs. VanDerhoof and the meeting was adjourned at 3:00 p.m.