

**Watertown Industrial Center Local Development Corporation
Board of Directors' Meeting
January 15, 2013
Minutes**

The Watertown Industrial Center Local Development Corporation held a board meeting on Tuesday, January 15, 2013 in the Watertown Center for Business and Industry board room, 800 Starbuck Avenue, Watertown, New York.

Present: J. Paul Morgan, Michelle Capone, Donald Rutherford, Nickolas Darling

Others Present: Billy Soluri, Lyle Eaton, David Zembiec, Donald Alexander, Craig Fox (Watertown Daily Times), Ed Sampson (Junction Boyz), and Keith Caughlin, Esq.

Excused: Carolyn Fitzpatrick

- I. Call to Order:** The meeting was called to order at 8:36 a.m.
- II. Approval of Meeting Minutes:** On a motion by Mr. Darling and second by Mr. Morgan the minutes from the November 2, 2012 meetings were approved. All in favor; the motion carried.
- III. Correspondence:** The board was updated regarding SPX's work on-site with reports from Golder Associates provided for November thru December 2012. Golder will initiate preparation of SSDS Confirmatory Indoor Air Sampling Reports.

Mr. Soluri noted that he received a notice of termination on insurance for Junction Boyz. Mr. Sampson, Junction Boyz, told him that he renewed the insurance and the binder should be in the mail.

The Northern New York Rural Healthcare Alliance (NNYRHA) submitted a written request to terminate its lease obligation early. The lease expires July 31, 2013, however the NNYRHA would like to terminate the agreement as of 1/31/2013. Ms. Capone asked what the lease allowed for in terms of an early termination. It was explained that board could make the determination upon written request. Mr. Rutherford asked how we had handled prior requests for early termination. Mr. Soluri noted that if the tenant was current we typically would allow for early termination; however on one occasion we required the tenant to pay the base rent until the WIC could find a suitable tenant, or upon termination of the lease, whichever occurred first. Mr. Rutherford noted that this was a common practice. On a motion by Ms. Capone and second by Mr. Morgan it was agreed that the NNYRHA be requested to pay the base rent until the WIC could find a suitable tenant, or upon termination of the lease, whichever occurred first. All in favor; the motion carried.

Mr. Soluri reported that the loading dock in Jain Irrigation's space was damaged by a truck from Teale Trucking. Teale did accept responsibility for the accident and their insurance agreed to pay for damage. Mr. Soluri noted that bids were solicited and P&M

Construction was awarded the job for \$6,153. Of this amount, Teale's insurance would pay \$5,149; the balance Mr. Soluri felt were improvements to the facility that should be paid by the WIC. These included a new overhead door which was over 12 years old and insulation around the overhead unit which totaled \$1,004. On a motion by Mr. Morgan and second by Mr. Darling it was agreed that the WIC would pay \$1,004 toward the improvements in the Jain Irrigation space. All in favor; the motion carried.

Mr. Soluri presented the WCBI Tenant/Prospect list. There was no discussion.

IV. Committee Reports: None

V. Unfinished Business:

- (1) Attorney Caughlin updated the board on the status of the Notice of Lease Violation for Junction Boyz regarding their dog kennel business. A notice to remedy was sent November 14, 2012 with a deadline of December 17, 2012 set to remedy the default of the lease agreement. The deadline was not met.
- (2) Mr. Soluri noted that Mr. Perry Pecker, KBST Flooring, and Mr. Mike Lynch were still in default of their leases. On a motion by Mr. Darling and second by Ms. Capone, Attorney Caughlin was directed to collect from Mr. Pecker, KBST Flooring, and Mr. Lynch and return the space to the WIC. All in favor; the motion carried.
- (3) There was discussion regarding the Memorandum of Understanding and the Master Lease Agreement. Attorney Caughlin began by noting that while we are operating under a Memorandum of Understanding between the WIC LDC and JCIDA it has not been signed. The JCIDA is collecting all revenues, and has been since September 1. Mr. Alexander discussed that the JCIDA does not want to enter into a Master Lease Agreement with the WIC LDC because it does not want any of the environmental responsibilities associated with the property. Therefore, the JCIDA is proposing that it will leave the state retirement system. In doing so, the JCIDA would return to a professional services agreement with the WIC to provide staffing for the operations and maintenance of the facility. Mr. Alexander noted that the JCIDA has not received any guidance on the issue from the Comptroller's office. Mr. Eaton noted that all financial accounts would be returned to the WIC as of 2/1/2013. Ms. Capone noted that no salaries or wages for JCIDA employees should be paid without an acceptable professional services agreement in place. Another meeting of the WIC will be held in two weeks for an update on progress.

VI. New Business:

- (1) Mr. Ed Sampson, Junction Boyz, addressed the Board regarding his business. He noted that the first he heard of the legal action against his business was when he read it in the paper. He felt that his payments over the past year were a good faith effort to meet his obligations. In total he owes \$137,900 in back rent and utility payments and an additional \$15,000 for debt associated with a foundation project in his space. Mr. Rutherford noted that the WIC had made clear efforts to work with Mr. Sampson

including a workout to repay his past due amounts owed. Mr. Sampson has not kept to this schedule and is in default of the workout arrangement. Mr. Sampson noted that economic issues and defaults by soldiers on loans through self-financing have led to insufficient cash flow to repay his obligations to WIC. He noted that he has reduced his workforce as well. Mr. Rutherford noted that no one wanted to see jobs lost. Mr. Sampson also noted that he could consider leasing less space. Mr. Sampson also addressed the Notice to Remedy for the dog kennels issued by Attorney Caughlin. He noted that he was trying to find an alternative solution but had not been able to do so at this time. Ms. Capone commented that the WIC should continue with the litigation process that was previously approved at the November 2, 2012 board meeting. There was no vote after this discussion.

- VII. Adjournment:** With no further business before the Board, a motion was made to adjourn by Mr. Darling, seconded by Mr. Morgan. All in favor; the motion carried. The meeting adjourned at 10:26 a.m.

The next meeting will be Tuesday, January 29, 2013 at 8:30 AM in the Watertown Center for Business and Industry board room, 800 Starbuck Avenue, Watertown, New York.