

**Watertown Industrial Center Local Development Corporation**  
**Board of Directors' Meeting**  
**June 17, 2014**  
**Minutes**

The Watertown Industrial Center Local Development Corporation held a board meeting on Tuesday, June 17, 2014 in the Watertown Local Development Corporation board room, Buck Building, Watertown, New York.

**Present:** Michelle Capone, Donald Rutherford, Carolyn Fitzpatrick, Nic Darling, Kent Burto, Mark Bellinger, J. Paul Morgan

**Staff:** Billy Soluri

**Others Present:** Craig Fox (Watertown Daily Times), Keith Caughlin, Esq. (Schwerzman & Wise, P.C.), Dave Zembiec (Jefferson County Local Development Corporation)

**I. Call to Order:** The meeting was called to order at 8:35 AM

**II. Meeting Minutes:** Motion by N. Darling and second by K. Burto to approve the meeting minutes from the May 20, 2014 regular board meeting. All in favor; motion carried.

**III. Financial Report:** B. Soluri presented the financials for May 2014. He noted an operating profit of \$6,938.08 before depreciation. He noted that on the balance sheet for June the accounts payable will increase due to the receipt of the plowing bill which will be approximately \$12,000. P. Morgan asked Mr. Soluri to provide prior year as comparison on balance sheet. He also asked for a monthly cash flow report for at least 6 months projected cash flow. On a motion by N. Darling and second by P. Morgan the financial statements for May 2014 were accepted. All in favor; motion carried.

**IV. Correspondence:**

- i. B. Soluri presented Golder Associates' on-site soil vapor intrusion work plan progress report for May 2014. Systems are operating as planned.
- ii. B. Soluri presented the commitment letter from the Watertown Local Development Corporation to the WIC LDC to borrow \$450,000 toward the capital improvements for the JCLDC space. Upon review of the commitment letter the board questioned the collateral requirement requiring a construction loan mortgage since there was no expectation that there would be a mortgage on the facility. It was also noted that any fees would be passed to the JCLDC for payment. On a motion by M. Bellinger and second by N. Darling, the Vice President is authorized to execute the commitment letter upon resolution of the mortgage collateral issue. K. Burto and D. Rutherford abstained. All in favor; motion carried.
- iii. K. Caughlin sent a letter to Environmental Spill Products notifying them to either confine their space to their agreed upon lease amount; make an agreement to modify the lease and increase their space; or vacate the space. B. Soluri noted that ESP had started to move product; however there was still a significant amount in the

unapproved space. On a motion by N. Darling, and second by P. Morgan, B. Soluri is authorized to direct Schwerzmann & Wise to commence a special proceeding to limit tenant to leased property and evict from unleased property if the property in question has not been vacated by June 20, 2014. All in favor; motion carried.

- iv. B. Soluri provided correspondence regarding the personal bankruptcy filing by Edward and Lisa Sampson.

## **V. Committee Reports**

- i. B. Soluri noted that the ServPro project is 60% complete and they expect to be in their space by the end of the month.
- ii. B. Soluri briefed the board on the Building B renovation project. Capital Construction was awarded the prime contract; ENI was awarded the mechanical and plumbing contract; and Jordstat Construction was awarded the electrical contract. Capital Construction proposes to complete the siding on Bldg B for \$4,200. On a motion by P. Morgan and second by M. Bellinger, the change order in the amount of \$4,200 for siding along Building B was approved. All in favor; motion carried.
- iii. B. Soluri briefed the board on the status of the Watertown Airsoft League opening. He noted that City Codes has still not approved the occupancy permit. He noted that based upon the third party fire protection engineering design to accommodate 450 people in the approximately 13,150 square foot space the following may be needed: 5-7 additional sprinkler heads; additional urinals; heat and smoke sensors in every space; and additional emergency exits. Attorney Caughlin was going to follow up with the Code Office to see if there was any way to limit occupancy in space or mitigate the requirements. Mr. Soluri will report back at next meeting.
- iv. NYTREC asked the WIC to consider a reduction in their lease for one year if they sub-meter all tenants in Building C. The reduction would be about \$465/month, however the WIC will benefit by the sub-meters. The lease would return to its normal amount in year 2. On a motion by K. Burto and second by P. Morgan, the board agreed to reduce the lease for NYTREC for one year upon NYTREC sub-metering the tenants in Building C. All in favor; motion carried.

## **VI. Unfinished Business:**

- i. B. Soluri discussed the options of EFT payments and signature stamps with Bowers and Company and the auditor recommended the signature stamp over EFT payments due to better controls. On a motion by N. Darling and second by M. Bellinger, the board agreed to utilize signature stamps for organizational checks. All in favor; motion carried.
- ii. Attorney Caughlin briefed the board regarding M&T Bank. M&T Bank has no interest in paying the WIC rent while their collateral occupies our space. M&T countered the WIC's offer that they would split the Junction Boyz auction 50/50 with the WIC. Further, the do not want to participate in an auction of the Mike Lynch items. On a

motion by M. Capone and second by M. Bellinger, the electronic vote of June 4, 2014 with the subject, "M&T Proposal and Mike Lynch," was ratified which agreed to the 50/50 split of the Junction Boyz items with M&T Bank and the scrapping of the Mike Lynch items. All in favor; motion carried.

**VII. New Business:**

- i. B. Soluri noted that Junction Boyz has an outstanding balance of \$246,986.18 owed to the WIC LDC. This is broken down \$194,221.40 in rent and \$52,764.78 in utilities. While the WIC will still try to collect on these amounts, it is being recommended that we write-off these amounts as bad debt. An allowance for bad debts was established on the balance sheet in the amount of \$150,000 to account for a portion of this loss. On a motion by K. Burto and second by N. Darling, the board agreed to write-off \$246,986.18 as bad debt owed by Junction Boyz. All in favor; motion carried.
- ii. The Governance Committee reviewed the policies, procedures, bylaws and mission statement of the WIC LDC. On a motion by M. Bellinger and second by K. Burt the Policies, Bylaws, and Mission Statement of the WIC LDC were adopted. All in favor; motion carried

**VIII. Adjournment:** On a motion by N. Darling and second by M. Bellinger the meeting was adjourned at 9:37 AM.

The next regular meeting will be Tuesday, July 15, 2014 at 8:30 AM at the Watertown Industrial Center board room, 800 Starbuck Ave., Watertown, New York.