

Watertown Industrial Center Local Development Corporation
Board of Directors' Special Meeting
July 25, 2012
Minutes

The Watertown Industrial Center Local Development Corporation held a special board meeting on Wednesday, July 25, 2012 in the Watertown Center for Business and Industry board room, 800 Starbuck Avenue, Watertown, New York.

Present: J. Paul Morgan, Carolyn Fitzpatrick, Nickolas Darling, W. Edward Walldroff, Michelle Capone

Others Present: Donald Alexander, Billy Soluri, Lyle Eaton, David Zembiec, Peggy Sampson, and Keith Caughlin, Esq.

Excused: Donald Rutherford

Absent: John Doldo, Jr.

I. Call to Order: The meeting was called to order at 8:10 a.m.

II. Special Business – Discuss future of corporation: Attorney Caughlin indicated that he previously sent out a draft Memorandum of Understanding that will be entered into by the JCIDA and WICLDC as of 8/1/12. He said that the WCBI facility will remain a project of the JCIDA and will be managed under a Master Lease that is still being negotiated.

Mr. Caughlin said that the WICLDC still has certain loan and grant obligations through 2017. He said through the structuring of the dissolution some of the obligations will disappear by paying them down or paying them off within the next couple of years and others can be worked out through the process.

There was a question on the leasehold improvement funds. Mr. Eaton said those are IDA funds and IDA will collect payments starting August 1, contingent upon approval from both parties.

Ms. Capone wanted to know what the board members fiduciary duties are once the transaction occurs with the JCIDA. Attorney Caughlin indicated that the duties would remain the same. Ms. Capone wondered if there would be any performance measures and if there would be a termination clause built into the proposed agreement with the IDA. Attorney Caughlin said that reporting measures could be put in place if the board desired to do so.

Mr. Walldroff wanted to know if the proposed lease will address employees through the project. Attorney Caughlin indicated that it would.

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Ms. Capone indicated that she would like to review the Master Lease prior to its execution. Therefore, Attorney Caughlin revised the proposed resolution to reflect today's request along with a few other minor changes.

It was noted that the next board meeting is scheduled for August 21, 2012 where the audit will be reviewed, performance measures can be discussed, and if ready, the Master Lease can be reviewed.

Mr. Eaton pointed out that the financials will change since the tenant portion will move to the IDA, subject to approval. He did say that he would maintain WICLDC bank accounts and mirror WIC books under WCBI in the accounting system.

Mr. Darling wanted to know if there was a plan of communication for notifying the tenants of the change. Staff indicated that they would notify the tenants by sending out letters.

Mr. Walldroff asked if the leases have to be assigned to the IDA. Mr. Caughlin indicated that they do; however, he said that the tenant does not need to approve it.

Mr. Alexander mentioned a letter that was sent from JCIDA to board President Rutherford regarding termination of the Professional Service Agreement as of 11:59 p.m. on July 31, 2012. The letter also says that IDA Employees that previously assisted the Corporation will remain direct employees of the IDA. The letter also refers to the indemnification provisions that will remain in full force and effect and shall survive termination. Board members decided that Vice President Morgan should sign the letter on behalf of the Board of Directors.

After discussion, a motion was made by Ms. Capone to approve the revised resolution (attached), seconded by Mr. Darling. All in favor. Carried.

- IX. Adjournment:** With no further business before the Board, a motion was made to adjourn by Mr. Darling, seconded by Ms. Fitzpatrick. All in favor. The meeting adjourned at 9:09 a.m.