

Watertown Industrial Center Local Development Corporation
Board of Directors Meeting
December 20, 2016
Minutes

The Watertown Industrial Center Local Development Corporation held its regular board meeting on Tuesday, December 20, 2016 in the Watertown Industrial Center board room, 800 Starbuck Avenue, Watertown, New York.

Present: Michelle Capone, J. Paul Morgan, Mark Bellinger, Carolyn Fitzpatrick, Francis Murray, Don Rutherford

Staff: Billy Soluri

Absent: Kent Burto

Others Present: Dave Zembiec (Jefferson County Local Development Corporation), Marcus Wolf (Watertown Daily Times)

- I. Call to Order:** The meeting was called to order at 8:35 AM.
- II. Meeting Minutes:** Motion by P. Morgan and second by C. Fitzpatrick to accept the meeting minutes from the November 15, 2016 meeting. All in favor; motion carried.
- III. Financial Report:** B. Soluri noted that based upon last month's board discussion, he asked Brie at Crowley and Halloran whether we could change our statements to cash basis. She advised against this for two reasons. First, the accrual basis conforms to GAAP accounting standards and second the accrual basis conforms to PARIS reporting. P. Morgan stated that the current presentation of our income statement does not reflect the actual cash rents that we receive but includes receivables. After some discussion it was agreed that B. Soluri would provide a note on the bottom of the income statement that reflects the cash rents received and those that are past due. B. Soluri presented the financials for November 2016. B. Soluri noted an operating profit of \$13,150.44 prior to depreciation. He noted cash decreased due to payments to P&M Construction for the work completed on Building D and the completion of the Pick N Go project. We will receive cash from a LHI loan to Pick N Go when it closes. Under rents receivable he noted Brenons Coin Machines and New York Air Brake were current. Sweet Occasions is to be sending a check either today or tomorrow to bring their rent current. In reviewing the 6-month cash flow projections, B. Soluri noted that staff recently completed an inspection of all 43 HVAC units in the facility. Of these units only 1 unit in Brookfield space will need to be replaced. He thinks this will run around \$6,000 but will get back to the board with an exact price. On a motion by C. Fitzpatrick and second by M. Bellinger the financial statements for November 2016 were accepted. All in favor; motion carried.
 - ii. B. Soluri stated that Brianna Tousant of Bowers and Company recommended that the WICLDC establish a reserve for bad debt associated with the Watertown Air Soft rents receivable and LHI loan. On a motion by P. Morgan and second by M. Bellinger the

board agreed to set up an allowance for bad debt for the rent receivable and loan receivable with Watertown Air Soft. All in favor; motion carried.

M. Capone asked if attorney Caughlin had proceeded with the legal actions discussed at the last meeting. B. Soluri stated that the summary judgment has been filed and they are waiting for a court date to be set.

IV. Correspondence:

- i. None

V. Committee Reports

- i. B. Soluri provided a bid proposal from NYTRIC Electrical to remove the damaged 3-phase meter channel and replace with a new one on Building A. This project was identified by National Grid when they wanted to replace the meter box. The cost to complete the project is \$1,580. B. Soluri authorized the work to be completed.
- ii. B. Soluri gave an update on the space occupied by Watertown Air Soft. He stated that Mr. Corliss vacated the space and did a good job at clearing and cleaning the space before leaving. In regard to the tires on the site, B. Soluri reached out to Senator Ritchie's office which put him in contact with Jim Lawrence at the County. Mr. Lawrence has stated that the County has excess funding available that may be used to remove the tires from the site. In addition, the County also stated that they would be able to assist with removing the excess pallets from the site as well.
- iii. B. Soluri provided an update on leases and prospects. He noted that there are now 6 prospects with at least three that look quite favorable.

VI. Unfinished Business:

- i. ServPro had requested a full moratorium on lease payments for the months of November and December 2016 due to a decline in business. B. Soluri was directed by the Board to request additional information from the tenant regarding its ability to make deferred lease payments. A letter was provided by the tenant stating that they would be agreeable to prorating the deferred payments over 12 months however would prefer the rents to be forgiven. On a motion by C. Fitzpatrick and second by P. Morgan, the Board agreed to amortize the two deferred payments for November and December 2016 over the twelve months beginning January 1 and ending with the December 1, 2017 payment. New payments will be \$2,350.76 beginning January 1, 2017. All in favor; motion carried.
- ii. B. Soluri provided Revision #3 for the proposed Jain Irrigation project. B. Soluri noted that he visited Jain with D. Rutherford and D. Zembiec to discuss the proposed project. Jain responded to B. Soluri with what their financial needs would be in order to consider the project. The proposed project would utilize the back of Building A. This would require the demolition of walls within the space and relocating one tenant. D. Rutherford asked if any of the leasehold improvements completed for Watertown Air Soft would be

affected. B. Soluri noted no with the exception of a fire wall that would be removed that was installed by staff. P. Morgan asked if the space would be improved. B. Soluri stated yes that currently, due to the configuration of the walls, there is a lot of space that the WIC LDC cannot lease. This project would open the space up. B. Soluri working with M. Bellinger put together a proposed rent schedule for Jain. The assumption considers Jain repaying the debt over 5 years with an option to extend the lease for an additional 5 years. Over the course of the 5 year lease the WIC LDC would receive a similar lease payment as what it has been receiving from Jain in addition to the debt payment. D. Rutherford and M. Bellinger agreed that they would abstain from future discussion as they may be involved in the financing of the project. The board agreed that B. Soluri should present Revision #3 to Jain Irrigation for its review.

VII. New Business:

- i. None

VIII. Adjournment: On a motion by P. Morgan and second by C. Fitzpatrick the meeting was adjourned at 9:36 AM.

The next regular meeting will be Tuesday, January 17, 2017 at 8:30 AM at the Watertown Industrial Center board room, 800 Starbuck Ave., Watertown, New York.