

**Watertown Local Development Corporation
Regular Board Meeting Minutes
Friday, February 17, 2012**

The Watertown Local Development Corporation (WLDC) held its regular board meeting on Friday, February 17, 2012 in the board room of the WLDC, 82 Public Square, Watertown, New York.

MEMBERS PRESENT – Jeffrey Graham, President; Mary Corriveau, John Vanderloo (Designee for Roseanne Murphy); Jeffrey Fallon, Mark Bellinger, Erika Flint

MEMBERS EXCUSED – Roseanne Murphy, Donald Alexander

OTHERS PRESENT – James Heary, Attorney at Law; Donald W. Rutherford, CEO; Kim S. Taylor, Executive Assistant; Craig Fox, Reporter, Watertown Daily Times; Tim Scee, Reporter, Newzjunky; Joseph Russell, Attorney at Law, Cyril Mouaikel, RBC Wealth Management

CALL TO ORDER - President Graham called the meeting to order at 8:30 a.m.

I. MINUTES – Mrs. Corriveau made a motion to approve the minutes of January 19, 2012, seconded by Mr. Fallon. All in favor. Carried.

II. FINANCIAL STATEMENTS – Mr. Fallon reviewed financial statement for the month of January. Mr. Fallon also reviewed the revenues and expenses for the Franklin Building. A motion was made by Mrs. Flint to approve the January 2012 financial statements, seconded by Mr. Bellinger. All in favor. Carried.

Mr. Rutherford reviewed the delinquent loan accounts.

Investment Report – Cyril Mouaikel, Senior Vice President of RBC presented the board with the 2011 investment report of the WLDC. Copy attached.

III. CORRESPONDENCE – None

Executive Session – A motion was made by Mrs. Flint to adjourn the meeting to enter into executive session at 9:02 a.m. to discuss pending litigation, seconded by Mr. Zembiec. All in favor, carried.

A motion was made by Mrs. Corriveau to adjourn the executive session and reconvene the regular meeting, seconded by Mrs. Flint. The regular meeting reconvened at 9:12 a.m.

**Watertown Local Development Corporation
Regular Board Meeting Minutes
Friday, February 17, 2012
Page Two**

**IV. COMMITTEES
Loan Review Eligibility Committee**

Neighbors of Watertown, Inc./NDC – Mr. Rutherford stated the contract between Neighbors of Watertown and the National Development Council was not approved last year. The WLDC provides \$1,333 a month to share the cost of the contract fee for community and economic advisement services. The agreement is between Neighbors of Watertown and National Development Council. A motion was made by Mr. Zembiec to approve sharing the cost of the annual contract fee in the amount of \$16,000 a year to Neighbors of Watertown from September 2011 to September 2012, seconded by Mr. Bellinger. All in favor, carried.

Guilfoyle Ambulance, Inc./Wright Brothers, LLC. – The Loan Review Committee recommend approval to amend the November 17, 2011 request of Wright Brothers, LLC to increase the loan an additional \$12,500 bringing the WLDC's permanent financing to \$265,000 and to bridge the JCIDA's portion in the amount of \$12,500. The purpose of bridging the financing is to allow for the loan closing to take place on February 28, 2012. Total project is \$1,000,000. A motion was made by Mrs. Flint, seconded by Mr. Fallon. All in favor, carried.

North Country Arts Council – A motion was made to approve the request from the North Country Arts Council to apply the December 2011 lease payment in the amount of \$1190 to the December 2011 to March 2012 rents and furthermore request continuing the reduced lease payment for Space D in the amount of \$297.50 from April to June 2012, seconded by Mr. Bellinger. The full lease payment for Space D in the amount of \$1190 will be due July 1, 2012. All in favor, carried.

Personnel Committee – There was no report.

Mr. Rutherford stated he would like to discuss a document from Harris Beach to set aside a defense fund and engage in legal counsel to represent the LDC. President Graham questioned if the LDC has received a request for money and stated he has a difference of opinion in engaging legal counsel.

Executive Session - A motion was made by Mrs. Corriveau to enter into executive session at 9:28 a.m. to discuss personnel issues from the NYS Comptroller's Office, seconded by Mr. Fallon. President Graham voted no. All others in favor, carried.

**Watertown Local Development Corporation
Regular Board Meeting Minutes
Friday, February 17, 2012
Page Three**

A motion was made by Mrs. Flint to adjourn the executive session and reconvene the regular meeting, seconded by Mr. Bellinger. All in favor, carried. The regular meeting reconvened at 10:01 a.m.

A motion was made by Mr. Bellinger to retain legal counsel to provide advice to the board on the matter of the NYS Comptroller's ruling regarding JCIDA employees, seconded by Mr. Fallon. Mr. Zembiec abstained. All others in favor, carried.

Nominating Committee - President Graham stated the Nominating Committee recommends appointing Jeffrey Fallon as secretary/treasurer of the WLDC effective immediately. The position will be held by one person. A motion was made by Mrs. Corriveau, seconded by Mr. Zembiec to appoint Jeffrey Fallon as secretary/treasurer. All in favor. Carried

Governance Committee – A Governance Committee will be scheduled before the end of March.

Audit Committee – The audit committee will be meeting to review the draft audit February 23, 2012.

Activity Report – Mr. Rutherford's activity report is attached.

NEW BUSINESS

Sewall Island Option – Mr. Rutherford stated Sewall's Island would be an ideal location for rental housing. Mr. Rutherford stated he has been working with developers and city officials in obtaining an option on the island. The city owns 18.6 acres and the other 10 acres is owned by a hydropower plant. Mr. Rutherford stated some of the island cannot be developed because it contains in-fill.

Mrs. Corriveau stated the site is ready to be marketed because a five year project to remove contamination was completed; the City is waiting for official sign off from DEC.

A motion was made by Mrs. Flint to authorize the CEO to send a letter to Mrs. Corriveau, City Manager requesting the City Councils approval to grant the Watertown LDC an option on the Sewall's Island property, seconded by Mr. Fallon. Mrs. Corriveau abstained. All in favor, carried.

**Watertown Local Development Corporation
Regular Board Meeting Minutes
Friday, February 17, 2012
Page Four**

Cleaves Enterprise Option – Mr. Rutherford stated he and officials from the JCIDA have been working with a prospect that would bring 50 manufacturing jobs to the warehouse site of the former Cleaves Enterprises warehouse.

Mr. Heary stated there may be some problems with getting access to the CFM property from West Main Street because the Cleaves still own a private road leading off from the street that leads into both property's for the Back Bay Enterprises project. Back Bay Enterprises purchase the property from CFM to redevelop the building.

Mrs. Corriveau made a motion to authorize the CEO to entertain an option on the Cleaves Enterprise warehouse, 570 W. Main Street and 15.5 acres at the site with Robert Nelson, broker for the property, seconded by Mr. Bellinger. All in favor, carried.

OLD BUSINESS

Franklin Building Tenant Update – Mr. Rutherford stated Covered in Chocolates and the Pilates Studio have moved into the Franklin Building and he continues to work with prospects.

NEXT MEETING – The next scheduled board meeting will be held on Thursday March 15, 2012 at 8:30 a.m.

ADJOURNMENT – A motion was made by Mr. Fallon to adjourn the meeting at 10 26 a.m. seconded by Mrs. Flint. All in favor, carried.