

**Watertown Local Development Corporation
Regular Board Meeting Minutes
Thursday, June 21, 2012**

The Watertown Local Development Corporation (WLDC) held its regular board meeting on Thursday, June 21, 2012 in the board room of the WLDC, 82 Public Square, Watertown, New York 13601.

MEMBERS PRESENT – Jeffrey Graham, President; Mark Bellinger; Donald Alexander; Kenneth Mix (Designee for City Manager); Jeffrey Fallon

MEMBERS EXECUSED – Erika Flint, Dave Zembiec (Designee for Donald Alexander)

MEMBERS ABSENT – Roseanne Murphy, John Vanderloo (Designee for Roseanne Murphy)

OTHERS PRESENT – James Heary, Attorney At Law; Donald W. Rutherford; CEO; Kim Taylor, Executive Assistant; Dave Zembiec (Designee for Donald Alexander); Craig Fox, Reporter; Watertown Daily Times;

CALL TO ORDER – President Graham called the meeting to order at 8:33 a.m.

I. MINUTES – Mr. Alexander made a motion to approve the minutes of May 17, 2012, seconded by Mr. Fallon. All in favor. Carried.

II. FINANCIAL STATEMENTS – Mr. Fallon reviewed the financial statement for the month of May. Mr. Fallon also reviewed the income and expenses for the Franklin Bldg.

Mr. Rutherford reviewed the delinquent accounts and updated the board on the status of Alteri Bakery and Benchmark Family Services, Inc.

A motion was made by Mr. Mix to approve the May financial statements, seconded by Mr. Bellinger.

III. COMMITTEES

LOAN REVIEW COMMITTEE – The Loan Review Committee recommends approval of a loan to Eric Richardson d/b/a Impact Nutrition in the amount of \$36,920. Mr. Richardson plans to open a business to be located at 1222 Arsenal Street in the Stateway Plaza. The funds will be used to purchase inventory, equipment and startup working capital for his business, Impact Nutrition. Mr. Richardson is the only employee and anticipates hiring a part-time person over the next year. The amount of the total project \$46,160.

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Mr. Rutherford recommends the loan to Mr. Richardson based on excellent work ethic, knowledge of the industry, excellent credit score and support of a new entrepreneur in the City.

A motion was made by Mr. Alexander to approve the loan in the amount of \$36,920 to Eric Richardson d/b/a Impact Nutrition for inventory and working capital at 5% for 5 years, all accounts receivable, furniture, fixtures and equipment, 2004 Ford F150 Crew Cab, YF2 350 ATV's, seconded by Mr. Bellinger, discussion:

President Graham questioned why there was not a bank or other lender involved in the project. Mr. Rutherford stated one bank said Mr. Richardson had no collateral and has to have five year's experience to obtain financing.

President Graham requested the amount of the lease with Stateway Plaza. Mr. Rutherford stated the monthly lease is \$1200.

President Graham opposed all others in favor. Carried.

Current Applications, Inc. – The Loan Review Committee recommend extending the interest only payments on a line of credit to Current Applications, Inc. for a period of three months. The line of credit is in participation with the JCLDC in the amount of \$75,000 each.

A motion was made by Mr. Mix to approve extending the interest only payments on the \$75,000 line of credit to Current Applications, Inc. contingent upon approval from the Jefferson County Local Development Corporation and that the line will be paid in full at the end of the extension, seconded by Mr. Fallon. All in favor. Carried.

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

NEW BUSINESS

Façade Easement Program – A motion was made by Mr. Mix to allocate \$120,000 to the Façade Easement Program to provide matching funds with the NY Main Street Program funds for façade improvements of downtown buildings with Neighbors of Watertown, Inc. administering the program, seconded by Mr. Bellinger. All in favor. Carried.

OLD BUSINESS

Franklin Building Update – Mr. Rutherford reported that Watertown Locksmith LLC has occupied the last storefront on the Franklin Street side of the Franklin

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Building. There is one large interior space which will be marketed and divided as smaller offices.

Cleaves Site Update – Mr. Rutherford stated he continues to work with the prospect for the 15.5 acre site at Edmond Street, although, it has been a work in progress because the company is looking at a site in another county. Mr. Rutherford stated he expects the company to make a decision soon.

City Center Industrial Park – Mr. Rutherford stated he has been working with prospect who is interested in eight acres to build a 50,000 sq. ft. to 100,000 sq. ft. building behind Current Applications Inc. building in the CCIP. Mr. Rutherford stated the company has a need for railroad spur to the site and that he is working on that component.

Mercy Care Facility Update – Mr. Rutherford stated he has been in preliminary discussions with a developer for the vacant property and is working with GE Capital and the City Planning Department to put together marketing materials to develop a brochure.

Mr. Rutherford stated he plans to talk to the National Development Council who has formally worked with GE Capital on projects in the past

President Graham stated the city might be able to acquire two parking lots which could be possible sites for infill housing.

Mr. Alexander stated it is extremely difficult for developers and development should not be negotiated in public forums, we should be conscience of negotiating in front of the press.

Mr. Rutherford stated as long as the community supports the project and garners interest we need the political support.

Mr. Alexander stated developers are going to run for their lives if negotiations are played in the press.

Sewalls Island – Mr. Rutherford said he toured Sewalls Island with prospects who have a significant plan which would not occur until 2013.

NYS Retirement – Mayor Graham stated he would like to set up a conference call with Attorney Richard Smith in regard to the retirement legislation.

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Mr. Rutherford stated today was the final day of NYS Legislative Session and that he is hopeful the retirement will be retroaction to July 31, 2012.

Mrs. Flint joined the board meeting at 9:16 a.m. via conference call.

Mr. Rutherford stated there are time constraints on the agency now that deadline is August 31, 2012 instead of December 31, 2012. Mr. Rutherford stated there are concerns regarding health insurance for him and Mrs. Taylor. Mr. Rutherford questioned whether the administrative services contract be void and the WLDC hire him and Mrs. Taylor. Health benefits, retirement and a payroll system will need to be put in place if the WLDC board chooses to hire the employees.

Counsel Heary stated the bill would allow the employee to retain retirement status through July 31, 2012. Counsel Heary recommend a special meeting of the board to consider canceling the administrative services agreement between the WLDC and JCIDA; considering retaining the existing employees, issues of health insurance, payroll, employee handbook, retirement, etc.

Counsel Heary recommended payroll be prepared externally by an independent party.

President Graham recommended the board have a meeting with Attorney Richard Smith to get his views on the employment scenario and the WLDC acting as an independent economic development agency.

Mr. Alexander stated the assembly passed the bill last night and stated it is expected to pass the Senate. Mr. Alexander stated that as of July 31, 2012 Mr. Rutherford and Mrs. Taylor will cease to be employees of the JCIDA.

President Graham stated he would like to appoint Mr. Fallon, Mrs. Flint and Mr. Bellinger to ad hoc committee to devise an employment policy for the WLDC. The Committee will work on various issues such as payroll services, healthcare benefits, retirement/pension plans, and the overall benefits package.

President Graham requested a conference call with Attorney Smith to close the loop with the loss of employee pensions and to address the questions regarding personnel until Wednesday, June 27, 2012 at 8:30 a.m. A motion was made by Mr. Fallon, seconded by Mr. Bellinger to adjourn until June 27, 2012. All in favor.