

**Watertown Local Development Corporation
Board Meeting Minutes
Thursday, August 16, 2012**

The Watertown Local Development Corporation (WLDC) held a meeting on Thursday, August 16, 2012 in the board room of the WLDC, 82 Public Square, Watertown, New York 13601.

MEMBERS PRESENT – Jeffrey Graham, President; Mark Bellinger; Kenneth Mix Jeffrey Fallon, Erika Flint, John Vanderloo (Designee for Roseanne Murphy); Dave Zembiec (Designee for Donald Alexander)

MEMBERS EXCUSED – Roseanne Murphy, Donald Alexander

OTHERS PRESENT – Donald W. Rutherford, CEO; Kim S. Taylor, Executive Assistant; James Heary, Legal Counsel; Craig Fox, Reporter, Watertown Daily Times

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

I. MINUTES – Mr. Fallon made a motion to approve the minutes of June 21, 2012, June 27, 2012, July 6, 2012 and July 11, 2012, seconded by Mr. Bellinger.

Counsel Heary advised the President of the Board that a letter should be written to the employees of the WLDC outlining the terms of their employment beginning August 1, 2012. Ms. Taylor will draft a letter and send to Counsel Heary for review.

The minutes were approved unanimously.

II. FINANCIAL STATEMENTS – Mr. Fallon reviewed the financial statements for the months of June and July.

Mr. Rutherford reviewed the customer reports for the months of June and July. The loan to Jason Gittings will be moved to bad debt recovery on the report next month.

Mr. Rutherford stated that the WLDC will look into administering a loan program for businesses that will be affected by the Factory Street construction project. The program may be similar to the Downtown Streetscape Program. Mr. Rutherford stated there will be more to follow on the program.

A motion was made by Mr. Bellinger to approve the June and July financial statements, seconded by Mr. Mix. All in favor. Approved.

III. CORRESPONDENCE – President Graham stated correspondence was received by the City of Watertown appointing Kenneth Mix, Planning and Community Development Coordinator to the Watertown Local Development Board as a director.

**Watertown Local Development Corporation
Board Meeting Minutes
Thursday, August 16, 2012
Page Two**

**IV. COMMITTEES
LOAN REVIEW COMMITTEE**

North Country Arts Council - The Loan Review Committee recommends approval to extend a reduction of the North Country Arts Council lease payment for Space D to January 2013 in the amount of \$297.50.

A motion was made by Ms. Flint to approve the amendment of the lease agreement dated June 2, 2011 between the WLDC and North Country Arts Council (Space D) in the amount of \$297.50 for a period of six months. Commencing on January 1, 2013 NCAC agree to pay the full base rent in the amount of \$1,190.00. The motion was seconded by Mr. Bellinger. All in favor. Carried.

Family Counseling Service of Northern New York - A motion was made by Mr. Fallon to approve the request to subordinate its first lien position with Family counseling Services of Northern New York to Watertown Savings Bank and to authorize the CEO to execute the subordination agreement, seconded by Mrs. Flint. Mr. Bellinger abstained. All in favor. Carried.

Computer Doc, Inc. - A motion was made by Mr. Zembiec to approve releasing Richard T. Stephens as guarantor on the loan between the WLDC and Computer Doc, Inc., seconded by Mrs. Flint. All in favor. Carried. Mr. Stephens was guarantor for a loan granted to John Palmer of Computer Doc, Inc. for a period of six months.

Current Applications, Inc. - A motion was made by Mr. Fallon to approve the request from Current Applications, Inc. to term out the existing Demand Note of \$75,000 for 4 years at 5% fixed interest rate, guarantees of George Anderson, Christopher Gilbert, Robert Olin, Roger Snyder, contingent upon approval by JCLDC, seconded by Mr. Bellinger. The total amount of the loan in participation with the JCLDC is \$150,000. All in favor. Carried.

Allison Carlos d/b/a Dance Alley – A motion was made by Mr. Bellinger to approve releasing Louie Carlos as guarantor on the loan between WLDC and Allison Carlos d/b/a Dance Alley, seconded by Mr. Fallon. All in favor. Carried.

Activity Report of CEO – There was no activity report.

Washington Street Properties, LLC – Brian H. Murray, Sole Member of Washington Street Properties, LLC is requesting \$220,000 to purchase the ground floor of the City Center Plaza which consists of a 24,600 sq. ft. strip mall divided into five storefronts,

Watertown Local Development Corporation
Board Meeting Minutes
Thursday, August 16, 2012
Page Three

plus an additional 16,000 sq. ft. interior mall and office space. Mr. Murray also owns the adjacent property, Top of the Square Plaza. Total project is \$1,100,000.

A motion was made by Mr. Fallon to approve a loan to Washington Street Properties, LLC in the amount of \$220,000 to be used to purchase the ground floor of the City Center Plaza for a 5 year term, 20 year amortization; 5% fixed. Second mortgage on property located at City Center Plaza; 2nd position on all accounts receivable, furniture, fixtures, equipment and assignment of rents and leases, guarantee of Brian H. Murry, Sole Member and any other conditions set forth, seconded by Mrs. Flint. Mr. Bellinger abstained. Carried.

Ad Hoc Committee - President Graham questioned whether there was a report from the Ad Hoc Committee regarding employee pension. Mr. Bellinger stated the committee is still fact finding pensions and researching what the employee's benefits would have been through NYS. Mr. Bellinger stated the Employee Handbook is also being reviewed.

V. NEW BUSINESS – None

VI. OLD BUSINESS

Franklin Building – Mr. Rutherford stated he is waiting to hear from a prospective tenant who is interested in rental space for a photography studio.

570 W. Main Street (Cleaves Enterprise Property) – Mr. Rutherford requested the board to allocate \$10,000 to conduct a Phase II Environmental and an appraisal on 570 W. Main Street. Mr. Rutherford indicated that the project start date would be early spring 2014.

Mrs. Flint recommended the LDC obtain assurances from the company that it would recoup money spent by the LDC if the company decides to back out of the deal. Mr. Heary suggested entering into a standby agreement with the owner.

A motion was made by Mrs. Flint to authorize the CEO to obtain quotes and allocate \$10,000 to conduct a Phase II Environmental and appraisal on 570 W. Main Street and to enter into a Standby Agreement with the owner, seconded by Mr. Fallon. All in favor. Carried.

Mercy Hospital Update – Mr. Rutherford stated a meeting was held with representatives to discuss the Mercy Hospital building to work on how the LDC can acquire the building. President Graham suggested facilitating a meeting with the

administer of Mercy Hospital. Mr. Mix will coordinate a meeting with the National Development Council as well.

NYS Retirement - President Graham stated he found the arrangement with Richard Smith, legal counsel to be very helpful with the pension issue.

VII. NEXT MEETING – The next meeting is scheduled on Thursday, September 20, 2012.

VIII. ADJOURNMENT – Mr. Fallon made a motion to adjourn the board meeting at 9:20 a.m. to attend a dedication ceremony for Douglas Schelleng at the Franklin Building, seconded by Mr. Zembiec.