

**Watertown Local Development Corporation  
Board Meeting Minutes  
Thursday, September 20, 2012**

The Watertown Local Development Corporation (WLDC) held a meeting on Thursday, September 20, 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, Donald Alexander

**MEMBERS EXCUSED** – Roseanne Murphy, John Vanderloo (Designee for  
Roseanne Murphy); Dave Zembiec (Designee for 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. Alexander made a motion to approve the August 16, 2012  
minutes. Mrs. Flint noted a correction on page two of the minutes. The motion  
was seconded by Mr. Fallon with the correction noted. All in favor. Approved.

**II. FINANCIAL STATEMENTS** – Mr. Fallon reviewed the financial  
statements for the month of August.

Mr. Rutherford reviewed the customer report for the month of August stating that  
an agreement has been reached with Customer #21.

A motion was made by Mr. Fallon to write off the loan to Jason Gittings in the  
amount of \$29,000.00, seconded by Mrs. Flint. Mr. Rutherford stated the WLDC  
is pursuing legal action against Mr. Gittings. All in favor. Approved.

A motion was made by Mr. Bellinger to approve the financial statements for the  
month of August, seconded by Mr. Mix. All in favor. Approved.

**III. CORRESPONDENCE** – None

**IV. COMMITTEES**  
**Loan Review Committee**

**Audrey Danielsen** – The Loan Review Committee recommends approval to loan  
Audrey Danielsen \$40,000 to be used to renovate 498 Factory Street. The  
building is in need of all exterior renovations and interior renovations. The  
property will be a bar/restaurant operating and leased to Ms. Danielsen's

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husband Frankie Danielsen. Total project cost is \$105,000. Mr. Danielsen plans to hire five people in year one and two people in year two. The name of the bar will be First Round d/b/a Frank Danielsen.

Mr. Rutherford stated the recommendation is based on the substantial equity in the project, excellent collateral position, support of personal income, excellent credit history and creation of five jobs and renovating a blighted property on Factory Street.

A motion was made by Mrs. Flint to approve the loan in the amount of \$40,000 to Audrey Danielsen at 5% fixed, for 7 years with a first mortgage on 498 Factory Street, Watertown, NY, first position on all furniture and fixture, equipment and inventory, guarantee of Frankie Danielson, seconded by Mr. Bellinger.

President Graham questioned what the plan was since the building renovations are almost complete? Mr. Rutherford stated Ms. Danielsen would have had her request in sooner but was misinformed by the SBDC in regard to the timing of Loan Review Committee meetings. All in favor. Approved.

**MLR Realty, LLC** – Mr. Rutherford stated Watertown Savings Bank closed on the permanent financing with MLR Realty and needed further approval from the WLDC to subordinate \$226,000 in cost overruns. Mr. Rutherford stated the building in the CCIP is complete and a CO has been issued. Mr. Rutherford stated he has received four votes via email from the Board and requests ratification to subordinate the additional funds. Mr. Rutherford stated DANC has approved the request to subordinate.

A motion was made by Mr. Alexander to subordinate an additional \$226,000 to Watertown Savings Bank for MLR Realty, LLC and authorize the CEO to execute the subordination agreement, seconded by Mrs. Flint. All in favor. Approved.

**AUDIT/FINANCE COMMITTEE** – Mr. Rutherford stated the Audit/Finance Committee will need to meet prior to the October board meeting to review the 2013 budget.

**CEO ACTIVITY REPORT** - Mr. Rutherford's activity report is attached.

**V. NEW BUSINESS** – None

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**VI. OLD BUSINESS –**

**Vacation/Sick Leave** – The Board requested President Graham approve the CEO's time sheets. Mr. Rutherford is to inform the President via text, email, or phone when he is taking vacation or sick leave. Mrs. Taylor's vacation/sick leave will be signed off by the CEO. Mrs. Flint stated there needs to be an audit trail of vacation/sick leave for the employees.

The Board requested each employee's time sheets and the spreadsheet of vacation/sick time report for each employee to be included in the monthly board packet.

**Ad Hoc Committee Pension Update** – Mr. Fallon stated the Ad Hoc Committee has been in preliminary discussions with a firm that is well versed in the NYS pension plan. The goal is to review the different scenarios as a committee and present a plan to the board at the next meeting. President Graham stated the LDC should reserve a certain amount for the budget. Mrs. Flint also stated a dollar amount should be put in the budget for pension instead of zero. Mr. Heary recommends allocating what the WLDC paid last year to the retirement system.

**507 W. Main Street Property** – A motion was made by Mr. Fallon to enter into executive session related to the proposed acquisition, sale, or lease of real property, seconded by Mr. Bellinger. All in favor. Carried. The Board entered into executive session at 9:04 a.m.

A motion to adjourn the executive session and reconvene the regular meeting was made by Mrs. Flint, seconded by Mr. Bellinger. All in favor. Carried. The regular meeting reconvened at 9:22 a.m.

**CCIP Project** – Mr. Rutherford updated the Board on the warehousing project in the City Center Industrial Park. The lot proposed would be used to construct a 65,000 sq. ft. building on sits on eight acres of land behind Current Applications, Inc. building. Mr. Rutherford stated he has been working with Dan Kelly a former DOT employee who has expertise in rail siding. The company initially would employ 20 workers.

Mr. Rutherford stated he is working with the JCIDA because it owns the rail line and the rail line is need for the project.

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Mr. Alexander stated CSX should be contacted; the rail company needs to know that the line would be used by the prospect. Mr. Alexander stated CSX wants to pull the rail switch if it is not used and suggested the WLDC, JCIDA, and CSX come to an agreement to transfer ownership of the switch from the JCIDA to the WLDC.

**Mercy Hospital Property** – Mr. Mix and other city officials met with Lisa Kaseman of Conifer Real Estate who toured the former Mercy Hospital. Mr. Mix stated MGNH, Inc. is the owner of the property. Mr. Rutherford stated the prospect is interested in the project, and plans to follow-up with Ms. Kaseman. Mr. Rutherford will follow-up with Mr. Pandrotti in regards to the ownership options.

Mr. Alexander suggested that when negotiating with prospective developers that we need to keep it confidential. President Graham stated he agreed and that we need to be aware these are preliminary plans.

President Graham questioned whether the WLDC should reach out to the federal agency who owns the former Army Reserve Building on South Massey Street stated. Mr. Alexander stated he thought the City School District was interested in the site for a maintenance facility. Mr. Mix also stated he thought the school district was interested in the site for school classrooms as well.

**NEXT MEETING** – The next meeting will be held on Thursday, October 18, 2012 at 8:30 a.m.

**ADJOURNMENT** – Mr. Mix made a motion to adjourn the meeting, seconded by Mr. Bellinger. All in favor. Carried. The meeting adjourned at 9:35 a.m.