

**Watertown Local Development Corporation
Regular Board Meeting Minutes
Thursday, April 19, 2012**

The Watertown Local Development Corporation (WLDC) held its regular board meeting on Thursday, April 19, 2012 in the board room of the WLDC, 82 Public Square, Watertown, New York 13601.

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

MEMBERS ABSENT – Mark Bellinger

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

CALL TO ORDER – President Graham called the meeting to order at 8:31 a.m.

I. MINUTES – Mr. Alexander made a motion to approve the minutes of March 15, 2012, seconded by Mr. Fallon. All in favor. Carried.

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

Mr. Rutherford reviewed the delinquent accounts and the commitments and updated the Board on the status of loans expected to close.

A motion was made by Mrs. Flint to approve the March financial statements, seconded by Mr. Mix. All in favor. Carried.

III. LOAN REVIEW COMMITTEE

Jefferson Heights LLC – The Loan Review Committee recommend approval to loan Jefferson Heights LLC \$300,000 to be used to purchase the Palmer Street Apartments (70 units) located at 224 Palmer Street, Watertown, NY. Total project costs \$3,300,000.

A motion was made by Mrs. Flint, seconded by Mr. Alexander to approve a \$300,000 loan to Jefferson Heights, LLC to purchase the Palmer Street Apartments for 25 years at an initial rate of 5.75% adjusted every 5 years at a margin of 350 basis points over the

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applicable 5 year treasury bill rate with a floor of 5.75% with the following terms and conditions:

- Guarantee of Brian H. Murray
- Co-proportional first mortgage with Watertown Savings Bank on 224 Palmer Street, Watertown, NY;
- Co-proportional first lien on all fixed assets;
- Co-proportional first lien on assignment of rents and leases

All in favor. Carried.

Michael Hennigan Loans (Bistro 108) – The Loan Review Committee recommend approval to accept \$7500 from Robyn Bartlett to satisfy the existing three loans between the WLDC and Michael Hennigan. The balance of the three loans is \$10,629. The loans were made to Michael Hennigan which was used for the former Beef & Brew Restaurant at 108 Court Street.

A motion was made by Mr. Alexander to accept \$7500 from Robyn Bartlett to satisfy the debt of Michael Hennigan which is comprised of three separate loans, seconded by Mrs. Flint contingent upon Michael Hennigan releasing Robyn and David Bartlett from any agreement between the two, receipt of a list of equipment from Robyn Bartlett to the WLDC. All in favor. Carried.

Benchmark Family Services, Inc. – A motion was made by Mr. Fallon to approve a bridge loan to the JCIDA in the amount of \$49,429 to facilitate a May 1, 2012 closing of Benchmark Family Services, Inc., seconded by Mrs. Flint. Mr. Alexander stated that he has emailed and spoken with the JCIDA board and they support the workout. The JCIDA Board will meet on May 3, 2012. Mr. Alexander abstained. All in favor. Carried.

North Country Procurement Technical Assistance Center – The Loan Review Committee recommend approval of a \$3,000 donation to TPAC. Mr. Fallon stated the NYBDC and DANC will match the funding. Mr. Alexander stated many businesses use this important service including 85-90 businesses in the City of Watertown. TPAC helps businesses and contractors to obtain contracts at Fort Drum and other governmental agencies.

President Graham questioned whether this was a one-time request. Mrs. Flint stated the organization may come back but at this time it is a one-time request. Mr. Alexander stated we cannot guarantee to any further commitments and suggested the CEO communicate this to Mr. Barr of TPAC. Mrs. Flint questioned the sustainability of the plan.

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Mr. Alexander made a motion to approve a \$3,000 donation to North Country Procurement Technical Assistance Center based the fact that the program has a major impact on businesses. The donation is for the period between September 1, 2012 and August 31, 2013, seconded by Mrs. Flint. All in favor. Carried.

Sandra Amo d/b/a Sandy's Luncheonette – Mr. Rutherford stated Ms. Amo has requested a four month principal moratorium citing the luncheonette has been very slow the last few months. Mr. Rutherford stated he had contacted the Loan Review Committee via email and the committee recommends approval. The maturity date will not be extended.

A motion was made by Mr. Fallon to grant Sandy Amo a four month principal moratorium on her loan with the WLDC contingent upon one full month payment before the moratorium begins, seconded by Mrs. Flint. All in favor. Carried.

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

IV. NEW BUSINESS

WLDC Banking – Mr. Rutherford stated WLDC HSBC Bank accounts will be converted to First Niagara Bank on May 18, 2012. The branches will be located in Carthage and Evans Mills which is not convenient for the WLDC.

A motion was made by Mrs. Flint to submit request for proposals to Community Bank NA, Watertown Savings Bank and Key Bank NA and authorize the CEO to determine what bank the WLDC should transfer the accounts too including the line of credit, seconded by Mr. Alexander. All in favor. Carried.

Foreign Trade Zone – Mr. Zembiec stated the City Center Industrial Park has been designated a Foreign Trade Zone which will help lower operating costs by reducing duty tax payments on foreign components for finished products for manufacturing companies. Mr. Zembiec stated an additional 95 acre expansion to the Jefferson County corporate Park on Coffeen Street and the Watertown International Airport was also designated a FTZ.

V. OLD BUSINESS

Franklin Building Advertising – Mr. Rutherford stated he would like to pursue advertising the remaining spaces available at the Franklin Building. There has been little

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Interest in the two remaining spaces. The board suggested he contact Lance Evans, Jefferson County Board of Realtors, Greater Watertown Chamber of Commerce for advertising. Mr. Rutherford stated Ebay Real Estate offers free listings on its website.

Sewall Island – Mr. Mix stated he has been working on the option agreement and questioned what area is being optioned. Mr. Rutherford and Mr. Mix will meet in the next couple of days to discuss the option and report back to the board at the next meeting.

Cleaves Enterprise Property – Mr. Rutherford stated Back Bay Enterprises will not go forward with plans to turn the former CFM Food Distributors into apartments. Mr. Rutherford stated he has been working with Bumper Wagoner owner of Back Bay Enterprises and asked if the WLDC would like to purchase the building. Mr. Rutherford stated Mr. Bumper plans to lease the vacant building out for commercial storage space.

Mr. Alexander stated he would like to see a regional community transportation committee formed as rail is a major asset which affects the tri-county area.

Mr. Alexander requested Don Rutherford and Jim Heary meet to discuss the assignability of the CSX rail switch which is located at the former CFM and Cleaves Enterprise sites.

The board discussed the difference of a purchase option versus a purchase contract to acquire the property for \$465,000. Mr. Rutherford stated he and the JCIDA officials have been speaking with a prospect who could bring a manufacturing company with 50 jobs to the former Cleaves Enterprise site.

A motion was made by Mrs. Flint to authorize the CEO to exercise a purchase option or a purchase contract on the former Cleaves Enterprise property owned by Edmund Street Realty LLC and to pay for the cost of an appraisal of the property, seconded by Mr. Fallon. All in favor. Carried.

The board discussed establishing an industrial park on the 16 acres behind the Cleaves Enterprises property; no action was taken.

Jefferson County Board of Legislators Home Ruling – Mr. Alexander the Jefferson County Board of Legislators support grandfathering JCIDA employees into the NYSRS on December 31, 2012 and stated there will be an attempt to request same from NYS.

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Mr. Rutherford indicated that the board should start thinking of payroll services before the end of the year. Mrs. Flint recommended the Personnel Committee meet to discuss. President Graham stated he will follow-up with Attorney Richard Smith, WLDC Board Counsel.

VI. NEXT MEETING – The next scheduled meeting will be held on Thursday, May 17, 2012 at 8:30 a.m.

VII. ADJOURNMENT – A motion was made by Mrs. Flint to adjourn the meeting, seconded by Mr. Fallon. All in favor. The meeting adjourned at 9:53 a.m.