

**Watertown Local Development Corporation
Meeting Minutes
Thursday, November 21, 2014**

The Watertown Local Development Corporation (WLDC) held its board meeting on Thursday, November 21, 2013, 82 Public Square, Watertown, New York 13601.

MEMBERS PRESENT – Erika Flint, Vice President; Donald Alexander, Kenneth Mix, RoAnn Dermady, Jeffrey Fallon, Dave Zembiec

MEMBERS EXCUSED – James Mills (Designee for Jeffrey Graham), Roseanne Murphy, John Vanderloo (Designee for Roseann Murphy), Mike Lumbis (Designee for Ken Mix)

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

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

I. MINUTES – Mr. Fallon made a motion to approve the minute of October 24, 2013, seconded by Ms. Dermady. All in favor, approved.

II. FINANCIAL REPORTS – Mr. Fallon reviewed the financial statements for the month of October. Mr. Fallon stated the LDC received a refund from JCC in the amount of 1,285.00.

Mr. Rutherford reviewed the delinquent loans for the month of October.

North Country Family Health Center, Inc. - Mr. Rutherford stated the North Country Family Health Center, Inc. loans are past due and expects more information to follow regarding the clinic. Mr. Alexander stated he is expecting to receive current financial statements from the company.

Mr. Rutherford stated the loan closing for Creekwood Apartments will be in the month December.

Mr. Rutherford stated the loan approved at the October 24, 2013 meeting to Current Applications, Inc. was declined by the company.

A motion was made by Mr. Alexander to approve the October financial statements, seconded by Mr. Mix. All in favor, approved.

III. CORRESPONDENCE – None

IV. COMMITTEES

LOAN REVIEW COMMITTEE – No report

NOMINATING COMMITTEE – Mrs. Flint requested Ms. Taylor to contact Mr. Graham as chairman of the Nominating Committee to set up a meeting to nominate the 2014 board of directors and committee structure.

The board discussed changing the time/date of the board meeting to accommodate the ESD representative's schedule. Mr. Rutherford will contact Mr. Vanderloo to determine what day/time would be convenient to attend the board meetings.

Mrs. Flint requested Mr. Rutherford to present a 2014 meeting schedule at the annual meeting which consists of committee meetings also.

PERSONNEL COMMITTEE – Mr. Mix stated the Personnel Committee will meet following the board meeting.

GOVERNANCE COMMITTEE – Mr. Mix stated the Governance Committee will meet in December or January to review the policies of the WLDC. The annual board evaluation will need to be conducted in January 2014 and submitted to ABO.

V. NEW BUSINESS

Activity Report of CEO – Mr. Rutherford discussed the START-UP NY Initiative creating tax free zones across the state for new and expanding business which allows for tax free zones for ten years. Mr. Rutherford stated he will be meeting with President Carol McCoy, JCCC on December 6, 2013 and other representatives about how economic developers can assist in developing future industrial parks. Mr. Alexander stated the WCBI should be considered as there is space to build, but is out of the 1½ mile mark as required by the new program. Mr. Alexander stated ESD has been working with Clarkson University on another program which may apply to the WCBI.

Mr. Rutherford stated he has been considering new initiatives the WLDC could undertake. Mr. Rutherford stated the loan volumes are at a slow and he has been trying to dig up deals.

Mr. Rutherford stated he met with Brian Murray regarding marketing downtown commercial space, holding an open house to assist property owners/developers to promote the existing sites which would bring awareness to downtown. Mr. Rutherford stated he would like to create a committee along with the Downtown Business Association to promote public awareness to downtown. Mr. Rutherford stated he would like to create a data base of the properties in downtown.

Mr. Zembiec briefed the Board on NYS Economic Gardening Program which is an innovative approach to expansion and retention and suggested the LDC sponsor three

business inside and outside the city. Mr. Zembiec and Mr. Rutherford stated there is more information to follow up on the program.

VI. OLD BUSINESS

North Country Arts Council Update – Mr. Rutherford stated he met with Mike Miller, President of the NCAC and Mr. Miller indicated he would present the lease amendment to the NCAC Board of Directors for Suite D, 50 Public Square, Watertown. Mr. Miller was in agreement with the lease terms and the alternative plan to market Suite D while the NCAC occupies the space. Mr. Rutherford stated Mr. Miller is optimistic funds were being raised to complete the theater project and NCAC will be able to pay the rent payments.

Jain Irrigation, Inc. Update - Mr. Rutherford stated there has not been a decision made by Jain Irrigation, Inc. regarding the US expansion. Mr. Zembiec stated Jain Irrigation, Inc. attended the job fair in Watertown and continue to hire for the Watertown plant.

Franklin Building Update – Mr. Rutherford stated two new tenants have occupied the Franklin Building: Blue Cat Cycles and Josh Nortz, which leaves three available spaces to lease.

Mr. Rutherford stated the equipment and fixtures at the former Covered in Chocolate space, 137 Franklin Street have been abandoned by the tenant and request the boards input whether the equipment should be remain or removed. Mr. Rutherford indicated the former tenant had sold a few pieces of equipment but the equipment has never been picked up. Mr. Rutherford indicated Covered in Chocolate continues to make monthly loan payments to the WLDC. Mrs. Flint suggested the equipment should remain in place, she stated the equipment is not a determinate to the space. Mr. Alexander questioned whether the WLDC lease addressed fixtures and suggested we may want to look into it.

Counsel Heary suggested a notice be sent to Covered in Chocolate from the landlord. Counsel Heary stated he will meet with Mr. Rutherford regarding a notice to the former tenant and to review the language in the lease agreement.

Legal Fees – Mr. Rutherford stated he reviewed the legal fees paid to date and the active files are Jason Gittings, Alteri Bakery and Fort Drum Storage. Mr. Rutherford stated the WLDC has reached a settlement with Alteri Bakery.

Mr. Rutherford stated he viewed the property owned by Fort Drum Storage on Teal Drive and stated there is no value. Mr. Rutherford stated Attorney Steve Gebo conducted a search and has located real estate owned by Mr. & Mrs. Norquist in Arizona who guaranteed the loan. Counsel Heary and Mr. Rutherford recommended hiring an attorney in the state of Arizona to recover the debt. The board of directors agreed with the recommendation. Mrs. Flint stated Mr. Rutherford will request Attorney Gebo to

proceed with the necessary steps to recover the debt of the former Fort Drum Storage LP.

VII. NEXT MEETING – The next meeting will be held at Cavallario Cucina at 12:00 p.m.

Mrs. Flint stated the Personnel Committee’s next meeting will be held on Wednesday, December 11, 2013 at 9:30 a.m.

Mrs. Flint requested the 2014 meeting scheduled be included in the annual meeting packet.

VIII. ADJOURNMENT – A motion was made by Mr. Fallon to adjourn the meeting, seconded by Mrs. Dermady. All in favor, approved. The meeting adjourned at 9:15 a.m.