

**Watertown Local Development Corporation  
Annual Report  
January 1 – December 31, 2013**

**Operations and Accomplishments**

**January**

The Watertown Local Development Corporation (WLDC) Board approved a \$250,000 loan to Stream New York, Inc. to renovate its existing facility to accommodate new contracts and increase personnel up to 1,000.

The WLDC Board approved an exception to the standard lease for Suite H in the Franklin Building to Diana Rodriguez.

The WLDC Board approved the loan portfolio risk rating for 2012.

The WLDC Board approved a subordination request from Watertown Savings Bank on its existing lien position on real property owned by Blue Mountain Spring Water, Inc.

The WLDC Board approved extending the term to five years on an existing \$150,000 participation loan to Current Applications, Inc.

The WLDC Board the employee handbook for WLDC staff.

Old Business – Discussion

- Ad Hoc Committee pension update
- Franklin Building update
- Mercy site redevelopment

**February**

WLDC Board approved a motion to provide a letter of support for the Lincoln Building project in downtown.

WLDC Board approved a motion to make a change in the WLDC employee handbook regarding dependent healthcare coverage.

WLDC Board approved a motion to engage the service of a real estate broker to market the Franklin Building.

Old Business – Discussion

- Ad Hoc Committee pension update
- Mercy site redevelopment
- WLDC was presented with DBA service award

### **March – Special Meeting**

A special board meeting was called and a motion was made to approve a 401k Profit Sharing Pension Plan for WLDC employees to be administered by RBC Wealth Management to commence August 1, 2012.

### **March – Regular Meeting**

The WLDC Board approved a motion to accept the 2012 Audit presented by Brianna Tousant, CPA of Poulsen & Podvin.

The WLDC Board approved a motion to accept the 2012-2013 Investment Report presented by Cyril Mouaikel, VP of RBC Wealth Management.

The WLDC Board approved a motion to amend Current Applications loan from a 4 to 5 year term.

WLDC Board approved a motion to donate \$5,000 towards the Urban Mission's Capital Campaign.

Old Business – Discussion

- CEO reported he would be executing a contract with Chris Clark from Pyramid to market and list the Franklin Building.

### **April**

WLDC Board approved a \$30,000 loan to Family Counseling Services of which \$17,000 new funds would be consolidated with \$13,000 existing loan.

WLDC Board approved a motion to accept the 401K Profit Sharing Plan for WLDC staff.

Old Business – Discussion

- WLDC attorney to review Pyramid brokerage contract and advise of any changes.
- President Graham reported that COR development has paid the delinquent taxes on the Mercy site and will purchase the note and mortgage from GE Capital. The plan is to demolish the complex and redevelop the site.
- CEO reported that he met with a CSX representative who agreed to provide a template to include CCIP rail siding on their web site.

## **May**

WLDC Board approved a motion to restructure existing \$37,983 loan to 5 years with a 15 year amortization at 5%.

WLDC Board approved a motion to accept the Leave Policy Supplement to the WLDC handbook.

### Old Business

- President Graham reported that COR was in the process of taking a deed in lieu of foreclosure on the Mercy site. Discussion centered on how to maintain the electricity for the alarm and sprinkler system until COR gains control of the building.
- WLDC Board approved a motion for the CEO to work out the details of stabilizing the building and report any extraordinary issues to the board.

## **June**

Correspondence was received from BCBS notifying the WLDC regarding new rates for health insurance premiums effective 8/1/13.

### Old Business – Discussion

- President Graham stated that the LDC considered helping out with the National Grid bill, however, it is not going to be needed. National Grid will maintain power to the site until COR takes control.
- CEO reported that he has a prospect interested in building a 100,000 sq. ft. facility in the CCIP which would bring 100 existing and 20 new jobs to the site.
- Rail siding is crucial to the development and the WLDC Board approved a motion for the CEO to work with on the design phase for the rail siding.
- CEO reported that Pyramid Brokerage has a prospect for the Franklin Building in which build out would be required. The cost of build out would be incorporated into the lease.
- CEO will be requesting Neighbors of Watertown, Inc. remove signage for old tenants on the Franklin Street side of the building.

## **July**

A meeting was not held in the month of July.

## August

WLDC Board approved a motion to amend the original borrower of Stream New York to Jefferson County Industrial Development Agency or Stream Global Services and that the term is for 5 years to coincide with the lease term.

WLDC Board approved a motion to table a loan request from John Bang, d/b/a Survival Techs.

### New Business – Discussion

- Gary Beasley, Executive Director of Neighbors of Watertown (NOW) reported to the board that NOW is seeking \$1 million in state funding for a rental housing program. He indicated DANC is providing \$250,000 in matching funds and would like the WLDC to do the same. Because it is a regional program and funds may be used outside the City, City Council approval would be required. It was the consensus of the board to pursue participation in the program.
- The Board discussed with NOW option with regard to the former Velocity Building on Court Street. After much discussion it was the consensus of the board that NOW and WLDC work together to explore options for the building.

### Old Business – Discussion

- President Graham reported that COR has taken title to the Mercy site and that plans for demolition and reconstruction will be underway.
- CEO reported that discussions are continuing with Jain Irrigation for their expansion to the CCIP. The proposal would include selling the land for \$1.00 and contributing \$150,000 for relocating the rail siding. The JCIDA would be contributing the track to the project.
- CEO reported he has signed two new tenants to the Franklin Building: Self Direct, Inc., and Northern New York Autism Foundation, Inc.
- The WLDC Board approved a motion to allow for early termination of the lease agreement between WLDC and America's Own.
- The WLDC discussed the low lease payment for Suite D in the Franklin Building to North Country Arts Council (NCAC). CEO will contact NCAC to discuss the matter.

## **September**

WLDC Board approved a motion to extend the reduced lease payment to North Country Arts Council, Suite D in the amount of \$297.50 until February 1, 2014. The WLDC has the right to market the space with NCAC having right of first refusal.

WLDC Board approved a motion to lend a \$125,000 in the form of a demand note to North Country Family Health Center, Inc. at 5%. The demand note to be paid on or by October 31, 2013. WLDC's legal counsel to review the WIC Federal Grant Receivable. Community Bank to consent and acknowledge the WLDC has the rights to the first \$125,000 of the WIC grant.

WLDC Board approves a motion to subordinate its lien position on 101-103 Public Square in the amount of \$100,000 to Watertown Savings Bank.

WLDC Board approved a motion to accept the 2014 budget with recommended revisions.

WLDC Board tabled a request from Neighbors of Watertown, Inc. (NOW) for splitting the cost of its agreement with National Development Council in the amount of \$1,333.00 per month until Gray Beasley of NOW can update the board on how this contract has contributed to community redevelopment.

### **Old Business – Discussion**

- CEO reported that discussions are ongoing with Jain irrigation regarding their expansion.
- CEO reported the Authority Business Office conducted an audit of the WLDC and a report will be issued to the board.

## **October**

WLDC Board approved a motion whereby WLDC would split the \$16,000 fee with Neighbors of Watertown, Inc. for services provided by National Development Council. The motion was made after Mr. Beasley updated the board on the benefits of their services to the city.

WLDC Board approved a motion for a \$29,000 loan to Current Applications, Inc. for 5 years at 5%.

WLDC Board approved a motion to amend the 2014 budget.

New Business

- CEO reported that WLDC receive a clean audit report from the NYS ABO.

Old Business

- CEO reported he is continuing to work with North Country Arts Council regarding the lease for Suite D.

**November**

Committee Reports – Discussion centered on setting times for Nominating, Personnel and Governance Committee meetings.

New Business

- CEO reported on the STARTUP New York initiative and that meetings are scheduled with Jefferson Community College to learn how economic developers can assist the college.
- CEO outlined to the board a concept of marketing downtown Watertown in light of all the major projects being undertaken.

Old Business

- CEO reported to the board on his meeting with Mike Miller, President of North Country Arts Council.
- CEO updated the board on the Jain Irrigation project.
- CEO reported that he has signed two new tenants to the Franklin Building: Blue Cat Cycle and Josh Nortz.
- CEO discussed with the board options on what to do with equipment left by a former tenant of the Franklin Building.
- CEO reported that he had reviewed the legal fees paid during the year and the effectiveness of the collection efforts. It was the consensus of the board to do whatever was reasonably necessary to collect delinquent accounts.

**December**

WLDC Board approved a motion to renew the \$300,000 line of credit and \$200,000 working capital note for a period of one year to Neighbors of Watertown, Inc.

WLDC Board approved a motion for the slate of officers, board of directors and committee structure for 2014.

WLDC Board approved to accept the personnel committee recommendation for CEO salary increase.

Ken Mix, Chairman of Personnel Committee updated the board on vacation buyout options for employees.

Ken Mix requested board members complete and submit the board 2013 performance evaluation.

WLDC Board approved a motion to amend the borrower on a \$250,000 loan. Borrower will be Stream New York Inc. and the guarantor will be Stream International.

CEO presented board members with 2014 meeting schedule.

CEO announced that the WLDC Strategic Planning session will be held in February and ask board members to submit agenda item topics.

WLDC Board approved a motion to sponsor Watertown Downtown Business Association events in the amount of \$3,000.

WLDC Board approved a motion to sponsor the Snowtown USA events in the amount of \$2,000.

#### Old Business

- STARTUP New York benefits of tax free zones
- Northern New York Arts Council theater update
- Stream NY closing update