

Watertown Local Development Corporation
Thursday, October 23, 2014
Minutes

The Watertown Local Development Corporation (WLDC) held its board meeting on Thursday, October 23, 2014 at 82 Public Square, Watertown, New York.

MEMBERS PRESENT – Jeffrey Graham, President; Erika Flint, Jeffrey Fallon, RoAnn Dermady, Kenneth Mix, Donald Alexander, Dave Zembiec (Designee for Donald Alexander), Mike Lumbis (Designee for Kenneth Mix)

MEMBERS EXCUSED – Steve Hunt, John Vanderloo (Designee for Steve Hunt), James Mills (Designee for Jeffrey Graham)

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

I. CALL TO ORDER – President Graham called the meeting to order at 8:35 a.m.

II. MINTUES – Mrs. Flint made a motion to adopt the minutes of September 18, 2014, seconded by Mr. Fallon. All in favor, approved.

III. FINANCIAL REPORTS – The August and September financials were reviewed by Mr. Fallon. Mr. Rutherford stated the Brighton Building construction financing may not be needed; therefore the WLDC will not have a need to access a line of credit from RBC Wealth Management. Legal Docs of Watertown issues have been resolved which allows the company to access the loan with the LDC.

A motion was made by Mrs. Flint to approve the August and September financial statements, seconded by Mr. Mix. All in favor, approved.

IV. CORRESPONDENCE – None

V. LOAN REVIEW COMMITTEE

Scott J. Tolan – A motion was made by Mrs. Flint to approve a loan in the amount of \$40,000 at 5% for 5 years to Scott J. Tolan to purchase equipment and to be used for working capital. Mr. Tolan will be leasing space at the Bruce Wright Convention Center to start up a cross fit fitness training center. Total project is \$44,000 with the creation of 9 jobs to be created over three years. Mr. Alexander seconded the motion with the exception to the one to one value collateral. All in favor, approved.

Travis Corliss d/b/a Watertown Airsoft – A motion was made by Mrs. Flint to approve a six month principal moratorium to Travis Corliss from October 2014 to March 2015, seconded by Mr. Alexander. Mr. Corliss requested the moratorium as leasehold improvements are being made to his leased space at the WCBI. Mr. Corliss has been open since July but unable to utilize the interior space as code demands were not met. All in favor, approved.

AUDIT/FINANCE COMMITTEE

2015 Budget – The Audit/Finance Committee met and recommend approval of the 2015 Budget. Mrs. Dermady requested Mr. Rutherford to break out of interest on investments to show the dividends on

the stock portion of the portfolio separately. Mr. Rutherford stated the dividends are put into a money market fund until it is decided we reinvest the dividends. The yield on bonds was 1.9% and the stock yield was 3.75%. Mr. Rutherford stated he will prepare a monthly report to the Board.

A few items were clarified regarding the budget:

1. Payroll expense is subject to personnel evaluations.
2. Mr. Graham stated the NYS unemployment figure has been changed to reflect the correct percentage.
3. UCC1 filing fees are passed on to the borrower at closing and other UCC 3 fees are paid by the WLDC to protect the collateral position. The LDC also receives a one percent closing fee at closing.

A motion was made by Mr. Fallon to adopt the proposed 2015 Budget, seconded by Mrs. Dermady. All in favor, approved.

VI. NEW BUSINESS

Activity Report of CEO – Mr. Rutherford's report was reviewed by the Board.

North Country Family Health Center – A motion was made by Mr. Mix to ratify the approval of the consent to assignment and assumption of the \$500,000 health facility restructuring pool loan by North Country Family Health Center and to the assumption of all the Samaritan Medical Center obligations to Dormitory Authority of the State of New York, seconded by Mrs. Dermady. Mr. Fallon and Mrs. Flint abstained. All in favor, approved.

VII. OLD BUSINESS

North Country Arts Council – Mr. Rutherford stated he has not heard back from NCAC regarding Suite D at the Franklin Bldg.

Blue Cat Cycles – Blue Cat Cycles lease is in the arrears. Attempts to bring the lease current have been unsuccessful. Mr. Rutherford was informed the tenant will be filing bankruptcy and has verbally notified the tenant to vacate space November 1, 2014. Blue Cat Cycle is being cooperative saving the LDC cost of eviction.

Franklin Building Awnings – The awnings on the Franklin Street side of the Franklin Building will not be installed due to the fact there was an issue with the installation of the steel mountings to the brick building. The deposit which was sent to Northern Awning in May was returned to the LDC. Legal Docs of Watertown, LLC had requested awnings be installed over their storefront as part of their lease agreement with the LDC, however given the situation Mr. Rutherford will notify the tenant the awning will not be installed.

Romalato's Delicatessen – The WLDC is in receipt of a check in the amount of \$40,000 from Dave Sherman who has purchased the equipment from Gus Romeo in return the LDC will release Todd Badalato guaranty and obligation of the loan and terminate the UCC filing. Mr. Gus Romeo will be totally responsible for the balance of the loan with the LDC.

Roth Industries, Inc. - Roth is considering a 10,000 sq. ft expansion of its plant in the CCIP to install multimillion-dollar mold bower equipment. Company officials will be going to Germany to discuss the

venture with the parent company which will make the final decision on where the project is located either Watertown or Syracuse. Six to nine jobs could be created as a result of the expansion.

Mr. Alexander stated there are preliminary discussions surrounding another project in the CCIP which he could not comment any further on.

Downtown Projects/Investment - Mr. Alexander recommended the WLDC create a summary of ongoing projects in downtown and what has been accomplished. Mr. Alexander state we have a way we can stimulate and influence growth in downtown. Mr. Alexander stated this agency should compile a database of all the core projects developed in downtown and soon to happen which would include community investment, job growth to reinforce the positive. Mr. Graham stated the data base be centralized to track and promote development. Mr. Rutherford stated he will contact Mr. Mix and the DBA to discuss the possibility of creating a data base.

VIII. NEXT MEETING – The next meeting will be held on Thursday, November 20, 2014 at 8:30 a.m.

IX. ADJOURNMENT – A motion was made by Mr. Zembiec to adjourn the meeting at 9:35 a.m., seconded by Mrs. Dermady. All in favor, approved.