

**Watertown Local Development Corporation**  
**Thursday, November 20, 2014**  
**Minutes**

The Watertown Local Development Corporation (WLDC) held its board meeting on Thursday, November 20, 2014 at 82 Public Square, Watertown, New York.

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

**MEMBERS EXECUSED** – Erika Flint, Steve Hunt, John Vanderloo (Designee for Steve Hunt), James Mills (Designee for Jeffrey Graham), Dave Zembiec (Designee for Donald Alexander)

**OTHERS PRESENT** – Donald Rutherford, CEO; Kim Taylor, Executive Assistant; Craig Fox, Reporter, Watertown Daily Times; Andrew Nichols, City of Watertown Planning Dept.

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

**II. MINUTES** – Mr. Fallon made a motion seconded by Mrs. Dermady to adopt the minutes of October 23, 2014. All in favor, approved.

**III. FINANCIAL REPORTS** – Mr. Fallon reviewed the financial report as of October 31, 2014. Mr. Rutherford reviewed the delinquent loan accounts. Mr. Rutherford recommended the Board write off the loan to Kim Mittelstadt. Ms. Mittelstadt's business has been closed and will remain obligated to pay the balance. A motion was made Mr. Alexander to approve writing off the loan Kim Mittelstadt in the amount of \$2,427.12 to bad debt, seconded by Mr. Fallon.

Mr. Mix stated the Factory Street project will start in the spring 2015 at which time the LDC will offer a loan assistance program similar to the Downtown Streetscape Loan Program. A letter of request detailing how the business has been affected and an excellent credit history will be required. Mr. Rutherford stated further criteria for the loan program will be determined.

A motion by Mr. Mix to approve the October financial statements, seconded by Mrs. Dermady. All in favor, approved.

**IV. CORRESPONDENCE** – None

**V. LOAN REVIEW COMMITTEE**

**RLR Cross Market, LLC** – The Loan Review recommend approval of a loan to RLR Cross Markets, LLC d/b/a Save-A-Lot. Mr. and Mrs. Cross plan to open a Save-A-Lot supermarket at 1851 State Street and create 14 full time positions with the total project cost of \$958,704. There is a strong need for a supermarket in this neighborhood of Watertown.

A motion was made by Mr. Fallon, seconded by Mr. Mix to approve a loan in the amount of \$233,704.000 to RLR Cross Market, LLC d/b/a Save-A-Lot for 7 years at 5% fixed interest, guarantees of Richard and LuAnn Cross, 2<sup>nd</sup> collateral position on inventory, machinery and equipment, with the exception of the 1:1 collateral coverage of the WLDC Lending Policy, contingent upon bank financing, seconded by Mr. Mix. Mrs. Dermady abstained. All in favor, approved.

**Franklin Building Lease Structure** – Mr. Rutherford reviewed the current lease structure of the Franklin Building, which is operating at a \$6,284 loss per year.

Blue Cat Cycle has vacated Space F which has been shown to a few interested parties.

#### **V. OLD BUSINESS**

**North Country Arts Council** – Mr. Rutherford notified the President of NCAC three weeks ago regarding the lease for Space D and has not had a response from him. Mr. Rutherford stated the Art's Council did not invite him to address their board of directors to discuss the subsidized rent. The Arts Council has been paying \$2.00 per sq. ft. since June 2001 and as a result the WLDC has lost substantial income. Mr. Rutherford stated the Arts Council was planning on constructing a theater with plans to open in September 2014; construction has not started and the Arts Council is continuing to work on the design. Mr. Rutherford stated Space D is currently used for piano lessons and is a very marketable space with demand for small office space. The space could also be divided into three separate offices. Mr. Rutherford stated he would agree to \$8.00 per sq. foot if a one year lease was signed. Mr. Rutherford stated if no action is taken by the Arts Council the lease by January 1, 2015 the monthly rate will increase to \$10.00 per sq. ft. Mr. Graham suggested a notice to be sent to the Arts Council authorizing the tenant to vacate the space in 30 days. Mr. Mix stated code issues could be an issue with Space D being utilized as a theater and agreed the LDC should notify the tenant to vacant Space D. Mr. Alexander stated we are a development office first and a landlord last and suggested it may be worthwhile to extend an invitation to the Art's Council to address the LDC Board of their situation. Mr. Alexander stated the LDC support the Art's Council which has stimulated activity in downtown. Mrs. Dermady questioned how the letter was sent to the President of the Arts Council and whether they had received it. Mrs. Taylor stated the letter was sent to Franklin Building address. Mr. Graham stated the LDC has a fiduciary responsibility and the Art's Council has given no inclination they are willing to sign a lease.

Mr. Graham made a motion requesting Counsel Heary to send a formal notice to the North Country Arts Council canceling the month to month tenancy and to vacate Space D in 30 days (12/31/14) and authorize the space to be marketed, seconded by Mr. Mix. All in favor, approved.

#### **VI. NEW BUSINESS**

**Snowtown USA Sponsorship** – Mr. Graham made a motion to sponsor the 2015 Snowtown USA event in the amount of \$2,000 Golden Snowflake, seconded by Mr. Fallon. All in favor, approved.

**WLDC Banner** –WLDC will purchase a banner to be used at sponsorships.

**Downtown Database/Map** – The City Planning Department demonstrated the new interactive website which will have actual buildings with aerial photos and street photos listing key information about ownership and tenants. Mr. Mix stated the map is design to encourage more investment in Downtown Watertown and promote downtown to investors and business owners considering Watertown. The board decided the website should begin at the core of downtown and branch out from there.

Mr. Rutherford stated a domain name needs to be established for the site and suggested the WLDC pay for the domain cost. A few ideas for the name of the website were discussed but nothing was established.

Mr. Mix stated the website should be accessible by linking to websites as the city's, JCLDC, the Watertown-North Country Chamber of Commerce, Downtown Business Association, local real estate firms, etc.

Mr. Alexander stated the website will let potential developers know about Watertown's success which has included the former Mercy Hospital site, the Woolworth Building, Franklin Building, Stream NY and the renovation of Email Plaza and plans to restore the Lincoln Building. The amount of investment in 10 years in a 2 mile radius is an opportunity we need to share.

Mr. Nichols stated the website is user friendly and will be able to be updated frequently by whoever is designated.

Mr. Lumbis and Mr. Rutherford suggested the assistance of a marketing firm for the website. The Board concurred and requested RFP's be send to local marketing firms.

Mr. Rutherford thanked the Planning Department and stated a domain name needs to be established, the zone (radius) of the map and additional information to be compiled of the existing business downtown to be included on the map.

Mr. Nichols stated the project will be continued to be worked on through the winter.

**VII. NEXT MEETING** – The next meeting will be held at Cavallario's Cucina on Thursday, December 18, 2014 at 12:00 p.m.

**VIII. ADJOURNMENT** – A motion was made by Mr. Mix, seconded by Mr. Alexander to adjourn the meeting at 9:55 a.m. All in favor, approved.