

**Watertown Local Development Corporation**  
**Thursday, December 18, 2014**  
**Minutes**

The Watertown Local Development Corporation (WLDC) held its annual board meeting on Thursday, December 18, 2014 at Cavallario's Cucina, S. Massey Street, Watertown, New York.

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

**MEMBERS EXECUSED** – 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; Tim Scee, Newzjunky

**I. CALL TO ORDER** – President Graham called the meeting to order at 12:15 p.m.

**II. MINUTES** – Mr. Fallon made a motion, seconded by Mrs. Dermady to adopt the minutes of November 20, 2014. All in favor, approved.

**III. FINANCIAL REPORTS** – Mrs. Flint made a motion to approve the November financial statements, seconded by Mr. Mix. All in favor, approved.

**IV. CORRESPONDENCE** – None

**V. LOAN REVIEW COMMITTEE**

**Neighbors of Watertown, Inc.** – A motion was made by Mrs. Flint, seconded by Mr. Fallon to approve the renewal of the \$300,000 Line of Credit and the \$200,000 Note to Neighbors of Watertown, Inc. which is used to provide funding for Neighbors first time homebuyers program and assist in timely payments to the contractors working in the program. The interest rate, term and conditions remain the same. The WLDC receives a \$600 fee for each home purchased under the program. All in favor, approved.

**Washington Street Properties, LLC** – A motion was made by Mrs. Flint, seconded by Mr. Fallon to approve the assumption of the existing debt of MJK Holdings, LLC in the amount of \$99,000.00 by Washington Street Properties, LLC at the existing rate (5%) and balance of the term, 2<sup>nd</sup> position on 168-170 Court Street, assignment of rents and leases, guarantee of Brian H. Murray. Watertown Savings Bank has approved the assumption of their debt by Washington Street Properties, LLC. Mrs. Dermady abstained. All in favor, approved.

**Current Applications, Inc.** – Current Applications, Inc. is requesting a loan to expand the company's existing facility in the CCIP by an additional 10,200 sq. ft. The expansion and new equipment improve efficiently, expand production capacity and allow for new product lines. The company will be adding two new employees. DC Building Systems, Inc. has been engaged as the general contracting and anticipates a ground breaking in spring 2015. Mr. Zembiec stated Current Applications has purchased the software system and has indicated they no longer need the term loan. Mr. Rutherford stated the

term loan did not include the software purchase and is for other equipment. Total project cost for the term loan is \$91,836.00 and total project cost for the mortgage is \$507,017.

A motion was made by Mrs. Flint, seconded by Mr. Mix to approve a term loan to Current Applications, Inc. in the amount of \$18,367.50 at 5% fixed interest rate for 7 years, unlimited guarantees of G. Anderson, R. Olin, C. Gilbert, R. Snyder, 2<sup>nd</sup> position on machinery and equipment and mortgage loan in the amount of \$101,403.00 at 5% fixed for 5 years with a 20 year amortization with a floor of 5% and a ceiling of 7%, unlimited guarantees of all four owners, 2<sup>nd</sup> position on 275 Bellew Avenue South, contingent upon approval of the JCLDC. All in favor, approved.

**Legal Docs by Me of Watertown, LLC** – A motion was made by Mr. Fallon to convert an existing line of credit to a term loan to Legal Docs by Me of Watertown, LLC in the amount of \$40,000 at 5% fixed interest for 7 years to be used as working capital, guarantees of Derek and Lisa Distenfield, 2<sup>nd</sup> position on machinery and equipment, general assets, seconded by Mrs. Flint. All in favor, approved.

**The Treehouse Hourly Child Care, LLC** – The loan request was tabled by the Loan Review Committee until next month.

#### **PERSONNEL COMMITTEE**

**WLDC Employees** – Mr. Mix, Chairman of the Personnel Committee recommends an annual salary to Donald Rutherford, CEO in the amount of \$89,250 effective 1/1/15-12/31/15. Mr. Mix stated Mr. Rutherford reviewed Kim Taylor, CFO and the Personnel Committee endorse the recommendation of Ms. Taylor’s salary in the amount of \$49,200.00 effective 1/1/15-12/31/15. Mr. Mix made the motion, seconded by Mr. Fallon. All in favor, approved. President Graham thanked the staff and looks forward to the year ahead.

#### **NOMINATING COMMITTEE**

**2015 Board of Directors** - President Graham made a motion to approve the 2015 Officers and Board of Directors and the committee structure (attached), seconded by Mr. Alexander.

President – Jeffrey Graham  
Vice President – Erika Flint  
Secretary/Treasurer – Jeffrey Fallon  
Director – Stephen Hunt  
Director – RoAnn Dermady  
Director - Kenneth Mix  
Director – Donald Alexander

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

**CEO Activity Report** – Mr. Rutherford’s activity report was reviewed.

**Downtown Map/Database Request for Proposal** – The Board reviewed the draft request for proposal to establish a downtown website to attract and promote residential and commercial tenants to downtown.

A Marketing Committee will be established to assist staff in the campaign, to review responses and conduct interviews with prospective marketing firms.

Mrs. Flint suggested allowing the marketing firms to tell the LDC when they can complete the project, to request a schedule of steps from the firm rather than a 90 day requirement.

The Board discussed whether the RFP should be sent to local, state and or regional marketing firms and determined the RFP should be sent to regionally.

Mr. Rutherford stated he will make the changes to the RFP as discussed and compile a list of marketing firms. Mr. Rutherford stated the process will take between six to nine months to be rolled out.

**North Country Arts Council** – Mr. Rutherford reviewed the proposed lease between the LDC and the North Country Arts Council for Space D which has been acceptable to the Arts Council Board. The lease includes a 5 year option and will begin January 1, 2015. Mr. Hunt questioned if the Arts Council indicated a timeline for the balance of funds required to build out the theater. Mr. Rutherford stated the Arts Council indicated they will need three more months to raise the remaining funds and plan to open the theater in June.

**Factory Street Project Loan Program** – A motion was made by Mr. Alexander to establish a loan program beginning January 1, 2015 to the Factory Street businesses affected by the reconstruction of the project. The Loan Program criteria are as follows:

- A letter of request submitted by the application detailing how the business has been affected by the Reconstruction Project;
- A maximum loan of \$10,000 for privately owned small business located within the City of Watertown that have been affected by the Factory Street Reconstruction Project;
- Interest rate of 3% for 5 years or less;
- No business plan or financial statements required;
- Required to sign a credit bureau release and have excellent credit history;
- Loans are unsecured;
- Corporation or LLCs will be required to execute a personal guarantee;
- Loan documents will be conducted internally with no loan or attorney fees

The motion was seconded by Mr. Fallon. All in favor, approved.

**VII. NEXT MEETING** – The next meeting will be held on Thursday, February 19, 2015 at 8:30 a.m.

**VIII. ADJOURNMENT** – A motion was made by Mr. Alexander, seconded by Mrs. Dermady to adjourn the meeting at 12:59 p.m.