

**Watertown Local Development Corporation  
Thursday, January 15, 2015  
Minutes**

The Watertown Local Development Corporation (WLDC) held a board meeting on Thursday, January 15, 2015 at 82 Public Square, Watertown, New York.

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

**MEMBERS EXECUSED** – Stephen Hunt, Jeffrey Graham, Donald Alexander, John Vanderloo

**OTHERS PRESENT** – Donald Rutherford, CEO; Kim Taylor, Executive Assistant; Craig Fox, Watertown Daily Times; Amanda James, The Treehouse Hourly Child Care, LLC; James Heary, Legal Counsel

**I. CALL TO ORDER** – Vice President Flint called the meeting to order at 8:30 a.m.

**II. MINUTES** – Mrs. Dermady made a motion, seconded by Mr. Mix to adopt the minutes of December 18, 2014. All in favor, approved.

**III. FINANCIAL REPORTS** – Mr. Fallon stated the financials for the month of December will be presented at the February board meeting. The audit will be conducted by Bowers and Company January 27, 2015.

The customer reports for the period ending 12/31/14 were reviewed by the Board. Mr. Rutherford updated the board on the delinquent loan accounts and the status of loan commitments. A motion was made to approve the December customer report by Mr. Zembiec, seconded by Mr. Mix. All in favor, approved.

**IV. CORRESPONDENCE** – None

**V. LOAN REVIEW COMMITTEE**

**The Treehouse Hourly Child Care, LLC** – Amanda James, sole proprietor of The Treehouse Hourly Child Care, LLC addressed the Board of Directors regarding the childcare industry as a whole and proved her ability to offset the risks of childcare to insure the survival of the her day care business. Mrs. James stated she is in the process of applying for a license with the State Office of Children and Family Services to open a full time day care service in the New Life Christian Church. Mrs. James will be providing day care for infants, toddlers, and preschool-age children and indicated she has a waiting list of 60 families. Mrs. James indicated the business will generate 13 to 16 jobs and reviewed her director's qualifications. An operating agreement between the Treehouse Hourly Child Care, LLC and New Life Christian Church has been executed. The businesses will share the expenses for utilities, refuse and a secretary. Mrs. James will collect 80% of the profits and the church will receive 20%. The board was concerned about the closure of the daycare in Sacred Heart Church and the struggles of other daycare providers having financial difficulties. Mrs. Dermady requested the guarantee of Mrs. James' husband. Mrs. James indicated her husband will not guarantee the loan. With no further questions Mrs. Flint thanked Mrs. James for addressing the board.

**WICLDC Amendment to \$450,000 Loan** – A motion was made by Mr. Fallon to approve an increase in the amount of \$32,791 to the existing \$450,000 loan dated 7/29/2014 between the Watertown Industrial Center Local Development Corporation and WLDC, contingent upon a copy of the amended Lease Agreement between the WICLDC and Jefferson County Local Development Corporation. The loan proceeds will be used for change orders which were not included in the original project scope. The terms and conditions of the original approval remain unchanged. The motion was seconded by Mrs. Dermady. All in favor, approved.

**The Treehouse Hourly Child Care, LLC** – A motion was made by Mrs. Dermady to enter into executive session to discuss personal financials of a customer, seconded by Mr. Fallon. All in favor, approved. The Board entered into executive session at 8:59 a.m.

A motion to adjourn the executive session and reconvene the meeting was made by Mr. Zembiec, seconded by Mr. Mills. All in favor, approved. The meeting reconvened at 9:10 a.m.

A motion was made by Mr. Mix to approve the loan to The Treehouse Hourly Child Care, LLC in the amount of \$40,000 for 5 years at 5% fixed, guarantee of Amada James. Loan proceeds to be used as working capital for the startup daycare business. Mr. Mix stated he was impressed by Mrs. James' confidence noting her experience is light in the business having only six months in the industry. Mr. Mix stated the day care center will not provide many jobs indicating there is a high demand for daycare and as an economic development agency the service is needed to assist local employers with a place for child care. Mr. Fallon seconded the motion. Mr. Zembiec stated Mrs. James has done her homework and admires her confidence. Mrs. Flint polled the board with all members voting in favor of the loan to the Treehouse Hourly Child Care, LLC. The loan was approved.

**804 State Street LLC & Franklin Street Investments, Inc.** – A motion was made by Mr. Fallon to approve the subordination request from Watertown Savings Bank on its existing lien position on mortgages located at 804 State Street and 263 Franklin Street and authorize the CEO to execute the subordination agreement, seconded by Mr. Mix. Mrs. Dermady abstained. All in favor, approved.

## **VI. NEW BUSINESS**

**The J.B. Wise Block, LLC Façade Grant** – Mr. Rutherford stated the request from Tom Millar for the façade grant was not received and will be presented next month.

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

## **VII. OLD BUSINESS**

**The J.B. Wise Block, LLC** – Mr. Rutherford stated the loan approved to J.B. Wise Block, LLC has not closed which is to assume the debt of Thomas Horning.

**FunXcape, LLC** – Mr. Rutherford stated he is frustrated with the lack of progress to close the loan between the bank and FunXcape, LLC. Mr. Heary stated the LDC has been ready to proceed with the loan months ago and suggested we be paid for the services incurred. Mr. Rutherford stated Vina Bonner is having difficulty with the Small Business Administration to sign off on the project. Mrs. Dermady stated she would provide a SBA contact name to Mr. Rutherford. Mr. Rutherford requested the board extend the commitment to FunXcape, LLC for thirty days to allow time to resolve the issues with SBA. The original loan was approved in June 2014 in the amount of \$150,000.

A motion was made by Mr. Mix to extend the loan commitment to FunXcape, LLC for thirty days and requested Mr. Rutherford to follow-up with the bank, seconded by Mr. Fallon. All in favor, approved.

**Advertising** – Mr. Rutherford stated the LDC has been advertising in the NNY Business Magazine at \$220.00 a month. The yearly contract with the magazine is up for renewal. Mr. Rutherford requested putting the advertising on a one year hiatus to utilize the funds to offset the marketing campaign the LDC will be conducting. Mr. Flint stated it was a marketing decision and is concerned about the relationship with the magazine. Board members agreed to discontinue advertising in the NNY Business Magazine.

**Woolworth Building Tour** – Erich Seber invited the board members to an Open House at the Woolworth Building on Friday, January 16, 2015 from 5-7 p.m.

**VIII. NEXT MEETING** – The next meeting will be held on Thursday, February 19, 2015.

**IX. ADJOURNMENT** – Mr. Fallon made a motion to adjourn the meeting seconded by Mr. Zembiec. All in favor, approved.