

Watertown Local Development Corporation
Minutes of Thursday, April 16, 2015

The Watertown Local Development Corporation (WLDC) held its board meeting on Thursday, April 19, 2015 at 82 Public Square, Watertown, New York.

MEMBERS PRESENT – Jeffrey Graham, Jeffrey Fallon, Erika Flint, RoAnn Dermady, Kenneth Mix, Donald Alexander, Stephen Hunt, Dave Zembiec (Designee for Donald Alexander)

MEMBERS EXCUSED – John Vanderloo Designee for Stephen Hunt; James Mills (Designee for Jeffrey Graham)

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

CALL TO ORDER – President Graham called the meeting to order at 8:30 a.m.

MINUTES – A motion was made by Mrs. Flint, seconded by Mr. Lumbis to approve the minutes of March 19, 2015. All members in favor, approved.

FINANCIAL REPORTS – A motion was made by Mr. Alexander, seconded by Mrs. Flint to approve the financial statements for the month of March. Mr. Fallon stated the RBC journal entries will be posted next month. All members in favor, approved.

Mr. Rutherford reviewed the delinquent customer reports.

MJK Holdings, LLC - Mr. Rutherford stated a demand letter was sent to MJK Holdings, LLC. Mr. Fallon suggested the LDC's legal counsel contact Mr. Kuppermann's attorney regarding the demand date.

The board discussed the LDC's lien position on the mortgage held by the LDC and the bank. Mr. Rutherford stated if the LDC were to take a deed in lieu, the LDC would only have to take out WSB 1st mortgage to receive clear title. Questions were raised as to whether the WSB 3rd mortgage would have to be paid by the LDC. The Board discussed several options, but took no action. Mr. Rutherford stated a lien search was conducted; there are no liens on the building. Mr. Rutherford stated the LDC legal counsel will follow-up with the bank and attorney for MJK Holdings to discuss a workout.

Factory Street Reconstruction Loan Program – Business owners located on Factory Street and Mill Street to Main Street which has been impacted by the reconstruction project are eligible to apply to the loan program. The business loans may be used for any business purpose including cash flow interruption up to \$10,000.00 at 3% for five years. Applicants are required to send a letter of request stating the purpose and a complete a credit report form. Applicants may apply for two loans six months from the date of the first request. The loan program will begin June 1, 2015.

COMMITTEES

Loan Review Committee

Woodruff Professional Group, LLC – A motion was made by Mrs. Flint to approve the request to release Frank Rhode, M.D. and T. Andrew Barber, P.T. from their personal guarantees of the WLDC loan to the Woodruff Professional Group, LLC, seconded by Mrs. Dermady. All in favor, approved.

Mr. Rhode and Mr. Barber are selling their membership units in the Woodruff Professional Group, LLC to MSP Realty, LLC. Collins F. Kellogg, Jr., M.D. and LaVerne VanDeWall, D.O. remains as guarantees of the loan.

Travis Corliss d/b/a Watertown Airsoft League-A motion was made by Mrs. Flint, seconded by Mr. Alexander to approve a principal moratorium for 4 months beginning April 1, 2015 to July 1, 2015 on the loan to Travis Corliss d/b/a Watertown Airsoft League. Mr. Corliss has renovated his space at the WCBI and complied with the City Code Enforcement Office. All in favor, approved.

Marketing Committee - Five out of eleven responses have been received for the Downtown Website and range in price from \$11,000 to \$30,000. Mr. Rutherford will contact references and request videos from the companies. A vendor will be selected and notified next week.

There was discussion to “farm out” the video production of the website to other interested parties. Mrs. Flint stated companies will utilize their in house production or provide their own subcontractors.

NEW BUSINESS

Activity Report – No report.

OLD BUSINESS

Fort Drum Storage LP Update – Mr. Rutherford stated the investigators have located more assets held jointly by the guarantors; a title search will be conducted.

NEXT MEETING

The next scheduled board meeting will be held on Thursday, May 21, 2015.

ADJOURNMENT

A motion was made by Mr. Fallon to adjourn the meeting at 9:26 a.m., seconded by Mrs. Flint. Approved.