

**Watertown Local Development Corporation
Board Meeting Minutes
Thursday, January 22, 2016**

The Watertown Local Development Corporation meeting was held on Thursday, January 22, 2016 at 82 Public Square, Watertown, New York 13601.

MEMBERS PRESENT: Joseph Butler, President, Jeffrey Fallon, Steve Hunt, Ken Mix, Donald Alexander, RoAnn Dermady, Mike Lumbis, Designee; Dave Zembiec, Designee;

MEMBERS EXCUSED: Erika Flint, James Mills, John Vanderloo

OTHERS PRESENT: Donald Rutherford, CEO; Craig Fox, Watertown Daily Times; Kim Taylor, Executive Assistant; Joseph Russell, Legal Counsel; Steve Jennings, Councilman

I. CALL TO ORDER: Mr. Butler called the meeting to order at 8:40 a.m.

II. MINUTES: Minutes of the annual meeting held on December 17, 2015 were presented. A motion to approve the minutes as presented was made by Mr. Alexander, seconded by Mr. Fallon. All in favor. Carried.

III. FINANCIAL REPORT: Mr. Fallon presented the financials for the month of December. Mr. Butler asked if the Finance Committee met twice a year to review the investments. Mr. Rutherford stated Cyril Mouaikel, RBC Wealth Management presents the investment report annually and will be attending the March meeting.

Mr. Butler questioned whether the LDC had a line of credit in place to be used to finance the \$2.5 million Brighton Building project and suggested the LDC apply for a line. Mr. Rutherford stated the LDC previously had a line of credit with Key Bank but it was not needed at the time. Mr. Rutherford stated we could apply for a margin account with RBC.

Mr. Butler suggested LDC designate the treasurer as an authorized person on the RBC Investment and Equity Accounts in the absence of Mr. Rutherford. Mr. Fallon, Treasurer/Secretary will serve as the authorized person/signer on the RBC Wealth Management accounts. Mr. Butler advised Ms. Taylor to have the signature cards and resolutions updated to include Mr. Fallon.

Mr. Rutherford reviewed the delinquent loan accounts. Mr. Rutherford stated the commitment to the J.B. Wise Block, LLC has been outstanding for over a year. The J.B. Wise Block, LLC was also allocated a façade grant in the amount of \$77,500 which has not been disbursed. All façade grants approved will be disbursed by December 31, 2016. Mr. Rutherford stated requests for façade improvements will be made in the form of a loan. The WLDC Façade Grant Program ended December 31, 2015.

A motion was made by Mr. Alexander, seconded by Mr. Mix to accept financial report of December 31, 2015 as presented. All in favor. Carried.

V. LOAN REVIEW COMMITTEE

Riverview Plaza, LLC – Mr. Fallon stated the Loan Review Committee recommends approval to extend the maturity date to the two existing loans for an additional 5 years to Riverview Plaza, LLC. A motion was made by Mr. Alexander, to extend the maturity date an additional 5 years on the two existing loans to Riverview Plaza, LLC contingent upon bank approval, DANC and JCIDA approvals, taxes, water bills of Riverview Plaza, LLC are current and all interest and late fees owed to the bank and public lenders are current and furthermore approve interest only payments from October 2015 throughout January 2016. The interest rate will remain at 5%. A motion was made by Mr. Alexander to approve the resolution, seconded by Mr. Fallon. Mrs. Dermady abstained. All in favor. Carried.

Kenal Services, Inc. – Mr. Fallon stated the Loan Review Committee recommends approval to subordinate its 1st lien position on all assets of Kenal Services, Inc. to a 2nd lien position to Watertown Savings Bank loan. Kenal Services has applied for a line of credit with Watertown Savings Bank. A motion was made by Mr. Mix, seconded by Mr. Fallon to approve the subordination request. Mrs. Dermady abstained. All in favor. Carried.

Mr. Alexander questioned whether there was a requirement on the part of the banks to notify the agencies if a material change takes place on loans with a mutual customer. Mr. Alexander requested we research whether there is a provision in the loan documents for changes or maybe a provision is added. Mr. Russell stated if there is any change the notification needs to come from the borrower not the banking institution. Mr. Russell will review the language in the loan documents whether there is a legal obligation to notify the agencies of any material changes.

VI. NEW BUSINESS

Governance Committee: Mr. Mix requested the Governance Committee meeting be scheduled the second week of February to review the policies and conduct the annual evaluation of the board. Mrs. Taylor will email the board evaluations and schedule a meeting.

Audit Committee: Mr. Butler stated the Audit Committee met and the engagement letter has been executive by the Treasurer of the LDC to engage Bowers & Company to conduct the annual audit which will begin Monday, January 25, 2016.

Strategic Planning Session: Mr. Rutherford stated he would like to schedule a planning session to discuss various topics of focus the Personnel Committee has outlined and to gather more input from the board. Mr. Rutherford stated there are several issues involving the City Center Industrial Park regarding the buffer zone for the wetlands at the park and has requested GYMO updated a survey map of the park. The Board discussed the different requirements by the Army Core of Engineers and NYSDEC regarding the wetlands at the park which need further investigation.

Mr. Rutherford stated we need to located alternative sites for commercial development.

Mr. Butler stated the development of downtown is important and stated we need to work together on an application to submit to the Governor's \$100 million Downtown Revitalization Initiative find out all we can to set Watertown apart from other communities. The application is due in April. Mr. Mix stated the Core Development Company's redevelopment of Mercy Hospital; restoration of the Lincoln Building and Brighton-Empson Building could be on the project list submitted with the grant. Mr. Butler stated he would like to see an amphitheater along the Black River Trail. Mr. Butler stated we need to build a vision of what we would like our downtown to look like both from the public and private sectors.

Mr. Rutherford requested the board members to submit topics of discussion for the strategic planning session.

Mr. Butler stated the Strategic Planning Session will be held on Thursday, February 11, 2016 at 11:00 a.m. to 2:00 p.m. in the office of the LDC.

Mr. Hunt stated the Snowtown USA event begins Friday, January 29, 2016.

VII. ADJOURNMENT: A motion was made by Mr. Fallon to adjourn the meeting at 9:50 a.m. seconded by Mr. Hunt. All in favor. Carried.