

**Watertown Local Development Corporation
Meeting Minutes
Thursday, April 21, 2016**

The Watertown Local Development Corporation meeting was held on Thursday, April 21, 2016 at 8:30 a.m. in the office of the WLDC at 82 Public Square, Watertown, New York.

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

MEMBERS EXCUSED: Erika Flint, John Vanderloo, Designee; Jim Mills, Designee

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

I. CALL TO ORDER: Mr. Butler called the meeting to order at 8:35 a.m.

II. MINUTES: A motion to approve the minutes of March 17, 2016 and April 7, 2016 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 March.

Mr. Rutherford inquired about the process of relinquishing the CDBG funds in the WLDC's restricted account back to the City of Watertown. Mr. Lumbis stated a letter from the WLDC requesting termination of the Subrecipient Agreement and the reasons why and a termination date would need to be sent to the Mayor for the City Council's consideration. Mr. Lumbis stated the funds would go back to the CDBG program which could be used for various community projects.

Mr. Rutherford reviewed the delinquent accounts.

With no further questions a motion was made by Mr. Alexander to approve the March financial report, seconded by Mr. Hunt. All in favor. Carried.

IV. CORRESPONDENCE: There was no correspondence.

V. LOAN REVIEW COMMITTEE

Sweet Bean Café, LLC: Mr. Fallon made a motion to approve a loan to Sweet Bean Café, LLC which was recommended by the Loan Review Committee in the amount of \$39,000 for 5 years at 5% fixed interest rate to be used for leasehold improvements, guarantees of Christopher Emeanua, Jarried D. Wilson and Christopher McClinton, first position on all business assets, total project cost \$42,950 creating five jobs. The motion was seconded by Mr. Alexander. All in favor. Carried.

Edirin Igho-Akiti d/b/a Mr. Bigg's Restaurant & Bar: Mr. Fallon made a motion to approve a loan to Edirin Igho-Akiti which was recommended by the Loan Review Committee in the amount of \$30,000 for 5 years at 5% fixed interest rate to be used for inventory and equipment at Mr. Bigg's Restaurant & Bar, first security lien position on business assets, total project cost \$34,800 creating four jobs, contingent upon receipt of liquor license. The motion was seconded by Mr. Alexander. All in favor. Carried.

FunXcape, LLC: Mr. Fallon introduced a loan which was recommended by the Loan Review Committee to FunXcape, LLC in the amount of \$65,000 for 5 years at 3.5% fixed interest rate, 2nd co-proportional 2nd mortgage and assignment of rents and leases with North Country Alliance on real estate located at 223 JB Wise Place, 2nd co-propotional lien with North Country Alliance on all business assets behind Key Bank to be used for food court equipment, soft play and arcade equipment. Mr. Fallon stated the WLDC will be the lead agency in the \$130,000 participation loan with the North Country Alliance.

Mr. Rutherford stated the NCA board met yesterday and did not have a quorum to act on the loan request. The NCA board will reconvene a meeting on Friday to consider the loan to FunXcape, LLC in the amount of \$65,000.

Mr. Butler questioned whether the LDC would consider a bridge loan to Mrs. Bonner in the interim until the participation loan is funded. Mr. Russell stated the loan would take about three to four weeks to close. Mr. Butler stated time is of the essence as the equipment is being delivered and will be installed next week. Mrs. Taylor stated a ribbon cutting ceremony is scheduled for May 27, 2016 at 10:00 a.m.

Mr. Alexander made a motion to approve the participation loan in the amount of \$65,000 contingent upon approval by the North Country Alliance, seconded by Mr. Fallon. Mr. Hunt abstained. All in favor. Carried.

Mr. Alexander also made a motion to approve a demand note to FunXcape, LLC in the amount of \$130,000 at 5% fixed interest for 60 days, guarantee of Vina Bonner, seconded by Mr. Fallon. Mr. Hunt abstained. All in favor. Carried.

VI. NEW BUSINESS:

WLDC/500 Newell Street, LLC (Arizona Properties): A motion was made by Mr. Alexander authorizing the WLDC to assign the bids consisting of five parcels of land located in Arizona to 500 Newell Street, LLC, seconded by Mrs. Dermady. All in favor. Carried.

VII. OLD BUSINESS

2015 Snowtown USA Sponsorship: Mr. Rutherford stated the check in the amount of \$2,000 representing the 2015 sponsorship to Snowtown USA has been lost and stopped payment issued. Mr. Rutherford stated that the Northern NY Community Foundation has no record of receiving the check. Mr. Rutherford questioned whether the funds are needed at this time when all expenses have been paid for the event. Mr. Butler requested more information which was provided by Mrs. Taylor. Mrs. Taylor will consult with the accountants regarding the posting of the new check in 2016. With no further questions, Mr. Fallon made a motion to issue a check to replace the lost check in the amount of \$2,000.00 to Snowtown USA, seconded by Mr. Alexander. All in favor. Carried.

The Retail Coach: Mr. Rutherford stated two weeks ago representatives from the Retail Coach toured the City and gave the board a presentation on a strategic plan for downtown. Mr. Rutherford stated there was no action taken on engaging the services of the Retail Coach at that meeting. Mr. Rutherford stated the representatives were impressed with what our downtown currently offers and are excited to assist in developing the downtown further. Mr. Rutherford stated the firm would provide a tool to use and have to be continually tweaked and would be able to tie in to a national regional store to be located in our downtown.

Mr. Butler stated \$40,000 was a lot of money, a full time position and stated the downtown doesn't have a dozen spaces available, although recognizing the key locations (Lincoln Bldg. and Woolworth Bldg.) questioned whether the timing was right given the Governor's Downtown Revitalization Initiative of \$10 million the City is applying for and the retail project at the former Mercy Hospital site. Mr. Butler stated if the \$10 million is awarded funding by the State the funding may overlap with what the Retail Coach is proposing to do. Mr. Butler stated we do not want duplication of services. Mr. Butler stated he wasn't opposed, but it may not be the right time and should we consider waiting for the other project funding to evolve.

Mr. Zembic questioned whether the LDC could wait to obtain the Retail Coach until after the Governor's announcement of the awards. Mr. Lumbis stated the awards may be announced in June.

Mr. Alexander stated he has been through a lot of downtown development initiatives where there have been band aids, tactical devices and suggested we need a strategic plan to develop our downtown, investment is needed to move forward if we want to make our downtown shine. Mr. Alexander stated he was comfortable with the answers provided by the Retail Coach at the special meeting and is extremely supportive and strongly in favor of hiring the firm.

Mr. Butler polled the board members on hiring the Retail Coach. Mr. Lumbis stated he was on the fence. Mrs. Dermady stated she didn't see why waiting another month and a half to make a decision would be an issue.

Mr. Zembic questioned whether the LDC could commit to the first phase. Mr. Rutherford stated he didn't know if the Retail Coach could do the analytical only.

Mr. Fallon stated we don't know if the City will be awarded \$10 million and stated he doesn't know enough about what the award to make a responsible decision at this time.

Mr. Hunt abstain from making a decision.

Mr. Alexander made a motion to engage the services of the Retail Coach in the amount of \$40,000 to begin as soon as possible. Mr. Butler stated with no second to Mr. Alexander's motion and the Retail Coach will remain on the table until further information can be obtained on the Governor's Downtown Revitalization Initiative.

Mr. Alexander stated by hiring the Retail Coach this should be seen as an enhancement to be award the funds from the State. This is commitment to downtown which would help foster and develop our community.

With no further discussion, the Retail Coach will be discussed at the next meeting.

500 Newell Street, LLC A motion was made by Mr. Fallon to authorize the WLDC as sole member of 500 Newell Street, LLC to accept the bids from Watertown Local Development Corporation to 500 Newell Street, LLC, seconded by Mr. Lumbis. All in favor. Carried.

VIII. NEXT MEETING: The next meeting will be held on May 19, 2016 at 8:30 a.m.

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