

**Watertown Local Development Corporation
Meeting Minutes
Thursday, May 19, 2016**

The Watertown Local Development Corporation meeting was held on Thursday, May 19, 2016 at 12:00 p.m. in the office of the WLDC at 82 Public Square, Watertown, New York.

MEMBERS PRESENT: Joseph Butler, Jr., President; Mike Lumbis, Steve Hunt, RoAnn Dermady

MEMBERS EXCUSED: Erika Flint, John VanDeLoo, Jim Mills, Donald Alexander, Jeffrey Fallon, Dave Zembiec

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

I. CALL TO ORDER: Mr. Butler called the meeting to order at 12:02 p.m.

II. MINUTES: A motion to approve the minutes of April 21, 2016 as presented was made by Mrs. Dermady, seconded by Mr. Lumbis. All in favor. Carried.

III. FINANCIAL REPORT: Mr. Rutherford reviewed the financial statements for the month of April and the customer report. Mr. Rutherford stated he authorized \$50,000 to be transferred from the investment account into the equity account. There is \$150,000 of the \$500,000 remaining to be invested into the equity account.

Mr. Rutherford stated the CDBG Account funds in the amount of \$117,194.49 have been sent to the City Treasurer. The CDBG Savings account has been closed.

Mr. Rutherford stated Legal Docs and Self Direct have vacated their leased space at the Franklin Building. Seth Parker, a tarot card reader will lease Suite E June 1, 2016. One vacant storefront is available to lease at the Franklin Building.

Mr. Rutherford stated the North Country Arts Council lease for Space D is four months past due and one month on Suite 52/54. Mr. Rutherford stated the plans for the theater project have been put on hold indefinitely and will concentrate on offering arts education and events. Mr. Rutherford stated the Arts Council have a new president and board who he feels competent will turn the Arts Council around with membership drive, new events scheduled and education classes to be offered.

A motion was made by Mr. Hunt to approve the April financial report, seconded by Mrs. Dermady. All in favor. Carried.

IV. CORRESPONDENCE: There was no correspondence.

V. COMMITTEES

LOAN REVIEW COMMITTEE

Erica Turck d/b/a Vigilante Yoga: The Loan Review Committee recommend a loan to Erica Turck d/b/a Vigilante Yoga. A motion was made by Mr. Lumbis, seconded by Mrs. Dermady to approve a loan to Erica Turck d/b/a Vigilante Yoga in the amount of \$22,500 for 5 years at 5.0% fixed interest rate, 1st

position on accounts receivable, inventory, furniture, fixtures and equipment, 2010 Honda CR-V to be used for equipment and working capital to open a yoga studio located at the Lincoln Building. Total project cost is \$25,000 with the creation of 5 to 10 independent contractors. All in favor. Carried.

Mr. Rutherford stated Ms. Turck has applied for the Rent Subsidy Program which will be addressed by the Downtown Development Committee.

Laurel Blackmore: The Loan Review Committee recommend a loan to Laurel Blackmore in the amount of \$40,000. Laurel Blackmore is a cosmologist and certified Laser Technician working as an independent contractor at the Marcy Spa and Salon. Ms. Blackmore and Hillary Rust purchased the Candela G-Maxx Pro to provide laser services. Ms. Rust as co-owner of the equipment is required to sign the security agreement in order for the LDC to take the equipment as collateral. The total amount of the project is \$97,092.

Mr. Butler requested the loan request be reduced to \$38,546 which is the amount owed on the equipment. Mr. Rutherford stated Ms. Rust acquired a loan in the amount of \$36,546 from her family and Mrs. Blackmore is the only obligor on the loan from the LDC. Mr. Rutherford stated he presented the request for \$40,000 to provide equal amounts of debt between the owners. Mr. Butler stated he felt more comfortable approving the lesser amount of the loan. Mr. Rutherford stated there should not be an issue with reducing the amount of the loan to \$38,546.

With no further questions, Mr. Hunt made a motion, seconded by Mr. Lumbis to approve a loan to Laurel Blackmore in the amount of \$38,546 for 5 years at 5% fixed interest rate for the purchase of a Candela G-Maxx Pro Laser machine, collateral will be a purchase money security interest on the Candela G-Maxx Pro Laser, contingent upon Hillary Rust executing the security agreement. All in favor. Carried.

VI. NEW BUSINESS

Omega Plan Trustee: A motion was made by Mr. Hunt to remove Jeff Graham as Trustee and to appoint RoAnn Dermady as a trustee of the employee 401K Profit Sharing Plan. Mr. Butler requested the profit sharing plan be reviewed annually in January with the trustees, employees and RBC Wealth Management. With no further discussion the motion was seconded by Mr. Lumbis. All in favor. Carried.

Rent Subsidy Program Erica Turck: Mr. Rutherford stated the Downtown Development Committee recommend approval of the rent subsidy program to Erica Turck who will be leasing a storefront in the Lincoln Building for a period of 5 years. Mr. Lumbis stated the business meets the programs criteria and stated the number of clients and patrons entering the business during evenings and weekends will generate more activity to downtown.

Mr. Rutherford stated the Rent Subsidy Agreement is a three party agreement between the WLDC/tenant/landlord. Mr. Rutherford stated the WLDC will subsidize the lease payment at 50% or \$1000 per month whichever is less in year one and year two the WLDC will subsidize the lease payment at 25% or \$500 per month whichever is less. A motion was made by Mr. Lumbis, seconded by Mr. Hunt to approve Erica Turck to the Rent Subsidy Program contingent upon receipt of the lease agreement and rent subsidy agreement. All in favor. Carried.

VII. OLD BUSINESS

The Retail Coach: Mr. Butler stated the Retail Coach proposal was tabled at last month's meeting to wait for the announcement of the \$10 million Downtown Initiative Program winners. Mr. Butler stated

he met with representatives from across the state in Lake Placid last week regarding the application process and updated the Board on the process. Mr. Butler stated city staff are in the final stages of completing the application which will be submitted by the end of the month. Mr. Butler stated the award will be selected by five private sector individuals which will be announced in June.

Mr. Rutherford questioned if the award was granted to Watertown how the plan would be administered. Mr. Hunt stated administration of the plan will be a work in progress and is not place at this time.

Mr. Butler recommended the Retail Coach remain on the agenda until the winner of the award is announced.

VIII. NEXT MEETING

The next meeting will be held on Thursday, June 16, 2016 at 8:30 a.m.

IX. ADJOURNMENT

A motion was made by Mr. Hunt to adjourn the meeting at 1:05 p.m. seconded by Mr. Lumbis. All in favor. Carried.