

**Watertown Local Development Corporation
Meeting Minutes
Thursday, January 26, 2017**

The Watertown Local Development Corporation's Board of Directors meeting was held on Thursday, January 26, 2017 at Watertown Savings Bank, 111 Clinton Street, Watertown, New York.

Present: Erika Flint, Jeffrey Fallon, Michael Lumbis, RoAnn Dermady, John Vanderloo (Designee), Steve Hunt, Jennifer Voss (Designee),

Excused: Donald Alexander, Dave Zembiec, Joseph Butler

Staff: Donald Rutherford, Kim Taylor

Others Present: Councilman Stephen Jennings, Craig Fox, Watertown Daily Times; Joseph Russell, Attorney at Law; Hartley Bonisteel-Schweitzer, DANC; Kelly Cofer, The Retail Coach, Geoffrey Urda, City of Watertown Planner, WWNY TV News

I. **Call to Order:** Vice President Flint called the meeting to order at 8:40 a.m.

II. **Minutes:** Motion by Mr. Fallon and second by Ms. Dermady to accept the meeting minutes from the December 15, 2016 meeting. All in favor, motion carried.

III. **Financial Report:** Mr. Fallon presented the financials for December 2016. He noted the audit is underway and the profit and loss statement only reflect December not the year to date comparison.

Mr. Rutherford reviewed the delinquent customers for December 2016. On a motion by Ms. Dermady and second by Mr. Lumbis the financial statements for December 2016 were approved. All in favor; motion carried.

IV. **Correspondence:** There was no correspondence.

V. Committee Reports

Loan Review Committee

Marcy Spa & Salon, Inc.: Motion by Mr. Fallon and second by Mr. Hunt to approve the loan request from the Marcy Spa & Salon, Inc. in the amount of \$36,189.00 for 5 years at 5% fixed interest rate, 2nd position on all business assets, guarantee of Laurel Blackmore and Donald Foot to be used for leasehold improvement, startup expenses and working capital. The Marcy Spa is relocating their business from the Marcy Building to the Lincoln Building to provide for better exposure. Ms. Dermady abstained. All in favor, motion carried.

Neighbors of Watertown, Inc.: Motion by Mr. Fallon and second by Mr. Lumbis to renew a \$300,000 unsecured line to Neighbors of Watertown, Inc. to be used for the First Time Home Buyer Program at 0% interest for 1 year, a \$600 fee per project with repayment of principal balance on each home to occur upon takeout by pre-approved first mortgage lender at the completion of the project, and to renew the \$200,000 unsecured working capital note to be used to pay contractors in a timely manner at 0% interest with repayment of principal balance to be paid on demand at the discretion of the LDC contingent upon receipt of monthly report of the use of funds. All in favor; motion carried.

FunXcape, LLC: Mr. Fallon stated Mr. Rutherford was given authority to proceed with terming out the \$130,000 demand note to FunXcape, LLC January 13, 2017, however the loan closed in escrow after finding two judgements filed against guarantor. Mr. Rutherford reported the loan did close in escrow, the 1% fee was received as well as accrued interest and attorney's fees collected. The mortgage will be put in place once the judgements are satisfactory and evidence provided. Motion by Mr. Lumbis and second by Ms. Dermady authorizing the CEO to close the \$130,000 loan to FunXcape, LLC in escrow with the interest brought current, attorneys fee collected and furthermore satisfaction of the judgements and evidence provided to the LDC that the mortgage is clear subject to the existing mortgages held by Key Bank and WLDC no later than February 28, 2017. All in favor; motion carried.

Governance Committee

Mr. Lumbis reminded board members to submit their annual board evaluation in the next few weeks. Mr. Lumbis stated the Governance Committee will review the evaluations and bring the summary results to the board at the February 16, 2017 meeting for discussion.

VI. New Business

The Retail Coach: Mr. Rutherford introduced Mr. Kelly Cofer, President/CEO of the Retail Coach. Mr. Cofer gave a presentation on how the Retail Coach could recruit businesses to the city's downtown and help spur more retail in the downtown business core.

Mr. Cofer reported our downtown has a lot going for it such as the day time employment, the growing number of new businesses, the traffic connectors to downtown, the redevelopment of the historical buildings, museum, and Fort Drum to name a few. Mr. Cofer stated the he feels there is a negative perception of the parking downtown.

Mr. Cofer stated we need to offer existing businesses ways to expand their business to keep them growing, determine the purchasing habits, determine the profile of the market, find retail uses for those markets. Mr. Cofer stated their firm would establish relationships with 20 to 30 retailers, determine the demographics, psychographic profile and purchasing habits, what opportunities exist for businesses, what type of businesses fit in the consumer market.

Mrs. Flint thanked Mr. Cofer and stated the board will be able to make an informed decision based on Mr. Cofer's presentation.

Revolution Real Estate: Mr. Rutherford reported Stephanie Converse has vacated space known as the Franklin Building, 48 Public Square due to financial difficulties and requests the LDC allow Ms. Converse out of her existing lease which expires September 2017. The security deposit will not be returned to Ms. Converse.

VII. OLD BUSINESS

The Retail Coach: Ms. Flint questioned what the member's thoughts were on moving forward with entertaining the proposal from the Retail Coach. Ms. Flint stated we move forward on the majority vote. Mr. Fallon stated after today's presentation he is in favor of the proposal and feels we should respond to the Retail Coach in a timely manner but would like to have Mr. Alexander and Mr. Butler's input. Mr. Lumbis noted the original proposal is a year old and has changed based on today's presentation. Ms. Flint requested Mr. Cofer to submit an updated proposal to the LDC.

On a motion by Mr. Fallon and second by Mr. Vanderloo the Board request an updated proposal from The Retail Coach and upon receipt of the proposal to be distributed to the LDC members to be considered on or before the February 16, 2017 meeting. Mr. Lumbis noted Mr. Rutherford request a timeline for deliverables and to outline what the deliverables are to be included in the proposal. The motion was second by Mr. Vanderloo. All in favor; motion carried.

Mr. Jennings encourage the WLDC to retain the Retail Coach.

VIII. ADJOURNMENT: On a motion by Mr. Fallon and second by Mr. Lumbis the meeting was adjourned at 10:15 a.m.