

**Watertown Local Development Corporation
Meeting Minutes
Thursday, November 16, 2017**

The Watertown Local Development Corporation (WLDC) Board of Directors meeting was held on November 16, 2017 in the WLDC Office, 82 Public Square, Watertown, New York.

Present: Mayor Joseph M. Butler, Jr., President, Erika Flint, Vice President, Jeffrey Fallon, Treasurer, Michael Lumbis, David Zembiec, Stephen Hunt, RoAnn Dermady

Excused: Donald Alexander, James Mills, John Vanderloo

Others Present: Joseph Russell, Legal Counsel, Craig Fox, Watertown Daily Times

Staff: Donald Rutherford, CEO, Kim Taylor, Executive Assistant

Call to Order: Mrs. Flint called the meeting to order at 8:31 a.m.

Minutes: Mr. Fallon moved to accept the minutes as written. Mr. Lumbis seconded the motion, and all voted in favor.

Financial Report: Mr. Fallon presented the financial reports for the month of October.

Mr. Rutherford reviewed the customer loan report. He noted several loans that were past due with payments. He said loans #58 and #59 are delinquent and are being monitored by DANC who is the lead agency. He said #71 has moved out of his space and plans to relocate to the former Gander Mountain space at the Salmon Run Mall. He said #85 who is 90 days past due has requested a principal moratorium which will be addressed later in the meeting.

There was no further discussion regarding the financial report. Mrs. Flint then moved to approve the October 2017 financial statement and customer loan report. Mrs. Dermady seconded the motion and all voted in favor.

Correspondence: Correspondence was received from the Northern New York Community Foundation thanking the board for the sponsorship to the Harvest Fest.

Committees

Loan Review Committee

Wright Brothers, Inc.: Mr. Fallon said that the Loan Review Committee met to consider a 6-month principal moratorium to Wright Brothers, Inc. which would allow sufficient time to sell the building on Wright Drive and search for other tenants.

Mr. Fallon made a motion to adjourn the meeting at 8:42 a.m. and enter executive session to discuss the financial business and potential litigation of a customer, seconded by Mrs. Dermady. All voted in favor.

Mr. Hunt made a motion to adjourn the executive session and reconvene the meeting at 9:00 a.m. Mrs. Flint seconded by the motion. All in favor.

Mrs. Flint made a motion to approve a principal moratorium to Wright Brothers, LLC for a period of six months retroactive to August 1, 2017, contingent upon approval by the JCIDA. Mrs. Taylor asked if

Wright Brothers, LLC made a payment prior to the JCIDA approval if the moratorium would be extended. Mr. Rutherford said the principal moratorium would extend but no more than a total of 6 months. With no further questions, Mr. Fallon seconded the motion. Mr. Butler recused himself from the vote as an employee of Community Bank. All others voted in favor.

Watertown Industrial Center Local Development Corporation: Mr. Fallon said that the Loan Review Committee met to consider a loan to the Watertown Industrial Center Local Development in the amount of \$98,083.00 for 5 years at 3.5% to be used to renovate Building A at the Watertown Industrial Center. Jain Irrigation currently resides in Building D of the facility and will be relocating and expanding to Building A to add a new manufacturing line. Jain Irrigation will retain 100 jobs and add more employees with the new product line. This is a participation loan with Jefferson County Local Development Corporation as lead agency. Total participation loan is \$196,166.00.

Mrs. Flint made a motion to approve a loan to the Watertown Industrial Center Local Development Corporation in the amount of \$98,083.00 for 5 years at 3.5%, assignment of rents and leases, co-proportional 2nd with the Jefferson County Local Development Corporation on all WICLDC assets, proceeds to be used to renovate 40,554 sq. ft. of space in Building A at the Watertown Industrial Center, Watertown, NY, exception to the reduction in rate is based on the rent structure with Jain Irrigation. Mr. Lumbis seconded the motion. All voted in favor.

Rent Subsidy Committee: Mr. Lumbis stated the committee met to consider a rent subsidy request from Geoff Puccia who has signed a 3-year lease with Washington Street Properties to open a restaurant to be located in the Commerce Building. Mr. Puccia plans on hiring 3-5 employees and serving lunch. Mr. Puccia will not be in competition with his existing business Pete's Trattoria who serves dinner. Mr. Lumbis stated this is a significant investment to the downtown community and recommends approval of the fifth rent subsidy to Puccia Olive Oil Company, LLC. Mr. Hunt seconded the motion. All voted in favor.

Public Square Rent Assistance Program: Mr. Lumbis stated the committee met to discuss the program criteria/guidelines of the rent subsidy program and recommending the proposed modifications as shown on page three of the attached document. Mr. Lumbis stated the proposed elimination of these sentences on page three would allow for no cap in the number of projects so that a sixth project could be funded within the original amount approved and budgeted for the program by the Board. The program dates are proposed to be eliminated so that we can continue to offer this incentive until the funding runs out. Mr. Lumbis stated we have a request for funding a 6th application early in 2018 which would exhaust the program funding. The latest request for funding would employ 34 to downtown. No action will be considered until receipt of a formal application.

Mr. Hunt stated he recommends the extension of the program with the elimination of the timeframe in the rent subsidy program criteria and stated the DRI funding is a separate conversation.

Mr. Lumbis stated the committee discussed applying additional funding through the City's DRI program. There are no guarantees that the funding would be approved, and it could be 9 months or longer before the funding is in place and available to the LDC.

Mr. Lumbis said the Committee recommends an additional allocation to the program in the amount of \$54,000. The amount would cover at least three additional projects. The budget impact would be \$36,000 in year one (2018) and \$18,000 in year two (2019). Mr. Butler requested the recommendation for additional allocation be considered at the next meeting to include an amendment to the 2018 budget. Mr. Fallon agreed and recommended the budget be attached to the board packet next month.

With no further discuss, Mrs. Flint made a motion to approve the proposed modifications and eliminations to the Public Square Rent Assistant Program (attached). Mr. Hunt seconded the motion. All voted in favor.

New Business: There was no new business.

Old Business

Downtown Block Parties: Mr. Rutherford stated Watertown First's board members voted unanimously in favor of organizing the downtown block party series. The WLDC approved a \$15,000 sponsorship for 2018. The Watertown Local Development Corporation will act as the presenting sponsor, and the Northern New York Community Foundation will hold all funds pertaining to the Downtown Block Parties. Watertown First is a not-for-profit network of locally-owned independent business and individuals dedicated to building a sustainable local economy by encouraging citizens to "Buy Local and Live Local". Mr. Rutherford said Watertown First has a board that are experienced in coordinating downtown events. Mr. Rutherford stated he would serve on the committee and be involved with approving the expenses. Mr. Rutherford asked Ms. Taylor if she would assist the committee. Ms. Taylor stated she would be willing to assist. Mr. Hunt stated for budget purposes we need to be aware of what the funds are being used for and suggested an agreement be put in place between the WLDC and Watertown First. Mr. Russell was requested to prepare a memorandum of understanding between the two parties which will be presented to Mr. Cody Horbacz.

Mr. Rutherford stated the events were very well attended this summer with the north side of public square closed off on three Friday evenings. Mr. Rutherford stated he has had a few bands express an interest to play for free next year which could cut the cost substantially. Mr. Butler said the block parties were a success and agreed they should continue as part of the revitalization of downtown.

Mr. Lumbis made a motion to turn the responsibility over to Watertown First to organize and coordinate the downtown block parties and furthermore to enter a Memorandum of Understanding with the WLDC to be prepared by the WLDC's legal counsel. Mrs. Flint seconded the motion. All voted in favor.

Next Meeting: The next meeting will be held on Thursday, December 21, 2017 at 12:00 p.m.

Adjournment: Mr. Fallon made a motion to adjourn the meeting, seconded by Mrs. Flint. All voted in favor. The meeting adjourned at 9:35 a.m.