

**Watertown Local Development Corporation
Meeting Minutes
May 14, 2018**

The Watertown Local Development Corporation’s Board of Directors meeting was held on Monday, May 14, 2018 in the office of the WLDC, 82 Public Square, Watertown, New York.

Present – President Joseph Butler, Jeffrey Fallon, RoAnn Dermady, Steve Hunt, Michael Lumbis

Others Present – Joseph Russell, Legal Counsel; Craig Fox, Watertown Daily Times Reporter, Vina and Mark Bonner

Staff – Donald Rutherford, Kim Taylor

Excused – Donald Alexander, Dave Zembiec, John Vanderloo (Designee), James Mills (Designee), Jennifer Voss (Designee) Erika Flint

Call to Order – President Butler called the meeting to order at 8:30 a.m.

Minutes – Mrs. Dermady moved to accept the minutes of April 19, 2018 as presented, seconded by Mr. Lumbis. All voted in favor. Motion carried.

Financial Report – Mr. Hunt moved to approve the April financial statement and the customer loan report, seconded by Mr. Lumbis. All voted in favor. Motion carried.

Correspondence – There was no correspondence.

Loan Review Committee

Patricia Shatraw – The Loan Review Committee recommend approval to restructure Patricia Shatraw’s loan in the amount of \$27,108.23 at 5% fixed interest for 10 years. Mrs. Dermady stated recommending Ms. Shataw inquire with a bank to pay off the existing debt and if she is unable to request copies of her 2017 tax return and an updated personal financial statement. The motion was made by Mrs. Dermady, second by Mr. Lumbis. All voted in favor. Motion carried.

Edirin Igbo-Akiti Loans – The Loan Review Committee recommend approval to consolidate the following loans to Edirin Igbo-Akiti in the amount of \$92,503 and to reduce the interest rate to 4% fixed:

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|---|-----------------|
| Edirin Igbo-Akiti d/b/a Eddy’s Caribbean | \$22,790 |
| Edirin Igbo-Akiti d/b/a Mr. Biggs | \$27,422 |
| Edirin Igbo-Akiti d/b/a Tropical Food Express | \$33,466 |
| Edirin Igbo-Akiti d/b/a U-Mart City Foods | <u>\$ 8,823</u> |

Mr. Lumbis moved to approve consolidation of the four unsecured loans to Edirin Igbo-Akiti in the amount of \$92,503 for 20 years at 4% fixed interest, second by Mr. Fallon. All voted in favor. Motion carried.

Tapped Out CCG, LLC – The Loan Review Committee recommend approval of a Downtown Micro loan in the amount of \$40,000 to Heather Herman to purchase the existing business from Adam Roshia, Tapped

Out CCG, LLC. Ms. Herman will maintain the name of the business and be the sole member. The business is located at 231 State Street and will employ 1 full time position. Total project cost is \$55,000.

Mrs. Dermady moved to approve the Downtown Micro loan to Tapped Out CCG, LLC in the amount of \$40,000 to be used for the purchase of the existing business for 5 years at 3% fixed interest (interest only is optional year one), guarantee of Heather Herman, 1st position on all business assets contingent upon evidence of equity injection, copy of new tax ID and all the necessary documentation set forth by the Loan Review Committee, second by Mr. Fallon. All voted in favor. Motion carried.

ReCre's Bike Studio – The Loan Review Committee reviewed the loan request from Aaron and Jennifer Austin in the amount \$38,200. The loan proceeds will be used to start up ReCre's Bike Studio (a partnership) as a bicycle retailer. The shop will repair bikes, sell parts and accessories and provide a bike fit service. The business will be leasing 168 Court Street. The Loan Review Committee recommended the request be brought to the full board for consideration.

The board addressed the following areas of concerns which will be discussed with Mr. Austin:

- 1) Aggressive sales market;
- 2) Request a breakeven analysis be conducted of the business by SBDC
- 3) Completed personal financial statement (separate from business assets)
- 4) The loan is unsecured; the floor plan will be collateral for the bicycle supplier
- 5) Detailed sales projections (include how many bikes sold)
- 6) Copy of Lease Agreement

Mrs. Dermady made a motion to table the loan request for further information, second by Mr. Fallon. All voted in favor. Motion carried.

Sandy Amo Loan – The Loan Review Committee recommend a settlement with Sandy Amo in the amount of \$500 to be paid over 12 months. Mrs. Amo indicated she will be closing Sandy's Luncheonette. The loan was written off to bad debt in August 2017 in the amount of \$1,863.26.

Mr. Hunt made a motion to approve a settlement agreement the WLDC and Sandy Amo in the amount of \$500 plus interest at \$50 a month for a period of 12 months, second by Mr. Lumbis. All voted in favor. Motion carried.

New Business

CCIP Option Agreement – Mr. Fallon made a motion to approve the extension of a seven-year Option Agreement between the City of Watertown and the Watertown Local Development Corporation on the City Center Industrial Park with the existing terms and conditions and to authorize the CEO to execute the agreement. Mr. Lumbis second the motion. The City of Watertown approved the extension on May 2018. All voted in favor. Motion carried.

CEO Report – Mr. Rutherford reviewed his monthly CEO report with the board.

FunXcape, LLC – Mrs. Bonner introduced herself and gave an overview FunXcape, LLC which is a children's indoor playground. FunXcape is open Friday/Saturday/Sunday which also serves food. Since acquiring the building Mrs. Bonner stated the building has been a work in progress and a huge undertaking. Mr. and Mrs. Bonner requested the LDC to reorganize the two existing 7-year loans on the

building known as FunXcape, LLC, 223 J.B. Wise Place, Watertown. Mrs. Vina has been operating the business for two years and has suffered from financial difficulties due to the sprinkler system and boiler needed to be replaced among other issues with the building. She stated she continues to improve the building. Mrs. Bonner indicated the business is doing very well and with the addition of Power Play Sports hockey training facility and other tenants occupying the building (American Top Team MMA, a beauty salon, AVL Signs & Graphics) the building occupied. Mrs. Bonner indicated she is working with potential prospects for space.

Mrs. Bonner requested the two loans be restructured for a mortgage. Mr. Rutherford stated the original loans were secured by equipment and stated this is not an unusual request. Mr. Rutherford stated he would need interim financials, appraisal, status of the Key Bank mortgage, supporting documentation which would be reviewed by the Loan Review Committee. Mr. Bonner stated it is difficult to pay back the amount of debt in 7 years. Mrs. Bonner thanked the board for her principal mortarium. Mr. Bonner stated the building is appraised at \$1.2 million. Mrs. Dermady stated a letter from the appraiser should be sufficient since the appraisal was conducted 2 years ago. Mayor Butler suggested Mrs. Bonner submit a rough draft to Mr. Rutherford which he will review and address questions that will be required.

Mrs. Bonner stated she has secured a façade grant from Neighbors of Watertown, Inc. for façade repairs.

Mrs. Bonner recently acquired 259 J.B. Wise Place from the J.B. Wise Block, LLC which has been discussed as a possible site for the JCC Tech Center as part of the city's \$10 million Downtown Revitalization Initiative program. Mrs. Bonner stated she had been working with the owners for several months to acquire the building and did not mean to interfere with the LDC's plans. Mrs. Bonner stated she will be renaming the 259 J. B. Wise Place after her mother. With no further questions or comments, Mr. and Mrs. Bonner thanked the board.

Next Meeting – The next meeting will be held on Thursday, June 21, 2018 at 8:30 a.m.

Adjournment – Mr. Hunt made a motion, second by Mrs. Dermady to adjourn the meeting at 9:44 a.m. All voted in favor. The motion carried.