

**Watertown Local Development Corporation**  
**Meeting Minutes**  
**September 20, 2018**

The Watertown Local Development Corporation Board of Directors meeting was held on Thursday, September 20, 2018 in the office of the WLDC, 82 Public Square, Watertown, New York 13601

**Present** – President Joseph Butler, Michael Lumbis, RoAnn Dermady, Erika Flint, Donald Alexander, Jennifer Voss (Designee)

**Staff** – Donald Rutherford, CEO; Kim Taylor, Executive Assistant

**Others Present** – Joseph Russell, Legal Counsel; Rick Finn, City Manager; Craig Fox, Watertown Daily Times Reporter

**Excused** – Steve Hunt, Jeffrey Fallon, John Vanderloo (Designee), James Mills (Designee)

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

**Minutes** – Mrs. Flint moved to accept the minutes of August 16, 2018 as presented, seconded by Mr. Lumbis. All voted in favor. Motion carried.

**Financial Report** – Mr. Rutherford reviewed the August financial statements and the August customer loan report.

Mr. Rutherford reviewed the following delinquent customers:

Downtown Local Lounge – Options have been presented to the customer to assist with cash flow and at this time declined. Mr. Rutherford will be meeting with the owner next week.

Edirin Igbo-Akita – All interest was to be brought current by October 1, 2018 which has not been received to consolidate all debt. Mr. Igbo-Akita has not followed through with the workout plan. Mr. Rutherford will contact Mr. Igbo-Akita regarding the delinquency.

Jody Shuler d/b/a Eye Crave – Attempts have been made to contact Mr. Shuler regarding the delinquent account which have not been successful. A demand letter will be presented to the customer in person.

Wright Brothers – Mr. Rutherford stated Mr. Wright attended the JCLDC meeting last month regarding the status of the participation loan. Questions were not addressed. Mr. Alexander suggested Mr. Wright attend the next loan review committee meeting of the WLDC. Mr. Rutherford will invite Mr. Wright to the meeting.

With no further comments Mrs. Flint moved to approve the August financial statements and customer loan report, seconded by Mr. Lumbis. All voted in favor. Motion carried.

**2019 Budget** – Mr. Rutherford reviewed the 2019 budget which will be submitted to NYSABO.

Mrs. Flint suggested staff verify the maximum contribution allowed by employees to the pension plan for their planning purposes. Mr. Butler requested staff contact RBC Wealth Management and Bowers & Company to verify the contribution amounts.

Mr. Rutherford stated in the past we have sponsored the Snowtown fireworks although last year the fireworks were held at outside of the city and suggested the LDC discontinue the sponsorship. Mr. Butler suggested sponsoring a Snowtown event held inside the city and to contact Erin Gardner, Superintendent of Parks & Recreation .

Mr. Butler suggested reducing the \$15,000 sponsorship to the block parties to \$10,000 and eventually discontinuing the sponsorship. Mr. Butler stated the block parties have been a success and the intent was to generate enough private sponsorships to support the three events and hand off to other organizations. Mr. Rutherford stated he has received positive support and feedback from the downtown businesses in hopes the events are continued. Mrs. Flint stated she recalled a discussion of the LDC discontinuing all sponsorships. Mr. Rutherford stated he did not recall discontinuing sponsorships. Mr. Butler requested Mrs. Taylor research the minutes regarding sponsorships and report to the board.

Mrs. Flint moved to approve the 2019 Budget with a \$5,000 reduction to the sponsorship budgeted item, seconded by Mr. Lumbis. Discussion: Mr. Lumbis questioned whether the Downtown Revitalization Initiative grant allocated to the LDC in the amount of \$600,000 be reflected in the budget or amended at other time. Mr. Rutherford stated the DRI will be an expense item and new accounts will be established at the discretion of the auditors. Mr. Butler stated the budget can be amended to reflect the DRI allocation a later date when necessary.

Mr. Lumbis stated in regard to the Façade Program allocation Mr. Rutherford has indicated in his CEO Report concerns the \$250,000 will not be expended by year end and suggested amending the budget to carry the past amount. Mr. Rutherford stated the \$250,000 was approved three years ago and the LDC budgeted a loss for the last two years. He has expressed the need to the businesses and NOW all funding must be disbursed by year end and recommends leaving the budget as presented.

Mr. Butler called the question. With no further discussion, the 2019 Budget was approved, the motion carried. All in favor.

**Correspondence** – The DRI \$600,000 Small Business Revolving Loan and Grant Fund award letter was received from the State of New York. Mr. Rutherford stated he will contact the State to confirm use of the funds for a façade program and rent assistance.

### **Committees**

**DRI Committee (Downtown Rent Assistance Program)** – Mr. Lumbis stated the committee met and recommend the final rent subsidy grant allocation to Melanie Cutillo d/b/a Serendipity Café & Treasures. Serendipity is a new business which will be located at 223 J.B. Wise Place and will offer beverages, a creperie menu and pastries. The business also plans to develop a line of culinary spices and collaborate with local artisans to offer a wide selection of handcrafted gifts and workshops. The

business will employ two-three people the first year and serve 90 people a day which will open in October 2018.

Mr. Lumbis stated ACR Health applied to the Downtown Rent Assistance Program for a plan to open a community café and grocery, however the LDC is unable to reserve an allocation which was indicated to ACR Health.

With no further comments, Mr. Lumbis made a motion to approve and allocate the remaining Downtown Rent Subsidy Grant to Melanie Cutillo d/b/a Serendipity Café & Treasures contingent upon receipt of an executed three-year lease agreement between Melanie Curtillo and FunXcape, LLC, seconded by Mr. Alexander. All in favor. The motion carried.

### **New Business**

**North Country Arts Council Suite D** – Mr. Alexander made a motion to write off \$6,095.00 which represents the North Country Arts Council's past due rent on Suite D, Franklin Building, seconded by Mrs. Dermady. The arts council vacated Space D in July 2016 as they could no longer financially support the space. All voted in favor. Motion carried.

**CEO Report** – Mr. Rutherford stated Peter Dephtereo's would like to apply for a façade grant under the Downtown Revitalization Initiative Grant. The Dephtereo's purchased the Crystal Restaurant last week.

**S&J Properties, LLC/Watertown Savings Bank Subordination Request** – Mr. Rutherford stated a request was received from Mark Lavarney, President of WSB requesting the LDC to subordinate its existing mortgages subject to Watertown Savings Bank first mortgages on 150 and 152-154 Court Street. The properties are owned by S&J Properties, LLC. The purpose of the subordination request from the bank is to provide interim construction financing to rehabilitate 138, 150, 152-154 and 170 Court Street which have been awarded a Restore NY grant in affiliation with the City of Watertown.

Mrs. Flint made a motion to approve the subordination request to Watertown Savings Bank as presented contingent upon satisfactory appraisals being conducted by Don Coon. The motion was seconded by Mr. Alexander. Mrs. Dermady abstained from the discussion and vote. All others in favor. Motion carried.

### **Old Business**

Mr. Butler stated all updates under old business are within Mr. Rutherford's CEO August report.

Mr. Butler questioned whether the LDC will hire a consultant to administer the DRI plan. Mr. Rutherford stated Elmira hired a consultant and a percentage of DRI funding can be allocated towards a consultant. Mrs. Voss suggested entering into a sub-recipient agreement with Neighbors of Watertown, Inc. to administer the grant. Mr. Rutherford stated if the LDC engages a consultant requests, for proposals are required according to the administrative plan. Mr. Alexander suggested an outline of questions be drafted prior to the DRI Committee meeting. Mr. Rutherford stated he will contact the members and set up a meeting time.

**Next Meeting** – The next meeting will be held on October 18, 2018.

**Adjournment** – Mr. Alexander made a motion to adjourn the meeting at 9:43 a.m., seconded by Mr. Lumbis. All in favor. Motion carried.