

**Watertown Local Development Corporation
Meeting Minutes
June 21, 2018**

The Watertown Local Development Corporation's Board of Directors meeting was held on Thursday, June 21, 2018 in the office of the WLDC, 82 Public Square, Watertown, New York 13601.

Present – President Joseph Butler, Jeffrey Fallon, Michael Lumbis, RoAnn Dermady, Steve Hunt, Erika Flint, Donald Alexander, Dave Zembiec (Designee), Jennifer Voss (Designee)

Others Present – Joseph Russell, Legal Counsel; Craig Fox, Watertown Daily Times Reporter

Staff- Donald Rutherford, CEO; Kim Taylor, Executive Assistant

Excused – John Vanderloo, (Designee), James Mills (Designee)

Call to Order – President Butler called the meeting to order at 8:34 a.m.

Minutes – Mr. Fallon moved to accept the minutes of May 14, 2018 as presented, seconded by Mr. Lumbis. All voted in favor. Motion carried.

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

Correspondence – There was no correspondence.

Loan Review Committee

ReCre's Bike Studio – Mr. Fallon stated the Loan Review Committee (LRC) recommend approval of a \$38,200 Downtown Micro loan to ReCre's Bike Studio at 3% for 5 years. Collateral is a purchase money security interest on bicycles with serial numbers to be provided. Mrs. Dermady stated her concerns were made to the LRC regarding the personal resources of the customer if the business has financial difficulties from the lack of working capital in the future. Mrs. Dermady stated she voted to recommend the loan at the committee level but has changed her mind and is voting no because of the same concerns held at the LRC.

Mr. Fallon moved to enter executive session to discuss personal financial information of a customer related to the loan, second by Mr. Lumbis. All voted in favor. Motion carried. The meeting adjourned at 8:53 a.m. and entered executive session.

Mrs. Flint moved to adjourn the executive session and reconvene the meeting at 9:05 a.m. seconded by Mr. Hunt. All voted in favor. Motion carried.

Mrs. Flint moved to approve the Downtown Micro loan to ReCre's Bike Studio, a partnership in the amount \$38,200 at 3% fixed with an option of 1-year interest only for 5 years, guarantees of Aaron and Jennifer Austin, purchase money security interest on bicycle inventory. Loan proceeds will be used for leasehold improvements, inventory, furniture and fixtures, second by Mr. Alexander. Mrs. Dermady opposed. All other in favor. Motion carried.

Wright Brothers, LLC – Mr. Fallon made a motion based on the LRC recommendation to modify the existing Note and Mortgage between Wright Brothers, LLC and WLDC to include capitalizing the interest due for April, May, June and July 2018, amortize the balance of \$423,000 over 15 years with a 5 year maturity date at 0% year 1, 1% year 2, 2% year 3, 3% year 4, 4% year 5 contingent upon evidence of Wright Brothers, LLC engaging the services of a commercial real estate firm and upon approval of the JCIDA. The motion was seconded by Mr. Alexander. All in favor. Motion carried.

9 Chandeliers Corporation – Mr. Fallon stated the LRC is recommending the Note and Mortgage to 9 Chandeliers Corporation be modified to a 15-year amortization. The loan was originally amortized over 5 years and has a current balance of \$33,274. Mr. Russell stated the LDC has a participation certificate with Robert Vest and a co-proportional on the mortgage and would need Mr. Vest’s authority to modify the existing note and mortgage.

Mr. Rutherford stated the original request was for an additional 6-month principal moratorium to allow additional time to market and sell the building. President Butler recommend a 10-year term. No action was taken to modify the mortgage until discussions are made with Mr. Vest.

Mr. Fallon moved to approve an additional 6-months principal moratorium to 9 Chandeliers Corp and authorize the CEO to entertain options with Robert Vest regarding extension of the mortgage. The motion was seconded by Mr. Lumbis. All in favor. Motion carried.

Sweet Bean Café, LLC– Mr. Fallon stated the LRC is recommending a 12-month principal moratorium to Sweet Bean Café, LLC retroactive to 12/1/2017.

Mr. Rutherford stated Neighbors of Watertown, Inc. owns the building which has repaired the roof and stated the rear and front facades will be repaired this year under the Façade Program.

Mrs. Flint moved to approve a 12-month principal mortarium to Sweet Bean Café, LLC retroactive to December 1, 2017 and furthermore to apply the latest payment received by Sweet Bean Café, LLC to bring the interest current through July 1, 2018 with the remaining balance applied to late fees, seconded by Mr. Alexander. All in favor. Motion carried.

FunXcape, LLC – Mr. Lumbis moved to approve a modification to the existing notes and mortgage to FunXcape, LLC which was recommended by the LRC and to extend the term to 15 years on Loan #1 \$150,000 (original amount) and Loan #2 \$130,000 (original amount) and all fees associated with the modifications incurred to be paid by FunXcape, LLC, seconded by Mrs. Flint. All in favor. Motion carried.

New Business

CEO Report – The June CEO report was reviewed.

Old Business – There was no old business to discuss.

Next Meeting – There will not be a meeting held in the month of July. The next board meeting will be Thursday, August 16, 2018.

Adjournment – Mrs. Flint made a motion to adjourn the meeting at 9:40 a.m., second by Mr. Lumbis. All in favor. Motion carried.