

Watertown Local Development Corporation
Meeting Minutes
July 18, 2019

The Watertown Local Development Corporation Board of Directors monthly meeting was held on Thursday, July 18, 2019 in the WLDC office, 82 Public Square, Watertown, New York 13601.

Present – President Joseph Butler, Michael Lumbis, Steve Hunt, Jeffrey Fallon, Charles Capone, Erika Flint, Jennifer Voss (Designee)

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

Excused – Donald Alexander, Dave Zembiec (Designee), James Mills (Designee)

Staff – Donald W. Rutherford, CEO; Kim Taylor, Executive Assistant

Call to Order – Mayor Butler called the meeting to order at 8:33 a.m.

Minutes – Minutes of June 20, 2019 were presented. Motion made by Mr. Hunt to approve the minutes, seconded by Mr. Fallon. All in favor. Carried.

Financial Report – The June financials were not presented as staff is waiting for the investment entries from Bowers and Company. Mayor Butler requested a meeting be held in August to review the June and July financials at which time the investment entries will be available. A meeting was scheduled on Thursday, August 29, 2019 at 8:30 a.m.

Mr. Rutherford reviewed the June customer report and updated the delinquent loan customers as follows:

Fabril , Inc. – The customer has been contacted and Mr. Rutherford stated he will make a visit.

Kingdom Strongholds, Ltd. – Mr. Rutherford and Mr. Fallon met with Mr. Wood regarding cash flow difficulties which will be addressed at the September meeting.

LKR Enterprises – A sale will be taking place of one of the properties owned by LKR which should bring the customer current.

M&C Fusco – Mr. Rutherford will notify the guarantor of the account being turned over to collection if the loan is not kept current.

Sweetbean Café , LLC– Mr. Rutherford has a meeting with Mr. Emmeanu this morning.

Mrs. Flint made a motion to approve the June customer report, seconded by Mr. Fallon. All in favor. Carried.

Correspondence – Neighbors of Watertown is requesting the WLDC contribute half of the cost of the flowers which were planted in 11 cement flower boxes around Public Square. Businesses have been requested to care for a planter outside of their business. A motion was made by Mrs. Flint, seconded by Mr. Lumbis to approve allocating \$287.80 to Neighbors of Watertown, Inc. to contribute to the beautification of downtown. All in favor. Carried.

Committee Reports

Loan Review Committee

Johnson Family Real Property, LLC – Mr. Fallon stated the Loan Review Committee (LRC) recommend approval of a loan to Johnson Family Real Property, LLC in the amount of \$330,000 at 5% fixed interest rate, for 10 years with a 20 year amortization, guarantees of Jacob Johnson and Katherine Johnson, 2nd position commercial spreading mortgage behind Community Bank on the following five properties: 26-44 Public Square, 124 Franklin Street, 18-22 Public Square, 104 Franklin Street and 104 Court Street and assignment of rents and leases.

Mr. Lumbis questioned whether Mr. Johnson has staff to locate tenants for the buildings. Mr. Rutherford stated he knows he has staff who maintain the properties but is not aware if he has staff to locate tenants. Mr. Rutherford stated his business has been growing rapidly and increasing his real estate portfolio and has track record of turning the look of properties around.

Mayor Butler stated Mr. Johnson always takes pride in the success of his business and loves downtown. Mayor Butler stated he is hands on if necessary.

Mr. Fallon stated Mr. Johnson was informed of the DRI Rent Assistance and Façade programs.

A motion was made by Mrs. Flint to approve the recommendation by the LRC, seconded by Mr. Fallon. All in favor. Carried.

Gervera, Inc. – Mr. Fallon stated the Loan Review Committee (LRC) recommend approval of a loan to Gervera, Inc. in the amount of \$125,000 at 5% fixed interest, 10-year term with a 20-year amortization, Co-equal 1st position with Development Authority of the North Country on property located at 114 Court Street, Watertown, New York, assignment of rents and leases, guarantees of Lori Jo Gervera and Pasquale Gervera. Mr. Fallon reviewed the business plan and Mr. Rutherford reviewed the structure of the loan.

Mr. Hunt stated he serves on the Development Authority of the North Country board.

A motion was made by Mrs. Flint to approve the recommendation by the LRC, seconded by Mr. Fallon. All in favor. Carried.

Personnel Committee – Mr. Rutherford stated 70 responses have been received for the executive assistant position which have been narrowed down to 15. The personnel committee will convene after the board meeting.

Old Business

CCIP – Mr. Rutherford reported both Renzi Brothers and Roth Industries are satisfied with the concept plans for the rail spur. The rail siding will be relocated north and parallel to Rail Drive which will allow Renzi's to design their future building expansion, storm water retention ponds and truck parking. By doing so this benefits Roth Industries as it brings the rail spur closer to their existing facility, reduces the

cost of building a road and allows for possible rail extension onto their property and for the option of a future conveyor system to off load product from the rail car to the silos.

Mr. Rutherford stated there are a lot of moving parts to getting the project underway. A survey needs to be completed with the next steps to be Watertown City County and Planning Board approvals as well as the legal processes for land conveyance and easements. Construction is slated to take 4-5 weeks with an estimated cost of \$175,00 to \$200,000. Renzi Brothers have agreed to pay anything over \$65,000 which has been committed by the WLDC.

Next Meeting – The next meeting will be held August 29, 2019 at 8:30 a.m.

Adjournment – Mr. Fallon made a motion to adjourn the meeting, seconded by Mr. Hunt. The meeting adjourned at 9:16 a.m.