

Watertown Local Development Corporation
February 20, 2020
Board Minutes

Present: President Jeff Smith, Charles Capone, Michael Lumbis, Dave Zembiec (Designee), Donald Alexander, Jennifer Voss (Designee), Stephen Hunt, Michael Pierce

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

Excused: Erika Flint, Jim Mills (Designee)

Staff: Donald Rutherford, CEO

Call to order: President Jeff Smith, 8:30am

Minutes: The minutes of the January 16, 2020 meeting were presented. Motion made by Mr. Alexander to approve the minutes, seconded by Mr. Capone. All in favor. Carried.

Financial Reports: Mr. Capone presented the financial reports for the month of January.

Mr. Rutherford reviewed the customer loan report for January 2020 and updated the board on past due accounts. He said that nothing is out of the ordinary and the only account past 60 days is LKR Enterprises, Inc.. The business has recently been sold, and they're expecting a closing soon. At the closing, the loan will be paid in full, including accrued interest and fees.

All other past due accounts have been notified.

The only loan that is committed but not yet closed is the Jefferson County Historical Society. They're still waiting for DRI contracts. Once those are in place, the loan should close shortly thereafter.

Motion:

Correspondence: A letter was received from the Northern New York Community Foundation thanking the LDC for their \$2,000 gift in support of Snowtown USA.

Committee Reports:

Loan Review Committee:

Neighbors of Watertown- The LRC recommends approval for a renewal of the \$200,000 note and \$300,000 line of credit which NOWI uses to make timely payments to contractors for their rehab program and to purchase homes under the first time homebuyers program. Mr. Hunt made a motion to approve, seconded by Mr. Lumbis. All in favor. Carried.

Loan Program for DRI- The LRC recommends approval for a 3% fixed rate loan to participants in the DRI façade program, for those that don't have the equity contribution needed for their projects. The loans will also allow for more work to be done on buildings as owners will be able contribute more funds. Mr. Lumbis made a motion to approve, seconded by Mr. Capone. All in favor. Carried.

Freeman Bus Corporation- The LRC recommends approval for a \$100,000 loan for 5 years at a 5% fixed interest, 2nd position with WSB on a bus garage located at 1067 Marble Street, Watertown. The first \$50,000 will be extended principal moratorium until the state approves medical transport. Once medical

transport is approved, the second \$50,000 will be extended, principal and interest payment will begin at this time.

Motion made by Mr. Russell, seconded by Mr. Lumbis to go in to executive session regarding the project.

Motion made by Mr. Lumbis, seconded by Mr. Capone to come out of executive session.

Mr. Hunt asked about existing loans to the business. Mr. Rutherford clarified that the existing loan is guaranteed by Robert Freeman for the Marble Street Garage. This new loan will be to Freeman Bus Corporation.

A motion was made by Mr. Alexander to approve the loan, seconded by Mr. Lumbis. All in favor. Carried.

DRI Committee:

At the request of the DRI Committee, Reg Schweitzer put together an update and timeline for completion of all the currently approved façade projects. The update was included in the February Board packet. Many are on track for Board approval in March, so they can get started as soon as the weather permits.

The DRI Committee feels that a big impact could be made on downtown with very little investment by adding lighting and awnings to Neighbors of Watertown properties, as they own so many in the public square area. Mr. Rutherford is going to have a conversation with Ms. O'Reilly at HCR to make sure they're eligible for grant funds, since they're working with the LDC on the administration of the project.

Old Business: The CCIP subdivision is going to the City Planning Board tomorrow for approval. Afterwards, Mr. Rutherford will work with the City Manager on getting the LDC's option on the land for conveyance. Construction on the project is slated to begin as soon as all approvals and agreements are in place. Roth would like to begin using the track as soon as possible. Mr. Russell is working with the other attorneys on documents for conveyance and possibly allowing construction to begin before the transfer.

New Business: Mr. Zembiec talked about the important work that Advocate Drum does for the area and the large economic impact that Fort Drum has on the Watertown economy. He suggested that the LDC consider raising their membership to Advocate Drum from \$250 to \$1,000. Mr. Hunt made a motion to approve, seconded by Mr. Capone. All in favor. Carried.

CEO Report: Mr. Rutherford will be meeting with Mr. Schweitzer to work out a solution to the Franklin Building Master Lease "additional rent" clause mentioned in the CEO Report.

Governance Committee: Mr. Lumbis reminded everyone that they need to submit their Conflict of Interest and Board Performance Evaluations to Kylee before next month's meeting.

Adjournment: President Smith asked that meetings be changed to Tuesdays instead of Thursdays in order to better accommodate his schedule. All were in favor. The next meeting will be held on Tuesday, March 17, 2020. Mr. Pierce made a motion to adjourn, Mr. Hunt seconded. All in favor. Carried. Meeting adjourned at 9:16am.