

Watertown Local Development Corporation

July 21, 2020

Board Minutes

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

Others Present: Joseph Russell, Legal Counsel; Craig Fox, Watertown Daily Times; Jeff Nelson, WWNY; Michael Lundy, LUNCO

Excused: Jim Mills (Designee)

Staff: Donald Rutherford, CEO

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

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

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

Mr. Rutherford reviewed the customer loan report. He said they've added a column to the report to show what customers elected for the May and June deferment that was offered. He said overall, things aren't as bad as he anticipated. There are a few that are still past due that could be made current if they fill out the deferment paperwork. He's working on contacting each of them.

Fun Xcape is past due and the owner, Vina Bonner has moved to Hawaii. Mr. Rutherford has been in contact with Ms. Bonner about bringing her loans current and she assures payment. Recently there was flooding in the basement of the building which affected other businesses there, so he's not sure what the future of the building will be. The biggest tenant, Power Play Sports has announced they are moving from the building.

Mr. Rutherford said Kingdom Strongholds has filed for bankruptcy because as a result of the pandemic, he's not able to reopen his gym and he has no other choice. Watertown Savings Bank holds first position on the mortgage, so once the collateral is liquidated and WSB is made whole, there likely won't be much left for the LDC. Kingdom Strongholds currently owes \$131,622.61 to the LDC. Mr. Rutherford suggested writing off the loan.

A motion was made by Mr. Alexander to write off the loan to Kingdom Strongholds in the amount of \$131,622.61. Mr. Pierce seconded the motion. All in favor. Carried.

Mr. Rutherford talked to Mark at Watertown Savings Bank about the sale of the former Great American owned by LKR, which would pay off the loan. The sale is moving slowly, the parking lot is being subdivided, being sold to funeral home business next door for additional parking. Closing should be done with Jake Johnson after subdivision. Don anticipates LDC will be paid after sale.

Mr. Rutherford talked to Nancy about River Hens. It's not as bad as it looks because Mr. Rutherford had her sign a deferment which will go into effect next month and take care of the months she was behind. She's open now but business is down because of seating restrictions.

Mr. Rutherford said he's been trying to reach Rowlands Appliance, they're 120 days past due. They are no longer in business, so he's not sure how to reach them.

Erika Turk said she would drop her payment in the dropbox but it didn't happen. Mr. Rutherford has been communicating with her via email. She asked to consider a release of vehicle as collateral, Mr. Rutherford asked for invoices to see income, but hasn't heard back. He's continuing to work with her.

Included on the customer report is also a list of businesses that have recently paid off their loans.

Mr. Rutherford said he's continuing to follow past due accounts but he's struggling with how aggressive to collect given situation.

Mr. Lumbis made a motion to approve the June financial statements, seconded by Mr. Pierce. All in favor. Carried

Old Business:

CCIP Update: Mr. Capone made a motion to enter into executive session to discuss a potential project in the park with developer Michael Lundy, seconded by Mr. Pierce. All in favor. Carried. The board entered executive session at 9:01am.

Mr. Pierce made a motion to adjourn the executive session and reconvene the regular meeting at 9:18am, seconded by Ms. Flint. All in favor. Carried.

DRI Façade Update: The contracts for the Crystal façade have been signed, work should start soon. Musclemann Building is almost complete, they're just waiting on awnings that have been ordered, then the project will be done. Currently there are 6 Neighbors of Watertown properties out to bid, mostly for awnings and storefront lighting. The State wanted documentation that NOW as project manager wasn't involved in decision making, so Mr. Rutherford sent them documentation and it was approved. Once the final bids are received, the projects will go to the DRI Committee for approval.

Other projects in the Façade pipeline are 234 Coffeen Street and 107 Public Square. Both have drawings but have not gone out to bid yet. A few other prospect buildings are 63-65 Public Square, 18 Public Square and 24 Public Square.

Adjournment: Motion to adjourn made by Mr. Pierce at 9:28am and seconded by Mr. Alexander. All in favor. Carried.