

Watertown Local Development Corporation
September 15, 2020
Board Minutes

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

Staff: Donald Rutherford, CEO; Kylee McGrath, Executive Assistant

Other's Present: Joseph Russell, Legal Counsel; Craig Fox, Watertown Daily Times

Call to order: President Jeff Smith. 8:32 am.

Minutes: The minutes of the July 21, 2020 were presented. Motion made by Mr. Capone to approve the minutes, seconded by Ms. Flint. All in favor. Carried.

Financial Reports: Mr. Rutherford presented the financial reports for the months of July and August.

Mr. Rutherford reviewed the customer loan report, we have 14 loans that are 30 days or more passed due. The delinquencies are starting to decrease. Mr. Rutherford has been in contact with those that have past due loans and will continue to stay updated.

Mr. Rutherford has spoken with Mark Bellinger in regard to LKR, he was told it is still moving forward just waiting on a closing date.

Kingdom Strongholds has filed for bankruptcy, the loan will be written off.

Committee Reports:

Loan Review Committee:

Washington Street Manor-the WLDC board made the decision to table all discussions on a loan request for Washington Street Manor until Mr. Rutherford speaks with Mr. Johnson in regard to the CBDG grant that was used for the property. Mr. Capone made a motion to table all discussions on a loan request, seconded by Mr. Smith. All in favor.

Clark Porter- The LRC recommends approval for a \$480,000 mortgage, P+ .5 or 3.75% fixed for 10 years, after year 10 P+ .05% fixed with a floor of 3.75% and a ceiling of 4.5%. . WLDC will hold second position on a 2nd mortgage behind Community Bank NA on property located at 523, 531 and 533 State Street Watertown, NY. Second position on rents and leases on properties listed above as well.

LRC also recommends approval for a \$80,000 loan for 7 years at a 3.75% fixed and 2nd position security interest behind Community Bank NA on all business assets of entity to be formed.

Mr. Capone made a motion to approve, seconded by Mr. Alexander. All in favor, carried.

Abstained by Mr. Pierce.

Denise McLane- The LRC recommends a loan restructure, amortizing the two loans as one over a 5-year period, for Denise McLane's two loans contingent on her bringing the interest current. Mr. Alexander made a motion to approve, seconded by Mr. Pierce. All in favor, carried.

Old Business

CCIP-Mr. Russell stated that the additional parcels from the city to Renzi's was approved by the city. Once the liens on Renzi's deeds are removed and the deeds are signed by the city, the relocating of the rail spur can begin.

DRI-Façade-Mr. Rutherford met with Mr. Schweitzer and his team to discuss where all the DRI Façade projects stand. The state has become stricter on what needs to be done for the Environmental Review, this is holding up some of the projects and potentially could increase the cost of each project moving forward.

- Brownell: State has environmental reviews
- Crystal Restaurant: Ready to sign contracts, waiting for the states final approval
- Musselman Building: 99% completed, waiting on owner to choose awning color
- Vonnette Monteith: Application fee has been paid; some prelim design has been completed.
- Primmer Building: Spring project
- Smithline: Ready to go, Converse is completing the environmental review, there is ongoing discussion in regards of a mural on the side of the building.

Erika Flint's term expires on December 31, 2020, a vote needs to take place in November for a replacement.

Adjournment – Motion was made by Mr. Alexander to adjourn the meeting at 9:28 a.m., seconded by Mr. Pierce. All in favor. Carried.