

**Watertown Local Development Corporation**  
**Wednesday, August 21, 2024**  
**Meeting Minutes**

The Watertown Local Development Corporation Board of Directors monthly meeting was held on Wednesday, August 21, 2024, at 11 AM at 259 JB Wise Place, Watertown, NY.

**Present** – Michael Lumbis, Charles Capone, Michael Pierce, Steve Hunt

**Excused** – Marshall Weir, Sarah Pierce, Dawn Cole

**Others Present** – Robin Stephenson, Designee, Craig Fox, Watertown Daily Times

**Staff** – Donald Rutherford, CEO; Kylee McGrath, Deputy CEO; Joy Nuffer, CFO

**Call to order:** Mr. Capone called the meeting to order at 11:10 am.

**Minutes** – Minutes of the June 27, 2024, meeting were presented. Motion made by Mr. Capone to accept the minutes, seconded by Mr. Hunt. All in favor. Carried.

**Financial Reports**

Mr. Capone reviewed the June 2024 Financials. Interest earned on investments is \$169,721.12 so far for 2024, and there was a \$25,859.59 gain in June. Income on interest was \$19,978.60, bringing the total for the year \$136,886.39. Expenses for June were \$29,234.71, and the net income for the year was \$118,772.47.

Mr. Capone reviewed the July 2024 Financials. Interest earned on investments is \$224,077.73 so far for 2024, and there was a \$54,356.61 gain in July. Income on interest was \$24,156.47, bringing the total for the year \$161,071.15. Expenses for June were \$30,656.05, and the net income for the year was \$173,601.45. He explained that the current liabilities were a loan that was closing in August and the DRI owner contributions that were to be paid also in August.

Ms. McGrath reviewed the June and July customer loan reports. She reviewed the past due accounts and stated that she is in contact with the past due loans, and some are automatic bank checks that arrive later than usual. She stated that with the Factory Square loan, she is preparing to send a certified letter as Mr. Rutherford was also unable to contact the loan recipient as to the delinquency. Mr. Rutherford also reported that he had received information that Vina Bonner had quit her current job, and he had researched her new position, which he has shared with the collection attorney.

Mr. Hunt made a motion to approve the financial statements and the customer loan report as presented, seconded by Mr. Pierce. All in favor. Carried.

**Committee Reports-Loan Review**

**Pragmatic Solutions, Inc.** – Samuel May, owner of Pragmatic Solutions, Inc. located at 165 Mechanic Street, is looking for funds to be used to pay out maturing owner note, working

capital and to renovate Suite B. These renovations will include the installation of a new energy efficient HVAC System, frame and sheetrock new office layout, install drop ceiling, install carpet for offices, new lighting, window replacement and finish work and electrical work. Mr. May purchased the property in January of 2022. The WLDC wasn't originally involved with the sale since the previous owner held a portion of the note. The owner held note will mature in January of 2025. The total amount of funds requested is \$136,872.00.

Mr. Capone reviewed the information with the Board, a motion was made by Mr. Pierce to approve \$136,872.00 in funding in the form of a loan with 6% interest, 15-year amortization, seconded by Mr. Hunt. All in favor. Carried.

**The Eatery (Modification)** – Over the past three years, The Eatery has faced numerous disruptions, including landlord issues, construction on Court Street, and relocating to a new space (twice). She has requested a modification of her present loan, re-amortizing the loan provides The Eatery with a more manageable repayment schedule. This adjustment offers breathing room and a chance to focus on growing the business and enhancing profitability.

Mr. Capone reviewed the information with the Board, a motion was made by Mr. Pierce to approve restructuring the present loan in the amount of \$58,485.24 to a 72-month amortization at 6% interest, with a three-month moratorium, seconded by Mr. Hunt. All in favor. Carried.

**242 Washington Street, LLC (Former Masonic Temple)** – Augusta Withington, 242 Washington Street, LLC has requested a loan in the amount of \$250,000 from the WLDC in participation with the JCIDA, DANC and NCA to bridge the NYS DRI Grant and upon receipt of the funds from NYS will pay down loans. To bridge the NYS DRI funding DANC, WLDC, JCIDA and NCA are being asked to fund \$975,000 in interim financing (\$250,000 is being requested from DANC, WLDC and JCIDA and \$225,000 from NCA). Ms. Withington has used \$984,199 of her own funds to pay for improvements. They are in the process of submitting reimbursement paperwork to receive the \$500,000 Restore NY grant. The state will only allow these funds to be disbursed so long as the public funding has been committed to complete the remainder of the project. The WLDC will be repaid with the proceeds from the DRI grant. Periodic draws have been approved for this grant. The guarantors will be Augusta Withington and Fourth Coast Inc.

Mr. Capone reviewed the information with the Board, and there was discussion, and it was decided to remove the assignment of grant proceeds from the collateral contingencies and the would be an issue for the grant process and the other agencies are not putting that in their requirements. Ms. McGrath reported that she had contacted Attorney Walton who stated the potential of having Fourth Coast, Inc. be a co-borrower would not be feasible and having the company be a guarantor should be sufficient. A motion was made by Mr. Pierce to approve the line of credit loan in the amount of \$250,000.00 with a rate of ½ Wall Street Journal Prime plus 1 (to mirror the other agencies and to be set at closing), seconded by Mr. Capone. All in favor. Carried.

**New Business**

None

**Old Business**

None

A motion was made by Mr. Lumbis, seconded by Mr. Hunt to adjourn the meeting at 11:43.