

Watertown Local Development Corporation

2020 Annual Report

Overview:

With the outbreak of the COVID-19 pandemic, 2020 has been a challenge to say the least. From late February through early summer normal operations came to a standstill. As a result, in person meetings and business visitation was non-existent. As we moved into summer and businesses were allowed to open, activity start to ramp up on a limited bases. As such, the following is an overview of activity related to the 2020 work plan.

Downtown Development

Projects:

1) Facade Program

- Work with DRI committee, consultant and architect to develop a strategy for a majority of projects to start construction in the spring. Strategy will include
 1. Meet with all building owners who have been given the go ahead for further review to gage their level of interest in moving forward
 2. Once interest is established project consultant and architect will submit project rendering, project scope and budget to WLDC DRI Committee for approval of project and grant amount. Evidence of equity will be required
 3. Establish schedule for completion of different stages of work to be completed. Once schedule is established set regular DRI meeting dates for updates, review and approvals.
 4. Set target dates for board approval and submission to state for approval.
 5. Set target dates for projects to go out to bid.
 6. Set estimated project construction start dates.

➤ **Response**

1. **Prior to the pandemic, writer did meet with owners of the Crystal Restaurant building, Time Warp building, NOW properties, Steve Bradley properties and Vonnente Monteith property to discuss moving forward with their facades.**
2. **Currently three are 15 projects that have been approved to move forward by the DRI Committee. The status of each is as follows:**
 - **135 Park Place (Brownell Abstract). Scope of work includes window repair, masonry, and awnings. Bids have been received. We are currently waiting on environmental.**
 - **87 Public Square (Crystal Restaurant). Façade is 95% complete. Sign needs to be installed.**
 - **221 State Street (Stacy Ticalli). Project is completed except for awnings. These are on order and will be installed when received.**
 - **63-65 Public Square (Vonnente Monteith). Project scope includes façade, awnings, and lighting. Preliminary designs are complete**
 - **107 Public Square (Whistlers Tavern). Project scope includes façade, awnings, and lighting. Preliminary designs are complete.**
 - **18 and 24 Public Square (Jake Johnson)> Project scope includes façade, awnings, and lighting. NOW Is working with owner to finalize design.**
 - **304 State Street (Primmer Properties LLC) Project scope includes façade, awnings, and lighting. NO activity.**
 - **327-325 Factory Street (Ferris Holding) Project Scope includes façade, awnings, and lighting. No activity**

- **138, 152-154, 170 Court Street (S&J properties). Project scope includes awnings. Waiting for SHPO to determine what level of environmental review needs to be done for awning only projects.**
 - **Burdick, Buck, Franklin, Henry Keep and Bugbee all owned by NOW are awning and lighting projects. Waiting for SHPO on environmental.**
 - **234 and 236 Coffeen Street (Smithline). Project scope includes facades. Preliminary designs are complete.**
- 3. Writer and DRI Committee met with Reg Schweitzer in February. In that meeting timelines were developed for the different strata of the approval process, architectural designs, bid submissions, construction start dates and project reimbursement. Needless to say, a majority of these timelines were not met as a result of a number of COVID related issues. Additionally, the person managing the projects for now left in September. Writer has spoken to Reg regarding holding a meeting in January with the DRI Committee to regroup and establish new timelines. The plan is to be ready for construction to start in the spring for approved projects. Obviously, the uncertainty surrounding COVID may disrupt these plans as well.**
- 4. Same as above**
- 5. Same as above**
- 6. Same as above**

2) Rent Assistance

- Continue to promote rent assistance program to Downtown property owners and potential new businesses.
- Continue to monitor available commercial space in downtown.

Response:

Four rent assistance projects were approved and funded in 2020. A total of \$24,900 was advanced from the WLDC. The four included Sweet Hello Bridal, Christian Schenk, (music lessons), House of Beauty and Fibonacci Art Gallery. The WLDC will be providing the state information needed to reimburse the agency in January. Reimbursements are submitted on an annual basis.

3) Other Downtown Development

- Writer will be sitting on a committee with three commercial banks and three economic development agencies who will be in charged with structuring the bridge financing for the Downtown YMCA project.

Response:

- **Writer is working with the YMCA's project finance committee to identify potential funding resources to fill the gaps in the project budget. One source we are currently investigating is National Development Council new market tax credits. Additionally, the WLDC will be working with commercial banks to provide bridge financing for the project. Project start date is slated for the Spring of 2021.**

- Writer will continue to sit on the downtown business improvement district committee. Writer will be assisting in formulating a budget for the program.

Response

- **The Downtown Business Improvement district committee has paused its meeting as a result of the COVID pandemic. Prior to the pandemic, however,**

writer did assist in the preparation of a draft budget that was presented to the committee.

- Writer will continue to sit on the Downtown Block Party Committee, WLDC will once again be the presenting sponsor of the three events held in June, July, and August. Writer will be working on sponsorship, promotion, budget, and security.

Response

- **The Block Party Committee met several times prior to the pandemic. It was determined that the block parties would be held if the state allowed them and the pandemic eased. Ultimately the three parties were cancelled.**
- Writer anticipates continuing to work on other high-profile projects in downtown such as the Wind and Wire Building, Clinton Street Development, and the Jefferson County Historical Society renovation project.

Response

- **COVID halted all activity related to the wind and wire building and Clinton Street Development. We did fund the \$65,000 working capital loan for the Historical Society renovation project. These funds were used for project soft cost that will be paid from DRI and other grant reimbursement upon project completion.**

Website

- Website will continue to be updated. Updates will include milestones reached to the façade and rent assistance programs, new loan programs and impactful development in the CCIP

Response:

- **Website was updated in 2020 to provide guidance to businesses regarding the SBA PPP and EIDL programs. Additionally, our emergency loan program for COVID relief was posted to the site. No updates were made for the DRI programs or CCI**

Loan Portfolio

- Writer will continue to look for and underwrite loans that have an economic impact on Watertown.
- Writer and CFO will continue to monitor and follow up on delinquent loans. Writer will take appropriate legal action when warranted.
- Writer will be recommending a new loan program to loan committee and the full board in February. The program will be used to facilitate facade projects for property owners that may have limited funds and may not be able to meet the 25% owner equity requirement.

Response:

- **A total of 18 new loans were closed in 2020 totaling \$947,083. An additional 3 loans were approved in 2020 but have not yet closed. The total amount for closed and approved loans for 2020 is \$1,409,083. In 2020, writer recommended, and board approved an emergency COVID relief working capital loan program. Under this program a total of 10 loans were made totaling \$98,000. Even during the pandemic, delinquency for the most part were kept in check. This was due in a large part to the deferment program the board approved at the start of the pandemic. This allowed clients to defer May and June loan payments to the end of the loan. Additionally, the board gave writer the authority to do additional deferrals on a case-by-case bases. A total of 37 out of the 78 loans took advantage of the deferral program. Writer approved deferral extensions for 14 of these loans. At year end only 3 clients were 120 days plus delinquent. The total dollar amount for the loans was #131,026. \$71,915 of this will be paid out from the sale of the Great American real estate. A loan program allowing property owners to borrow their 25% equity piece at 3% fixed. To date no loans have been made.**

City Center Industrial Park

Rail project-Writer will continue to work with Renzi Brother's and Roth Industries through the pre-development and development phase of the rail spur project. Survey has been completed and will be presented to the planning board on February 21, 2020. Action steps to be taken once Planning Board approves is obtained are as follows:

1. Work with attorney's to formulate an agreement to allow the contractor on site prior to legal work being completed for land conveyance. This agreement will be with the City of Watertown and Renzi Brothers, current owners of land to be conveyed. This agreement is needed to allow contractor to clear land while the frost is in the ground. According to WLDC attorney, legal work could take a couple of months.
2. By Spring, writer anticipates the land being cleared and the site ready for the track to be laid at the new location.
3. Writer will work with contractor, attorneys, Renzi Brothers, Roth Industries and the JCIDA to move this project along. Target date for rail to be ready for service is June 2020.
4. Once we received Planning Board approval, writer will send a letter to the city manager notifying the city that the WLDC will be exercising in option on city owned land in the CCIP to be conveyed to Renzi Brothers and the JCIDA.

Response:

- After months of delay as a result of COVID, the rail spur has been relocated. Predevelopment work and planning board approvals were completed in early summer. Construction was completed in early December. There were cost over runs related to relocating a fire hydrant and storm water basin amounting to \$15,000. WLDC Board approved paying the additional cost increasing the total contribution from \$65,000 to \$80,000. To date, all predevelopment cost have been paid totaling approximately \$15,000. We have not yet been billed for the remainder.

Wetlands

- Writer is working with developer and environmental consultants out of Syracuse to explore wet land remediation. Developer is interested in doing a project in the park, however wet land remediation would be needed in order to accommodate the development.

Business Expansions- Writer will continue to work with Roth and Renzi's on their 5-year expansion plans.

Franklin Building

- The commercial space, especially storefronts, in the Franklin Building continue to be in high demand. Writer will continue to work to maintain full occupancy of the commercial space.
- Currently there is a disagreement between WLDC and Neighbors of Watertown regarding the escalator clause in the master lease with 50 Public Square Developers, LP. Writer will work with NOW and Board of Director's to find an agreeable solution.

Calendar of Events

- Calendar of events and meetings will be provided to the board for the year and updating is needed.