

**Watertown Local Development Corporation  
Regular Board Meeting  
Thursday, March 15, 2007**

The Watertown Local Development Corporation held its regular board meeting on Thursday, March 15, 2007 at 1:30 p.m. in the office of the WLDC, 82 Public Square, Watertown, New York.

**MEMBERS PRESENT:** Mayor Jeffrey Graham, Jennifer Huttemann-Kall, Mark Bellinger, James Fayle, Mary Corriveau, Ronald Stanton for Douglas Schelleng

**EXCUSED:** Jenna Cleaves, Douglas Schelleng

**OTHERS PRESENT:** Donald Rutherford, Executive Director/CEO; James Heary, Legal Counsel; Kim Taylor, Executive Assistant; John Golden, Watertown Daily Times; Cyril Mouaikel, RBC Dain Rauscher

**CALL TO ORDER:** Vice President Graham called the meeting to order at 1:32 p.m.

**MINUTES** A motion was made by Mr. Fayle to approve the minutes of January 18, 2007, February 8, 2007 and February 15, 2007 as presented, seconded by Mrs. Huttemann-Kall. All in favor. Approved.

**FINANCIAL REPORT**

**January/February Financial Reports-** Mr. Rutherford reviewed the financial reports for the months ending January 31, 2007 and February 28, 2007. Mr. Rutherford noted the delinquent loan accounts.

A motion to approve the WLDC January and February 2007 financial reports was made by Mrs. Corriveau, seconded by Mr. Fayle. All in favor. Approved.

**Bomax-**Mr. Rutherford stated the LDC will be receiving the settlement funds from Fernand Fournier this week. Mr. Rutherford requested the board write off the remaining balance of the Bomax loan.

A motion was made by Mrs. Corriveau to write off the remaining balance of Bomax Loan #1 approximately \$30,000, seconded by Mrs. Huttemann-Kall. All in favor. Approved.

**January/February Public Square Developers LP Financial Reports-** A motion to approve the January/February 2007 financial reports for Public Square Developers LP was made by Mrs. Huttemann-Kall, seconded by Mrs. Corriveau. All in favor. Approved.

**Cyril Mouaikel, RBC Dain Rauscher-** Mr. Mouaikel made a presentation to the board on the investments the WLDC has made through RBC Dain Rauscher (copy attached). Mr. Rutherford stated that working with RBC has worked out very well and thanked Mr. Mouaikel. Mr. Mouaikel excused himself from the board meeting.

**CORRESPONDENCE:** None

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**COMMITTEES**

**Loan Review & Eligibility Committee Report:**

**Christopher M. Swartz – Alteri Bakery, Inc. Loan Assumption-** The Loan Review Committee recommend approval from the board to allow Christopher M. Swartz to assume the LDC's existing debt with Alteri Bakery Inc. and purchase 100% of Alteri Bakery stock.

A motion was made by Mrs. Corrvieau to approve the loan assumption of Alteri Bakery, Inc. to Christopher M. Swartz in the amount of \$89,332 with the original term and rate of 5% fixed; maturing on 11/1/2019; co-equal second mortgage with JCIDA on the real estate; the merger of Brown Bag Bakery into Alteri Bakery, Inc.; Christopher M. Swartz as co-obligor; Alteri Bakery, Inc. as obligor and further approve the release of Ida Jane Alteri and Mark Alteri personal guarantees, to authorize the executive director to execute the necessary documents, seconded by Mrs. Huttemann-Kall. All in favor. Approved.

**LLC to be determined i.e. Black River Apartments-** The Loan Review Committee recommend approval from the board to finance a request in the amount of \$100,000 to Michael A. Treanor and Samuel Lefkovits to be used for permanent financing to convert a vacant warehouse on the Black River waterfront into a 32 unit apartment building located on Newell Street. The total project cost is \$1,470,000 with one job creation.

Mr. Rutherford stated that he recommended this loan because it eliminates a blighted building, enhances waterfront revitalization and addresses the housing shortage.

A motion was made by Mr. Stanton to approve a \$100,000 loan to be used for permanent financing for 32 unit apartment building known as Black River Apartments to an LLC to be determined, at 5% fixed interest rate, 10 year term, guarantors of Michael A. Treanor and Samuel Lefkovits, co-equal 2<sup>nd</sup> mortgage on property with the Development Authority of the North Country, authorize the executive director to execute the necessary documents, contingent upon approved construction mortgage by a bank, satisfactory appraisal and environmental, approval by DANC, site plan approval, and a certificate of occupancy, seconded by Mr. Fayle. All in favor. Approved.

**Valentino's LLC DBA Crescent Pizza-**The Loan Review Committee recommend approval from the board to finance a request in the amount of \$96,600 for 15 years at 6.5% fixed to be used to renovate the former Crescent Pizza to three partners John Tinsley, Doug Reid and Brandon Spencer. It is anticipated that 16 new jobs will be created over a period of two years. The total project cost is \$241,600.

A motion was made by Mr. Fayle to approve a \$96,600 loan to Valentino's LLC DBA Crescent Pizza to be used to renovate the building on 716 Mill Street, at 6.5% fixed, 15 year

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term, ownership and unlimited guarantees of John Tinsley, Doug Reid, Brando Spencer, collateral 2<sup>nd</sup> mortgage on 716 Mill Street, 2<sup>nd</sup> position on all furniture and fixtures, equipment, quarterly financial statements to be submitted to WLDC, and to authorize the executive director to execute the necessary documents, contingent upon approved bank financing and satisfactory appraisal, seconded by Vice President Graham. All in favor. Mr. Stanton abstained. Approved.

**Neighbors of Watertown-** The Loan Review Committee recommend approval from the board the request from Neighbors of Watertown to renew its \$100,000 note and \$300,000 line of credit which expired January 31, 2007. These funds are used to support the NYS Housing Trust Fund Program for the First Time Home Buyers Program to acquire, rehabilitate and sell single family homes.

The \$100,000 note is used to assist low/moderate homeowners with necessary rehabilitation of these homes and is used to make timely payments to contractors.

Mrs. Corriveau made a motion to renew the \$100,000 working capital note and \$300,000 line of credit to Neighbors of Watertown expiring January 31, 2009 noting the collateral exception to the line of credit and the \$100,000 unsecured note and to authorize the executive director to sign the necessary documents, seconded by Mrs. Huttemann-Kall. All in favor. Approved.

**Sci-Tech of Northern NY-** The Loan Review Committee recommends the request from Sci-Tech for a five month principal moratorium. Mr. Rutherford stated that Sci-Tech has a submitted an application for financing which will be reviewed by the committee next month. The current loan balance is \$31,134.33.

A motion to approve a principal moratorium to Sci-Tech of Northern NY for a period of five months (March 2007-July 2007) was made by Mr. Fayle, seconded by Mrs. Huttemann-Kall. All in favor. Approved.

**Habitat for Humanity-** Mr. Rutherford stated that there have been preliminary discussions with DANC and Habitat for Humanity to donate two sites on N. Michigan Avenue to construct homes. Construction would begin in July – August 2007. The DANC is considering funding the project and recommends donating the land to Habitat for Humanity.

Vice Chairman Graham stated that the construction of six houses has been a success and stated that he would like to see further development across the street.

A motion by Mrs. Huttemann-Kall to grant consent to the Development Authority of the North Country the Watertown Local Development Corporation's interest in the two sites

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located at N. Michigan Avenue to be donated by DANC to Habitat for Humanity, seconded by Mrs. Corriveau. All in favor. Approved.

**Sponsorships-** The Loan Review Committee recommends sponsoring the following events in 2007: Emerge NY, Downtown Business Association (Matching Membership Grant), First Night Watertown. The Committee requested the boards input on sponsoring the Black Water Challenge. The Board would like the 2006 list of sponsors for the Black Water Challenge.

A motion was made by Vice President Graham to ratify the Loan Review's recommendation to sponsor Emerge NY, Downtown Business Association (Matching Membership Grant), and First Night Watertown, seconded by Mr. Stanton. All in favor. Mrs. Corriveau abstained. Approved.

**Audit Committee:** Vice President Graham stated that the draft audited financial statements were mailed to the committee and requested staff to schedule an audit committee meeting.

**Governance Committee**

**Activity Report-** Mr. Rutherford's activity report for the months of January and February 2007 was previously mailed to the board.

**NEW BUSINESS:** None

**OLD BUSINESS**

**CCIP Update-** Mr. Rutherford stated that the subdivision of the land P.L. Gaetano Transportation will be purchasing will be completed by GYMO. Mr. Rutherford stated the LDC will be receiving a financial application from P.L. Gaetano Transportation.

Mr. Rutherford stated he spoke with Donald Canfield, County Planning Department in regard to EDA grant monies for the second phase of development of the CCIP.

Mr. Rutherford stated that Atlantic Testing has been engaged by the LDC to conduct the testing on sites 8 and 9 at the CCIP.

Mr. Rutherford stated that he is still in discussions with Freeman Bus Corporation on a site at the CCIP.

**Franklin Building Update-** Mr. Rutherford stated that a preliminary budget has been created for the Franklin Building. Mr. Rutherford updated the board on the hurdle of accessing tax credits through DANC and what the possible alternatives we could utilize to entice developers. The \$1,250,000 NY Restore Grant money could be used to entice developers. Mr. Stanton stated that the state is waiting for plans to submit to SHPO.

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Vice President Graham stated that maybe the LDC needs to rethink the scope of the project, demolition, partial demolition, keeping the facades in the front, parking on the Franklin Street.

Mrs. Corriveau stated that the CDBG money which was allocated to the project could be used for the common areas but a public hearing would be required.

Counsel Heary questioned what the LDC's exposure would be? Mr. Rutherford stated that the LDC's exposure would be the master lease and that preliminary numbers is all we have at the present time.

Vice President Graham stated that the City of Watertown will keep their options open and a requested a meeting with interested parties be scheduled.

**North Country Music-** Mr. Rutherford stated he was requested by a board member to ask if the LDC was interested in providing gap financing to a business on Arsenal Street. The board stated the request be submitted to the Loan Review & Eligibility Committee for review and consideration.

**ADJOURNMENT** – A motion was made by Mrs. Corriveau to adjourn the meeting, seconded by Mr. Fayle. All in favor. Approved. The board meeting adjourned at 3:10 .m.