

**Watertown Local Development Corporation
Regular Board Meeting
Thursday, October 18, 2007**

The Watertown Local Development Corporation held its regular board meeting on Thursday, October 18, 2007 at 9:30 a.m. in the office of the WLDC, 82 Public Square, Watertown, New York.

MEMBERS PRESENT: Douglas Schelleng, Mayor Jeffrey Graham, Jennifer Huttemann-Kall, Jenna Cleaves, Mary Corriveau, Mark Bellinger, James Fayle

OTHERS PRESENT: Donald Rutherford, Executive Director/CED; James Heary, Legal Counsel; Kim Taylor, Executive Assistant; Rachael Hanley, Watertown Daily Times; Ken Mix, City of Watertown Planner; Christine Hoffman, Downtown Development Director, Allen Waltz, TV-50

CALL TO ORDER – President Schelleng called the meeting to order at 9:35 a.m.

MINUTES – A motion was made by Mayor Graham to approve the minutes of September 20, 2007, seconded by Mr. Bellinger. All in favor. Approved.

FINANCIAL REPORT

September WLDC Financial Report – Mr. Rutherford reviewed the financial reports for the month ending September 30, 2007. A motion was made by Mr. Fayle to approve the September 2007 financial report, seconded by Mayor Graham. All in favor. Approved.

Public Square Developers LP Financial Report – Mr. Rutherford reviewed the financial report for the month ending September 30, 2007. A motion was made by Mrs. Cleaves to approve the September 2007 financial report, seconded by Mayor Graham. All in favor. Approved.

Loan Summary Report – Mr. Rutherford stated we continue to follow No. 17 and No. 48. Mr. Rutherford stated No. 21 is 90 days past due and a meeting will be set up next week to discuss the account.

Executive Session – A motion was made by Mrs. Cleaves to adjourn the regular meeting and enter into executive session to discuss litigation regarding Harroun Lumber, seconded by Mr. Huttemann-Kall. The board entered into executive session at 9:35 a.m. All in favor. Approved.

Mayor Graham made a motion to adjourn the executive session and reconvene the regular meeting, seconded by Mrs. Huttemann-Kall. All in favor. Approved. No action was taken.

CORRESPONDENCE – None

COMMITTEES

Loan Review & Eligibility Committee – None

Governance Committee – Mr. Rutherford's September activity report was made part of the minutes.

NEW BUSINESS

Insulex (Reny Management) – Mr. Rutherford stated the LDC received a request from Robert Havens of Reny Management concerning a refinance of Mr. Haven's first and second mortgages on his State Street building. Mr. Havens is requesting the WLDC subordinate to the CBNA first mortgage of \$600,000. The WLDC loan to Insulex was used for equipment and working capital and a mortgage was taken on the State St. building as additional collateral. Mr. Rutherford stated a new appraisal was conducted and reflects a value of \$820,000. Mr. Rutherford stated six members responded in favor of the subordinate via email and requests the board ratify the approval.

A motion was made by Mrs. Corriveau to approve the subordination to CBNA Bank in the amount of \$600,000 and authorize Mr. Rutherford to execute the agreement between WLDC and Reny Management, seconded by Mr. Bellinger. All in favor. Approved.

Façade Improvement Program – Mr. Rutherford stated Neighbors of Watertown has been awarded a \$200,000 grant for façade renovations and the LDC had discussed matching the grant but did not take formal action in doing so. Mr. Rutherford stated he has been meeting with Christine Hoffman and Gary Beasley to implement a façade program.

Mr. Rutherford stated the grant will be used to restore the facades to their original design and if there is enough proceeds the program will pay for second floor apartment renovations needed in order to meet city code requirements. Mr. Rutherford suggested making low interest loans to businesses to bring the apartments up to code if there are not enough funds available. There are five businesses on Public Square on a waiting list for the façade program.

A motion was made by Mrs. Corriveau to match funds received from a Small Cities Grant in the amount of \$200,000 to implement the Downtown Façade Program which will be administered by Neighbors of Watertown. The Façade Program will include renovations for both exterior and interior renovations on a case by case basis for properties facing Public Square with a historical significance and not be limited to \$20,000 a façade to insure the facades are complete. Fees associated with the program

Page Three
October 18, 2007
WLDC Board Minutes

are to be paid by the property owner. The motion also includes approval to offer low interest loans to property owners of downtown businesses to bring buildings up to code, seconded by Mrs. Huttemann-Kall. All in favor. Approved.

JCJDC Administrative Services Agreement – A motion to approve the administrative services agreement between the JCJDA and the WLDC for the period of October 1, 2007 to October 31, 2008 in the amount of \$5,500.00 was made by Mrs. Corriveau, seconded by Mrs. Cleaves. Mr. Fayle abstained. Approved.

Strategic Planning Session – President Schelleng stated the planning session will be held on Thursday, November 8, 2007 at 8:30 a.m. at the Carriage House Restaurant, Coachman's Room, Watertown, NY. President Schelleng requested the board contact him or staff with any issues to be brought to the planning session for discussion.

City Comprehensive Plan – President Schelleng introduced Ken Mix and Christine Hoffman to the board. President Schelleng stated he thought the board would be interested in financially supporting a comprehensive plan for downtown.

President Schelleng stated he attended the Advantage Watertown Committee meeting and they are in support of the plan.

Mr. Mix stated the purpose of the proposed plan will be to identify strategies and projects that will improve the economy and livability of the City of Watertown and focus on the core of the City. Mr. Mix stated he does not have a cost estimate of the study, but at this time is looking for support of the plan.

Mr. Fayle suggested the plan be incorporated into the County Economic Development (CEDS) document.

President Schelleng stated the board publicly desires to support the comprehensive plan and the general consensus is to entertain the plan.

OLD BUSINESS

CCIP Spec Building – President Schelleng the groundbreaking was held on October 11, 2007 for the new speculative building. The expected completion date of the building is April 2008.

The City of Watertown Planning Board approved the site plans for the building.

Mr. Rutherford reviewed the proposed lease structure for Current Applications with the board and stated he will be meeting with Current Applications to negotiate the terms.

Page Four
October 18, 2007
WLDC Board Minutes

Mr. Rutherford stated he will send a notice to the Authority Budget Office in regard to the property and building per the statute. Mr. Rutherford stated he will be meeting with Counsel Heary to prepare a lease agreement between WLDC and Current Applications.

Mr. Rutherford stated he will obtain an appraisal based on the plans and specs to be in accordance with the Budget Authority Office.

Counsel Heary explained the process of filing a 485E. The LDC is eligible for 485E exemption and all taxing jurisdictions are in agreement to the 10 year exemption if the property is in the LDC's name. If there is a prior exemption the LDC is not eligible. The LDC has one year upon the completion of the project or 1 year upon the certificate of occupancy being issued.

Marcy LP – Mr. Rutherford stated the he has spoken with Jack Green of CPC and they are close to making a decision. All parties have agreed to accept 1/3 of the cash flow. CPC will be in a first lien position without Key Bank and the primary and secondary debtors will restructure the existing debt as loans.

NEXT MEETING – The Strategic Planning Session will be held on Thursday, November 08, 2007 and the next board meeting will be held Thursday, November 15, 2007.

ADJOURNMENT – A motion was made to adjourn the meeting by Mrs. Corriveau, seconded by Mayor Graham. All in favor. The meeting adjourned at 10:25 a.m.