

**Watertown Local Development Corporation  
Regular Board Meeting  
Thursday, September 20, 2007**

The Watertown Local Development Corporation held its regular board meeting on Thursday, September 20, 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, Mark Bellinger, Mary Corriveau, James Fayle

**MEMBERS EXCUSED** – Jenna Cleaves

**OTHERS PRESENT** – Donald Rutherford, Executive Director/CEO; James Heary, Legal Counsel; Kim Taylor, Executive Assistant; Rachael Hanley, Watertown Daily Times Reporter; WWNY-TV7

**CALL TO ORDER** – President Schelleng called the meeting to order at 9:30 a.m.

**MINUTES** – A motion was made by Mayor Graham to approve the minutes of August 16, 2007, seconded by Mrs. Huttemann-Kall. All in favor. Approved.

**FINANCIAL REPORT**

**August WLDC Financial Report** – Mr. Rutherford reviewed the financial report for the month ending August 31, 2007. A motion was made by Mrs. Corriveau to approve the August 2007 financial report, seconded by Mr. Bellinger. All in favor. Approved.

**Public Square Developers LP Financial Report** – Mr. Rutherford reviewed the financial report for the month ending August 31, 2007. A motion was made by Mrs. Corriveau to approve the August 2007 financial report, seconded by Mrs. Huttemann-Kall. All in favor. Approved.

**Loan Summary Report** – Mr. Rutherford reviewed the outstanding loans on the August loan summary report. Mr. Bellinger stated the certificate of occupancy for the Hampton Inn has been issued and they are scheduled to open this week. Mr. Rutherford will follow-up with our outstanding loan commitment to the Hampton Inn project.

**Grow Watertown Fund** - Mrs. Corriveau asked what our intention was with the Grow Watertown Fund. Mr. Rutherford indicated the LDC could utilize the funds for build out of the Franklin Building.

**Façade Improvement Program** – Mr. Rutherford stated he will be meeting with Christine Hoffman and downtown property owners in regard to the Façade Program with the next two weeks.

**CORRESPONDENCE** – None

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**COMMITTEES**

**Loan Review & Eligibility Committee**

**Cash for Cans** - The Loan Review & Eligibility Committee recommend approval to Glenn Armstrong, Cash for Cans authorizing interest only payments from October to December 2007, then principal and interest payments thereafter. Mr. Rutherford stated that the stipulation plan will have to be amended if the board approves the interest only payments.

A motion was made by Mayor Graham to approve interest only payments for a period of three months from October to December 2007 to Glenn Armstrong, Corky's Cash for Cans loan, seconded by Mrs. Huttemann-Kall. All in favor.

**Evalex Properties, Inc.** – The Loan Review & Eligibility Committee recommend approval to Evalex Properties, Inc. a real estate holding company for Dier Agency, Inc. in the amount of \$160,000. Mr. Dier will be purchasing real estate located at 636 Coffeen Street. Total amount of the project is \$450,000 creating six jobs over a three year period. Dier Agency has seven employees.

Mr. Rutherford stated the appraisal for the building is in the amount of \$380,000 and was conducted as is. Mr. Rutherford stated the appraisal will be reviewed and classified as Class A office space. If the appraised value does not come in higher, the LDC's loan would be reduced to \$140,000.

Mayor Graham questioned why the company needs the LDC's financing and stated that we cannot tell people where to go, but indicated the company is moving out of downtown. Mr. Bellinger stated that the LDC is providing gap financing and this is something we do, we are helping the business grow, Dier Agency can not grow in their current location.

Mr. Fayle stated that he doesn't agree with just funding businesses strictly located downtown, we are the City of Watertown.

With no further discussion, a motion was made by Mr. Fayle to approve the loan to Evalex Properties LLC in the amount of \$160,000 to purchase real estate located at 636 Coffeen Street with the following terms and conditions: 5% fixed rate, rate adjusted every 5 years to the prevailing prime rate minus 3% with a 5% floor, 20 year amortization, 2<sup>nd</sup> mortgage, guarantors of Douglas Dier and Dier Agency Inc., insurance listing the LDC as mortgagee and additional insured, seconded by Mr. Bellinger. Mayor Graham did not vote in favor of the loan, all others in favor. Approved.

**NEW BUSINESS**

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**Groundbreaking Ceremony** – Mr. Rutherford stated that the City of Watertown Planning Board will meet October 1, 2007 and the spec building is on the agenda.

The groundbreaking ceremony will be held on October 11, 2007 at 12:00 p.m.

**Current Applications, Inc.** - Mr. Rutherford reviewed the draft lease options with the board for Current Applications. Current Applications is a prospective tenant for the speculative building. Mr. Rutherford requested the Loan Review Committee be designated to assist in the negotiations of a lease with Current Applications.

A motion was made by Mrs. Corriveau to designate the Loan Review & Eligibility Committee to authorize lease options with Current Applications. Mr. Fayle stated Current Applications has a one year notification to its current landlord (WICLDC) if they chose to move out of their existing facility and requested the WLDC to consider this going forward. The motion was seconded by Mayor Graham. All in favor. Approved.

**Advertising** – Mr. Rutherford stated he has been approached by the local media to purchase advertising i.e. paid commercials.

Mrs. Corriveau stated our agency is growing and changing and thinks that advertising on television would help.

Mayor Graham stated advertising is expensive, it would be generic advertising and stated that at the present time we receive free press and have a website.

Mr. Schelleng suggested the LDC wait until the downtown project is complete and suggested the LDC revisit advertising in the future.

Mr. Fayle stated that in the meantime the LDC should create a message, set up a marketing committee to address the advertising needs and desires of the LDC. Other members of the board agreed it would be beneficial to set up a marketing committee.

Mrs. Huttemann-Kall excused herself from the board meeting.

**HSBC Line of Credit Renewal** - A motion to approve the renewal of the \$500,000 line of credit with HSBC Bank and authorize the executive director to execute loan documents was made by Mr. Bellinger, seconded by Mrs. Corriveau. All in favor. Approved.

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**OLD BUSINESS**

**CCIP** – The board discussed other ways to access the City Center Industrial Park. Mrs. Corriveau suggested Mr. Rutherford may want to discuss access with the police chief and Pat Scordo of GYMO in regard to accessing the park from Pine Drive.

**Construction Loan Assistance Program Update-** Mr. Rutherford stated twenty construction loans have been disbursed to date.

**Infill Housing Update** – Mr. Rutherford stated the price has been reduced on the two remaining infill houses located on N. Michigan Avenue. The price has been reduced to \$134,900.

**Franklin Building** – Mr. Rutherford stated the City has been awarded a \$650,000 Small Cities Development Block Grant and a \$1.2 million Restore NY grant which will be used for the core and shell of the Franklin Building. As mentioned earlier the Grow Watertown Fund could be used for the common areas.

**Marcy LP** – Mr. Rutherford stated he has not heard anything in regard to the plan the public agencies submitted in regard to the Marcy LP. Mr. Rutherford stated nothing has been finalized and we are waiting approval from CPC.

**NEXT BOARD MEETING** – The next board meeting will be held on October 18, 2007 at 9:30 a.m.

**ADJOURNMENT** – A motion to adjourn the board meeting was made by Mayor Graham, seconded by Mrs. Corriveau. The meeting adjourned at 10:50 a.m. Approved.