

**WATERTOWN LOCAL DEVELOPMENT CORPORATION
SPECIAL BOARD MEETING
MONDAY, NOVEMBER 20, 2006**

The Watertown Local Development Corporation held a special meeting on Monday, November 20, 2006 at the WLDC Office, 82 Public Square, Watertown, NY.

The purpose of the special meeting is to discuss the ZStar property.

MEMBERS PRESENT: Douglas Schelleng, Mary Corriveau, Jenna Cleaves, Jim Fayle, Mark Bellinger

EXCUSED: Jennifer Huttemann-Kall, Mayor Jeffrey Graham

OTHERS PRESENT: James Heary, via conference call; Donald W. Rutherford, Executive Director & CEO; Kim Taylor, Executive Assistant

President Schelleng called the meeting to order at 2:06 p.m.

Mr. Rutherford recapped the outcome of the November 16, 2006 board meeting. Mr. Rutherford stated that the board rejected a \$350,000 bid based on the fact that the minimum bid was \$430,000. Based on the appraised value of the building, the board believes the building supports a larger offer. Mr. Rutherford stated that he has received several inquiries including a verbal offer of \$430,000 which the board chose not to accept. Mr. Rutherford stated the board chose to have a cooling off period and promote a level playing field for all interested parties. Collar City promoted the building which generated interest in the property. The board stated the auctioneer performed services for us and should be compensated.

Mr. Rutherford stated that all interested parties will be contacted by Collar City to submit their sealed bid in writing and the building will be sold as is, where is and how is, a brief explanation of the intended use of the building and be submitted no later than November 27, 2006 and the board agreed to accept additional bids for the property.

Mr. Rutherford stated that P.J. Simao contacted the press on Friday, November 17, 2006 and stated the LDC did not accept his offer and showed his dissatisfaction through the press.

Counsel Heary stated that the LDC may be impacting its exposure to the situation and advised the board to enter into executive session so we can understand the issue and also potential litigation. A motion was made by Mr. Fayle to adjourn the special meeting to enter into executive session for the purpose of litigation, seconded by Mr. Bellinger. All in favor. Approved. The board entered into executive session at 2:14 p.m.

A motion to adjourn the executive session and reconvene the special meeting was made by Mr. Fayle, seconded by Mrs. Corriveau. All in favor. Approved. The special meeting reconvened at 2:20 p.m.

Mr. Fayle stated that no action will be taken in regard to possible litigation.

Mrs. Corriveau asked why the LDC used Collar City. Mr. Fayle stated that Collar City stirred up activity by advertising by conducting a service. Collar City Auctions was already onsite to sell the equipment for NYBDC.

Mr. Bellinger questioned whether the bids should be sealed. Mr. Fayle agreed the process should be conducted by sealed bids.

Mr. Fayle stated that the building should be used in the best way for the community, have an economic impact and create jobs. Mrs. Corriveau stated that we should request the intended use of the building by the interested parties and even if we have a lesser bid consider whether the impact is greater to the community than the dollar amount.

Mrs. Corriveau stated that the LDC should consider extending the bid deadline past November 27, 2006 because of the holiday. Mr. Rutherford was advised by Counsel Heary to refer to Randy Passanno, Collar City Auctions as to what a reasonable deadline to accept bids should be.

Mr. Rutherford will contact Collar City Auctions who will act as the broker of the LDC and give the broker the list of interested parties. Mr. Rutherford will refer all parties interested in the building to Randy Passanno, Collar City Auctions. Collar City Auctions will be responsible for the collection of the sealed bids and request an explanation of the intended use of the property in the bid.

With no further questions or comments, Mrs. Cleaves made a motion to adjourn the meeting, seconded by Mr. Fayle. All in favor. Approved. The special meeting adjourned at 2:45 p.m.