

**WATERTOWN LOCAL DEVELOPMENT CORPORATION
REGULAR BOARD MEETING
THURSDAY, OCTOBER 19, 2006**

The Watertown Local Development Corporation held its regular monthly board meeting on Thursday, October 19, 2006 at the WLDC Office, 82 Public Square, Watertown, New York.

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

EXCUSED: Mark Bellinger

OTHERS PRESENT: Kevin Jordan, DANC; Patrick Scordo, GYMO; Donald Rutherford, Executive Director & CEO; Jenna Cleaves, NCCC; James Heary, Legal Counsel; Kim Taylor, Executive Assistant

CALL TO ORDER: President Schelleng called the meeting to order at 9:32 a.m.

Appointment of Jenna Cleaves - President Schelleng welcomed and introduced Jenna Cleaves to the board. President Schelleng stated that Mrs. Cleaves has been recommended by the Nominating Committee to serve on the WLDC board. A motion to accept and approve the recommendation to appoint Jenna Cleaves to carry out the remaining term of Gary Beasley and appointed to a three year term beginning January 1, 2007 was made by Mrs. Corriveau, seconded by Mayor Graham. All in favor. Approved.

MINUTES: A motion was made by Mayor Graham to approve the minutes of September 21, 2006 as presented. Seconded by Mrs. Huttemann-Kall. All in favor. Approved.

FINANCIAL REPORTS

WLDC Financial Report - A motion to approve the financial report for the month ending September 30, 2006 was made by Mayor Graham, seconded by Mrs. Corriveau. All in favor. Approved.

September Loan Summary Report- Mr. Rutherford stated that the LDC is waiting on a ruling from the judge in regard to the forgery issue on the Bomax lawsuit. Mr. Rutherford reviewed the delinquent loan accounts.

Public Square Developers, LP- A motion to approve the financial report for the month ending September 30, 2006 was made by Mrs. Corriveau, seconded by Mrs. Cleaves. All in favor. Approved.

CORRESPONDENCE: None

COMMITTEES

Loan Review & Eligibility Committee

Insulex, Inc. – Mr. Rutherford stated that Rob Havens, President of Insulex Inc. made a request to subordinate our loan in the amount up to \$150,000. Previously the WLDC approved subordination to Insulex in the amount up to \$130,000. Mr. Havens requesting the incorrect

amount therefore is requesting the board subordinate another \$20,000 to NBT totaling \$150,000. Mr. Rutherford has reviewed the appraised value of the property at 303-311 State Street at \$785,000 and stated the LDC is within the collateral guidelines to subordinate this debt.

A motion to subordinate the LDC loan with Insulex, Inc. to NBT Bank up to \$150,000 was made by Mayor Graham, seconded by Mr. Fayle and authorizes the executive director to execute the documents associated with the subordination. All in favor. Approved.

Investment Committee – No Report

Nominating Committee

Appointment of Secretary – the Nominating Committee met and recommend elect Jennifer Huttemann-Kall as secretary to the board of directors. A motion was made by Mrs. Corriveau to appoint Jennifer Huttemann-Kall as secretary to the board of directors for the remaining fiscal year, seconded by Mayor Graham. All in favor. Approved.

Audit Committee

Audit Committee Meeting – Mr. Rutherford stated the audit committee will choose an auditor to conduct the annual audit of the LDC and is required to engage in a pre-audit meeting with the auditor. The following board members are comprised of the committee: Chairman Mayor Jeffery Graham, Jennifer Huttemann-Kall and Mark Bellinger. Staff will schedule a meeting with the audit committee and request the auditor to be present at the meeting.

Governance committee – President Schelleng stated the executive director's activity report was mailed to the board prior to the meeting.

Mr. Rutherford stated that the Governance Committee will be required to review the budget and stated that an Actual to Budget Comparison Report will be included in the board packets on a monthly basis.

NEW BUSINESS

JCJDC & WLDC Administrative Services Agreement – Mr. Rutherford stated the Administrative Services Agreement between the JCJDC and the WLDC has increased \$500.00 for the year. The JCJDC provides the WLDC with administrative services regarding payroll and employee benefits.

A motion to approve and authorize the executive director to execute the Administrative Services Agreement between the JCJDC and the WLDC for the year 2007 was made by Mrs. Corriveau, seconded by Mrs. Huttemann-Kall. This motion was withdrawn.

A motion to approved and authorize the executive director to execute the Administrative Services Agreement between the JCJDC and the WLDC for the year 2007 was made by Mrs. Huttemann-Kall. Seconded by Mayor Graham. Mr. Fayle and Mrs. Corriveau abstained. All others in favor. Approved.

OLD BUSINESS

Presentation by Patrick Scordo, GYMO of the CCIP Mater Plan – Mr. Scordo reviewed the map which outlined the wetland delineation, subdivision of the Park to make the Park more marketable to businesses.

Mr. Scordo discussed relocating the spur and the board discussed possibly making the round house a historical site. Mr. Rutherford stated that TVGA has done some preliminary work on the rail spur. The board discussed sending a request for proposal to firms to maximize the use and design the rail spur.

The Board requested Mr. Scordo to take the plan to the next level which would include grating, a buffer (area) zone, cost analysis, and relocating of the rail.

Presentation by Kevin Jordan, Infill Housing – Mr. Jordan stated that two four bedroom homes have been sold at the N. Michigan Avenue site of the Infill Housing and four three bedroom homes are remaining.

Mr. Jordan stated that the realtor stated we are in competition with existing homes within the city and stated that a comparison to older homes has been conducted. Mr. Jordan stated that 650 new homes have been built in Jefferson County.

Mr. Jordan recommended reducing the price of the homes before the winter \$5,000 to \$10,000 per home. The cost of caring these homes throughout the winter includes, heat and plowing of the drive ways. DANC is exempt from taxes so this is not a concern.

Mayor Graham questioned whether the infill housing program is defunct and stated possible the group needs to site down and discuss the PILOT program before we go any further.

Mr. Jordan stated that the assessments of the newly constructed homes are extremely high. Mr. Jordan stated that DANC has not gone before the City Assessment Office to request lowering the assessments.

Mr. Fayle suggested increasing the commission to all realtors, currently the commission with Joan Gerni is 4% and stated he does not recommend reducing the selling price that it is not the time to reduce the price.

Mrs. Corriveau stated that these houses will sell, that the military will be returning from duty and will want to purchase a home. Mrs. Corriveau stated that the executive director has the authority to negotiate the selling price and questioned whether there have been any offers on the remaining homes for sale. Mr. Jordan stated there have not been any offers from prospective buyers.

The board concluded that they do not wish to reduce the selling price of the homes at this time.

Harroun Lumber – A motion to adjourn the regular board meeting to enter into executive session to discuss litigation with Harroun Lumber was made by Mr. Fayle, seconded by Mrs. Corriveau. All in favor. Approved. The board entered into executive session at 10:59 a.m.

A motion to adjourn the executive session and reconvene the regular meeting was made by Mrs. Corriveau, seconded by Mrs. Cleaves. All in favor. Approved. The regular meeting reconvened at 11:11 a.m.

NEXT MEETING – The next scheduled board meeting will be held Thursday, November 16, 2006 at 9:30 a.m.

ADJOURNMENT- With no further business before the board a motion was made by Mrs. Corriveau, seconded by Mayor Graham to adjourn the meeting. All in favor. Approved. The meeting adjourned at 11:12 a.m.