

**Watertown Empire Zone
Administrative Board Meeting
July 2005**

The Watertown Empire Zone Administrative Board meeting was held on Wednesday, July 27, 2005 in the City Council Chambers, City Municipal Building, 245 Washington Street, Watertown, New York.

Members Present: Chairman Peter Clough, Peter Sovie, James Fitzpatrick, Joseph Butler, Jr., Phillip Gaffney and William Welbourn

Excused: Thomas Cesta, Robert Lawlor

Also Present: Michael N'dolo of Camoin Associates, City Manager Mary Corriveau, Douglas Schelleng of Empire State Development, Carol Bolam of Empire State Development and Attorney Robert Slye

Chairman Clough opened meeting at 4:30.

Carol Bolam of Empire State Development outlined the new responsibilities for the zone board as well as cost-benefit analysis. She advised the members that as of April 12th, all certifications have to be approved by the majority of the board before the certification officer can sign. She also explained that the voting couldn't be done via email, as it has to be done in open session. She remarked that the executive committee could review the applications and then submit their recommendation to the board for a vote.

Ms. Bolam also explained the cost-benefit analysis, which is a new statutory requirement and is a method of determining the value of the tax credits and benefits that a business could receive if certified and then weighing that against the economic impact and benefit of the project to the zone. The analysis is both quantitative and non-quantitative. While the ratio needs to be at least fifteen to one, manufacturing will usually come out at a lower ratio and the board should take that into consideration.

Discussion centered on blighted areas and the fact that the board could make a case of economic impact for the area.

Discussion was held concerning what could/should be blackened out on the applications that would be available in open session, where the press and public might be in attendance.

Mr. N'dolo explained that the worksheet has very detailed questions that could contain certain confidential information that shouldn't be released to public. For example, tax credit information could be considered confidential. This is what the board has to decide.

Referring to the information issue, Mr. Butler asked how the board could validate the information supplied on the application.

Ms. Bolam explained that the applicant is signing before a notary, attesting to the fact that the information is indeed correct.

Mr. N'dolo explained that the company has to report what it thinks the New York State tax liability will be. If they use smaller projections, it could radically change the ratio.

Ms. Bolam advised the board that every existing zone must submit an updated development plan for ESD approval by January 1, 2006, with the local law being passed prior to this date. She explained that a zone cannot have stringers and the board should try to accommodate the current and certified businesses. She also commented that the river has to be counted as area in the zone. The board would have to make a logical crossing of the river for the zone. However, there is no guidance as to the width that has to be used.

Questions were asked concerning how Watertown would demonstrate a need for a 4th area. Ms. Bolam remarked that while she didn't know how the board would do that, perhaps it could be demonstrated through identifying a distressed area. She remarked that the state anticipates that the board will only change the configuration slightly or shift it a little bit. She also stated that there will be no more land banking.

Mr. N'dolo commented that he thinks it might be a good idea not to designate a 4th area, but instead put the extra into the 3rd area.

Mrs. Corriveau responded that the board might not have an opportunity in the future to ask for the 4th area.

Ms. Bolam advised that there would be informational workshops scheduled for September.

Attorney Slye addressed the board concerning FOIL requests and open meetings law. He referred to the memo concerning this issue. He stated that the meetings are open to the public, unless there is a good reason not to. The reasons not to are spelled out in Section 105 of the Public Officers Law which lists the conditions for conducting business in executive session; among the subjects that can be discussed outside public purview, subject to the voting requirements in this statute, are "the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointments, employment promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation."

Attorney Slye explained that the board is concerned about information from one corporation being released to the public and then it could lead to competition from another corporation, if certain information was released. He explained that if someone has previously asked that certain parts of the information be kept confidential, it should be so. He stated that the public has the right to know what the application is about. However, they do not have the right to know everything on the application. He suggested that something be placed on the application asking the applicant if they desire certain information on the application being kept confidential. He suggested that if a request comes in and the applicant has already indicated that certain parts should be confidential, the board could approach the applicant, explain that a request has come in and then verify that the information should be kept confidential. After ascertaining that it should be, the board could then inform the person making the FOIL request that they have contacted the applicant, reviewed the information and have verified that those portions should remain confidential. He also explained that everything should be dealt

with on a case-by-case basis and one person should be authorized to receive and respond to the FOIL requests.

Attorney Slye discussed conflict of interest and other ethics issues. He explained when members should recuse themselves from votes and discussions and discussed the fact that when there is a perception of an ethics issue, the member should recuse himself as well or in open session should disclose anything that might look like involvement in the matter.

Attorney Slye referred to the section of the memo concerning by-laws.

Chairman Clough mentioned that the by-laws already in place would suffice for the State's requirement.

Mr. N'dolo referred to a previous FOIL request from the Watertown Daily Times and the fact that he is not supposed to be involved in any way at all in the process. Discussion was held relative to who should be the FOIL officer for the board.

Motion was made to appoint James Mills as the FOIL officer for the board. Motion was seconded and carried with all voting in favor thereof.

Minutes

Motion was made to approve the minutes of the May 25, 2005 meeting. Motion was seconded and carried with all voting in favor thereof.

Treasurer's Report

The board reviewed the financial statements.

Mr. Sovie explained that there would be an additional invoice of between \$15,000 and \$16,000 put in the statement, thus bringing the net income up to approximately \$39,000.

Mr. Sovie also explained that Mr. Mills called around to get the rates on a \$100,000 90-day CD. HSBC-3.23; Key-3.17; Community-1.35. Our current rate for the account, which is now at HSBC, is 1.737.

Motion was made to invest \$100,000 in the highest yield account at the time that Mr. Mills invests it noting that it may not be the HSBC account at that particular time. Motion was seconded and carried with all voting in favor thereof.

Mr. Butler asked if there was an automatic sweep of the checking account into a money market account.

Mr. Sovie remarked that Mr. Mills transfers the funds from the savings into the checking when paying the bills.

Mr. Sovie referred to the quotes for review of the financial statements. Green & Seifter, who did it last year for \$850, has submitted a quote of \$875. Dragon Benware, a local firm, submitted a quote for \$900.

Motion was made by Mr. Gaffney to accept the quote submitted by Dragon Benware. Motion was seconded by Mr. Welbourn and carried with all voting in favor thereof except Chairman Clough and Mr. Welbourn voting nay.

Mr. N'dolo reviewed the draft budget for 2005-06.

Motion was made to accept the proposed budget for 2005-06. Motion was seconded and carried with all voting in favor thereof.

Discussion was held on the county funding application, which was not in the packet.

Applications for Certification

- **Brewster's BBQ**

Discussion was held relative to their closing, but planning on opening again in September. The board reviewed the cost benefit analysis that was determined to be almost 10-1. Mr. N'dolo reminded the board that the state had set up the figure of 15-1. He explained that the board either has to deny the application or be able to justify approving the application. One of the justifications is that it is in a blighted area.

Motion was made to approve the Brewster's BBQ application. Motion was seconded and carried by all voting in favor thereof.

- **Psychedelic Entertainment, LLC**

Discussion was held concerning this proposed family entertainment center in the Empsall's Plaza. It is also in the blighted area of downtown.

Motion was made to approve the Psychedelic Entertainment, LLC application. Motion was seconded and carried with all voting in favor thereof.

- **Sung Kim d.b.a.Asian Market**

Discussion was held as to the location of the business which is at 552 State Street and the fact that this business is being started up at this time. The cost benefit analysis is slightly over 7-1. It is also in the blighted area.

Motion was made to approve the Sung Kim d.b.a. Asian Market application. Motion was seconded and carried with all voting in favor thereof.

- **Triple Cities Acquisitions, LLC**

Discussion was held concerning the business at 1040 Bradley Street with of cost-benefit analysis of over 16-1.

**Motion was made to approve the Triple Cities Acquisitions, LLC application.
Motion was seconded and carried with all voting in favor thereof.**

Motion to adjourn by Mr. Sovie and seconded by Mr. Gaffney. Motion passed.