GREATER SYRACUSE
LAND BANK

Minutes
Greater Syracuse Property Development Corporation
Special Meeting of the BOARD OF DIRECTORS
Friday, March 27, 2015 8:30 A.M.
333 W. Washington Street, Suite 130
Syracuse, NY 13202

Board Members Present: Vito Sciscioli, Daniel Barnaba, Julie Cerio, Dwight L. Hicks, and Jim Corbett (via video conference)
Others Present: Katelyn Wright, John Sidd, Kate Palermo, Ben Gray, Patrick Stanczyk, Mike Harper Jr., Keely Hines, Patricia Mills, Mike Fallon, Peter Clark, Dan Lyons, Bill fisher, Stephanie Pasquale

I. Call to order
Vito Sciscioli called the meeting to order at 8:34 AM.

II. Roll Call
Mr. Sciscioli noted that all the board members were present, Mr. Corbett attending via video conference.

III. Proof of Notice
Mr. Sciscioli noted that proper proof of notice had been posted.

IV. Discussion
Status of Sewer Unit Charges (County of Onondaga) – Briefing from Deputy County Executive Bill Fisher
Vito Sciscioli recommended the board take one item out of order as Mr. Fisher was present to provide the board with information regarding possible exemption from County sewer use fees and had to leave early.

Ms. Wright reminded those in attendance that while the Land Bank is exempt from property taxes, it is not exempt from special assessments such as sewer unit charges. She noted that to date the Land Bank had not paid these, hoping it might receive an exemption, and that in the interim as delinquent charges accrue against Land Bank properties, buyers have been credited for this amount owed at closing. She noted that it seemed to cause some confusion for many of the Land Bank's buyers.

Mr. Fisher described how sewer unit charges are levied throughout Onondaga County. Mr. Barnaba asked if the shortfall is absorbed by WEP when these tax-delinquent properties, prior to foreclosure were not paying sewer unit charges. Mr. Fisher confirmed that as the budget is prepared for the coming year a certain shortfall for that reason is projected. Mr. Fisher explained that the County Executive is currently empowered to compromise liens against properties (liens filed in order to later collect delinquent taxes and penalties owed to the County) at the time they are foreclosed, subsequent to Common Council vote to transfer a property to a particular buyer. She has been compromising (extinguishing) these liens as properties are foreclosed and transferred to the Land Bank. Fees and charges accrued after the Land Bank takes title cannot be waived through this administrative process. Mr. Fisher indicated that the policy decision of whether to levy these charges in the first place would have to be made by the Legislature and encouraged the Land Bank to work with the Legislature to seek such an exemption, but indicated that it would not be able to take effect until the next levy, to occur January 2016.

In the meantime the Land Bank is responsible for outstanding 2014 and 2015 charges levied. Ms. Wright explained that she and Pat Stanczyk had been processing bills for these over the past week and determined the amount owed for 2014 County bills totaled $63,507.74.

She went on to say that at this point the total liability for 2015 bills totaled $160,807.70 but recommended these be paid in quarterly installments as many of these properties would be sold before the end of the year and new properties will be acquired, at which point the City issues a prorated bill for the remainder of the year. The first two quarters of 2015 for bills received thus far totals $79,636.47.

She recommended the 2014s and the first two quarters of 2015s be paid at this time so that additional interest in fees would not accrue and so that the Land Bank would no longer have to issue credits to buyers at the time of sale, lessening confusion for the buyers.

Dan Barnaba moved to authorize the ED to pay outstanding 2014 County special assessments totaling $63,507.74. Dwight Hicks seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY AUTHORIZED THE ED TO PAY OUTSTANDING 2014 COUNTY SPECIAL ASSESSMENTS TOTALING $63,507.74.**

Jim Corbett moved to authorize the ED to pay the first two quarters of 2015 County special assessments totaling $79,636.47. Dwight Hicks seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY AUTHORIZED THE ED TO PAY THE FIRST TWO QUARTERS OF 2015 COUNTY SPECIAL ASSESSMENTS TOTALING $79,636.47.**

V. New Business

A. Approve 2014 Audit

Mr. Barnaba summarized the audit committee's review of the audit with the Bonadio Group staff earlier that morning, noting that there were not findings and it was a clean audit. Ms. Wright summarized the few areas in which the financials varied from the amount budgeted. Mr. Sciscioli commented that this was to be commended given the volume of transactions the Land Bank processed over the course of its first full year of operations.

Dwight Hicks moved that the board accept the audit as presented. Dan Barnaba seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY ACCEPTED THE RESULTS OF THE 2014 FINANCIAL AUDIT.**

B. Approve 2014 Report to the ABO

Ms. Wright presented the report and turned the board's attention to Appendix E, in which the board is attesting to the answers provided in the performance and measurement report. All agreed that they concurred with the statements made in the report. Mr. Corbett noted that he was pleased to read about all that the Land Bank had accomplished in its first year of operations. Mr. Hicks asked to whom would this report be submitted and Ms. Wright answered that it was required annually by the Authorities Budget Office, which is tasked with overseeing public authorities like the Land Bank.

Julie Cerio moved to adopt the annual report as presented. Jim Corbett seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY ADOPTED THE ANNUAL REPORT AND APPROVED ITS SUBMISSION TO THE AUTHORITIES BUDGET OFFICE.**

C. Accept 209 Boyden via donation

Ms. Wright indicated that Mr. Gray had inspected the property and thought it to be marketable in as-is condition. Ms. Wright noted that it came with a $15,000 donation. Dan Barnaba moved to accept 209 Boyden via donation. Dwight Hicks seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY AGREED TO ACCEPT 209 BOYDEN VIA DONATION.**

D. Authorize Sale of 1016 Teall Ave

Ms. Wright explained that there was some confusion at the last meeting about whether both buyers had been fully informed about the purchase process and that there would be no counter offer so they should offer their highest offer initially. She later verified that there was no confusion, but in order to be fair both applicants were offered a chance to amend their bid. Ms. Bitter increased her offer and Ms. Stickle left her offer as she had originally submitted. Ms. Wright explained that Ms. Bitter owns the rental property next door, which has no off street parking, and that she wished to acquire this property in order to provide shared off street parking for both properties. Mr. Sciscioli asked whether it was the property being sold or the one Ms. Bitter already owns that lacks parking and sought confirmation that the Land Bank wouldn't be responsible for making the situation worse if the property were sold to someone other than Ms. Bitter. Ms. Wright explained that there was no physical change in lot configuration being proposed and the sale would not change the physical conditions on site. Peter Clark, a representative of Ms. Bitter, argued that Ms. Bitter invests in clusters to stabilize a block and therefore sale to her would be more consistent with the Land Bank's mission. Ms. Wright noted that the higher bidder proposed to invest more in the renovation of the property and both buyers proposed to improve the property and thereby the neighborhood.

Dan Barnaba moved to sell 1016 Teall Ave to the highest bidder, Ms. Stickle. Mr. Hicks seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVE THE SALE OF 1016 TEALL AVE TO THE HIGHEST BIDDER, MS. STICKLE.**

E. Amend terms of sale of 126 N. Geddes Street

Ms. Wright explained that the buyer amended his development plan stating that he would demolish the property and use the site as parking for his adjacent business. Ms. Wright noted that she had misspoken at the previous meeting and that this property was not located in a Lakefront Zoning District. She went on to explain that the applicant expressed that he was willing and able to place $5000 in escrow until the demolition was complete, but wished to add a contingency to his offer that he would not acquire the property unless he was able to obtain a demolition permit. Dan Barnaba moved to approve the amended terms of sale. Julie Cerio seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED THE AMENDED TERMS OF THE SALE OF 126 N. GEDDES STREET.**

VI. Discussion

- **Syracuse City School District revenue issue**

Ms. Wright noted that the issue of the SCSD receiving less revenue from the City as a result of properties being removed from taxable status mid-year has been an ongoing topic of discussion amongst City and School District elected officials, that there seemed to be some confusion among members of the public regarding the cause of this revenue shortfall, and she wished for the board members to have accurate information if they are pressed about how the Land Bank pertains to this issue. She explained that when properties are taxable, but tax delinquent, the City pays the SCSD as if taxes were collected. As properties are foreclosed and made exempt it changes the total base to which the tax rate can be applied, mid-year, and so SCSD receives less revenue in later quarterly disbursements. This revenue, which would have been paid out had the properties remained taxable, remains in the City's general fund. Since the Syracuse Common Council has discretion over spending the general fund they could opt to provide those funds to the SCSD any way if they so choose. None of these activities have a direct impact on the Land Bank's revenues or balance sheet, but over the past several years the City has benefitted financially from this change in practice, by retaining funds that they otherwise would have conveyed to the SCSD. Board members confirmed that this was clear to them.

- **Status of 2015 County Funding, still in contingency**

Ms. Wright noted that she and Mr. Sciscioli would make the Land Bank's annual report to the Legislature on April 16 and would raise this issue at that time. She stated it would also be important to work over the coming year to build support for exempting the Land Bank from sewer use charges for 2016 and onward.

- **Expansion of the Teachers/Public Safety Employees discount program to additional groups**

Ms. Wright indicated that there was no news to report on this topic.

VII. Adjournment

Dan Barnaba moved to adjourn the meeting. Julie Cerio seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY AGREED TO ADJOURN THE MEETING AT 9:34 AM.**