Minutes
Greater Syracuse Property Development Corporation
BOARD OF DIRECTORS MEETING
Wednesday, March 18, 2015 8:00 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, Anna Wilson, Kate Palermo, Ben Gray, Peter Clark, Dan Hoosock, Rich Puchalski, Honorable Nader Maroun, Stephanie Pasquale, Patrick Stanczyk, Sharon Sherman, Jimmie Johnson, Dionna Cassoni, Honorable Bob Dougherty, Mohamad Galal

I. Call to order

Vito Sciscioli called the meeting to order at 8:05 A.M.

II. Roll Call

Mr. Sciscioli noted that he, Daniel Barnaba, Julie Cerio and Dwight Hicks were present, and that Mr. Corbett was participating via video conference.

III. Proof of Notice

Mr. Sciscioli noted that proper notice of the meeting had been posted.

IV. Minutes

Julie Cerio moved to approve the meeting minutes from January 20, 2015. Dwight Hicks seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY MOVED TO APPROVE THE BOARD OF DIRECTORS MEETING MINUTES FROM JANUARY 20, 2015.**

Julie Cerio moved to approve the meeting minutes from January 27, 2015. Daniel Barnaba seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY MOVED TO APPROVE THE BOARD OF DIRECTORS MEETING MINUTES FROM JANUARY 27, 2015.**

Mr. Corbett noted that there were a few typos in the February 17, 2015 minutes having to do with attendance. He noted that he was present via video conference and that John Sidd was not present and Anna Wilson had attended in his place. Ms. Wright noted that those corrections would be made. Jim Corbett moved to approve the minutes from February 17, 2015 as amended. Julie Cerio seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY MOVED TO APPROVE THE BOARD OF DIRECTORS AMENDED MEETING MINUTES FROM FEBRURARY 17, 2015.**

V. Executive Summary

Ms. Wright provided an update of the annually required, independent financial audit being conducted by the Bonadio Group stating that the final numbers should be in by Monday and ready to review before the next meeting on the 27th. She noted the Land Bank's accountants have been reviewing the costs capitalized in 2013 and 2014 and the final 2014 financial statements will show a write-down of the balance sheet in order to more accurately reflect the value of the real estate the Land Bank is holding. John Sidd asked if the audit committee meets with the auditor and Ms. Wright replied yes, on Friday the committee will meet with the auditors before the full board meets to review and approve the final audit and annual report to the ABO. Vito Sciscioli asked if Ms. Wright has a general idea of what will change and Ms. Wright replied that they would not know for a few days yet as they were still processing this shift. Dan Barnaba stated that he would like to know if the Land Bank is profiting or losing on properties particularly as the Land Bank inventory grows. Ms. Wright noted that as these previously capitalized expenses are written down they would still be able to track overall costs associated with each property and whether more is invested in each property than it is sold for.

A. Authorizing the Land Bank to enter into a one-year contract for debris removal services

Ms. Wright explained that up until now the Land Bank had competitively bid each clean-out that exceeded $1500 and was having a hard time getting multiple bids from contractors when the same two to three were repeatedly coming in lowest. She expects entering into a contract with Dee's Property Maintenance LLC, setting rates based on volume would enhance the Land Bank's ability to get properties cleaned out and listed in a more timely manner.

She continued on to say that although Dee's quote was not the lowest per cubic yard, it included removal of items that would usually be marked-up like tires, television sets, refrigerators, etc. Ms. Wright made mention of the fact that the Land Bank's debris removal costs are surprisingly high and Vito Sciscioli noted that neighbors of Land Bank houses may be noticing that garbage gets hauled away immediately and may be illegally dumping there. Dwight Hicks suggested posting signs threatening prosecution and Ms. Wright agreed that this might be effective in curtailing this activity. Dan Barnaba asked whether these rates were higher or lower than the Land Bank had been able to get by competitively bidding each individual clean-out and Ms. Wright responded that on average they were the same or lower than was obtained via competitive bidding each property.

Dwight Hicks moved to authorize the Land Bank to enter into a one-year contract for debris removal services with Dee's Property Maintenance, LLC. Julie Cerio seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY MOVED TO AUTHORIZE THE LAND BANK TO ENTER INTO A ONE-YEAR CONTRACT FOR DEBRIS REMOVAL SERVICES WITH DEE'S PROPERTY MAINTENANCE, LLC.**

B. Accept 921 Highland Street via donation

Ms. Wright explained that this item had been accepted at last month's board meeting but there had been a typo in last month agenda pertaining to the amount the bank was willing to donate along with the property. Julie Cerio moved to accept 921 Highland Street via donation along with a $39,641.28 cash donation. Jim Corbett seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY MOVED TO ACCEPT 921 HIGHLAND STREET VIA DONATION.**

C. Authorizing the Land Bank to enter into a three-year contract with Northland Communications for phone/internet service

Ms. Wright explained that the Land Bank is currently using Time Warner Cable for phone service and pays a pro-rated share of the one office internet connection at Washington Station, but when moving to the new office will need a dedicated internet connection and with staff expanding needs to expand from three to five phone lines. The Land Bank's IT consultant recommends switching to Northland which is a local company about to run their own fiber optic cable into the new office building and this service is expected to be more reliable than Time Warner internet. Ms. Wright noted that the term of the service contract coincides with the term of the lease that the Land Bank has signed for the new space and that the Land Bank will pay the same average cost per line, plus receive a dedicated internet connection under the service proposal received from Northland. Julie Cerio moved to authorize the Land Bank to enter into a three-year contract with Northland Communications for phone/internet service. Dwight Hicks seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY AUTHORIZED THE LAND BANK TO ENTER INTO A THREE-YEAR CONTRACT WITH NORTHLAND COMMUNICATIONS FOR PHONE/INTERNET SERVICE.**

D. Authorize ED to spend up to $13,000 (per adopted 2015 budget) in outfitting the new office with furniture, appliances, and IT equipment.

Ms. Wright explained that any expenditure over $1,500 requires board approval and that she anticipates several items that will be needed for the new office will exceed this threshold and need to be purchased prior to the next board meeting – primarily new desks and a larger office printer. There was some discussion of where the furniture would be purchased and whether the Land Bank had considered leasing a copier. Ms. Wright indicated that he model they would need to handle the Land Bank's volume of printing was smaller than those that are typically leased. Julie Cerio moved to authorize the Executive Director to spend up to $13,000 (per adopted 2015 budget) in outfitting the new office with furniture, appliances, and IT equipment. Dan Barnaba seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY AUTHORIZED THE EXECUTIVE DIRECTOR TO SPEND UP TO $13,000 (PER ADOPTED 2015 BUDGET) IN OUTFITTING THE NEW OFFICE WITH FURNITURE, APPLIANCES, AND IT EQUIPMENT.**

E. Authorize Sale of Multiple Properties

Ms. Wright requested that the sale of 1016 Teall Ave be tabled until the special board meeting on Friday, March 27 per request of a representative in attendance. She explained that the schedule A to the resolution would be amended and all board members agreed to hold this item. She then addressed 313-15 Randolph St, 508-10 Midland, and 126 Geddes, the latter-most property being of particular interest as the buyer plans to demolish the building himself thereby allowing the Land Bank to avoid those costs. Dan Barnaba suggested that perhaps the buyer could place $5,000 in escrow until the demolition is complete at which point the Land Bank would refund his money, rather than using the enforcement mortgage the Land Bank typically utilizes, because if the buyer were found to be in default of the enforcement mortgage, foreclosing would be costly. Vito Sciscioli posed the question of whether the resolution should be amended if the board agrees to this provision and John Sidd stated that if the buyer does not wish to deviate from the original plan then the traditional model could be used. Dwight Hicks asked if the buyer would need to rezone and John Sidd replied that it depends upon his intent, to which Ben Gray replied that the buyer would like to put in a commercial development. Dwight Hicks asked what the Land Bank's overall approach is to the general area surrounding the property and if the board should be scrutinizing the buyer's development plan and Ms. Wright replied that the property is located in the lakefront zoning district and there are quite a few regulations applied to building in this region already. Ms. Wright turned the board's attention to 411 Seymour and recommended that they deviate from the standard requirement for proof of funds in hand to both purchase and renovate, as the applicant, the Bright Chapel AME Zion Church, has demonstrated that they already have fundraising underway and will continue to fundraise as this project commences. She explained although the buyer has outlined a $130,000 renovation, they have raised $35,000 and have received an additional $25,000 in pledges from congregants and plan to continue their capital campaign as the project progresses. Dwight Hicks moved to authorize the sale of multiple properties. Dan Barnaba seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY AUTHORIZED THE SALE OF MULTIPLE PROPERTIES.**

F. Authorize Sale of Properties to Home HeadQuarters, Inc. for AG funded renovation

Ms. Wright gave a brief overview of the properties that would be sold to HHQ. Dan Barnaba inquired about Home HeadQuarters' ability to meet the production goals contained in the Land Bank's contract with the OAG. Ms. Wright indicated that Home HeadQuarters had significantly expanded its construction management staff in order to meet these benchmarks in 2015. Dan Barnaba moved to authorize the sale of properties to Home HeadQuarters for AG funded renovation. Dwight Hicks seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY AUTHORIZED THE SALE OF PROPERTIES TO HOME HEADQUARTERS, INC. FOR AG FUNDED RENOVATION.**

VI. Discussion

- **2015-16 Funding Request of the City of Syracuse**

Ms. Wright directed the board's attention to a letter from Chairman Vito Sciscioli to the Mayor in which he outlines the progress made by the Land Bank to date requests the City provide a third year of grant funding to the Land Bank to continue its work. The letter notes that the City's $3 million investment in the Land Bank thus far has enabled them to make real on the threat of foreclosure and collect $7.6 million in delinquent collections above historic levels, that the

Land Bank has sold nearly 20% of properties acquired to date and that they are successfully leveraging private investment as the buyers of those properties are investing nearly $5 million in renovations.

Ms. Wright explained that the Land Bank will need additional financial support if it continues to acquire properties and that partnering with the City's tax collection program has enabled the Land Bank to cheaply acquire blighted properties and enabled the City to increase revenue collection and provide funding for the Land Bank's work. She stated that this implementation period during which an influx of delinquent revenue is collected is a one-time opportunity for the City to help the Land Bank continue to do this work.

Dan Barnaba asked what the number of delinquent properties is currently and Stephanie Pasquale replied that the city has about 2,100, half of which are vacant lots. Vito Sciscioli stated that the Land Bank has asked for $2 million but will likely receive less as the city is under fiscal pressure and is also highly dependent on the state of New York. Julie Cerio asked if there is a way to quantify ways in which the Land Bank has reduced the City's cost of lawn mowing or board ups since the Land Bank is doing those things now. Ms. Wright noted that while that was the anticipated effect, she hasn't seen the City reduce those budget lines. Ms. Wright noted that in past years the Land Bank has asked for $2 million and been awarded $1.5 million and that this letter would be delivered to the Mayor today.

- **Status of Sewer Unit Charges (County of Onondaga)**

Ms. Wright noted that to date the Land Bank had been unable to convince the County of Onondaga to exempt the Land Bank from these sewer unit charges and explained that the Land Bank could be supported in its work by direct cash grants or by actions the municipalities could take to help them avoid operating costs such as this. She noted that the 2014 specials have been overdue for some time and additional fees and penalties have accrued while the Land Bank has appealed for the County to waive this charge, which now exceeds $60,000. She noted that staff had just recently received a file from the City outlining the total amount of 2014 taxes owed and that it would take extensive time to process the data and calculate the total amounts owed for 2015 and 2015 County specials, but that these totals would be provided at the next board meeting.

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

Ms. Wright noted that 2014 County funds were removed from contingency and a funding contract approved and executed by June and that there were no clear signs of when 2015 County funds allocated to the Land Bank would be removed from contingency.

- **NY Land Bank Association 2015 Fundraising and Legislative Advocacy Efforts**

Ms. Wright explained that the NY Land Bank Association had worked for some time to identify legislative tweaks that would help land banks to operate more efficiently and effectively and compiled seven amendments that would achieve this goal, six of which could be incorporated into the Land Bank Act as one bill. She noted that she had recently met with Senator Valesky to discuss this and that he seemed supportive of an amendment to the Land Bank Act, of which he was a sponsor in the State Senate. She noted that other Land Banks were also discussing with their senators and assemblymen and that this looked quite promising as there are now ten land banks across the state that can turn to their delegations for support. She noted that she had a meeting to discuss with Assemblyman Magnarelli later in the week.

Ms. Wright went on to explain that the Land Bank Association is pursuing state funding for land banks as many are completely reliant on OAG grants, which will be fully expended by the end of 2016. Mr. Sciscioli suggested she look to foundations and other sources, as well, given current statewide funding priorities.

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

Ms. Wright explained that the obstacle to this program's success is the limited supply of move-in ready houses in the Land Bank's inventory. She stated that the Land Bank had recently received two homes that would be good candidates for the program. Hon. Bob Dougherty asked if the program could apply to Attorney General-funded renovated homes and Ms. Wright replied that wouldn't be possible without a funding source to bridge the gap – since those homes are fully renovated there are construction loans to pay back, whereas the 50% discount off an as-is Land Bank house is funded by revenue foregone, not cash budgeted by the Land Bank.

VII. Adjournment

Julie Cerio moved to adjourn the meeting. Jim Corbett seconded this motion. **ALL BOARD MEMBERS UNANIMOUSLY MOVED TO ADJOURN AT 9:10 AM.**