GREATER SYRACUSE
LAND BANK

Minutes
Greater Syracuse Property Development Corporation
Board of Directors Meeting
8:00 AM, Tuesday, February 21, 2017
431 E. Fayette Street, 2nd Floor Conference Room
Syracuse, NY 13202

Board of Directors Present: Daniel Barnaba, Jim Corbett, El Java Abdul Qadir
Board of Directors Excused: Vito Sciscioli, Julie Cerio
Others Present: John Sidd, Katelyn Wright, Patrick Stanczyk, Ben Gray, David Rowe, Jake Thorsen, Chamar Otis, Liam Kirst, Logan Reidsma, Cali Khakoo, Hilary Donohue, Stephanie Pasquale, Sheldon Ashkin, Bob Dougherty, Kerry Quaglia, Jonathan Link Logan, Rich Puchalski, Mike Harper Jr., Mike Harper, Dave Earle, Jeanne Mitchell, Thaddeus Plummer, Tom Hennessey, Dan Hoosock, Garry Page, Jacqueline Elinski, Benjamin Rudd, Sharon Sherman, Scott Terrch.

I. Call to order
Daniel Barnaba called the meeting to order at 8:05 AM.

II. Roll Call
Mr. Barnaba noted that himself and El Java Abdul Qadir were present, Jim Corbett was present via video-conference, and that Vito Sciscioli and Julie Cerio were excused. Mr. Barnaba noted that Mr. Corbett's participation made quorum so if the video feed cut out for any reason they would have to suspend the meeting.

III. Proof of Notice
Mr. Barnaba confirmed that public notice of the meeting was adequately posted.

IV. Executive Summary & Financial Statements
Patrick Stanczyk reviewed the financial statements as presented in the agenda packet.

V. New Business
A. Authorize the Sale of Multiple Properties
Katelyn Wright summarized the offers received and ready for the board's consideration. She noted that the first item was rather controversial and recommended the board leave discussion of this item for the end.

As Ms. Wright proceeded through the list of properties, an applicant for 506-12 Park Ave. asked whether he could speak. Ms. Wright noted that it was a public meeting, but not a public hearing, and it was up to the board whether they would allow public comment. She identified the applicant as Gary Page and noted that she had forwarded Mr. Page's written correspondence to the board and that they'd had an opportunity to consider it before the meeting. Ms. Wright noted that in this case staff recommend sale to the highest bidder. Mr. Barnaba inquired if there were any compelling rationale for not selling to the highest bidder. Ms. Wright stated the lower-bidder provided a letter that was forwarded to the board explaining his history and investment in the Park Ave. neighborhood. Ms. Wright also stated that the Land Bank is familiar with the quality of work of Dwell Equity (the highest bidder) has completed in the past and is confident in their ability to perform. El Java Abdul Qadir noted that he would like to hear from Gary Page and asked whether there was any other reason the board should consider someone other than the highest bidder. Mr. Page stated that they should sell the property to him due to his history of investment in the Park Ave. neighborhood and his ability to complete renovation projects he should be awarded the property despite his lower bid. The board thanked Mr. Page for his comment. [For clarity, note the applicant in this case is his employee, Jacqueline Elinski.] Mr. Abdul Qadir noted that this would seem to prohibit 'new' people from investing in a neighborhood if the Land Bank were always to err on the side of buyers already invested in the neighborhood.

There was a question of whether there was any impropriety selling a property to Dwell Equity, which is owned by the same person who owns Ultraclean, Inc., which is one of the Land Bank's demolition contractors. Ms. Wright noted that this relationship is disclosed in the agenda packet and that she isn't concerned about any appearance of impropriety as long as Dwell is the highest bidder and not receiving any financial advantage. Mr. Sidd agreed that this did not constitute a conflict. Mr. Barnaba noted that Dwell Equity has completed other Land Bank renovation projects and that one of their projects was even highlighted as a model renovation in the Land Bank's presentation made at last month's annual meeting, due to the high quality of their work.

Mr. Barnaba inquired why the purchase prices for 128 W. Borden Ave. and 46 S. Hamilton St. are lower than the standard purchase price for vacant lots. Ms. Wright explained that the purchaser of 128 W. Borden has opted to purchase the lot through the Land Bank's Mow-to-Own program and that the purchaser of 46 S. Hamilton has been renting the lot from the Land Bank for a year, already paying $500 in rent, and so the lower purchase price seemed appropriate.

Ms. Wright stated that 1423 N. Salina St., a ~7,000 sq. ft. industrially zoned, single-story building had attracted six purchase offers. Ms. Wright explained that the building is surrounded on three sides by property owned by Rellsey Properties, LLC (where they operate Cooney Heating and Air Conditioning). John Sidd stated that based on a preliminary review, no easement exists on the driveway located on 1423 N. Salina Street, although Cooney does often use the driveway to access their midblock parking lot. Ms. Wright noted the Cooney also has a driveway on to Lodi Street and that sale to another party wouldn't eliminate access to their parking.

She summarized the six offers received, noting that when the Land Bank evaluates applications staff consider three factors; the price offered, the amount of investment/scope of renovations, and the planned use. As an example, she explained that the board often chooses to sell residential properties to someone other than the highest bidder in order to favor owner-occupancy over rental, although she noted that such comparisons in commercial properties aren't as simple. She explained that Dwell Equity seems to have the strongest application in all three of these categories – they are the highest bidder, they have one of the most extensive renovation budgets (more than double most applicants), and they plan to operate a co-working space for start-ups in the construction trades, which will help to generate local businesses. She also noted that the Land Bank had received numerous letters of support, including from two Common Councilors, and a petition from the neighbors arguing for sale to Mr. Ed Morris, who was the fourth highest bidder. Ms. Wright noted that Mr. Morris' application included an offer to donate space to the Syracuse Police Department for a satellite community policing center, but that Dwell Equity was willing to do the same. She explained that Mr. Morris donates a great deal of time to the neighborhood and that his existing business was located two blocks away, but the building he was leasing recently burned down and he very much wishes to stay in the neighborhood.

Sharon Sherman of the Land Bank's Citizen Advisory Board stated that discussed this sale and voted in favor of selling the property to Edward Morris arguing that they think it is important to retain local businesses.

El Java Abdul Qadir disclosed that he runs the Southside Innovation Center, which is similar to the proposed use, and that he didn't think he should vote since Dwell's proposal might be viewed as competing with his organization. Mr. Sidd asked whether there was any business relationship between the SSIC and Dwell or any of the other applicants. Mr. Abdul Qadir stated that there was not, but that he was worried about the possible perception of a conflict.

Daniel Barnaba stated that not all of the board members are present at this meeting and he would like to get feedback from Vito Sciscioli and Julie Cerio, so he moved to table this particular item. Jim Corbett agreed with Mr. Barnaba.

Sheldon Ashkin, a member of the CAB, expressed that the CAB's position was not unanimous and that, in his experience (formerly in charge of selling City foreclosed properties prior to the creation of the Land Bank) it is important to hold buyers to an objective standard. He stated that several members of the CAB recommended selling the property to highest bidder, because the applicant met the criteria the Land Bank has set forth.

Jim Corbett made a motion to Authorize the Sale of Multiple Properties as amended (holding the sale of 1423 N. Salina St.). El Java Abdul Qadir seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY VOTED TO AUTHORIZE THE SALE OF MULITPLE PROPERTIES AS AMENDED.**

B. Authorize the Acquisition of Certain Phase XIII Foreclosures from the City of Syracuse

Ms. Wright informed the board that staff are still evaluating the list of Phase XIII properties that the City of Syracuse has asked them to accept, but that in order to keep the foreclosure process moving they are ready to ask the board to accept title to the attached list of 84 properties subsequent to foreclosure.

El Java Abdul Qadir moved to authorize the acquisition of certain Phase XIII properties from the City of Syracuse. Jim Corbett seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY VOTED TO AUTHORIZE THE ACQUSITION OF CERTAIN PHASE XIII PROPERTIES FROM THE CITY OF SYRACUSE.**

C. Purchase of a Vacant Residential Lot at 316 Shonnard from Fannie Mae (adjacent to 314) for $500

Ms. Wright informed the board that 316 Shonnard is a bank-owned vacant lot adjacent to a Land Bank-owned demolition candidate at 314 Shonnard St. Ms. Wright stated that this purchase would allow the Land Bank combine the two lots into a more marketable property and that the Land Bank is seeking the board's authorization to purchase the property using County funding restricted to the purpose of purchasing bank-owned properties.

El Java Abdul Qadir moved to purchase a vacant residential lot at 316 Shonnard Street from Fannie Mae for $500. Jim Corbett seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY VOTED TO AUTHORIZE THE PURCAHSE OF 316 SHONNARD ST. FROM FANNIE MAE FOR $500**.

D. Authorize Enforcement Mortgage Extensions for 119 Crescent, 355-57 W. Kennedy St., 413 S. Wilbur Ave.

Ms. Wright summarized the enforcement mortgage extensions presented in the board agenda packet. Ms. Wright explained that 413 S. Wilbur Ave is a "walk-on" item just received that morning, but that she recommends the board approve a 90-day extension. She explained that the owner of 413 S. Wilbur Ave. is seeking a use-variance and that they will finish the renovations within 90 days of the time the Board of Zoning Appeals either for its intended use. She noted that written extension requests for 119 Crescent and 355-57 W. Kennedy had been included in the agenda packet and that staff recommended extensions for all three.

Mr. Barnaba stated that the Land Bank should consider charging an administrative fee if a case gets to the point where a default notice must be sent by the Land Bank's attorney before a property owner responds to staff requests to close out an enforcement mortgage. Ms. Wright agreed that this was a good idea and said they'd been considering a few other administrative changes, as well, and would explore this.

El Java Abdul Qadir moved to authorize extensions of the enforcement mortgage on 119 Crescent, 355-57 W. Kennedy, and 413 S. Wilbur Ave. Jim Corbett seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY VOTED TO AUTHORIZE EXTENSIONS ON THE ENFORCEMENT MORTGAGES AT 119 CRESCENT, 355-57 W. KENNEDY, AND 413 S. WILBUR.**

E. Appeals to Buy Back Certain Properties:

i. 305 Sand St. and 309 Gertrude Ave.

Ms. Wright summarized the information presented in the agenda packet, explaining that the former owner of these two properties was a two-member LLC, L&E Management LLC, and that one of the members, Dave Earle, believed the other, Brian Lynch, was paying the taxes, but Mr. Lynch was not paying the property taxes. It was a surprise to Mr. Earle that the properties were foreclosed upon, and he has the funds to pay off the balance of the delinquent taxes that were owed at the time of foreclosure, and wishes to regain title to the properties. The LLC has been amended now Mr. Earle is the only member. Furthermore, he agrees to make necessary repairs to the properties to bring them up to code.

She went on to note that since the time of foreclosure the tenants at 305 Sand St. have entered into a lease agreement with the Land Bank and the tenants at 309 Gertrude vacated the property.

Ms. Wright explained that the Land Bank's disposition policy states that property owners who are foreclosed upon cannot purchase their property back from the Land Bank after the taxes have been extinguished, and that policy is in place so as not to undermine the City's foreclosure process. However, in this case, she argued, since Mr. Earle would pay the amount that was owed at the time of foreclosure and bring the buildings up to code, he would not be getting a better deal than if he had paid the taxes in time to avoid foreclosure and, she believes, the Land Bank would not be able to achieve a better outcome simply by listing the properties for sale competitively.

Mr. Sidd noted that Mr. Earle was present and available to answer questions. Dan Barnaba asked whether L&E Management, LLC was now a single-member LLC. Mr. Earl stated that he was now the sole member. Mr. Sidd noted that his office would verify this prior to closing.

Jim Corbett moved to sell 305 Sand Street and 309 Gertrude Ave. back to L&E Management, LLC contingent upon the owner binging both properties up to code, paying the taxes that were owed at the time of foreclosure, reimbursing the Land Bank for its costs associated with the properties, and subject to verification that Mr. Earle is the only member of L&E Management, LLC. El Java Abdul Qadir seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY PASSED A RESOLUTION AUTHORIZING SALE OF 309 GERTRUDE AVE. TO L&E MANAGEMENT, LLC PER THE TERMS OUTLINED IN MR. CORBETT'S MOTION.**

ii. 468 Shonnard St.

Ms. Wright informed the board that 468 Shonnard was an owner-occupied two-family house that the former owner, Bea Cruz, reported to have bought without an attorney and without knowledge that it was tax-delinquent at the time of sale. She explained that the Land Bank sold 224 Davis St. back to Ms. Cruz's husband, Juan Gonzalez, after considering his appeal stating that 224 Davis Street housed a day care center that was their only source of income. 224 Davis had been foreclosed upon in August 2015 and was conveyed back to him in January 2016. He explained that he'd purchased the property with back taxes owed against it. During this time, Ms. Cruz purchased 468 Shonnard Street which was also subject to delinquent taxes - in November 2015. Eleven months later the City foreclosed on 468 Shonnard - in October 2016.

Mr. Barnaba noted that this former owner did not appear to make a strong case or adequately explain why she had made the same mistake twice, but stated that he would welcome further explanation. He asked whether, if this request was rejected today, it would prohibit the former owner from making a further appeal. Mr. Sidd said it would not. Ms. Wright noted, however, that typically if this request is denied their next step would be to move the property to eviction. Mr. Barnaba suggested that they postpone that action if the former owner planned to bring a further explanation before the board the following month.

Jim Corbett moved to deny Bea Cruz's request to purchase 468 Shonnard. El Java Abdul Qadir seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY VOTED TO DENY MS. CRUZ'S REQUEST TO PURCHASE 468 SHONNARD.**

iii. 132 Fairview Ave.

Ms. Wright stated that 132 Fairview Ave. is a two-family house in need of significant renovations and that the Land Bank had it listed for sale when they were contacted by the former owner's attorney. She turned the board's attention to the former owner's request, which explains that they are out of the country and had engaged a local property manager, who was tasked with paying the property taxes, but didn't paying them. They were surprised by the City's foreclosure and would like to reacquire the property and are prepared to pay the City what was owed at the time of foreclosure and reimburse the Land Bank for its costs associated with the property. In addition, Ms. Wright recommends that they place an enforcement mortgage on the property and require the owners to bring the property up to code per the work specs that Land Bank staff have already drafted for the building. To this end, she believes the outcome achieved will be as good as what the Land Bank might accomplish by listing the property competitively. Mr. Barnaba asked whether the former owners, Samantha and Adeboye Atanda, were willing to perform these renovations and be subject to an enforcement mortgage. Ms. Wright said that she had not yet made them the offer, not knowing whether the board would be inclined to sell them the property under these conditions, but that if they do not consent she would not recommend selling the property back to them.

Sharon Sherman of the Greater Syracuse Tenants Network stated that the City often has a difficult time serving overseas property owners in the event that they have to be taken to court for code violations. Ms. Wright agreed that this was a challenge and asked whether the Land Bank could legally prohibit oversees purchasers. Mr. Sidd suggested that if they formed an LLC in NY that the Secretary of State could be served and that would eliminate the service issue and that we already require buyers not residing in Onondaga County or an adjacent county to engage a local property manager. Ms. Wright stated that she would further explore this option with Mr. Sidd and consider adding a requirement for oversees or out of state buyers to purchase in a NY LLC.

Jim Corbett moved to sell 132 Fairview Ave. to Samantha and Adeboye Atanda, with the stipulations that the buyer pay the City the amount owed at the time of foreclosure, reimburse the Land Bank for its expenses associated with the property, complete mandatory renovations outlined by Land Bank staff and consent to an enforcement mortgage for this purpose, and retain a local property management company vetted by Land Bank staff. El Java Abdul Qadir seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY VOTED TO SELL 132 FAIRVIEW AVE TO SAMANTHA AND ADEBOYE ATANDA SUBJECT TO THE TERMS OUTLINED IN MR. CORBETT'S MOTION.**

VI. Adjournment

Jim Corbett moved to adjourn the meeting. El Java Abdul Qadir seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY AGREED TO ADJOURN THE MEETING AT 9:35 AM.**