



Minutes  
Greater Syracuse Property Development Corporation  
BOARD OF DIRECTORS MEETING  
Tuesday, September 15, 2015 8:00 A.M.  
431 E Fayette Street, Suite 375  
Syracuse, NY 13202

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**Board Members Present:** Vito Sciscioli, Julie Cerio, Dwight L. Hicks, and Jim Corbett

**Board members Excused:** Daniel Barnaba

**Others Present:** Katelyn Wright, John Sidd, Ben Gray, Pat Stanczyk, Jake Thorsen, Kerry Quaglia, Jim Grooms, Gwen Chaffin, Dan Hoosock, Phil Berrigan, Glenn Riemenschneider, Rich Puchalski, Stephanie Pasquale, Craig Swiecki, Tanika Jones, and Jonathan Logan

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**I. Call to order**

Vito Sciscioli called the meeting to order at 8:07 am.

**II. Roll Call**

Mr. Sciscioli noted that Daniel Barnaba was excused from today's meeting.

**III. Proof of Notice**

Mr. Sciscioli confirmed that proper notice of today's meeting had been posted.

**IV. Minutes**

Jim Corbett moved to approve the minutes of the August 18, 2015 meeting. Dwight Hicks seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY VOTED TO APPROVE THE MINUTES OF THE AUGUST 18 MEETING.**

Before moving to the Executive Summary Mr. Sciscioli, the board moved to item VI. C: Motion of Authorized Renewal of Premises Based Liability Insurance Policy Through Lee & Mason.

**A. Authorize renewal of premises based liability insurance policy through Lee & Mason**

Last month the board approved procurement of general liability coverage expiring 8/31, which covers NY Labor Law and subcontracted services. This premises-based liability coverage for slip and fall type claims arising from our portfolio of properties expires 9/30. We've had trouble in the past finding insurers willing to cover scattered vacant and deteriorated properties. Lee & Mason is the provider we found last year to offer a bulk discount to all NY Land Banks and they are willing to renew at the same rate. We spent approx. \$127,000 to insure our inventory from Oct '14 – Sep '15. The annual costs per property are:

|                       |          |
|-----------------------|----------|
| Commercial Structure  | \$560.52 |
| Residential Structure | \$311.40 |
| Vacant Lot            | \$166.08 |

The premium the Land Bank pays is billed monthly and pro-rated to the day based on length of ownership. Jim Grooms briefed the board on the quote for premises based liability insurance from Lee & Mason. Grooms explained

that the policy is flexible and insurance coverage and type can be altered for each property depending on the Land Bank's needs. There is a 5 million dollar limit. There is also a one million dollar umbrella over the general liability policy. Ms. Wright explained that the board is voting to approve the insurance rate, since the total cost fluctuates along with the size of the Land Bank's real estate portfolio.

Julie Cerio moved to authorize the renewal of premises based liability insurance policy through Lee & Mason. Dwight Hicks seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY PASSED A RESOLUTION AUTHORIZING RENEWAL OF PREMISES BASED LIABILITY INSURANCE POLICY THROUGH LEE & MASON.**

**V. CFO's report**

Patrick Stanczyk outlined the July Financial Statements for the board. He explained that the Land Bank is at 46% of budgeted expenses through July. He attributed this to the increased rate of foreclosures explaining that by acquiring more properties the Land Bank will have more expenses. The largest item on July Financial Statement was the \$140,000 in special assessment fees for 15-16 city school tax bill and the third and fourth quarter Count tax bills. This item accounts for a bulk of the loss in July.

Mr. Sciscioli summarized that there was an \$189,000 loss in July which is largely attributed to the significant payments made for the special assessment fees that were due. Mr. Stanczyk explained that other than this large expense, revenues and expenses are consistent and on track.

**VI. New Business**

**B. Authorize the sale of multiple properties**

Ms. Wright outlined and summarized the sale of 16 properties as shown on Schedule A of the Board Agenda Packet.

She noted that 1336 Grant Blvd is a unique vacant lot. Ms. Wright explained that the applicant owns a rental property next to the lot. The applicant has an easement over the parcel so nothing can ever be built on the lot. Therefore, the applicant is the only person who would logically buy the property. The property currently has an asphalt side walk on Grant and Darlington. The applicant requires that the Land Bank repave the sidewalks before he takes title. The Land Bank would require the applicant to adjoin his property to the lot. Mr. Hicks asked what the cost for the sidewalks would be. Ms. Wright said the Land Bank has solicited quotes for the job but has not received the cost yet. She expected the expense to be on next month's agenda. Mr. Gray reported that an estimate for the job would cost around \$5,000. Mr. Hicks recommended that the applicant share the cost of the sidewalk. All board members agreed the item should be held for the approval once quotes for the sidewalk repair were obtained.

Ms. Wright explained that Home Headquarters is the applicant for 242-44 Furman St., a buildable-vacant lot. The applicant wishes to merge the lot to a home they are co-developing with the Land Bank. Ms. Wright explained the City has approved straying from the normal disposition policy of holding buildable-vacant lots for further in-fill development. Mr. Hicks questioned whether this would be a good site for new construction. Kerry Quaglia stated that houses in this area are being sold for \$30,000-\$40,000 and a new property could not be sold for an amount that would cover construction costs.

Dwight Hicks moved to approve the resolution to sell multiple properties, holding the sale of 1336 Grant Blvd. Julie Cerio seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY PASSED A RESOLUTION TO SELL MULTIPLE PROPERTIES.**

**C. Assign Contract for 411 Seymour to New Buyer**

The previously approved buyer has formed a new corporation to take title to the property - Fellowship African Methodist Episcopal Church of the Western New York Annual Conference. The same individuals who were previously approved by the board for the sale have organized to form this new form entity. Jim Corbett moved to assign the contract for 411 Seymour to the new entity. Dwight Hicks seconded the motion. **ALL BOARD MEMBERS PRESENT**

**UNANIMOUSLY PASSED A RESOLUTION TO ASSIGN THE CONTRACT FOR 411 SEYMOUR TO FELLOWSHIP AFRICAN METHODIST EPISCOPAL CHURCH OF THE WESTERN NEW YORK ANNUAL CONFERENCE.**

**D. Authorize Acquisition of Certain Properties from the City of Syracuse**

Ms. Wright explained that the Land Bank planned not to authorize acquisition of any additional properties from the City of Syracuse until the pending funding contract is approved and the sewer usage charges are agreed upon. However, the following properties have short-term disposition plans and are of strategic value for the Land Bank to acquire as soon as possible. Ms. Wright outlined short-term disposition plans for the following properties, as described in writing in the executive summary: 220 Davis Street, 134-40 Granger Street, 310 W. Colvin Street, 637-39 Oneida Street.

Jim Corbett moved to authorize the acquisition of properties from the City of Syracuse. Julie Cerio seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY PASSED A RESOLUTION AUTHORIZING ACQUISITION OF CERTAIN PROPERTIES FROM THE CITY OF SYRACUSE.**

**E. Authorize the purchase of 1119 Butternut Street**

Ms. Wright explained that the Land Bank has been working to assemble large sites of adjacent parcels on Butternut Street in order to facilitate a large redevelopment project that will have a significant impact on this highly traveled street. We currently own 1117, 1121, and 1123. This property is located between 1117 and 1121. All four are unusually deep lots and together they will provide 169' of street frontage and a total of .82 acres. The property at 1119 Butternut is tax-current and is a relatively well maintained, rent-generating two family. The owner has a mortgage on the property with a \$40,000 payoff amount and the property is currently assessed at \$81,500. We've offered the owner \$60,000 with the mortgage to be paid off at closing (seller netting approx. \$20,000), contingent upon board approval. All of our costs (acquisition and carrying) of these properties will be recouped when sold to the developer who will ultimately undertake this project. This will be our second negotiated purchase this year.

Dwight Hicks asked if the Land Bank looks for developers outside of the local area to develop properties. Ms. Wright responded that so far the Land Bank has only utilized local property developers. Housing Visions seemed like a likely candidate to undertake this development because they have had great success with low income housing tax credit projects in the past and this corridor is more likely to support rental housing than owner-occupied. The neighbors like the work that Housing Visions did with their Prospect Hill development nearby. Ms. Wright continued to say, that after the demolition of 1631 and 1641 S. Salina Street there will be a large buildable lot and has potential to be marketed throughout the region to potential developers. Mr. Hicks recommended that the Land Bank look outside of the model of developers that have been utilized in the past. He stated that he worries that working with affordable housing developers are easy projects and he is interested in seeking a more diverse pool of developers.

Julie Cerio moved to authorize the purchase of 1119 Butternut St. Jim Corbett seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY PASSED A RESOLUTION AUTHORIZING THE PURCHASE OF 1119 BUTTERNUT ST.**

**Procurement**

**F. 661 Gifford Water Bill**

Pat Stanczyk explained that the board voted on another bill for this property a few months earlier. At that time we were unaware that the water usage occurred over two billing periods and the second billing cycle is covered by this bill. The bill totals \$3,107.36 and seeks board approval because the bill is over \$1,500. Ms. Wright explained that the Land Bank's strategy to remove the water meters has been proving effective, despite this one issue. Dwight Hicks moved to authorize the payment of the 661 Gifford St Water Bill. Julie Cerio seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY PASSED A RESOLUTION AUTHORIZING THE PAYMENT OF THE 661 GIFFORD WATER BILL.**

#### **G. 2015/16 City/School tax bills (reissued as exempt)**

Mr. Stanczyk stated that in July, when the tax bills were issued, there were about 100 properties that did not show Land Bank as tax-exempt and that these are the reissued bills that we've been waiting to pay. The city reissued the correct tax bills which total \$5,360.76 for the 96 properties. Jim Corbett moved to authorize payment for the 2015/16 City/School tax bills. Julie Cerio seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY PASSED A RESOLUTION AUTHORIZING THE PAYMENT OF 2015/16 CITY/SCHOOL TAX BILLS.**

#### **VII. Old Business**

##### **A. 234 Hunt Ave – possible donation**

Ms. Wright explained that last month the board considered a possible donation of 234 Hunt Ave. At that time Mr. Gray had only done an exterior inspection of the property. After doing an interior inspection of the house and determined it was not a marketable house because of its layout, location, and damage. The current owner has now offered to pay the future taxes on the property before the Land Bank's exempt status kicks in. Mr. Sciscioli stated that if she is willing to pay the taxes going forward it would be better for the neighborhood if the Land Bank took ownership of the property now rather than waiting for it to go into foreclosure and eventually be transferred over the Land Bank.

Dwight Hicks moved to approve the donation of 234 Hunt Ave, contingent upon the current owner making a cash donation to the Land Bank in an amount that will cover the taxes incurred prior to the Land Bank's exempt status taking effect. Julie Cerio Seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY APPROVED TO ACCEPT THE DONATION OF 234 HUNT AVE.**

#### **VIII. Discussion**

##### **• 2015 County Auction Properties**

Ms. Wright explained she has a list of properties going into the County action. Ms. Wright continued to say that town and village officials throughout Onondaga County have been encouraging the Land Bank to be more active in the County. Ms. Wright stated that she would like to ask the County to divert some properties away from the action and into the Land Bank's possession, like it was in the previous year. Mr. Hicks asked if the towns and villages officials are more open to the idea of the Land Bank than they were in previous years. Ms. Wright responded that these entities have always been interested in what the Land Bank can offer. Mr. Sciscioli agreed that many of towns reflect the difficulties with properties that the City is experience and would be in the best interest to work harder to operate in these areas throughout the County. Ms. Wright explained that last year the Land Bank last year requested approximately a dozen properties be diverted from the County auction and this year she hopes to identify even more.

Dwight Hicks inquired about how other the other Land Bank-funded developments are moving along throughout the County – the homes being renovated in partnership with Onondaga County Community Development. Mr. Stanczyk reported that there are ten properties on which we are partnering with them, using Attorney General funds and that five have been completed and the other five are in progress and should be done by early 2016.

##### **• 2016 County Budget Presentation September 15**

Ms. Wright announced that the Onondaga County budget presentation will be held September 15 at 10 am.

##### **• 2016 Sewer Unit Charges**

As discussed in previous board meetings the Land Bank is working with Onondaga County to remove Sewer Unit charges from Land Bank owned properties. Ms. Wright explained that the Land Bank was told that there would be a September 30<sup>th</sup> deadline if the organization wanted to utilize the administrative solution to avoid the charges. In this case City Assessment would flag Land Bank properties as being on the septic system. The County is reportedly looking for another solution to these charges and should be resolved by the end of the calendar year. Ms. Wright stated that the Land Bank is uneasy accepting a new batch of properties without knowing the potential costs that may be incurred for sewer unit charges.

- **2015-16 City Funding Contract**

Ms. Wright announced that a Common Council committee meeting on this topic is expected the week of 9/21 or 9/28.

- **City/County Joint Audit Report Issued**

The City/County Joint Audit Report was issued and received positive press coverage. The Common Council will meet the week of the 9/21 to discuss the report and a funding contract for the Land Bank.

- **Sale of 1220 Avery Ave**

Mr. Sidd reminded Ms. Wright of one two additional items of business. Mr. Sidd explained that last month the board approved the sale of 1220 Avery Avenue and that the approved buyer wishes to add his girlfriend to the deed at acquisition. Ms. Wright confirmed that she passes the Land Bank's minimum requirements for buyers. Julie Cerio moved to approve adding this party to the contract. Jim Corbett seconded the motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY PASSED A RESOLUTION AUTHORIZING THE SALE OF 1220 AVERY AVE TO GARY SCHULTZ AND SUSAN SASS.**

- **Authorize Approval of the Conflict Waiver for 201 Craddock St**

Mr. Sidd explained that in instances where Mark Wasmund is representing Land Bank buyers he wishes to obtain a conflict waiver and Mr. Sidd recommended that the board authorize Ms. Wright to execute these administratively so that closings won't be postponed in waiting for approval at the monthly board meeting. In this instance Mr. Wasmund is representing the buyer of 201 Craddock Street.

Julie Cerio moved to waive a conflict of interest in relation to Mark Wasmund, Esq. representing the buyer of 201 Craddock St in accordance with the terms and conditions of the written conflict of interest waiver provided by Mark Wasmund, Esq. to the Land Bank and to permit the Executive Director to waive similar, future conflicts of interest when Mark Wasmund, Esq. is representing the buyer of a land bank owned property. Jim Corbett seconded this motion. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY PASSED A RESOLUTION WAIVING THE CONFLICT OF INTEREST FOR 201 CRADDOCK AND AUTHORIZING THE EXECUTIVE DIRECTOR TO WAIVE SIMILAR CONFLICTS IN THE FUTURE.**

- **Procurement of Property Management and Brokerage Services in 2016**

At the end of 2015, the Land Bank's property management contract with Willowbank Company expires. Ms. Wright explained to the board that the Land Bank can renegotiate the contract, issue a request for proposals from other contractors for the same scope of service, or bring these functions in-house. In this third scenario, the Land Bank would hire two individuals, purchase a vehicle, and have these individuals conduct the intake and maintenance for Land Bank properties. This option would generate significant savings – estimated to be nearly \$600,000 in 2016. Currently Willowbank Company is conducting intake evaluations, periodic inspections, board-ups, rekeying, and minor repairs. Dee's Maintenance is a subcontractor the Land Bank using for lawn cutting, overgrowth cutting, and trash and debris removal. Willowbank is contracted to oversee Dee's Maintenance for which they charge a 10% administrative fee. The Land Bank staff has created budget projections for the possibility of in-housing property maintenance. The analysis shows a total savings of \$573,000 for 2016 and just over a million dollars over the next three years. Ms. Wright continued to say that there are risks involved of having property maintenance staff in the field but the benefits outweigh the costs.

Mr. Hicks expressed concerned that if the Land Bank was able to cut their operating budget it is possible the County and City would provide less funding in the future. Ms. Wright explained that it is necessary for the Land Bank to identify efficiencies like these even at the Land Bank's current funding levels. Mr. Corbett expressed his concerns about parking the van in an area that is safe and secure. Ms. Wright informed the board that this is a preliminary discussion and that the Land Bank is not seeking approval for this measure this month, but that it was expected to be a big part of discussions with the finance committee regarding next year's budget. Ms. Wright also mentioned that the

Willowbank Company has performed extremely well and that the Land Bank staff has been satisfied with their work, but that the organization must perform this kind of cost benefit analysis from time to time.

- Ongoing Litigation: Vann St Properties (Addis Building)

Jim Corbett moved to enter executive session to discuss ongoing litigation. Julie Cerio seconded this motion. **ALL BOARD MEMBERS PRESENT VOTED TO ENTER EXECUTIVE SESSION FOR THE PURPOSE OF DISCUSSING ONGOING LITIGATION AT 9:06 AM.**

Jim Corbett moved to leave executive session. Julie Cerio seconded this motion. **ALL BOARD MEMBERS PRESENT VOTED TO LEAVE EXECUTIVE SESSION AT 9:23 AM.**

#### **IX. Adjournment**

Jim Corbett moved to adjourn the meeting. Julie Cerio seconded this. **ALL BOARD MEMBERS PRESENT UNANIMOUSLY AGREED TO ADJOURN AT 9:24 AM.**