



Board Meeting Minutes July 3, 2013

Board Members Present:

Peter Lombardi
James Caflisch
Lori Cornell
Mike Bradshaw
William Morrill
John Hemmer
Vince DeJoy

Board Members Absent:

Jeffrey Gossett
Steve Neratko
Brian Lydic
William Carlson

The meeting was called to order by Chairman Peter Lombardi at 9:00 A.M.

Mr. Lombardi asked for a motion to approve the minutes of the last CCLBC meeting held on May 15, 2013. Mr. Geise spent a few minutes discussing the minutes and the progress made since the last meeting. Mr. Morrill motioned for approval, which was seconded by Mr. Caflisch and carried unanimously.

CCLBC Financials

Rich Dixon explained that he prepared a Balance Sheet and a Statement of Revenues & Expenditures spreadsheet for the Land Bank that complies with PARIS requirements. The assets were determined using the appraised value of the properties acquired by the land bank, plus the \$21,000 granted to it by the County. The Expenses show professional fees, insurances, taxes, maintenance/repair, and bank service charges. Currently, CCLBC shows \$54,508.24 Excess Revenue over Expenses.

Mr. Bradshaw asked if the balance sheet should show the \$135,000 that has been set aside by the County for seed money, and Mr. Dixon stated that since it isn't guaranteed, we should not show it on the balance sheet.

Property Re-Assessments

Mr. Geise stated that he grieved the assessed value of all six of the land bank properties, with the exception of the Jamestown Water St. property (it is going to be demolished). The new assessments are as follows:

- a. 84 Risley: from \$86,922 to \$55,002 (\$17,000 appraisal)
- b. 412 Dove: from \$51,000 to \$25,500 (\$8,000 appraisal)
- c. 768 Eagle: from \$56,000 to \$28,000 (\$16,000 appraisal)
- d. 111 Hazzard: from \$24,000 to \$8,200 (\$5,500 appraisal)
- e. 35 Tower: from \$10,000 to \$7,800 (\$2,000 appraisal)

The board discussed the fact that although the property values are still well above the appraised values, it was a worthwhile exercise that should be repeated annually with all land bank properties.

Status of Acquisition of 2013 Properties

Mr. Caflisch and Mr. Geise discussed the acquisition of the properties that were pulled from the June 2013 auction for the land bank include five Jamestown Properties (3 A, 2 B, 1 C); three Dunkirk Properties (2 A, 1 B); and 4 “other” properties (3 A, 1 B). Mr. Geise explained that last year’s auction process revealed that the only properties available after the auction are C properties, and that we made a decision to grab some of the B and C properties from the auction, as opposed to waiting until after it. Mr. DeJoy also explained that the C Jamestown property on Fairmount is going to be demolished and sold to the business owner next door, who has plans of building a garage and parking for his business. Jamestown is committed to expending demo money to accomplish this in conjunction with the land bank. Mr. Geise discussed the fact that three of the “other” properties are in Westfield, only because they were the best candidates, not because they were in Westfield.

Proposed contract For Sale of Real Property

A copy of the proposed template for contracts for sale of the Land Bank’s real property was distributed at the meeting to the Board. The draft template was prepared by Steve Abdella with recommendations from the Property Acquisition & Disposition Committee. Mr. Abdella explained that the “base” contract includes numerous provisions drawn from the standard Jamestown Bar Association real estate contract that is very similar to the Northern Chautauqua County Bar Association contract. An Appendix A to the base contract will be utilized when renovations to the property are a part of the developer’s purchase proposal. Appendix A provides for a security “performance” deposit to be returned to the developer upon completion of the renovations. It is also provided that the Land Bank can demand the return of the property if the developer fails to complete the proposed renovations.

After discussion by the Board, a resolution was unanimously adopted to utilize the proposed template for contracts for sale of the Land Bank’s real property.

Proposed Sale of 3 north county properties (*City of Dunkirk - 412 Dove Street, 768 Eagle Street; Village of Fredonia – 84 Risley Street*) to ROM Property Management, Inc.

Because the 3 properties were proposed to be sold for less than fair market value, the following information was discussed and provided to the Board and was available to the public pursuant to Public Authorities Law § 2897:

- (i) a full description of the 3 properties;
- (ii) appraisals of the fair market value of the 3 properties and other information establishing their fair market value;
- (iii) it is the purpose and mission of the Land Bank by statute to acquire real property that is tax delinquent, tax foreclosed, vacant, and abandoned, and dispose of such properties in a manner that will eliminate the harms and liabilities caused by such properties. In this case, the purchaser of the 3 properties has made comprehensive proposals to renovate the properties and eliminate their blighted condition which is negatively impacting the surrounding neighborhoods.
- (iv) a statement of the value to be received for the 3 properties compared to their fair market value; and
- (v) the names of the private parties participating in the transfers (only ROM Property Management, Inc.)

After further deliberations, the Board adopted the following resolutions to move forward with the sale of the 3 properties, with Board Member Lori Cornell voting no:

RESOLVED, that the Chairman is authorized to transfer 84 Risley Street in the Village of Fredonia, and 412 Dove Street and 768 Eagle Street in the City of Dunkirk, to ROM Property Management, Inc., pursuant to the developer’s proposal dated June 4, 2013, and upon such other terms and conditions negotiated by the Chairman and approved by legal counsel; and be it further

RESOLVED, that there is no reasonable alternative to the proposed below-market transfers to ROM Property Management, Inc., that would achieve the same purpose of such transfers.

Discussion regarding the fate of Jamestown Properties

Mr. Geise explained that there has not been much interest displayed in the Jamestown Properties. In fact, the two individuals who expressed initial interest declined to follow through based on our terms. That being the case, Mr. Geise is looking into other methods for getting the word out, such as advertising in the MLS, using a broker, direct mailings, etc, and that he will report back to the Board at the next meeting regarding progress. Mr. DeJoy said he would forward a list of south county contractors that the City of Jamestown has to Mr. Geise so that he could contact them directly.

Request for Sheldon Grant for Jamestown Demolition Funding in collaboration with City of Jamestown

Mr. Lombardi discussed the request for funding that is being made by the Land Bank to the Sheldon Foundation in collaboration with the City of Jamestown using CRIDC as the vehicle (because the land bank does not have its not-for-profit status yet). Mr. Lombardi and Mr. Geise explained that the foundations have not traditionally been involved in demolition activities, so we'll see how it goes. A resolution to submit the grant application was adopted unanimously.

\$20 million fund that will be made available to NYS Land Banks from AG's mortgage settlement fund

Mr. Geise and Mr. Lombardi discussed the AG Mortgage Settlement funding and stated that they want to be prepared to submit a request in August when an RFP will be let. They encouraged the board to e-mail them with novel ideas.

Other/Miscellaneous

Ms. Cornell discussed the need for demolition funding for commercial structures as she received a call from an individual in Harmony. Mr. Geise stated that he has also been talking with the Mayor of Brocton about an unsafe building in Brocton that needs to come down. Unfortunately, the land bank is not currently in a position to assist; however, this might be a good program for the AG money.

Mr. DeJoy also discussed the need for the Land Bank to be able to receive properties donated by banks and other sources. Mr. Geise added that it would be great to have a fund wherein the land bank could offer something for valuable properties that the banks and others want to get rid of that would soften the blow. Unfortunately, the land bank is not yet in a position to do this because it does not have its not-for-profit status and does not have enough seed money to do anything outside of its core mission at the moment.

Next Meeting - Wednesday, August 14 at 9:00 am (2nd Wednesday of the month) if needed

The meeting was adjourned.