



Board Special Meeting Minutes **October 19, 2013**

Board Members Present:

Peter Lombardi
James Caflisch
Brian Lydic
William Carlson
William Morrill
John Hemmer
Vince DeJoy
Jeffrey Gossett
Mike Bradshaw
Steve Neratko
Lori Cornell

Board Members Absent:

The meeting was called to order by Chairman Peter Lombardi at 9:05A.M. Mr. Lombardi directed the Board to their information packets, which include the agenda, minutes and two resolutions to be considered by the Board. A motion to approve the 8/19/13 minutes was made by Mr. Morrill, seconded by Mr. Carlson, and unanimously approved by the Board.

I. CCLBC Financials and Approval of 2014 Budget/5-Year Budget Projections for PARIS Filings

Rich Dixon, CFO of the CCIDA and Financial Advisory for CCLBC discussed the CCLBC Balance Sheet (handout), and answered questions posed by members. He explained that the properties acquired by CCLBC are booked at the appraised value or estimate of value. If the properties are sold at less than the appraised value, they show up on the profit and loss statement as a negative gain on sale of assets. For the period ending 9/30/13, CCLBC has an excess of revenue over expenses of \$361,177.39 (which includes all the properties acquired in 2013 and the sale of the properties to ROM).

Mark Geise discussed the 5-Year projects for CCLBC, provided as a handout, which is required for the PARIS filings. Mr. Geise talked through the ten expenses lines and each of the two revenue lines. Mr. Geise explained that this budget assumes \$0 from outside funding and that there is administrative funding included for a part-time person to begin in 2014, which grows to a full-time position over 6-8 years. Mr. Bradshaw suggested that we “dip into” some of the HTF Seed funding starting in 2014 so that we could increase the funding available for administration by \$15,000 in 2014. Mr. Bradshaw also asked what would happen with the budget should we have a substantial change in the budget, such as the procurement of a large grant – he wanted to know if this would require an amendment? Mr. Dixon explained that we would not need to do an amendment – we are required by PARIS to do a year-end budget, which will show the actual budget at that time, including any changes versus the prior budget projections.

The following motion was made by Mr. DeJoy, and was seconded by Mr. Lydic:

Resolution Number 10-16-13-01 – Resolution approving the 2014-2018 Budget

WHEREAS, the Chautauqua County Land Bank Corporation has been presented the completed budget projections for 2014 -2018; and

WHEREAS, THE Chautauqua County Land Bank Corporation Board of Directors approved the 2014 – 2018 budget projections presented on October 16, 2013; and

NOW THEREFORE, BE IT RESOLVED, that the Chairman, being authorized by the Board of Directors, sign any and all other documents necessary in order to effectuate the above.

Resolution passed unanimously.

II. Proposed sale of 1115 Prendergast to CHRIC

Chairman Lombardi introduced Josh Freifeld and Tom Massio, both from CHRIC, and asked Mr. Geise to provide a summary of the project. Mr. Geise provided interior and exterior pictures of the 1115 Prendergast, discussed the character of the property, explained that it was appraised for \$25,000, and provided the income guidelines for eligible purchasers (80% AMI). Mr. Geise referenced the proposal submitted by CHRIC, which was provided to the Board as a handout.

Mr. Freifeld discussed CHRIC’s mission in general, and provided details about the proposed investment for 1115 Prendergast. He talked through the acquisition price, administrative fees, construction costs, sales price, eligible applicants, start date and completion date as detailed in the handout. The total investment in the property, including acquisition and administration, is to exceed \$75,000, and the initial asking price is expected to be \$59,900.

Mr. Bradshaw asked about contingencies should they run into something unexpected. Mr. Freifeld explained that they carefully inspected the property with qualified/professional staff prior to developing the proposal, so they are pretty comfortable with their estimate. However; should they run into something unexpected, they do have a 10% contingency built into the project cost estimate. They also have contingency funding outside of this project that they could access if they need to make up any shortfalls. Mr. Bradshaw also asked if potential purchaser will be required to take the “Homeownership” classes, to which r. Freifeld replied that they would, “which is only 4 classes”.

Mr. Geise stated that the CCLBC would require that CHRIC pay all closing costs, and that perhaps we should have them escrow a performance bond; however, several board members suggested that an escrow was not needed for CHRIC because of their professional status.

The following motion was made by Mr. DeJoy and seconded by Mr. Bradshaw:

Resolution Number 10-16-13-02 – Resolution Approving Sale of 1115 Prendergast, Jamestown, to CHRIC

Because it is being proposed that the above-stated property be sold for less than fair market value, the following information was discussed and provided to the Board and was made available to the public pursuant to Public Authorities Law § 2897:

- (i) a full description of the property;*
- (ii) appraisal of the fair market value of the property and other information establishing its 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 property has made a comprehensive proposal to renovate the property and eliminate the blighted condition which is negatively impacting the surrounding neighborhood.*

(iv) *a statement of the value to be received for the property compared to the fair market value; and*

(v) *the name of the party participating in the transfer.*

After further deliberations, the Board adopted the following resolution to move forward with the sale of 1115 Prendergast:

RESOLVED, that the Chairman is authorized to transfer 1115 Prendergast Street in the City of Jamestown to Chautauqua Home Rehabilitation & Improvement Corporation (CHRIC), pursuant to the developer's proposal dated October 15, 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 transfer to CHRIC that would achieve the same purpose of such transfers.

Resolution passed unanimously.

III. Status of Properties sold to ROM

Mr. Geise passed out pictures of the progress being made on the three north-county properties sold to ROM Properties. Mr. Geise explained that since the closing on 9/27/13, significant progress has been made, especially on the exterior, including new roofs, new paving, tree cutting, etc. Mr. Geise expressed his joy at seeing such progress being made in furtherance of the CCLBC Mission.

III. Status of Properties acquired in 2013

Mr. Geise discussed the status of the 12 properties acquired in 2013. 5 of the 12 remain occupied, which prompted a "soft" eviction letter being sent certified mail. Of the 5, 3 property tenants responded. Mr. Geise is in the process of sending out another round of letters and visiting the properties to discuss their situation. The 7 vacant properties have been secured, winterized and appraised. Mr. Geise is working with Howard Hanna Holt Realty to have them listed in the MLS. Meanwhile, Mr. Geise will work with the legal department to ensure that the tenants of the occupied structures are evicted in accordance with the law.

IV. Other/Miscellaneous

Mr. Geise discussed the Application we submitted to the Office of Attorney General and a follow-up discussion with their office. He explained that we should have an answer regarding our request for \$2.2 Million in the next 2 weeks. He also explained that there will be a second round of funding should we fall short in our request.

Meeting was adjourned at 10:00 A.M.