



TROY COMMUNITY LAND BANK CORPORATION
200 Broadway, Suite 701
Troy, New York 12180

BOARD OF DIRECTORS

MONTHLY MEETING

Wednesday, February 20, 2019
8:30 am
Troy City Hall
433 River Street, 5th Floor
Troy, NY 12180

I. Call to Order

Mr. Barker, Secretary, called the meeting to order at 8:36 am.

II. Roll Call

Mr. Barker conducted roll call, and noted the following attendance:

Present:

Brian Barker, Secretary
Sharon Nichols, Treasurer
John Carmello, Director
Suzanne Spellen, Director
Jeanette Nicholson, Director
Andrew Cooper, Director
John Cubit, Director

Absent:

Bruce Dee, Director
Heather King, Chair (excused due to illness)

Staff and consultants in attendance:

Kate Hedgeman, Attorney
Tony Tozzi, Executive Director
Gregg Tobin, Real Estate Consultant

Public attendees

Luke Nathan

III. Review of January 23, 2019 Board Meeting Minutes

Secretary Barker requested a motion to approve the January 23, 2019 Board of Directors

meeting minutes. Ms. Nicholson motioned to accept the minutes as drafted, which was seconded by Ms. Spellen. Secretary Barker called for debate, however none ensued. Secretary Barker called for a vote on the motion, which was unanimously approved by declaration.

IV. **President's Report**

Mr. Tozzi reported on the following:

- a. 791 River Street construction status:
 - i. Environmental remediation is underway and projected to be completed February 25, and renovation construction will begin immediately thereafter.
 - ii. The General Contractor has not provided any suggested changes to scope of work to reduce costs. The GC promised to ask subcontractors to suggest such changes. Mr. Tozzi stated he will push the issue with the GC at the next construction coordination meeting, and will also ask TAP for any similar suggested changes.
- b. Enterprise Community Partners:
 - i. The relationship has been going very well recently.
 - ii. Tania/ECP has requested additional information to be provided during monthly phone meetings, including 791 River Street proforma and schedule updates.
 - iii. It was noted that Tania has been very helpful and supportive for the TCLBC in regard to some sensitive issues.
- c. Website:
 - i. All calendar events and links have been updated.
 - ii. Approximately 70% of property information has been completed.
 - iii. It was discovered that a non-current property acquisition application was an active link on the website, in two areas. The current application has been linked on the website 'properties' page. The cover page drop down menu continues to link to the non-current application, but that will be addressed as soon as possible.
- d. TCLBC Properties – sale prospects:
 - i. An investor is expected to submit an application to purchase 3036 Seventh Avenue, which may also include an offer to purchase the vacant parcel at 3032 Seventh Avenue.
 - ii. A nearby neighbor is interested to submit an application to purchase 29 Park Avenue with the intention of renovating the existing building.
 - iii. A call was received from someone interested in purchasing 3235 Seventh Avenue, which is nearing the completion of demolition. It was noted that the property would need to be advertised for 30 days before any action can be taken.
- e. Properties to be acquired:
 - i. Attorney Hedgeman discovered 3240 Sixth Avenue had title problems which would make the property unsalable. Subsequently, further action to acquire this property from the City has been terminated.
 - ii. Title was determined to be 'clean' for 11 Winnie Avenue. Reeves Engineering will be requested to inspect the foundation and, if required, develop a scope of work and estimate.
 - iii. Title work remains to be completed for 3278 Sixth Avenue.

iv. The TCLBC can move forward to acquire 881 River Street and 69 Rensselaer Street now that demolition work has been completed. The ball is in the City's court to move paperwork forward.

f. Round 4 Funding:

- i. Funding will not become available until both a partner has been engaged and after Round 3 funds have been expended, which is anticipated to occur in April.
- ii. It was noted that, with a two-year budget of only \$500,000, with only a small number of buildings remaining owned by the TCLBC, and given the direction that the Enterprise Community seems to be setting in favor of projects which result in buildings inhabited, it would seem that the Round 4 budget should be a relatively simple one. A related note was made that, with a smaller number of projects to complete, the demand on staff resources would not be as challenging as it has been.

g. 288 Tenth Street:

- i. A contract for installation of electric service and load centers has been executed and work should be completed in a few weeks.
- ii. Plumbing contractor inspected the building and found many problems:
 1. Radiators are cracked or otherwise not useable
 2. Water supply lines are cracked
 3. Recommended gutting kitchen and bath walls so that Pex can be installed.
 4. Recommended installing furnaces instead of boilers
- iii. The A&D Committee recommended to list the property for sale after electrical work is completed, while the Marketing Committee recommended that the recommendations of the plumbing contractor should be carried out. This resulted in a broad discussion among Directors and support staff/consultants, including the following general comments/thoughts/suggestions:
 1. Mr. Tobin noted that purchasers will have difficulty obtaining financing if the building did not have heat and running water. He suggested walking through the building with Mr. Tozzi to develop a possible plan to make improvements that would enable financing to be easier, while hoping to avoid costly work. He further suggested asking City Code Enforcement to inspect the building to identify all code violations.
 2. Attorney Hedgeman noted that a purchaser could obtain a 203K loan to complete work needed, although her experience is that the process is lengthy. She also suggested the sale of the property to a contractor who could then sell it to an owner occupant, which the TCLBC would have authority to ensure occurs.
 3. Mr. Cubit noted that there remains a high level of sensitivity among neighbors and that there will likely be problems if the building is not appropriately improved and sold to an owner occupant. He further noted that if the public views the sale of the property as simply an instrument to gain the profit from the donation, yet do little else, it would not likely be well received by the public.

4. Ms. Spellen reiterated that she felt the building should be improved to a higher level, and that it would not only provide a better building to market, but would also enhance TCLBC's ability to market the Land Bank's good deed to the public.
 5. Treasurer Nichols noted her concern over the TCLBC's limited amount of funds, and worries that spending a substantial amount to improve 288 Tenth Street could result in insufficient funds to pay for the work at 791 River Street.
 6. Mr. Tozzi noted his concern over additional cost expenditures and the timetable, given that the building needs to be sold by May 2nd to meet the Round 3 deadline.
 7. GENERAL CONCLUSION: Mr. Tozzi will request an inspection by Code Enforcement and will look at the building again with Mr. Tobin in an attempt to find a more optimal path forward.
- h. City Issues:
- i. Mr. Tozzi noted that he will meet with the Deputy Mayor immediately following the Board meeting to discuss the demolition co-development agreement and status, and to again discuss the Memorandum of Understanding between the City and the TCLBC.
 - i. Upcoming work:
 - i. An ABO report identified the TCLBC on the 'naughty list'. Mr. Tozzi will look into the issues behind the situation.
 - ii. The new ABO filing is required to be completed in March.
 - iii. Continued website corrections and maintenance
 - iv. Preparation for the annual meeting and presentation
 - v. Bringing any new 'partner' through the learning curve
 - vi. Otherwise, regular ongoing work.
 - j. Request for Professional Services response(s):
 - i. It was reported that the response(s) have been submitted and that the proposal should be discussed in executive session.

V. **Treasurer's Report**

Treasurer Nichols handed out monthly financial reports provided an overview. She noted that the TCLBC actually earned a small profit during January. She also wanted to note that the property inventory has been significantly reduced, which has produced sales resulting in a positive financial situation in January.

Ms. Nichols also noted that the Finance Committee ordinarily meets the Monday prior to the Board's monthly meeting, but will be meeting next Monday instead.

VI. **Committee Reports**

- a. Secretary Barker, who chairs the Acquisitions and Dispositions Committee, provided a general overview of the applications that Committee reviewed and has recommended to sell.

Ms. Nicholson asked if the Committee did any research where applicants own other property in the City. She pointed out that if an applicant owns property that have code violations or other problems, it would be important information to consider.

The outcome of a short discussion was that the Board felt Ms. Nicholson raised an excellent issue and point, and that such research should occur.

Later in the meeting, Mr. Barker asked if Ms. Nicholson would be interested to serve on the Committee, and she replied that should would be.

- b. Ms. Spellen, who chairs the Marketing Committee, reported on the outcomes of their most recent meeting. She noted that the Committee was interested to place an application page on the website for contractors to fill out, to allow us and prospective property purchasers a list of contractors to potentially work with.

Ms. Spellen also noted that the Committee felt the website design was very poor and in great need of improvement.

VII. Discussion of personal financial disclosures by TCLBC Directors

- a. Attorney Hedgeman explained that, because the City has recently grown in population over 50,000 the City and its' other established entities must complete a financial disclosure report. She noted that the report is very simple to complete.

Ms. Hedgeman also noted that Directors are also required to complete the personal disclosures which they have been completing annually in the past.

VIII. Discussion of 2017 Audit – Management Discussion and Analysis

- a. Mr. Tozzi stated that although our 2017 audit was about as clean as it could possibly be, the auditors noted one issue that would ordinarily be a finding but is not because of the type of organization the TCLBC is. The issue identified was that ordinarily following an audit the organization performs a 'Management Discussion and Analysis'. He further stated that the auditor would likely be pleased to see the TCLBC undertaking this effort. Attorney Hedgeman suggested that the Audit Committee take on this task and noted that the work required is not very difficult. She also suggested that the Audit Committee membership be reconstituted because the audit is now underway.

Ms. Nichols and Mr. Cooper offered to serve on the Audit Committee, although Ms. Nichols pointed out that she could not serve as chair given that she holds that position with the Finance Committee and would therefore have a conflict.

Attorney Hedgeman pointed out that the Committee should have three members. After a short discussion among the Board it was suggested that Ms. King serve as the third member. Ms. Hedgeman agreed to serve the Committee as an ad hoc member, with no voting rights.

Mr. Tobin noted that he would be willing to serve as an ad hoc member of the Marketing Committee and the Acquisition and Disposition Committee.

Directors expressed their gratitude for Ms. Hedgeman's and Mr. Tobin's offer to serve.

IX. Resolution to amend the Disposition Policy of the TCLBC

- a. Secretary Barker asked Mr. Tozzi to describe the purpose of the proposed amendment. Mr. Tozzi indicated that current Disposition policy prohibits anyone from purchasing property from the TCLBC, forever, if they have ever lost property by tax foreclosure to the City. He stated that such a policy did not seem fair, and that banks and creditors do allow people who have experienced foreclosures and bankruptcies the opportunity for a second financial life. Attorney Hedgeman stated that the Board could consider the circumstances behind the tax foreclosure issue to decide whether such a potential applicant might be eligible to submit an application, but that currently the policy prohibits any such opportunity.
- b. Secretary Barker asked for a motion, which was made by Mr. Cubit to approve the resolution as prepared, and seconded by Ms. Nicholson. Secretary Barker asked for debate and, hearing none, called the vote. The motion carried unanimously by declaration.

X. Resolution authorizing the sale of multiple parcels of real property

- a. Secretary Barker requested that Mr. Tozzi provide details of the resolution. Mr. Tozzi stated that the resolution was to approve the sale of three properties, a building at 3209-3211 Seventh Avenue, a vacant lot at 29 Craigin Avenue, and a vacant lot at 790 River Street.

Mr. Tozzi noted that the 3209-3211 property had been approved by the Board to sell to another applicant several months ago, but that the applicant was not diligent with requirements of the purchase agreement, so the sale was discontinued. He stated that the A & D Committee reviewed three or four purchase applications for this property at its previous meeting and recommended the sale to C & H Solutions. C & H Solutions is owned by two graduates of RPI, one an engineer and the other an architect, and that they have completed a number of other renovations in Troy.

Mr. Tozzi indicated that the Committee recommended to sell 16 Craigin Avenue to Johnny Bobo, who live nearby, is a contractor, and owns an adjoining vacant parcel. Mr. Bobo noted in his purchase application that he will be installing a fence and landscaping.

Mr. Tozzi reminded the Board that 790 River Street had already been approved to sell to Derek Jeter Enterprises, but that Mr. Jeter had not completed the current purchase application, so approval again was needed by the Board when Mr. Jeter completed the current application, which he had done. Mr. Tozzi also noted that Mr. Jeter owns and is nearly complete renovating the adjoining parcel to the north, 792 River Street.

- b. Secretary Barker requested a motion, which was made by Ms. Spellen to approve as prepared, and seconded by Mr. Cooper. Secretary Barker called for discussion, but hearing none, called the vote. The motion carried unanimously by declaration.

XI. Resolution approving certain appointments and administrative matters of the land bank

- a. Attorney Hedgeman stated that the resolution was a housekeeping matter, and that the TCLBC is required annually to identify certain positions, appointments and other information, such as identifying Ms. King as Board Chair, Mr. Tozzi as Executive

Director, the location and hours of the land bank's office, etc.

Secretary Barker requested a motion, which was made by Mr. Cooper to approve as prepared, and seconded by Ms. Nichols. Secretary Barker called for debate, but hearing none, called the vote. The motion carried unanimously by declaration.

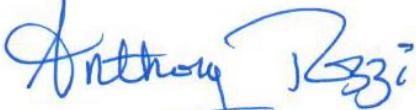
XII. Discussion of response(s) to a request for professional services

- a. Secretary Barker requested a motion to enter into executive session for the purpose of discussing proposal(s) to provide professional services to the Land Bank. Such a motion was made by Ms. Spellen to enter into executive session for the purpose indicated and was seconded by Mr. Carmella. Secretary Barker called for debate, but hearing none, called for the vote on the motion, which was carried unanimously.
- b. Secretary Barker asked for attendees except for Board Directors, staff and consultant to leave the meeting, and the meeting room door was closed.
- c. The executive session commenced at 9:52 AM
- d. A motion was passed to exit executive session at 10:27 AM

XIII. Adjournment

- a. Secretary Barker reopened the meeting room door and asked if there was any further business to discuss. Hearing none, a motion to adjourn was requested, was made by Mr. Carmello, was seconded by Mr. Cubit and was approved unanimously by declaration.
- b. Secretary Barker announced that the meeting was adjourned at 10:32 AM.

Respectfully Submitted,



Anthony Tozzi,
Executive Director