

Livingston County Land Bank Corporation
Board of Directors Meeting
November 29, 2018
Meeting Minutes

Members: WILLIAM BACON, Office of Economic Development; IAN COYLE, Livingston County Administrator; ANGELA ELLIS, Deputy County Administrator, WILLIAM FULLER, Real Property Tax Services; SHANNON HILLIER, Livingston County Attorney; DANIEL L. PANGRAZIO, Livingston County Board of Supervisors.

Members not Present: AMY DAVIES, Livingston County Treasurer

Guest in Attendance: JOSEPH GUNTHER, Livingston County Administrative Intern, Student from SUNY Geneseo

Staff: PENNY TRIMM, Planning Department; DAVID PAOLETTA, Planning Department; LINDA SHANKS, Planning Department.

Agenda Item	Call to Order and Welcome
--------------------	----------------------------------

Chairman Pangrazio called the meeting to order at 1:31 p.m. and welcomed the group.

Agenda Item	Approval of Minutes from October 25, 2018
--------------------	--

Chairman Pangrazio asked if there were any additions, corrections, or deletions to the October 25, 2018, Draft Meeting Minutes. Hearing none, he asked for a motion to approve them.

A motion to approve the October 25, 2018, meeting minutes was made by Mr. Bacon and seconded by Ms. Ellis.

The motion carried.

Agenda Item	Treasurer's Report
--------------------	---------------------------

Chairman Pangrazio reported on behalf of Ms. Davies. The Balance Forward of the Livingston County Land Bank Corporation was \$25,500. Total expenses for the month equaled \$12.69, resulting in an Ending Balance of \$25,487.31.

Hearing no comments or questions, Chairman Pangrazio asked for a motion to approve the Treasurer's Report.

A motion to approve the Treasurer's Report was made by Ms. Ellis and seconded by Mr. Fuller.

The motion carried.

Agenda Item	Grant Contract Execution/Due Diligence with Enterprise Community Partners, Inc.
--------------------	--

Mr. Paoletta referred to distributed documents as he reported.

- The Organizational Budget was revised from that of the original application to reflect the award amount of \$500,000 and submitted to Enterprise for review. Enterprise responded with comments and questions on some items.
 - Acquisition costs were too high; rehabilitation costs were too low. To accommodate, Mr. Paoletta increased the rehabilitation cost to \$45,000, and lowered the acquisition cost to

\$24,166.67.

- Why is an additional, full-time staff person needed? Mr. Paoletta satisfactorily explained the reasons behind the need.
- If the Livingston County Land Bank uses the 25% administrative maximum for the program specialist staffing position, how will other administrative needs be funded? Mr. Paoletta explained that some needs will be covered by the County cash contribution.
 - Mr. Paoletta confirmed for Ms. Ellis that, if not all of the \$125,000 allotted for a program specialist is used, any monies left over may be used for other Land Bank administrative costs. He added his belief that similarly, other unused monies could be used for other costs, if submitted in a revised budget.
 - In response to Ms. Hillier's question, Mr. Coyle affirmed that a Board of Supervisors resolution will eventually be needed for the County's cash contribution, per the grant budget: \$50,000 for 2018 and \$50,000 for 2019.

The consensus of the group in response to some of the comments/questions offered by Enterprise was that the Livingston County Land Bank is a new entity and will learn as it matures. The costs will be what they are, as encountered.

Hearing no further discussion, Chairman Pangrazio asked for a motion.

Mr. Bacon moved to approve the revised organizational budget, as presented. Ms. Hillier seconded the motion.

The motion carried.

Mr. Paoletta discussed Due Diligence per the distributed document. Disbursement requests will be submitted on a quarterly basis, not on a project-to-project basis. The Land Bank will receive its first payment after its first project's expenses have been submitted as part of a quarterly disbursement request.

- Responding to Ms. Hillier's question, Mr. Paoletta indicated that if the Land Bank wishes to act quickly on a property, County money can be used and will be reimbursed.

Chairman Pangrazio asked for a resolution to accept the grant.

Mr. Coyle moved to approve a resolution accepting the grant. Mr. Bacon seconded the motion and advised that a roll be called.

William Bacon – Aye

Ian Coyle – Aye

Amy Davies - Absent

Angela Ellis – Aye

William Fuller – Aye

Shannon Hillier – Aye

Daniel L. Pangrazio – Aye

The motion carried.

Questions/comments regarding the *Terms and Conditions for Grant Agreement*:

- Ms. Hillier. Deadline dates are left blank. Mr. Paoletta explained that deadline dates currently indicated by blank spaces will be determined by the Land Bank.

- Ms. Hillier. First paragraph of third bolded section on page 1, *Grant proceeds are only ...set forth in Exhibit A*: The words, *and Exhibit B* should be added, since A refers to the Work Plan and B refers to the Budget. Mr. Paoletta indicated that that will be part of the actual execution of the Agreement.
- Ms. Hillier. There are many key, important items in the *Land Acquisition and Construction Rider*. Special attention should be given to them, especially to the Phase 1 Environmental Assessment requirement in *D*.
 - Can Kevin Niedermaier be considered an environmental officer to do a review?
 - Ms. Ellis reported that, per discussions with Enterprise, the extent of Phase 1 assessments will be considered on a property-by-property basis. Further, Enterprise will rely on the Land Bank's input and is willing to approve the services of someone like Kevin Niedermaier or Mark Grove as an additional screening.
 - A short discussion of NEPA and less extensive/less expensive options ensued.
- Ms. Hillier. The deed restriction listed in *E* may become an issue, because it will require the Land Bank to monitor any future transaction of a property with regard to income level for up to ten years after it has sold that property.
 - Ms. Ellis indicated that Enterprise has agreed to review language the Land Bank creates and feels is appropriate for the agreements. If approved, it will become a standard part of the agreement.

Mr. Paoletta indicated that members of the Board must sign a Certificate of Incumbency document.

- In response to Ms. Hillier's question, Mr. Paoletta confirmed that a Certificate of Good Standing must accompany the Certificate of Incumbency, and that it is in process. He should receive it tomorrow morning.

Chairman Pangrazio asked for a motion to approve the Certificate of Incumbency.

A motion to approve the Certificate of Incumbency was made by Mr. Bacon and seconded by Ms. Hillier.

The motion carried. Chairman Pangrazio passed the Certificate of Incumbency document around for signature by Board members.

Regarding the Conflict of Interest Policy document, Mr. Paoletta noted that the appointment of an Ethics Officer is at the Board's discretion and asked for its preference.

- Board members opined that the Governance Committee should serve as the Ethics Officer.
- After a brief discussion, Mr. Paoletta reminded the Board that there is no inherent conflict of interest with a County employee serving on the Land Bank Board of Directors.
- Ms. Ellis noted the need for a contact person to channel any complaints or issues to the Governance Committee. Mr. Coyle recommended that it be the Executive Director of the Land Bank. Ms. Hillier agreed.

With no further discussion, Chairman Pangrazio asked for a motion.

A motion to approve the Conflict of Interest Policy was made by Mr. Coyle and seconded by Mr. Fuller.

Ms. Hillier suggested the following language modifications:

- In the *Duty to Disclose* paragraph under Procedures, replace “shall be disclosed... in writing to the Governance Committee and/or the acting Ethics Officer...Board of Directors.” with “shall be disclosed ...in writing to the Land Bank Executive Director and then turned over to the Governance Committee”.
- to the *Reporting of Violations* paragraph on page 3: In the first sentence, replace “Land Bank Corporation’s Governance Committee ...individual” with “Land Bank Corporation’s Executive Director”.

Hearing no further proposed modifications, Chairman Pangrazio asked for a motion.

A motion to approve the proposed amendments to the Conflict of Interest Policy was made by Mr. Fuller and seconded by Mr. Coyle.

The motion carried.

Agenda Item	Bonadio Group: Contracting for Services
--------------------	--

Mr. Paoletta reported.

- The Bonadio Group will be preparing the 2018 Livingston County Land Bank Audit.
- It will also complete IRS Form 1023, so that the Land Bank can be designated a Federal non-profit entity. The cost of that service will be between \$500 and \$1,000.
 - Mr. Bacon indicated that Randy Shepard was able to get a waiver from the IRS for the form, which saved the IDA \$500.

Hearing no questions or comments, Chairman Pangrazio asked for a motion.

A motion to authorize expenses for the Bonadio Group service contract was made by Mr. Coyle and seconded by Mr. Bacon.

The motion carried.

Agenda Item	Potential Land Bank Properties
--------------------	---------------------------------------

7 Grove Street, Village of Mt. Morris.

Mr. Paoletta reported that the property owner has refused to donate the property to the Land Bank and remains firm in his \$5,000 asking price. Further, the owner has indicated that he has a survey of the property and will not pay for an abstract and will not be responsible for the back taxes.

A discussion ensued regarding the property. Comments included:

- The property would be a demolition, which would be costly with no hope of recovery of the expense.
- The property has access issues, even as a vacant lot.
- Mr. Coyle reminded the Board that demolitions are planned and accounted for in the 2019 Land Bank grant budget. This property might be the first of two anticipated demolitions. He noted that these points must be explained to the Board of Supervisors. Further, he asked what method should be used to select demolitions that meet each member’s criteria.
 - Mr. Fuller suggested starting with code enforcement officers, explaining that they might be more responsive than previously if a demolition is involved.
 - Mr. Bacon suggested that the property might be a better option in a year, but not as one of

the Land Bank's first projects.

- Ms. Ellis reported that the Village of Mt. Morris is in favor of demolition. The Mayor commented that the State is looking for land near the New York State Greenway.
- Mr. Bacon noted that the property might have some salvage value, with regard to copper, steel, etc.
- Mr. Gunther asked if the property has environmental issues. Ms. Ellis reported that, according to Mark Grove of the Environmental Health Office, there are no such issues, as far as he knows.
- Chairman Pangrazio suggested offering the owner \$2,000, in light of the Land Bank's costs to have an abstract, survey, and title work done, as well as pay any back taxes on the property.
- Mr. Coyle suggested that, before making any kind of offer, Board members, staff, and James Montesano do a walk-through of the property with the owner in attendance. At that point, Chairman Pangrazio's suggested offer can be made.
 - Mr. Paoletta confirmed that the owner will allow a pre-offer walk-through.

Tasks to do regarding the walk-through:

- Mr. Fuller will research the back-taxes figure and email it to Board members.
- Ms. Ellis will send the address to Kevin Niedermaier, Director of the Office of Emergency Management and to James Montesano, Working Foreman of Central Services.
- Ms. Ellis will ask Mark Grove to do a schematic of the property without the structure on it.

King's Daughters Home, Dansville.

Mr. Bacon referred to the business proposal document he distributed, as he presented the following information:

- A brief summary of the history and condition of the property
- He would like to have the property assessed for levels of asbestos, black mold, and lead paint.
- He has one quote already from Clark Patterson and is expecting another quote. The Clark Patterson quote is just under \$12,000.
- He is looking for an investment of \$15,000 from the Land Bank to assess environmental concerns.
 - \$2,000 of that amount would be used for waste management expense, such as dumpsters.
- He would like to put the mobile work crew on site this winter – after the assessment has been done – to clean up the property and get it show-ready.
- The highest and best use for the property would probably be housing of some sort, either for low income or senior housing, etc. It is 15,000 sq. ft. of living space on a 4.5 acre lot, in a nice residential neighborhood.

In response to Ms. Hillier's question regarding the Land Bank taking title of the property, Mr. Bacon stated his opinion that either the Land Bank takes title or does an MOU with the County.

Mr. Coyle offered his plan of action regarding the property: Right now, the property does not have the attention of the Board of Supervisors, as evidenced by the fact that it was not sent to the foreclosure auction. The County does hold an interest in it, but has no plans for it at this time. If the Land Bank made it show ready for viewing by prospective buyers/developers, it might sell for as much as \$50,000 or more (the assessed value used to be \$350,000). There is a risk here, but an initial investment by the Land Bank

could yield it a good profit.

Mr. Bacon agreed with Mr. Coyle. He added that the building has a good deal of salvage value. Although it is locked up, it would be prudent to begin work on it sooner than later.

- He did a walk-through the building yesterday with two Clark Patterson engineers. They were surprised to see that it is in fairly good shape. Before the building closed in 2011, upgrades and updates had been done. The engineers believe that there is no asbestos in the plaster, and that any asbestos around the drains and plumbing has already been remediated. However, before any work crews are sent there, an environmental assessment needs to be done. There probably is lead paint there.
- The building's current living space is sectioned off, as in a dormitory, but Mr. Bacon believes any developer who purchases it, would gut it. In answer to Mr. Fuller's question, it could easily be turned into apartments.

Mr. Bacon stated that tax credits and prospective funding aid from the Office of Community Renewal would make the property more attractive to developers. He believes that the building can be a future project. The Land Bank's actions would be first steps.

Ms. Hillier pointed out that, per the grant deed restriction limits, any housing must be used by low-to-moderate income resident/tenants. Mr. Bacon noted that this would most likely not be an issue in Livingston County. Both agreed that the property could not be used as a nursing home. Mr. Bacon added that deed restrictions would not apply if the Land Bank used money from its account rather than grant money for the project. Ms. Ellis added that the Board could verify its interpretation of the deed restrictions, before eliminating the use of grant money.

Noting that the Land Bank cannot spend money on property it doesn't own, Mr. Coyle suggested that it find a way to get the Board of Supervisors approval to get the work done without Land Bank money. After further discussion of ideas from the Board, Mr. Coyle proposed the following idea:

- Reach out to the IDA and to the County first for support, and then go before the Ways and Means Committee to propose that the Land Bank will do the work on the property, after which it will be transferred to the Land Bank. Various members agreed.

Citing the fact that there is a real need in Livingston County, Chairman Pangrazio recommended that the Land Bank promote the property as potential senior housing apartments to the Board of Supervisors and the community.

- Ms. Ellis agreed, stating that both the Land Bank and the Board of Supervisors would benefit from developing the property in this way.
- Mr. Bacon added that it would also open up a big funding stream, which would be attractive to a developer.
- A short discussion ensued regarding the property and tax revenue, tax credits, and tax exemption.
- Responding to Mr. Fuller's question, Mr. Bacon stated that the building is handicap accessible. It has elevators and ramps.

Chairman Pangrazio, Mr. Coyle, and Mr. Bacon will propose the project, per their ideas, to the County Ways and Means Committee. Mr. Bacon will also propose it to the IDA.

Agenda Item	2018 Work Plan Priorities
<p>Regarding the website developer, Mr. Gunther recommended the services of Seth Graham, because he is local and his prices are reasonable.</p> <ul style="list-style-type: none"> • Per Mr. Paoletta’s questions, Mr. Gunther will ask Seth Graham for a fixed dollar amount rather than an hourly rate with regard to start-up cost and yearly maintenance. Mr. Coyle amended the request should a fixed dollar amount not be possible: \$35/hour is all right, but include a “not to exceed” amount. <p>Mr. Paoletta reported that only one bank responded to the mailing regarding potential properties, stating that the property was not for sale. Mr. Coyle suggested allowing more time for the banks to respond.</p> <p>Mr. Paoletta stated that he will send out a canvass letter to municipal officials before January 1, 2019.</p>	
Agenda Item	NYLBA Update/Other Organizational Activities
<p>Mr. Paoletta stated that there were no NYLBA updates to report.</p> <p>A short discussion ensued in response to Mr. Coyle’s question regarding the status of the Habitat for Humanity project in Cuylerville.</p> <ul style="list-style-type: none"> • Mr. Coyle suggested that the Land Bank should do a ribbon cutting ceremony there at some point. • Mr. Bacon suggested that the County put a sign in front of the house before it is completed, stating the partnership of the Land Bank and Habitat for Humanity on the project. 	
Agenda Item	Next Meeting
<p>To accommodate any end-of-year execution tasks, Chairman Pangrazio suggested that the December meeting be moved from the 27th to the 18th. Members agreed.</p>	

EXECUTIVE SESSION

Ms. Hillier moved that the Board meeting adjourn and reconvene, in order to discuss the employment history of a particular person, and asked that only Board Directors remain present. The motion was seconded by Ms. Ellis.

The motion carried.

Mr. Coyle made a motion that the Board reconvene in regular session. Mr. Bacon seconded the motion.

The Land Bank Board of Directors, having met in Executive Session, hereby reports as follows:
No action taken.

Agenda Item**Adjournment**

Mr. Coyle made a motion to approve the appointment of David Paoletta as Executive Director of the Livingston County Land Bank Corporation. Mr. Fuller seconded the motion.

The motion carried.

Ms. Ellis moved to adjourn the meeting. Ms. Hillier seconded the motion.

The motion carried.

The meeting adjourned at 2:55 p.m.

Recorded by Linda Shanks, Senior Typist, Planning Department