



Annual Report

Fiscal Year

2013

Rochester Land Bank Corporation
30 Church Street, Room 125-B
Rochester, NY 14614
(585) 428-6951
www.cityofrochester.gov/landbank
Katherine Sheets, Executive Director

Table of Contents

Board of Directors 1

Corporation Executive Staff 1

2013 Board Committees & Membership 1

 Audit..... 1

 Finance 1

 Governance 1

Fiscal Year 2013 Meeting Attendance 1

Compensation Schedule 3

Board Members Evaluation 3

Corporation Organizational Chart..... 3

Reporting to the City of Rochester 3

Mission Statement and Measurement Report 4

Corporate Purpose..... 4

Legislation that Forms the Statutory Basis of the Corporation 4

 Section 1600 of the NY Not-for-profit Corporation Law (known as the “Land Bank Act”)..... 4

 City of Rochester Ordinance No. 2012-416 4

Bylaws 4

Code of Ethics 5

Units or Subsidiaries of the Corporation 5

Operations Summary 5

2013 Accomplishments..... 6

 Community Revitalization Initiative (CRI) Grant Program 6

 Bevier Building Project..... 6

 Assistance with City of Rochester Initiatives 6

 Administrative Activities 7

Assessment of the Effectiveness of Internal Control Structure and Procedures..... 8

Fiscal Year 2013 Financial Report 8

 Audited Financials..... 8

 Revenue & Expense Summary 8

 Assets and Liabilities Summary..... 8

 Financial Plan 9

Bonds	9
Grants and Subsidy Programs	9
Operating and Financial Risks	9
Long Term Liabilities	9
Real Property Schedule	9
Description of Pending Litigation.....	9
Description of the total amounts of assets, services, or both assets and services bought or sold without competitive bidding.....	9
Investment Report	9

Appendices

A. Board Member Evaluations	10
B. Measurement Report	12
C. Section 1600 of the NYS Not-for-Profit Corporation Law	14
D. City of Rochester Ordinance No. 2012-416	26
E. Bylaws	28
F. Code of Ethics	33
G. Financial Plan	38
H. Real Property Report FY2013	39
I. Procurement Report	47
J. Investment Report	50

Board of Directors

- Carol Wheeler, Board Chair
- George Parker, Board Secretary
- Kim Jones, Board Treasurer
- Andrea Guzzetta
- Gary Kirkmire
- Dana Miller
- Vacancy

Corporation Executive Staff

- Executive Director – Kathy Sheets
- Legal Counsel – Scott Smith, Tom Warth
- Corporation Auditor – Freed Maxick CPAs, PC

2013 Board Committees & Membership

Audit

- Gary Kirkmire, Chair
- George Parker
- Dana Miller

Finance

- Kim Jones, Chair
- George Parker
- Dana Miller

Governance

- Dana Miller, Chair
- Andrea Guzzetta
- George Parker

Fiscal Year 2013 Meeting Attendance

August 29, 2013

Board Members Present:

Charlie Benincasa, Bret Garwood, Andrea Guzzetta, Gary Kirkmire, Dana Miller, George Parker, Carol Wheeler

September 17, 2013

Board Members Present: Charlie Benincasa, Bret Garwood, Andrea Guzzetta, Gary Kirkmire, Dana Miller, George Parker, Carol Wheeler

October 17, 2013

Board Members Present: Charlie Benincasa (via telephone), Bret Garwood, Andrea Guzzetta, Gary Kirkmire, Dana Miller, George Parker, Carol Wheeler

November 21, 2013

Board Members Present: Charlie Benincasa, Bret Garwood, Andrea Guzzetta, Gary Kirkmire, George Parker, Carol Wheeler

Board Member Absent: Dana Miller

December 19, 2013

Board Members Present: Charlie Benincasa, Andrea Guzzetta, Gary Kirkmire, Dana Miller, George Parker, Carol Wheeler

January 10, 2014 – Special Meeting

Board Members Present: Spencer Ash, Andrea Guzzetta, Kim Jones, Gary Kirkmire, George Parker, Carol Wheeler

Board Member(s) Absent: Dana Miller

January 16, 2014

Board Members Present: Spencer Ash, Andrea Guzzetta, Gary Kirkmire, Dana Miller, George Parker, Carol Wheeler

Board Member(s) Absent: Kim Jones

February 20, 2014

Board Members Present: Spencer Ash, Andrea Guzzetta, Kim Jones, Gary Kirkmire, Dana Miller, George Parker, Carol Wheeler

March 20, 2014

Board Members Present: Spencer Ash, Andrea Guzzetta, Kim Jones, Gary Kirkmire, Dana Miller, George Parker, Carol Wheeler

April 17, 2014

Board Members Present: Andrea Guzzetta, Kim Jones, Gary Kirkmire, Dana Miller, George Parker, Carol Wheeler

Board Member(s) Absent: Spencer Ash

May 15, 2014

Board Members Present: Andrea Guzzetta, Kim Jones, Gary Kirkmire, Dana Miller, George Parker, Carol Wheeler

Board Member(s) Absent: Spencer Ash

June 19, 2014

Board Members Present: Andrea Guzzetta, Gary Kirkmire, Dana Miller, George Parker, Carol Wheeler

Board Member(s) Absent: Kim Jones

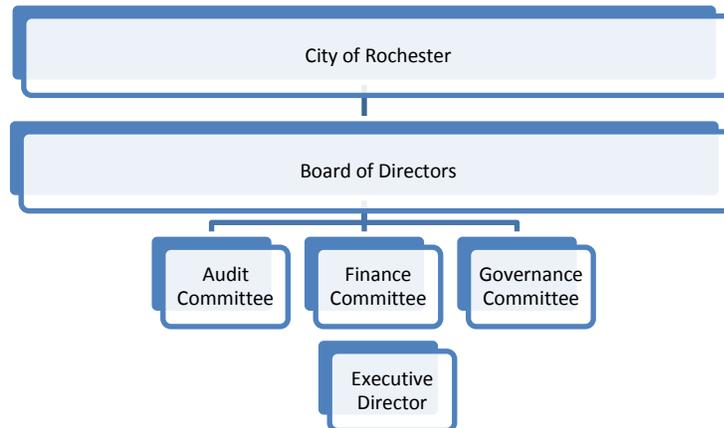
Compensation Schedule

There were no managerial employees employed by the Corporation who were compensated in excess of one-hundred thousand dollars (\$100,000.00) in fiscal year 2013.

Board Members Evaluation

Appendix A

Corporation Organizational Chart



Reporting to the City of Rochester

The Rochester Land Bank Corporation was created by the City under the New York State Land Bank Act, and makes its required annual report, as required by that law, to the Rochester City Council. All directors of the Corporation are ex officio members who are officers or appointees of the City of Rochester, or direct appointments to the board by the Mayor and the President of City Council. A Shared Services Agreement whereby the City of Rochester provides essentially all of the operating

support necessary to the Land Bank, including legal and financial services, property maintenance activities, office space and equipment, and all management and staff, is currently in place for a term of five years. Grant funding awarded to the Land Bank has allowed for partial reimbursement to the City for staffing costs, so the hours City staff devote to Land Bank activities are reported. The Land Bank is a component unit of the City of Rochester.

Mission Statement and Measurement Report

The Rochester Land Bank Corporation will return underutilized property to productive use, preserve and create quality housing, enhance the quality of life within neighborhoods, and encourage economic opportunities.

Adopted: October 17, 2013; Reapproved: September 18, 2014

See Appendix B for Measurement Report

Corporate Purpose

“The purpose of the Corporation shall be to acquire and dispose of real property in the City of Rochester that is tax delinquent, tax foreclosed, vacant, or abandoned pursuant to the powers granted to land banks under Article 16 of the Not-for-Profit Corporation Law, and to return vacant, abandoned, or underutilized property to productive use, or to hold such property for strategic uses to promote neighborhood and community revitalization, and to eliminate the harms and liabilities caused by such vacant, abandoned or underutilized property. Provided, further, however, that the Corporation shall have the authority to enter into agreements to purchase other real property consistent with an approved development plan.”

- Rochester Land Bank Corporation Certificate of Incorporation, August 9, 2013.

Legislation that Forms the Statutory Basis of the Corporation

Section 1600 of the NY Not-for-profit Corporation Law (known as the “Land Bank Act”)

Appendix C

City of Rochester Ordinance No. 2012-416

Appendix D

Bylaws

Appendix E

Code of Ethics

Appendix F

Units or Subsidiaries of the Corporation

The Corporation had no units or subsidiaries in fiscal year 2013.

Operations Summary

There are seven (7) members of the Board of Directors, five (5) ex officio members, and two (2) appointed members to serve a three year terms.

- Ex Officio Members, officers and appointees of the City of Rochester:
 - City Treasurer
 - Director of Development Services
 - Manager of Housing
 - Director of Inspection and Compliance Services
 - Chief of Staff, City Council
- Appointed Members to serve three-year terms:
 - Appointee of the Mayor of the City of Rochester
 - Appointee of the Council President of the City Council of the City of Rochester

The Executive Director of the Corporation is the Director of Real Estate of the City of Rochester. The Corporation Counsel of the City of Rochester serves as Counsel to the Corporation and has assigned municipal attorneys to advise and represent the Corporation. The City of Rochester provides staff support as an in-kind contribution and grant funding awarded to the Land Bank by the NYS Office of the Attorney General reimburses the City for a full-time Senior Real Estate Specialist. The Land Bank engaged an independent auditor in July 2014. The cost for auditor services will be paid by the City of Rochester under the Shared Services Agreement. The audited financial statements for fiscal year 2013 will be available after September 22, 2014 on the Corporation's website at <http://www.cityofrochester.gov/landbank>.

In its first year of operation, the Land Bank acquired twenty-three (23) tax delinquent, tax foreclosed, vacant, or abandoned properties: twenty-two (22) through the use of the Trump Bid at the City of Rochester In-Rem Tax Foreclosure Sale, and one through negotiation with a tax-delinquent private owner. The Corporation conveyed nineteen (19) of those properties for redevelopment projects that will provide quality affordable housing.

There were twelve (12) public meetings of the Board of Directors of the Corporation in fiscal year 2013: eleven (11) regular meetings and one special meeting. The Land Bank also co-hosted a community meeting with the City of Rochester to inform the public about the way the New York State land bank legislation would impact stakeholders in the local tax foreclosure process.

2013 Accomplishments

Community Revitalization Initiative (CRI) Grant Program

An application for a Community Revitalization Initiative grant offered by the New York State Office of the Attorney General was submitted by the Corporation on September 19, 2013, and approved October 28, 2013. The OAG awarded the Land Bank a total of \$2.78 Million: \$2.5 Million awarded for acquisition, environmental remediation, and rehabilitation of distressed, tax delinquent properties through the HOME Rochester program and \$280,000 for reimbursement to City of Rochester for staff costs. Program funds will be used to acquire fifty properties, provide environmental remediation for fifty properties, and rehabilitate fifty properties, though there may not be the same properties in each category. This means that more than fifty vacant single family homes will be returned to productive use through the application of these funds. Staffing costs are applied as follows: 10% each for the Executive Director and the Legal Advisor, 15% for Administrative Support Staff, and 100% for full-time Senior Real Estate Specialist.

The term of the grant began January 1, 2014 and ends December 31, 2015. Two quarters of the grant were completed in the Corporation's first fiscal year with the following results: Twenty-three (23) properties were acquired; eight (8) properties underwent environmental testing and remediation; and eight (8) properties were rehabilitated.

Bevier Building Project

In January 2014, the Land Bank Board approved participation in a project to redevelop The Bevier Memorial Building and parking lot. The four-story, approximately 26,000 square-foot building was designed by Claude Bragdon, a noted architect and designer of other notable buildings in Rochester. It was constructed in 1910 for the Rochester Athenaeum and Mechanics Institute, a forerunner to the Rochester Institute of Technology. The property has been listed on the National Register of Historic Places since 1973.

The building has been vacant for nearly a decade, and was tax delinquent and in imminent danger of irreversible decline. The City of Rochester provided the Corporation with a grant to purchase the property from the private owner and convey it to a developer to restore and adapt the property as a certified historic rehabilitation project consisting of 15 apartment units (two of which shall be affordable to households with incomes less than 120% of the Median Family Income; one unit affordable to incomes less than 80% MFI) and 5,000 square feet of first floor commercial space. This project was a longstanding goal of the City of Rochester and the transaction was, in large part, made possible due to the unique powers granted to New York State Land Banks by Article 16 of the Not-for-Profit Corporation Law. The sale proceeds the Land Bank received will serve as seed money for future projects to carry out its mission.

Assistance with City of Rochester Initiatives

The Corporation contracted for the acquisition of four (4) vacant, blighted structures through the use of the "Trump Bid" and "Credit Bid" at the City of Rochester Tax Foreclosure Auction on April, 11, 2014. A professional services agreement with the City of Rochester authorized the Land Bank to acquire the

properties and convey them to the City for demolition. The properties had proved intractable nuisances and safety concerns in City-designated development areas and demolition will provide future development sites in areas where there is already investment momentum.

Administrative Activities

At the Organization Meeting of the Corporation on August 29, 2013, the Board performed the following administrative activities: enacted the By-laws, elected Officers, established a schedule of public meetings, and created Audit, Finance, and Governance Committees

At the October 17, 2013 board meeting, the Corporation developed its mission statement.

The following policies were approved by the Land Bank Board during the 2013 fiscal year:

- Compensation, Reimbursement and Attendance
- Defense & Indemnification
- Ethics/Conflict of Interest
- Internal Control
- Investment
- Non-discrimination
- Occupant Relocation
- Personal Property Disposition
- Personnel
- Privacy
- Procurement
- Real Property Acquisition
- Real Property Disposition
- Travel
- Whistleblower

The Acquisition and Disposition policies were crafted by a working group including the Executive Director, the Legal Advisor, and two members of the Land Bank Board. Both policies were presented to the Community Advisory Group for feedback before the final versions were approved by the Board in December 2013. Also in December, the board passed a Banking Resolution.

All Corporation board members participated in the NYS Authorities Budget Office Board Member Training as required by the Public Authority Accountability Act.

On February 6, 2014, the Corporation's Chair made its annual report to the municipality. At the February 20, 2014 meeting, the board authorized the Executive Director to enter into a shared services agreement with the City of Rochester for a term of five (5) years, to enter into a grant agreement with the NYS OAG for the Community Revitalization Initiative, and to enter into an operating agreement with the RHDFC to carry out the terms of the CRI grant.

On April 17, 2014 the Land Bank Board adopted a 2014 – 2018 Budget.

Assessment of the Effectiveness of Internal Control Structure and Procedures

This statement certifies that management has documented and assessed the internal control structure and procedures of the Rochester Land Bank Corporation for the fiscal year ending June 30, 2014. This assessment found the corporation's internal controls to be adequate, and to the extent that deficiencies were identified, the authority has developed corrective action plans to reduce any corresponding risk.

Fiscal Year 2013 Financial Report

The Public Authority Accountability act of 2005 (PAAA) as amended in 2009 is designed to ensure greater efficiency and accountability for New York's public authorities, including Industrial Development Agencies. Among the requirements of the PAAA is the preparation of an annual report that is to contain specified information. This section of the Agency Annual report summarized the financial information required by the PAAA.

Audited Financials

Revenue & Expense Summary

OPERATING REVENUES	
NYS Grants	\$ 1,282,383
Sale of Real Estate	<u>48,403</u>
Total Revenues	1,330,786
OPERATING EXPENSES	
Acquisition Costs	79,422
Renovation and Construction	<u>690,500</u>
Total Expenses	<u>769,922</u>
Change in Net Position	560,864
Net Position - Beginning of Year	<u>-</u>
Net Position – End of Year	<u>\$ 560,864</u>

Assets and Liabilities Summary

ASSETS	
Cash & cash equivalents	\$ 321,492
Accounts receivable	18
Due from other governments	<u>659,854</u>
Total Assets	\$ 981,364
LIABILITIES	
Accounts Payable	<u>420,500</u>
Net Position	
Unrestricted	<u>\$ 560,864</u>

Financial Plan

Appendix G

Bonds

The Corporation has issued no bonds.

Grants and Subsidy Programs

The Corporation has grant or subsidy programs.

Operating and Financial Risks

The Corporation currently has no operating or financial risks.

Long Term Liabilities

The Corporation currently has no long term liabilities.

Real Property Schedule

As noted on the Annual Real Property Report, Appendix H, the Corporation disposed of seven (7) properties with a market value in excess of \$15,000 in the 2013 fiscal year.

Description of Pending Litigation

The Corporation was not involved as a party to any litigation in fiscal year 2013.

Description of the total amounts of assets, services, or both assets and services bought or sold without competitive bidding

The Corporation did not purchase or sell of any assets or services in fiscal year 2013. See Appendix I - Procurement Report.

Investment Report

Appendix J

Appendix A

Summary Results of Confidential Evaluation of Board Performance

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
	#	#	#	#
Board members have a shared understanding of the mission and purpose of the Rochester Land Bank Corp.	6			
The policies, practices and decisions of the Board are always consistent with this mission.	6			
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	6			
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Land Bank and reviews these annually.	5	1		
The Board sets clear and measurable performance goals for the Land Bank that contribute to accomplishing its mission.	6			
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence or self-interest.	6			
Individual Board members communicate effectively with Executive Director so as to be well informed on the status of all important issues.	6			
Board members are knowledgeable about the Land Bank's programs, financial statements, reporting requirements, and other transactions.	6			
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	6			
The Board knows the statutory obligations of the Land Bank and if it is in compliance with state law.	5	1		

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	6			
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	5	1		
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	6			
The Board exercises appropriate oversight of the Executive Director and other staff, including setting performance expectations and reviewing performance annually.	6			
The Board has identified the areas of most risk to the Land Bank and works with Executive Director to implement risk mitigation strategies before problems occur.	4	2		
Board members demonstrate leadership and vision and work respectfully with each other.	6			

Name of Authority: Rochester Land Bank Corp.

Date Completed: September 18, 2014

Appendix B



Performance Measurement Report FY 2013

The Rochester Land Bank Corporation will return underutilized property to productive use, preserve and create quality housing, enhance the quality of life within neighborhoods, and encourage economic opportunities.

Mission Statement, Adopted October 17, 2013; Readopted September 18, 2014

- *Return underutilized property to productive use*
 - Acquired 19 vacant, tax delinquent residential properties using the Trump Bid at the City of Rochester Tax Foreclosure Auction that will ultimately be sold to owner-occupants through the Community Revitalization Initiative (CRI) grant program.
 - Acquired and conveyed the Bevier Building - a local landmark listed on the National Register that had become tax-delinquent, blighted and unsafe – to a developer to restore and adapt the property as a certified historic rehabilitation containing both residential & commercial space.
- *Preserve and create quality housing*
 - The 19 residential properties acquired for use in the CRI grant program have been funneled into the highly successful HOME Rochester program, an acquisition/rehab/resale program where homes are rehabilitated using a Green Specification and meet New York State’s Green Building Criteria Checklist standards then sold to income-qualified (most are at or below 80% of the AMI) homebuyers who do not currently own residential property.
 - The Bevier Building project will adapt the property, that was previously classified as an office building, into a mixed-use structure consisting of 15 apartment units (two of which shall be affordable to households with incomes less than 120% of the Median Family Income; one unit affordable to incomes less than 80% MFI) in addition to the 5,000 square feet of commercial space.
- *Enhance the quality of life within neighborhoods*
 - Entered into a professional services agreement with the City of Rochester to acquire 4 vacant, blighted structures through the use of the “Trump Bid” and “Credit Bid” at the City of Rochester Tax Foreclosure Auction properties and convey them to the City for demolition. The properties had proved intractable nuisances and safety concerns in City-designated

development areas and demolition will provide future development sites in areas where there is already investment momentum.

- An additional Trump Bid purchase as the City Tax Foreclosure Auction will be sold to the Rochester-Genesee Regional Transportation Authority (RGRTA) as part of the land assembly for its federally-funded Campus Improvement project which, in addition to operational improvements, will impact the surrounding residential neighborhood by replacing the current inadequate visual and noise buffer with a decorative perimeter wall of greater height and landscaped green space.

➤ *Encourage economic opportunities*

- The CRI grant program is supplying a refreshed source of homes to be rehabilitated through HOME Rochester. This means more business for HOME Rochester contractors – all of whom are based in Monroe County and 47% of whom are Minority or Women Owned Business Enterprises.
- The Bevier Building project is anticipated to entail the expenditure of approximately \$3.8 million for construction and soft costs, create approximately 50 construction jobs, and, upon completion, employ approximately 15 permanent workers.

➤ *Building organizational capacity*

- The following policies have been approved by the Land Bank Board:
 - Acquisition
 - Disposition
 - Ethics/Conflict of Interest
 - Internal Control
 - Investment
 - Non-discrimination
 - Occupant Relocation
 - Personal Property Disposition
 - Personnel
 - Privacy
 - Procurement
 - Whistleblower
- All Corporation board members participated in the NYS Authorities Budget Office Board Member Training as required by the Public Authority Accountability Act.
- At the February 20, 2014 meeting, the board authorized the Executive Director to enter into a shared services agreement with the City of Rochester for a term of five (5) years.
- The Land Bank entered into a two-year grant agreement with the NYS OAG for the Community Revitalization Initiative that has funded a full-time Senior Real Estate Specialist.

Appendix C

Not-For-Profit Corporation

ARTICLE 16 LAND BANKS

- Section 1600. Short title.
1601. Legislative intent.
1602. Definitions.
1603. Creation and existence.
1604. Applicability of New York law.
1605. Board of directors.
1606. Staff.
1607. Powers.
1608. Acquisition of property.
1609. Disposition of property.
1610. Financing of land bank operations.
1611. Borrowing and issuance of bonds.
1612. Public records and public meetings.
1613. Dissolution of land bank.
1614. Conflicts of interest.
1615. Construction, intent and scope.
1616. Delinquent property tax enforcement.
1617. Contracts.

§ 1600. Short title.

This article shall be known and may be cited as the "land bank act".

§ 1601. Legislative intent.

The legislature finds and declares that New York's communities are important to the social and economic vitality of the state. Whether urban, suburban, or rural, many communities are struggling to cope with vacant, abandoned, and tax-delinquent properties.

There exists a crisis in many cities and their metro areas caused by disinvestment in real property and resulting in a significant amount of vacant and abandoned property. For example, Cornell Cooperative Extension Association of Erie county estimates that the city of Buffalo has thirteen thousand vacant parcels, four thousand vacant structures and an estimated twenty-two thousand two hundred ninety vacant residential units. This condition of vacant and abandoned property represents lost revenue to local governments and large costs ranging from demolition, effects of safety hazards and spreading deterioration of neighborhoods including resulting mortgage foreclosures.

The need exists to strengthen and revitalize the economy of the state and its local units of government by solving the problems of vacant and abandoned property in a coordinated manner and to foster the development of such property and promote economic growth. Such problems may include multiple taxing jurisdictions lacking common policies, ineffective property inspection, code enforcement and property rehabilitation

support, lengthy and/or inadequate foreclosure proceedings and lack of coordination and resources to support economic revitalization.

There is an overriding public need to confront the problems caused by vacant, abandoned and tax-delinquent properties through the creation of new tools to be available to communities throughout New York enabling them to turn vacant spaces into vibrant places.

Land banks are one of the tools that can be utilized by communities to facilitate the return of vacant, abandoned, and tax-delinquent properties to productive use. The primary focus of land bank operations is the acquisition of real property that is tax delinquent, tax foreclosed, vacant, abandoned, and the use of tools authorized in this article to eliminate the harms and liabilities caused by such properties.

§ 1602. Definitions.

The following words and phrases when used in this article shall have the meanings given to them in this section unless the context clearly indicates otherwise:

(a) "board of directors" or "board" shall mean the board of directors of a land bank;

(b) "land bank" shall mean a land bank established as a type C not-for-profit corporation under this chapter and in accordance with the provisions of this article and pursuant to this article;

(c) "foreclosing governmental unit" shall mean "tax district" as defined in subdivision six of section eleven hundred two of the real property tax law;

(d) "municipality" shall mean a city, village, town or county other than a county located wholly within a city;

(e) "school district" shall mean a school district as defined under the education law; and

(f) "real property" shall mean lands, lands under water, structures and any and all easements, air rights, franchises and incorporeal hereditaments and every estate and right therein, legal and equitable, including terms for years and liens by way of judgment, mortgage or otherwise, and any and all fixtures and improvements located thereon.

§ 1603. Creation and existence.

(a) Any foreclosing governmental unit may create a land bank by the adoption of a local law, ordinance, or resolution as appropriate to such foreclosing governmental unit which action specifies the following:

(1) the name of the land bank;

(2) the number of members of the board of directors, which shall consist of an odd number of members, and shall be not less than five members nor more than eleven members;

(3) the initial individuals to serve as members of the board of directors, and the length of terms for which they are to serve;

(4) the qualifications, manner of selection or appointment, and terms of office of members of the board; and

(5) the articles of incorporation for the land bank, which shall be filed with the secretary of state in accordance with the procedures set forth in this chapter.

(b) Two or more foreclosing governmental units may enter into an intergovernmental cooperation agreement which creates a single land bank to act on behalf of such foreclosing governmental units, which agreement shall be authorized by and be in accordance with the provisions of

paragraph (a) of this section. Such intergovernmental agreement shall include provisions for dissolution of such land bank.

(c) Any foreclosing governmental units and any municipality may enter into an intergovernmental cooperation agreement which creates a single land bank to act on behalf of such foreclosing governmental unit or units and municipality, which agreement shall be authorized by and be in accordance with the provisions of paragraph (a) of this section. Such intergovernmental agreement shall include provisions for dissolution of such land bank.

(d) Except when a land bank is created pursuant to paragraph (b) or (c) of this section, in the event a county creates a land bank, such land bank shall have the power to acquire real property only in those portions of such county located outside of the geographical boundaries of any other land bank created by any other foreclosing governmental unit located partially or entirely within such county.

(e) A school district may participate in a land bank pursuant to an intergovernmental cooperation agreement with the foreclosing governmental unit or units that create the land bank, which agreement shall specify the membership, if any, of such school district on the board of directors of the land bank, or the actions of the land bank which are subject to approval by the school district.

(f) Each land bank created pursuant to this act shall be a type C not-for-profit corporation, and shall have permanent and perpetual duration until terminated and dissolved in accordance with the provisions of section sixteen hundred thirteen of this article.

(g) Nothing in this article shall be construed to authorize the existence of more than ten land banks located in the state at one time, provided further that each foreclosing governmental unit or units proposing to create a land bank shall submit such local law, ordinance or resolution as required by paragraph (a) of this section, to the urban development corporation, for its review and approval. The creation of a land bank shall be conditioned upon approval of the urban development corporation.

(h) The office of the state comptroller shall have the authority to audit any land bank pursuant to this article.

§ 1604. Applicability of New York law.

This article shall apply only to land banks created pursuant to this article.

§ 1605. Board of directors.

(a) (1) The initial size of the board shall be determined in accordance with section sixteen hundred three of this article. Unless restricted by the actions or agreements specified in section sixteen hundred three of this article, the provisions of this section shall apply.

(2) The size of the board may be adjusted in accordance with by-laws of the land bank.

(b) In the event that a land bank is created pursuant to an intergovernmental agreement in accordance with section sixteen hundred three of this article, such intergovernmental cooperation agreement shall specify matters identified in paragraph (a) of section sixteen hundred three of this article; provided, however, that each foreclosing governmental unit shall have at least one appointment to the board.

(c) Any public officer shall be eligible to serve as a board member

and the acceptance of the appointment shall neither terminate nor impair such public office. For purposes of this section, "public officer" shall mean a person who is elected to a municipal office. Any municipal employee or appointed officer shall be eligible to serve as a board member.

(d) The members of the board of directors shall select annually from among themselves a chairman, a vice-chairman, a treasurer, and such other officers as the board may determine, and shall establish their duties as may be regulated by rules adopted by the board.

(e) The board shall establish rules and requirements relative to the attendance and participation of members in its meetings, regular or special. Such rules and regulations may prescribe a procedure whereby, should any member fail to comply with such rules and regulations, such member may be disqualified and removed automatically from office by no less than a majority vote of the remaining members of the board, and that member's position shall be vacant as of the first day of the next calendar month. Any person removed under the provisions of this paragraph shall be ineligible for reappointment to the board, unless such reappointment is confirmed unanimously by the board.

(f) A vacancy on the board shall be filled in the same manner as the original appointment.

(g) Board members shall serve without compensation, shall have the power to organize and reorganize the executive, administrative, clerical, and other departments of the land bank and to fix the duties, powers, and compensation of all employees, agents, and consultants of the land bank. The board may reimburse any member for expenses actually incurred in the performance of duties on behalf of the land bank.

(h) The board shall meet in regular session according to a schedule adopted by the board, and also shall meet in special session as convened by the chairman or upon written notice signed by a majority of the members.

(i) A majority of the members of the board, not including vacancies, shall constitute a quorum for the conduct of business. All actions of the board shall be approved by the affirmative vote of a majority of the members of that board present and voting; provided, however, no action of the board shall be authorized on the following matters unless approved by a majority of the total board membership:

(1) adoption of by-laws and other rules and regulations for conduct of the land bank's business;

(2) hiring or firing of any employee or contractor of the land bank. This function may, by majority vote of the total board membership, be delegated to a specified officer or committee of the land bank, under such terms and conditions, and to the extent, that the board may specify;

(3) the incurring of debt;

(4) adoption or amendment of the annual budget; and

(5) sale, lease, encumbrance, or alienation of real property, improvements, or personal property.

(j) Members of a board shall not be liable personally on the bonds or other obligations of the land bank, and the rights of creditors shall be solely against such land bank.

(k) Vote by proxy shall not be permitted. Any member may request a recorded vote on any resolution or action of the land bank.

(l) Each director, officer and employee shall be a state officer or employee for the purposes of sections seventy-three and seventy-four of the public officers law.

§ 1606. Staff.

A land bank may employ a secretary, an executive director, its own counsel and legal staff, and such technical experts, and such other agents and employees, permanent or temporary, as it may require, and may determine the qualifications and fix the compensation and benefits of such persons. A land bank may also enter into contracts and agreements with municipalities for staffing services to be provided to the land bank by municipalities or agencies or departments thereof, or for a land bank to provide such staffing services to municipalities or agencies or departments thereof.

§ 1607. Powers.

(a) A land bank shall constitute a type C not-for-profit corporation under New York law, which powers shall include all powers necessary to carry out and effectuate the purposes and provisions of this article, including the following powers in addition to those herein otherwise granted:

(1) adopt, amend, and repeal bylaws for the regulation of its affairs and the conduct of its business;

(2) sue and be sued in its own name and plead and be impleaded in all civil actions, including, but not limited to, actions to clear title to property of the land bank;

(3) to adopt a seal and to alter the same at pleasure;

(4) to make contracts, give guarantees and incur liabilities, borrow money at such rates of interest as the land bank may determine;

(5) to issue negotiable revenue bonds and notes according to the provisions of this article;

(6) to procure insurance or guarantees from the state of New York or federal government of the payments of any debts or parts thereof incurred by the land bank, and to pay premiums in connection therewith;

(7) to enter into contracts and other instruments necessary to the performance of its duties and the exercise of its powers, including, but not limited to, intergovernmental agreements under section one hundred nineteen-o of the general municipal law for the joint exercise of powers under this article;

(8) to enter into contracts and other instruments necessary to the performance of functions by the land bank on behalf of municipalities or agencies or departments of municipalities, or the performance by municipalities or agencies or departments of municipalities of functions on behalf of the land bank;

(9) to make and execute contracts and other instruments necessary to the exercise of the powers of the land bank; and any contract or instrument when signed by the chairman or vice-chairman of the land bank, or by an authorized use of their facsimile signatures, and by the secretary or assistant secretary, or, treasurer or assistant treasurer of the land bank, or by an authorized use of their facsimile signatures, shall be held to have been properly executed for and on its behalf;

(10) to procure insurance against losses in connection with the real property, assets, or activities of the land bank;

(11) to invest money of the land bank, at the discretion of the board of directors, in instruments, obligations, securities, or property determined proper by the board of directors, and name and use depositories for its money;

(12) to enter into contracts for the management of, the collection of rent from, or the sale of real property of the land bank;

(13) to design, develop, construct, demolish, reconstruct,

rehabilitate, renovate, relocate, and otherwise improve real property or rights or interests in real property;

(14) to fix, charge, and collect rents, fees and charges for the use of real property of the land bank and for services provided by the land bank;

(15) to grant or acquire a license, easement, lease (as lessor and as lessee), or option with respect to real property of the land bank;

(16) to enter into partnership, joint ventures, and other collaborative relationships with municipalities and other public and private entities for the ownership, management, development, and disposition of real property;

(17) to inventory vacant, abandoned and tax foreclosed properties;

(18) to develop a redevelopment plan to be approved by the foreclosing governmental unit or units;

(19) to be subject to municipal building codes and zoning laws;

(20) to enter in agreements with a foreclosing governmental unit for the distribution of revenues to the foreclosing governmental unit and school district; and

(21) to do all other things necessary to achieve the objectives and purposes of the land bank or other laws that relate to the purposes and responsibility of the land bank.

(b) A land bank shall neither possess nor exercise the power of eminent domain.

§ 1608. Acquisition of property.

(a) The real property of a land bank and its income and operations are exempt from all taxation by the state of New York and by any of its political subdivisions.

(b) The land bank may acquire real property or interests in real property by gift, devise, transfer, exchange, foreclosure, purchase, or otherwise on terms and conditions and in a manner the land bank considers proper.

(c) The land bank may acquire real property by purchase contracts, lease purchase agreements, installment sales contracts, land contracts, and may accept transfers from municipalities upon such terms and conditions as agreed to by the land bank and the municipality. Notwithstanding any other law to the contrary, any municipality may transfer to the land bank real property and interests in real property of the municipality on such terms and conditions and according to such procedures as determined by the municipality.

(d) The land bank shall maintain all of its real property in accordance with the laws and ordinances of the jurisdiction in which the real property is located.

(e) The land bank shall not own or hold real property located outside the jurisdictional boundaries of the foreclosing governmental unit or units which created the land bank; provided, however, that a land bank may be granted authority pursuant to an intergovernmental cooperation agreement with another municipality to manage and maintain real property located within the jurisdiction of such other municipality.

(f) Notwithstanding any other provision of law to the contrary, any municipality may convey to a land bank real property and interests in real property on such terms and conditions, form and substance of consideration, and procedures, all as determined by the transferring municipality in its discretion.

(g) The acquisition of real property by a land bank pursuant to the provisions of this article, from entities other than political

subdivisions, shall be limited to real property that is tax delinquent, tax foreclosed, vacant or abandoned; provided, however, that a land bank shall have authority to enter into agreements to purchase other real property consistent with an approved redevelopment plan.

(h) The land bank shall maintain and make available for public review and inspection a complete inventory of all property received by the land bank. Such inventory shall include: the location of the parcel; the purchase price, if any, for each parcel received; the current value assigned to the property for purposes of real property taxation; the amount, if any, owed to the locality for real property taxation; the identity of the transferor; and any conditions or restrictions applicable to the property.

(i) All parcels received by the land bank shall be listed on the received inventory established pursuant to paragraph (h) of this section within one week of acquisition and shall remain in such inventory for one week prior to disposition.

(j) Failure to comply with the requirements in paragraphs (h) and (i) of this section with regard to any particular parcel shall cause such acquisition by the land bank to be null and void.

§ 1609. Disposition of property.

(a) The land bank shall hold in its own name all real property acquired by the land bank irrespective of the identity of the transferor of such property.

(b) The land bank shall maintain and make available for public review and inspection a complete inventory of all real property dispositions by the land bank. Such inventory shall include a complete copy of the sales contract including all terms and conditions including, but not limited to, any form of compensation received by the land bank or any other party which is not included within the sale price.

(c) The land bank shall determine and set forth in policies and procedures of the board of directors the general terms and conditions for consideration to be received by the land bank for the transfer of real property and interests in real property, which consideration may take the form of monetary payments and secured financial obligations, covenants and conditions related to the present and future use of the property, contractual commitments of the transferee, and such other forms of consideration as are consistent with state and local law.

(d) The land bank may convey, exchange, sell, transfer, lease as lessor, grant, release and demise, pledge any and all interests in, upon or to real property of the land bank.

(e) A foreclosing governmental unit may, in its local law, resolution or ordinance creating a land bank, or, in the case of multiple foreclosing governmental units creating a single land bank in the applicable intergovernmental cooperation agreement, establish a hierarchical ranking of priorities for the use of real property conveyed by a land bank including but not limited to:

- (1) use for purely public spaces and places;
- (2) use for affordable housing;
- (3) use for retail, commercial and industrial activities;
- (4) use as wildlife conservation areas; and

(5) such other uses and in such hierarchical order as determined by the foreclosing governmental unit or units.

(f) A foreclosing governmental unit may, in its local law, resolution or ordinance creating a land bank, or, in the case of multiple foreclosing governmental units creating a single land bank in the

applicable intergovernmental cooperation agreement, require that any particular form of disposition of real property, or any disposition of real property located within specified jurisdictions, be subject to specified voting and approval requirements of the board of directors. Except and unless restricted or constrained in this manner, the board of directors may delegate to officers and employees the authority to enter into and execute agreements, instruments of conveyance and all other related documents pertaining to the conveyance of real property by the land bank.

(g) All property dispositions shall be listed on the property disposition inventory established pursuant to paragraph (b) of this section within one week of disposition. Such records shall remain available for public inspection in the property disposition inventory indefinitely.

(h) Failure to comply with the requirements in paragraph (g) of this section shall subject the land bank to a civil penalty of one hundred dollars per violation up to a maximum of ten thousand dollars for each parcel, recoverable in an action brought by the attorney general or district attorney. The attorney general or district attorney may also seek rescission of the real property transaction.

§ 1610. Financing of land bank operations.

(a) A land bank may receive funding through grants and loans from the foreclosing governmental unit or units which created the land bank, from other municipalities, from the state of New York, from the federal government, and from other public and private sources.

(b) A land bank may receive and retain payments for services rendered, for rents and leasehold payments received, for consideration for disposition of real and personal property, for proceeds of insurance coverage for losses incurred, for income from investments, and for any other asset and activity lawfully permitted to a land bank under this article.

(c) Upon the adoption of a local law, ordinance, or resolution by municipality, school district or any taxing district, fifty percent of the real property taxes collected on any specific parcel of real property identified by such municipality, school district or any taxing jurisdiction may be remitted to the land bank, in accordance with procedures established by regulations promulgated by the department of taxation and finance. Such allocation of real property tax revenues shall commence with the first taxable year following the date of conveyance and shall continue for a period of five years.

§ 1611. Borrowing and issuance of bonds.

(a) A land bank shall have power to issue bonds for any of its corporate purposes, the principal and interest of which are payable from its revenues generally. Any of such bonds may be secured by a pledge of any revenues, including grants or contributions from the state of New York, the federal government, or any agency, and instrumentality thereof, or by a mortgage of any property of the land bank.

(b) The bonds issued by a land bank are hereby declared to have all the qualities of negotiable instruments under New York state law.

(c) The bonds of a land bank created under the provisions of this article and the income therefrom shall at all times be free from taxation for the state of New York or local purposes under any provision of New York law.

(d) Bonds issued by the land bank shall be authorized by resolution of the board and shall be limited obligations of the land bank; the principal and interest, costs of issuance, and other costs incidental thereto shall be payable solely from the income and revenue derived from the sale, lease, or other disposition of the assets of the land bank. In the discretion of the land bank, the bonds may be additionally secured by mortgage or other security device covering all or part of the project from which the revenues so pledged may be derived. Any refunding bonds issued shall be payable from any source described above or from the investment of any of the proceeds of the refunding bonds and shall not constitute an indebtedness or pledge of the general credit of any foreclosing governmental unit or municipality within the meaning of any constitutional or statutory limitation of indebtedness and shall contain a recital to that effect. Bonds of the land bank shall be issued in such form, shall be in such denominations, shall bear interest, shall mature in such manner, and be executed by one or more members of the board as provided in the resolution authorizing the issuance thereof. Such bonds may be subject to redemption at the option of and in the manner determined by the board in the resolution authorizing the issuance thereof.

(e) Bonds issued by the land bank shall be issued, sold, and delivered in accordance with the terms and provisions of a resolution adopted by the board. The board may sell such bonds in such manner, either at public or at private sale, and for such price as it may determine to be in the best interests of the land bank. The resolution issuing bonds shall be published in a newspaper of general circulation within the jurisdiction of the land bank.

(f) Neither the members of a land bank nor any person executing the bonds shall be liable personally on any such bonds by reason of the issuance thereof. Such bonds or other obligations of a land bank shall not be a debt of any municipality or of the state of New York, and shall so state on their face, nor shall any municipality or the state of New York nor any revenues or any property of any municipality or of the state of New York be liable therefor.

§ 1612. Public records and public meetings.

(a) The board shall cause minutes and a record to be kept of all its proceedings. Except as otherwise provided in this section, the land bank shall be subject to the open meetings law and the freedom of information law.

(b) A land bank shall hold a public hearing prior to financing or issuance of bonds. The land bank shall schedule and hold a public hearing and solicit public comment. After the conclusion of the public hearing and comments, the land bank shall consider the results of the public hearing and comments with respect to the proposed actions. Such consideration by the land bank shall include the accommodation of the public interest with respect to such actions; if such accommodation is deemed in the best interest of the community proposed actions shall include such accommodation.

(c) In addition to any other report required by this chapter, the land bank, through its chairperson, shall annually deliver, in oral and written form, a report to the municipality. Such report shall be presented by March fifteenth of each year to the governing body or board of the municipality. The report shall describe in detail the projects undertaken by the land bank during the past year, the monies expended by the land bank during the past year, and the administrative activities of

the land bank during the past year. At the conclusion of the report, the chairperson of the land bank shall be prepared to answer the questions of the municipality with respect to the projects undertaken by the authority during the past year, the monies expended by the municipality during the past year, and the administrative activities of the municipality during the past year.

§ 1613. Dissolution of land bank.

A land bank may be dissolved as a type C not-for-profit corporation sixty calendar days after an affirmative resolution approved by two-thirds of the membership of the board of directors. Sixty calendar days advance written notice of consideration of a resolution of dissolution shall be given to the foreclosing governmental unit or units that created the land bank, shall be published in a local newspaper of general circulation, and shall be sent certified mail to the trustee of any outstanding bonds of the land bank. Upon dissolution of the land bank all real property, personal property and other assets of the land bank shall become the assets of the foreclosing governmental unit or units that created the land bank. In the event that two or more foreclosing governmental units create a land bank in accordance with section sixteen hundred three of this article, the withdrawal of one or more foreclosing governmental units shall not result in the dissolution of the land bank unless the intergovernmental agreement so provides, and there is no foreclosing governmental unit that desires to continue the existence of the land bank.

§ 1614. Conflicts of interest.

No member of the board or employee of a land bank shall acquire any interest, direct or indirect, in real property of the land bank, in any real property to be acquired by the land bank, or in any real property to be acquired from the land bank. No member of the board or employee of a land bank shall have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used by a land bank. The board may adopt supplemental rules and regulations addressing potential conflicts of interest and ethical guidelines for members of the board and land bank employees.

§ 1615. Construction, intent and scope.

The provisions of this article shall be construed liberally to effectuate the legislative intent and the purposes as complete and independent authorization for the performance of each and every act and thing authorized by this article, and all powers granted shall be broadly interpreted to effectuate the intent and purposes and not as a limitation of powers. Except as otherwise expressly set forth in this article, in the exercise of its powers and duties under this article and its powers relating to property held by the land bank, the land bank shall have complete control as fully and completely as if it represented a private property owner and shall not be subject to restrictions imposed by the charter, ordinances, or resolutions of a local unit of government.

§ 1616. Delinquent property tax enforcement.

The municipality may enter into a contract to sell some or all of the delinquent tax liens held by it to a land bank, subject to the following conditions:

(a) The consideration to be paid may be more or less than the face amount of the tax liens sold.

(b) Property owners shall be given at least thirty days advance notice of such sale in the same form and manner as is provided by subdivision two of section eleven hundred ninety of the real property tax law. Failure to provide such notice or the failure of the addressee to receive the same shall not in any way affect the validity of any sale of a tax lien or tax liens or the validity of the taxes or interest prescribed by law with respect thereto.

(c) The municipality shall set the terms and conditions of the contract of sale.

(d) The land bank must thirty days prior to the commencement of any foreclosure action provide to the municipality a list of liens to be foreclosed. The municipality may, at its sole option and discretion, repurchase a lien or liens on the foreclosure list from the land bank. The repurchase price shall be the amount of the lien or liens plus any accrued interest and collection fees incurred by the land bank. The land bank shall provide the foreclosure list to the municipality, along with the applicable repurchase price of each lien, by certified mail, and the municipality shall have thirty days from receipt to notify the land bank of its option to purchase one or more of the liens. If the municipality opts to purchase the lien, it shall provide payment within thirty days of receipt of the repurchase price of said lien or liens. If the municipality shall fail to opt to repurchase the lien or liens the land bank shall have the right to commence a foreclosure action immediately.

(e) The sale of a tax lien pursuant to this article shall not operate to shorten the otherwise applicable redemption period or change the otherwise applicable interest rate.

(f) Upon the expiration of the redemption period prescribed by law, the purchaser of a delinquent tax lien, or its successors or assigns, may foreclose the lien as in an action to foreclose a mortgage as provided in section eleven hundred ninety-four of the real property tax law. The procedure in such action shall be the procedure prescribed by article thirteen of the real property actions and proceedings law for the foreclosure of mortgages. At any time following the commencement of an action to foreclose a lien, the amount required to redeem the lien, or the amount received upon sale of a property, shall include reasonable and necessary collection costs, attorneys' fees, legal costs, allowances, and disbursements.

(g) The provisions of title five of article eleven of the real property tax law shall apply so far as is practicable to a contract for the sale of tax liens pursuant to this article.

(h) If the court orders a public sale pursuant to section eleven hundred thirty-six of the real property tax law, and the purchaser of the property is the land bank, then the form, substance, and timing of the land bank's payment of the sales price may be according to such agreement as is mutually acceptable to the plaintiff and the land bank. The obligation of the land bank to perform in accordance with such agreement shall be deemed to be in full satisfaction of the tax claim which was the basis for the judgment.

(i) Notwithstanding any other provision of law to the contrary, in the event that no municipality elects to tender a bid at a public sale pursuant to the provisions of section eleven hundred sixty-six of the

real property tax law or sale pursuant to the provisions of a county charter, city charter, administrative code, or special law when applicable under section eleven hundred four of the real property tax law, the land bank may tender a bid at such sale in an amount equal to the total amount of all municipal claims and liens which were the basis for the judgment. In the event of such tender by the land bank the property shall be deemed sold to the land bank regardless of any bids by any other third parties. The bid of the land bank shall be paid as to its form, substance, and timing according to such agreement as is mutually acceptable to the plaintiff and the land bank. The obligation of the land bank to perform in accordance with such agreement shall be deemed to be in full satisfaction of the municipal claim which was the basis for the judgment. The land bank, as purchaser at such public sale or sale pursuant to the provisions of a county charter, city charter, administrative code, or special law when applicable under section eleven hundred four of the real property tax law, shall take and forever thereafter have, an absolute title to the property sold, free and discharged of all tax and municipal claims, liens, mortgages, charges and estates of whatsoever kind. The deed to the land bank shall be executed, acknowledged and delivered within thirty days of the sale. All land bank acquisitions pursuant to this paragraph shall comply with section sixteen hundred eight of this article and all dispositions of property acquired pursuant to this paragraph shall comply with section sixteen hundred nine of this article.

§ 1617. Contracts.

(a) The land bank may, in its discretion, assign contracts for supervision and coordination to the successful bidder for any subdivision of work for which the land bank receives bids. Any construction, demolition, renovation and reconstruction contract awarded by the land bank shall contain such other terms and conditions as the land bank may deem desirable. The land bank shall not award any construction, demolition, renovation and reconstruction contract greater than ten thousand dollars except to the lowest bidder who, in its opinion, is qualified to perform the work required and who is responsible and reliable. The land bank may, however, reject any or all bids or waive any informality in a bid if it believes that the public interest will be promoted thereby. The land bank may reject any bid, if, in its judgment, the business and technical organization, plant, resources, financial standing, or experience of the bidder justifies such rejection in view of the work to be performed.

(b) For the purposes of article fifteen-A of the executive law only, the land bank shall be deemed a state agency as that term is used in such article, and all contracts for procurement, design, construction, services and materials shall be deemed state contracts within the meaning of that term as set forth in such article.

Appendix D



City of Rochester

City Clerks Office

Certified Ordinance

Rochester, N.Y., _____

TO WHOM IT MAY CONCERN:

I hereby certify that the following is a true copy of an ordinance which was duly passed by the Council of the City of Rochester on November 18, 2012 and Approved by the Mayor of the City of Rochester, and was deemed duly adopted on November 14, 2012 in accordance with the applicable provisions of Law.

Ordinance No. 2012-416

Approving The Formation Of The Rochester Land Bank Corporation

BE IT ORDAINED, by the Council of the City of Rochester as follows:

Section 1. The Council hereby approves the formation of the Rochester Land Bank Corporation under Article 16 of the Not-For-Profit Corporation Law and approves the Certificate of Incorporation submitted by the Mayor. The Rochester Land Bank Corporation shall have all of the powers enumerated in said Article 16. The Council further authorizes the Mayor to submit an application to the Empire State Development Corporation for approval of the Rochester Land Bank Corporation. There shall be seven members of the Board of Directors, as follows:

Ex-officio members:

**City Treasurer
Director of Development Services
Manager of Housing
Director of Inspection & Compliance Services
Chief of Staff, City Council**

**Charles Benincasa
Bret Garwood
Carol Wheeler
Gary Kirkmire
Andrea Guzzetta**

Appointed members, to serve three-year terms:

**Mayor's appointee
Council President's appointee**

**George Parker, Esq.
Dana Miller**

The Executive Director of the Rochester Land Bank Corporation shall be the Director of Real Estate.

Section 2. This ordinance shall take effect immediately.

Passed by the following vote:

Ayes - President Warren, Councilmembers Conklin, Heng, McFadden, Miller, Ortiz, Fabunbo, Scott, Spaul - 9.

Nays - None - 0.

Attest  _____
City Clerk

Appendix E

BY-LAWS

of the

ROCHESTER LAND BANK CORPORATION

ARTICLE I – THE CORPORATION

Section 1. Name. The name of the Corporation shall be as provided in its Certificate of Incorporation and is currently the **Rochester Land Bank Corporation**.

Section 2. Office. The office of the Corporation shall be located at 30 Church Street, Rochester, New York or such other address as the Corporation may designate from time to time by resolution.

Section 3. Purpose. The Purposes of the Corporation shall be set forth in the Certificate of Incorporation. The Corporation shall have all of the powers and shall be subject to all of the duties provided by the Land Bank Act (Article 16 of the New York Not-for-Profit Corporation Law).

Section 4. Dissolution. The Corporation may be dissolved in accordance with the New York State Land Bank Act as provided for in Section 1613 of the NYS Not-For-Profit Corporation Law. Upon dissolution, all real property, personal property and other assets of the Corporation shall become the assets of the City of Rochester.

ARTICLE II – THE BOARD

Section 1. Powers of the Board. The Corporation shall be overseen and governed by its Board of Directors. The Board shall have all of the powers conferred in the Land Bank Act and any other law that is applicable to the Corporation.

Section 2. Board Composition. There shall be seven (7) members of the Board of Directors, five (5) ex officio members, and two (2) appointed members to serve a three year terms. The directors of the Board shall be as follows:

- A) Ex Officio Members, officers and appointees of the City of Rochester:
 - 1) City Treasurer
 - 2) Director of Development Services
 - 3) Manager of Housing
 - 4) Director of Inspection and Compliance Services
 - 5) Chief of Staff, City Council

- B) Appointed Members to serve three-year terms:
 - 1) Appointee of the Mayor of the City of Rochester
 - 2) Appointee of the Council President of the City Council of the City of Rochester

Section 3. Initial Members. The initial members of the Board of Directors shall be:

- | | | |
|----|---|---------------------|
| A) | Ex Officio Members | |
| | 1) City Treasurer | Charles Benincasa |
| | 2) Director of Development Services | Bret Garwood |
| | 3) Manager of Housing | Carol Wheeler |
| | 4) Director of Inspection & Compliance Services | Gary Kirkmire |
| | 5) Chief of Staff, City Council | Andrea Guzzetta |
| B) | Appointed Members to serve three-year terms: | |
| | 1) Mayor's appointee | George Parker, Esq. |
| | 2) Council President's appointee | Dana Miller |

Section 4. Public Officers and Municipal Employees as Directors. Any public officer shall be eligible to serve as a board member and the acceptance of the appointment shall neither terminate nor impair such public office. Any municipal employee or appointed officer shall be eligible to serve as a board member.

Section 5. Compensation. Directors shall serve without compensation but may be reimbursed for expenses reasonably incurred by them in the performance of their duties.

Section 6. Removal. The Board shall establish rules and requirements relative to the attendance and participation of members in its meetings. Should any director fail to comply with such rules and regulations, such director may be disqualified and removed from office by no less than a majority vote of the remaining directors of the board.

Section 7. Vacancies. A vacancy on the Board shall be filled in the same manner as the original appointment.

Section 8. Quorum. A majority of the entire Board shall constitute a quorum for the transaction of business.

Section 9. Action by the Board. Except as otherwise expressly provided by these By-Laws in respect to the appointment of Directors, a majority of the Members must be present in person to constitute a quorum for the transaction of any business. Except as otherwise provided by law or in these By-Laws, the act of the Board means action taken at a meeting of the Board by a vote of a majority of the Members present at the time of the vote in person or by written consent if a quorum is present at such time, except as provided in Section 1605 (i) of the Not-for Profit Corporation Law. Action may be taken by the Members without a meeting on written consent, setting forth the action so taken, signed by all of the members entitled to vote thereon. Each such consent shall be filed with the minutes of the Corporation.

Section 10, Meetings. The Board shall meet in regular session according to a schedule adopted by the board and also shall meet in special session as convened by the chair or upon written notice to all board members.

Section 11. Majority of Board Membership Required for Action. No action of the Board shall be authorized on the following matters unless approved by a majority of the total Board membership:

- (1) Adoption of by-laws and other rules and regulations for conduct of the Corporation's business;

- (2) Hiring or firing of any employee or contractor of the Corporation. This function may, by majority vote of the total Board membership, be delegated to a specified officer or committee of the Corporation, under such terms and conditions, and to the extent, that the Board may specify;
- (3) The incurring of debt;
- (4) Adoption or amendment of the annual budget; and
- (5) Acquisition, sale, lease, encumbrance, or alienation of real property, improvements, or personal property.

Section 12. Participation. Any one or more members of the Board or any committee thereof may participate in a meeting of such Board or committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time. Participation by such means shall constitute presence in person at a meeting.

Section 13. Compliance with Open Meetings Law and Freedom of Information Law. The Board and the Corporation shall comply with the provisions of the New York Open Meetings Law and the New York Freedom of Information Law.

Section 14. Review of Policies. The Board shall review all of its adopted policies regularly and no less frequently than every twelve (12) months. Upon completing the review for each policy, the Board shall adopt a resolution that either approves the policy as is, adopts the policy with amendments, or revokes the policy.

ARTICLE III – OFFICERS AND STAFF

Section 1. Officers. The board of directors shall select annually from among themselves a chair, a vice-chair, a secretary and such other officers as the Board may determine, and shall establish their duties as may be regulated by the Board.

Section 2. Executive Director. The Executive Director of the Corporation shall be the Director of Real Estate of the City of Rochester.

Section 3. Staff. The board shall have the power to organize and reorganize the executive, administrative and clerical staff, and to set the compensation of all employees, agents, and consultants of the Corporation. The personnel functions of the Corporation may, by majority vote of the total Board membership, be delegated to a specific officer or committee of the Corporation.

Section 4. Counsel. The Corporation Counsel of the City of Rochester shall serve as Counsel to the Corporation and may assign municipal attorneys to advise and represent the Corporation.

ARTICLE IV- CONTRACTS, CHECKS, DRAFTS AND BANK ACCOUNTS

Section 1. Execution of Contracts. The Board, except as these By-Laws and Article 16 of N-PCL may otherwise provide, may authorize any officer or officers, agent or agents, in

the name of and on behalf of the Corporation to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances; but, unless so authorized by the Board, or expressly authorized by these By-Laws, no officers, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily in any amount for any purpose.

Section 2. Loans. No loans shall be contracted on behalf of the Corporation unless specifically authorized by the Board.

Section 3. Checks, Drafts, Etc. All checks, drafts and other orders for the payment of money out of the funds of the Corporation, and all notes or other evidences of indebtedness of the Corporation, shall be signed on behalf of the Corporation in such manner as shall from time to time be determined by these By-Laws or by resolution of the Board.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board may select.

ARTICLE V -POLICIES FOR ACOUISITION, USE AND DISPOSITIONOF PROPERTY

Section 1. Compliance with Land Bank Act. In its acquisition and disposition of property, the Corporation shall be subject to Article 16 of the Not-for-Profit Corporation Law (the Land Bank Act).

Section 2. Compliance with Municipal Building Codes, Zoning Laws, and Land Use Controls and Intergovernmental Agreements. The Corporation shall be subject to all applicable Federal, State and local laws, and all City building codes and zoning laws with respect to real property owned by the Corporation, and to the terms and conditions of any applicable Intergovernmental Cooperation Agreement(s).

ARTICLE VI – INDEMNIFICATION

Section 1. Indemnification. The Corporation shall indemnify any person made, or threatened to be made, a party to an action or proceeding by reason of the fact that such person or his testator or intestate is or was a director or officer of the Corporation, or (to the extent not indemnified thereby) served any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise at the request of the Corporation in the capacity of officer or director in the case of actions in the right of the Corporation and in any capacity in the case of all other actions, against judgments, fines, amounts paid in settlement, and reasonable expenses, including attorney' fees, in the manner and to the full extent allowed by the Not-for-Profit Corporation Law, provided that no such indemnification shall be required with respect to any settlement or other non-adjudicated disposition of any threatened or pending action or proceeding unless the Corporation has given its prior consent to such settlement or other disposition. The Corporation is authorized to the full extent allowed by the Not-for-Profit Corporation Law to purchase and maintain insurance to indemnify the Corporation for any obligation which it incurs as a result of the indemnification of directors and officers under the provisions of the Not-for-Profit Corporation Law, to indemnify directors and officers in instances in which they may be indemnified by the Corporation under the provisions of

the Not-for-Profit Corporation Law, and to indemnify the directors and officers in instances in which they may not otherwise be indemnified under the provisions of the Not-for-Profit Corporation Law.

ARTICLE VII – FISCAL YEAR

The fiscal year of the Corporation shall start July 1 and expire June 30.

ARTICLE VIII – CONSTRUCTION

Section 1. Construction. If there be any conflict between the provisions of the Certificate of Incorporation and these By-Laws, the provisions of the Certificate of Incorporation shall govern. Nothing in these By-Laws shall be construed to limit the powers and duties conferred upon the Corporation by the Land Bank Act (Article 16 of the New York Not-for-Profit Corporation Law) or any other applicable provision of law.

ARTICLE IX - CONFLICT OF INTEREST

Section 1. Definition of Conflicts of Interest. A conflict of interest will be deemed to exist whenever an individual is in the position to approve or influence Corporation policies or actions which involve or could ultimately harm or benefit financially: (a) the individual; (b) any family member (spouse, domestic partner, grandparents, parents, children, grandchildren, great grandchildren, brothers and sisters - whether whole or half-blood), and spouses of these individuals; or (c) any organization in which the individual or a family member is a Member, trustee, officer, partner with more than 10% of the total voting power. Service on the board of another not-for-profit corporation shall not constitute a conflict of interest.

ARTICLE XI - AMENDMENT

These By Laws may be amended by the affirmative vote of at least a majority of the entire Board of Directors.

Appendix F

ROCHESTER LAND BANK CORPORATION CODE OF ETHICS/CONFLICT OF INTEREST POLICY

A. Preamble. Officers and employees of the Land Bank shall hold their positions to serve and benefit the public and not for personal gain or advantage. The Board of Directors recognizes that in order to implement this fundamental principle there is a need for clear and reasonable standards of ethical conduct. This Code of Ethics/Conflict of Interest Policy establishes such standards by defining and prohibiting acts incompatible with the public interest.

B. Definitions. When used in this code/policy, the following words and phrases shall have the following meanings:

(1) **FAMILY** — The parent, sibling, spouse or child of a person or any members of a person's immediate household.

(2) **OFFICER or EMPLOYEE** — Any person appointed or hired to serve the Land Bank in any capacity, whether paid or unpaid, or for a term fixed or not fixed, including, without limit, persons serving on a temporary, part-time or seasonal basis. Officer includes the Executive Director, any other designated officer, and any member of the Board of Directors.

(3) **AN INTEREST** — A benefit or advantage of an economic or tangible nature that a person or a member of his or her family would gain or lose as a result of any decision or action, or omission to decide or act, on the part of the Board of Directors of the Land Bank or any of its officers and employees.

C. Ethical standards.

(1) No Land Bank officer or employee shall have any employment, or engage in any business or commercial transaction, or engage in any professional activity, or incur any obligation, as a result of which, directly or indirectly, he or she would have an interest that would impair his or her

independence of judgment or action in the performance of his or her official duties or that would be in conflict with the performance of his or her official duties.

(2) No officer or employee of the Land Bank shall acquire any interest, direct or indirect, in real property of the Land Bank, in any real property to be acquired by the Land Bank, or in any real property to be acquired from the Land Bank.

(3) No Land Bank officer or employee shall have any interest, direct or indirect, in any contract or proposed contract for materials or services to be furnished or used by a Land Bank.

(4) No Land Bank officer or employee shall have or enter into any contract with a third party who has or enters into a contract with the Land Bank unless:

(a) The third party contract to which the Land Bank is a party is with the City of Rochester.

(b) The third party contract is awarded pursuant to the competitive bidding procedures of the General Municipal Law; or

(c) The third party contract is one with respect to which the Land Bank officer or employee:

[1] Has no interest;

[2] Has no duties or responsibilities, or, if the contract with the person is one which the Land Bank officer or employee entered into prior to becoming a Land Bank officer or employee, he or she abstains from any performance of duties or responsibilities; and

[3] Exercises or attempts to exercise no influence.

(d) No prohibited conflict of interest shall be found involving a contract with a person, firm, corporation or association in which a Land Bank officer or employee has an interest which is prohibited solely by reason of employment as an officer or employee thereof, if the remuneration of such employment will not be directly affected as a result of such contract and the duties of such employment do not directly involve the procurement, preparation or performance of any part of such contract.

(5) No Land Bank officer or employee shall discuss, vote on, decide or take part in, formally or informally, any matter proposed or pending in which he or she has an interest. This provision shall not apply to any Land Bank officer or employee whose interest in the proposed or pending matter is *de minimis*, provided that these procedures are followed strictly:

(a) The Land Bank officer or employee shall identify his or her interest, i.e., the benefit or advantage that would be gained or lost if the Land Bank acted on the matter in various ways, and the underlying basis of such interest, such as ownership, investment, contract, claim, employment, or relationship.

(b) The Land Bank officer or employee shall completely and specifically describe and disclose his or her interest and its underlying basis, if any, in writing, to the Board of Directors in advance of his or her participation in the matter.

(c) If either the Land Bank officer or employee, or the Executive Director or the Chair of the Board of Directors believes that the disclosure reasonably raises a question whether the interest is *de minimis*, such question shall be submitted to the Land Bank's Counsel for an opinion, prior to which the officer or employee shall not participate in the matter. Failure to disclose properly or abide by the opinion of the Board shall make any participation of the officer or employee in the matter null and void.

(6) No Land Bank officer or employee should accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position or authority.

(7) No Land Bank officer or employee should disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests.

(8) No Land Bank officer or employee should use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself or herself or others, including but not limited to, the misappropriation to himself, herself or to others of the property, services or other resources of the Land Bank for private business purposes.

(9) No Land Bank officer or employee should engage in any transaction as representative or agent of the Land Bank with any business entity in which he or she has a direct or indirect interest that might reasonably tend to conflict with the proper discharge of his or her official duties.

(10) A Land Bank officer or employee should not by his or her conduct give reasonable basis for the impression that any person can improperly influence him or unduly enjoy his favor in the performance of his official duties, or that he is affected by the kinship, rank, position or influence of any party or person.

(11) A Land Bank officer or employee should abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her or which will otherwise create substantial conflict between his or her private interest and duty to the public interest.

(12) A Land Bank officer or employee should endeavor to pursue a course of conduct which will not raise suspicion among the public that he is likely to be engaged in acts that are in violation of his or her trust.

(13) No Land Bank officer or employee shall use or permit the use of Land Bank owned vehicles, equipment, materials or property for the convenience or profit of himself or herself or any family member.

(14) No Land Bank officer or employee shall solicit any gift, nor shall any Land Bank officer or employee accept or receive any gift having a value of \$25 or more, regardless of the form of the gift, from any person who has an interest in any matter proposed or pending before the Land Bank. The provisions of this subsection shall not apply to contributions solicited or received in accordance with the Election Law of the State of New York.

(15) A Land Bank contract with a corporation in which a Land Bank officer or employee has an interest shall not be deemed to create a prohibited conflict of interest under this code/policy based solely on such officer or employee's ownership or control, direct or indirect, of less than five (5) percent of the corporation's outstanding shares of stock.

(16) While disclosure and recusal shall be required, the interest of a Land Bank officer or employee who is a member of the board of a not-for-profit corporation or association which has a contract with the Land Bank shall not be prohibited where the remuneration of such Land Bank officer or employee will not be directly affected as a result of such contract.

C. Discipline and Removal. The doing of any act prohibited or the failure to do any act required by this Code of Ethics/Conflict of Interest Policy shall constitute grounds for disciplinary action, including removal, and any Land Bank officer or employee who violates a provision of this Code of Ethics/Conflict of Interest Policy may be subject to removal, in the discretion of the Board of Directors, in the manner provided by law.

D. Annual Disclosure Statements. All Board members and officers, as well as all employees who hold policy-making positions, of the Land Bank shall file annual financial disclosure statements with the City of Rochester Board of Ethics pursuant to article eighteen of the General Municipal Law.

Section 2. This resolution shall take effect immediately.

Appendix G



Budget Report for Rochester Land Bank Corporation
Fiscal Year Ending 06/30/2015

Run Date: 04/29/2014
Status: CERTIFIED

<u>Budget & Financial Plan:</u>	<u>Budgeted Revenues, Expenditures, And Changes In Current Net Assets</u>					
	Last Year (Actual) 2013	Current Year (Estimated) 2014	Next Year (Adopted) 2015	Proposed 2016	Proposed 2017	Proposed 2018
REVENUE & FINANCIAL SOURCES						
Operating Revenues						
Charges for services	\$0	\$0	\$0	\$0	\$0	\$0
Rentals & Financing Income	\$0	\$0	\$0	\$0	\$0	\$0
Other Operating Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Nonoperating Revenues						
Investment earnings	\$0	\$0	\$0	\$0	\$0	\$0
State subsidies / grants	\$0	\$828,664	\$1,696,065	\$356,213	\$0	\$0
Federal subsidies / grants	\$0	\$0	\$0	\$0	\$0	\$0
Municipal subsidies / grants	\$0	\$310,000	\$0	\$0	\$100,000	\$100,000
Public authority subsidies	\$0	\$0	\$0	\$0	\$0	\$0
Other Non-Operating Revenues	\$0	\$0	\$0	\$0	\$0	\$0
Proceeds from the Issuance of debt	\$0	\$0	\$0	\$0	\$0	\$0
Total Revenues & Financing Sources	\$0	\$1,138,664	\$1,696,065	\$356,213	\$100,000	\$100,000
EXPENDITURES						
Operating Expenditures						
Salaries and Wages	\$0	\$68,664	\$141,065	\$71,213	\$0	\$0
Other Employee Benefits	\$0	\$0	\$0	\$0	\$0	\$0
Professional Services Contracts	\$0	\$0	\$0	\$0	\$0	\$0
Supplies and Materials	\$0	\$0	\$0	\$0	\$0	\$0
Other Operating Expenditures	\$0	\$1,070,000	\$1,555,000	\$285,000	\$100,000	\$100,000
Nonoperating Expenditures						
Payment of principal on bonds and financing arrangements	\$0	\$0	\$0	\$0	\$0	\$0
Interest and other financing charges	\$0	\$0	\$0	\$0	\$0	\$0
Subsidies to other public authorities	\$0	\$0	\$0	\$0	\$0	\$0
Capital asset outlay	\$0	\$0	\$0	\$0	\$0	\$0
Grants and Donations	\$0	\$0	\$0	\$0	\$0	\$0
Other Non-Operating Expenditures	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$1,138,664	\$1,696,065	\$356,213	\$100,000	\$100,000
Capital Contributions	\$0	\$0	\$0	\$0	\$0	\$0
Excess (deficiency) of revenues and capital contributions over expenditures	\$0	\$0	\$0	\$0	\$0	\$0

The authority's budget, as presented to the Board of Directors, is posted on the following website: <http://www.cityofrochester.gov/landbank/>

Appendix H

REAL PROPERTY REPORT									
ACQUISITION/DISPOSAL Fiscal Year ending June 30, 2014									
	Date Acquired	Address	Property Description	Purchase Price	Fair Market Value*	Disposal Date	Sale Price	Competitively Bid?	
1	6/2/2014	44 ALDINE ST	Residential Structure	\$3,053	\$34,000				
2	6/2/2014	204 BIDWELL TER	Residential Structure	\$2,738	\$16,000	6/20/2014	\$1	No**	
3	5/27/2014	62 CHAMBERLAIN ST	Residential Structure	\$4,121	\$8,000				
4	6/2/2014	478 CHILI AV	Residential Structure	\$3,961	\$11,000	6/20/2014	\$1	No**	
5	6/2/2014	23 CUTLER ST	Residential Structure	\$2,879	\$8,000	6/20/2014	\$1	No**	
6	6/2/2014	64 CUTLER ST	Residential Structure	\$3,507	\$11,000	6/20/2014	\$1	No**	
7	6/2/2014	92 DORBETH RD	Residential Structure	\$6,814	\$12,000	6/20/2014	\$1	No**	
8	6/2/2014	246 ELECTRIC AV	Residential Structure	\$4,686	\$5,000	6/20/2014	\$1	No**	
9	6/2/2014	66 FILLMORE ST	Residential Structure	\$7,803	\$16,000	6/20/2014	\$1	No**	
10	6/2/2014	50 FURLONG ST	Residential Structure	\$6,649	\$13,000	6/20/2014	\$1	No**	
11	5/27/2014	59 HORTENSE ST	Residential Structure	\$3,106	\$30,000				
12	5/27/2014	423-425 JAY ST	Converted Residence	\$6,013	\$27,000				
13	6/2/2014	57 LEIGHTON AV	Residential Structure	\$3,229	\$7,000	6/20/2014	\$1	No**	
14	6/2/2014	104 MITCHELL ST	Residential Structure	\$3,421	\$14,000	6/20/2014	\$1	No**	
15	6/2/2014	248 NICHOLS ST	Residential Structure	\$3,833	\$10,000	6/20/2014	\$1	No**	
16	6/2/2014	141 NORMANDY AV	Residential Structure	\$4,282	\$23,000	6/20/2014	\$1	No**	
17	6/2/2014	397 PARSELLS AV	Residential Structure	\$3,533	\$10,000	6/20/2014	\$1	No**	
18	6/2/2014	675 POST AV	Residential Structure	\$3,609	\$6,000	6/20/2014	\$1	No**	
19	6/2/2014	425 SELYE TER	Residential Structure	\$3,259	\$21,000	6/20/2014	\$1	No**	
20	6/2/2014	41 VAN OLINDA ST	Residential Structure	\$3,884	\$22,000	6/20/2014	\$1	No**	
21	6/2/2014	24 WAKEFIELD ST	Residential Structure	\$4,159	\$22,000	6/20/2014	\$1	No**	
22	6/2/2014	30 WOLFF ST	Residential Structure	\$3,940	\$14,000	6/20/2014	\$1	No**	
23	6/11/2014	42 & 48 S WASHINGTON ST	Office Building & Parking Lot	\$230,000	\$300,000	6/18/2014	\$50,000	No***	
*	Fair Market Value has been determined by Broker Price Opinion, appraisal or Comparative Market Analysis performed by Land Bank Staff or qualified real estate professional.								
**	See attached Explanatory Statement - Exhibit A								
***	See attached Explanatory Statement - Exhibit B								

Appendix H - Exhibit A

WHEREAS, Rochester Land Bank Corporation (“ the Land Bank”) has entered into a contract with the New York State Office of the Attorney General to carry out community revitalization activities in Rochester as described in the application for Community Revitalization Initiative (“CRI”) Funds,

WHEREAS, the Land Bank in its application for CRI funds expressed its intention to immediately transfer properties purchased at the City Tax Foreclosure Auction by use of the Trump Bid to the Rochester Housing Development Fund Corporation (“the RHDFC”),

WHEREAS, the funds expended for the purchase of properties for use in the CRI program are fully reimbursable under the grant agreement,

NOW THEREFORE, in order to facilitate timely and cost effective environmental remediation and structural rehabilitation, the Land Bank hereby provides the authority board and the public the following information in explanation of its below market value asset transfer:

I. A full description of the asset.

The properties in question are vacant/abandoned single family structures located in the City of Rochester, County of Monroe, State of New York:

	Address	SBL #
1	0044 ALDINE ST	120.66-3-48
2	0204 BIDWELL TER	090.72-2-31
3	0478 CHILI AV	120.56-1-32
4	0023 CUTLER ST	091.69-1-68
5	0064 CUTLER ST	091.69-1-57
6	0092 DORBETH RD	091.69-3-52
7	0246 ELECTRIC AV	090.49-2-43
8	0066 FILLMORE ST	120.48-2-42
9	0050 FURLONG ST	091.67-3-45
10	0057 LEIGHTON AV	107.78-1-70
11	0104 MITCHELL ST	091.67-3-58
12	0248 NICHOLS ST	091.84-2-41
13	0141 NORMANDY AV	120.57-1-27
14	0397 PARSELLS AV	107.62-1-30
15	0675 POST AV	135.32-3-45
16	0425 SELYE TER	090.81-2-5
17	0041 VAN OLINDA ST	091.50-1-52
18	0024 WAKEFIELD ST	091.64-1-75
19	0030 WOLFF ST	105.57-1-44

II. An appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the board.

The fair market value of the properties was established by appraisals as described below:

	<u>Address</u>	<u>Appraisal Date</u>	<u>Appraised Value</u>	<u>Appraiser</u>
1	0044 ALDINE ST	2/22/2014	\$34,000.00	Metro Appraisal Associates
2	0204 BIDWELL TER	2/27/2014	\$18,000.00	Metro Appraisal Associates
3	0478 CHILI AV	2/22/2014	\$11,000.00	Metro Appraisal Associates
4	0023 CUTLER ST	3/17/2014	\$8,000.00	Pogel, Schubmehl & Ferrara, LLC
5	0064 CUTLER ST	3/17/2014	\$11,000.00	Pogel, Schubmehl & Ferrara, LLC
6	0092 DORBETH RD	3/17/2014	\$12,000.00	Pogel, Schubmehl & Ferrara, LLC
7	0246 ELECTRIC AV	2/27/2014	\$5,000.00	Metro Appraisal Associates
8	0066 FILLMORE ST	3/2/2014	\$16,000.00	Metro Appraisal Associates
9	0050 FURLONG ST	3/3/2014	\$13,000.00	Pogel, Schubmehl & Ferrara, LLC
10	0057 LEIGHTON AV	3/3/2014	\$7,000.00	Pogel, Schubmehl & Ferrara, LLC
11	0104 MITCHELL ST	3/3/2014	\$14,000.00	Pogel, Schubmehl & Ferrara, LLC
12	0248 NICHOLS ST	3/3/2014	\$10,000.00	Pogel, Schubmehl & Ferrara, LLC
13	0141 NORMANDY AV	3/2/2014	\$23,000.00	Metro Appraisal Associates
14	0397 PARSELLS AV	3/3/2014	\$10,000.00	Pogel, Schubmehl & Ferrara, LLC
15	0675 POST AV	3/2/2014	\$6,000.00	Metro Appraisal Associates
16	0425 SELYE TER	2/27/2014	\$21,000.00	Metro Appraisal Associates
17	0041 VAN OLINDA ST	3/3/2014	\$22,000.00	Pogel, Schubmehl & Ferrara, LLC
18	0024 WAKEFIELD ST	3/3/2014	\$22,000.00	Pogel, Schubmehl & Ferrara, LLC
19	0030 WOLFF ST	2/26/2014	\$14,000.00	Metro Appraisal Associates

III. A description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer, and the benefits, if any, to the communities in which the asset is situated as are required by the transfer.

The properties were purchased by the Land Bank exclusively for use in the CRI program as funded by a grant awarded by the NYS OAG. The grant parameters provide for the Land Bank to purchase or to reimburse the RHDFC for the purchase of properties for environmental remediation, structural rehabilitation, and ultimately sale to first-time homeowners in the HOME Rochester program. In addition to the benefit to the owner-occupants, an analysis performed by I Squared Community Development showed that the property value of homes within 100-foot radius of a HOME Rochester property increase by an average of more than \$15,000, which is about 23% of the average home value in the City of Rochester. Forty-one percent of the 22 contractors who perform rehabilitation for the HOME

Rochester program are MWB/E firms. Ultimately, this transaction will benefit all City residents by returning blighted, tax-delinquent properties to the City's tax rolls and providing a stabilizing influence in its neighborhoods.

IV. A statement of the value to be received compared to the fair market value.

The appraised value of the properties is listed above. While the monetary consideration received by the Land Bank will be negligible (\$1.00), the transaction has been structured in this way to allow for the most judicious use of the grant funding awarded to the Land Bank explicitly for this purpose – preserving the bulk of the funding to subsidize environmental remediation and rehabilitation of blighted properties, the most expensive and unique part of the HOME Rochester program. Moreover, the expense incurred by the Land Bank for acquisition of these properties is reimbursable with the grant funding for the CRI program.

V. The names of any private parties participating in the transfer, and if different than the statement required by subparagraph IV above, a statement of the value to the private party.

The property will be acquired by Rochester Housing Development Fund Corporation. The Rochester Housing Development Fund Corporation (RHDFC) was created by the City of Rochester, Enterprise Community Partners and Greater Rochester Housing Partnership to house the HOME Rochester program. RHDFC was created under Section 11 of the New York State Housing Finance Law.

VI. The names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.

No other private party has made an offer for the properties. As the Land Bank purchased the properties with funds awarded by the OAG expressly for the purpose of carrying out the CRI grant program, no other party is an eligible purchaser.

The board of directors of the Land Bank has considered the information above and determined that:

- The property was purchased using grant funding awarded to carry out the CRI grant program.
- The RHDFC is the only eligible transferee for properties purchased using grant funding.
- The grant is structured such that any money spent by the RHDFC for acquisition of properties for the purposes of the CRI grant is fully reimbursable by the Land Bank.

There is, therefore, no reasonable alternative to the proposed below market transfer that would achieve the same purchase of such transfer.

Re: Rochester Land Bank Corporation ("RLBC")
Disposition of Bevier Memorial Building Property
Explanatory Statement pursuant to Public Authorities Law §2897

To Whom It May Concern:

The Rochester Land Bank Corporation (the "RLBC") is providing you with this explanatory statement (the "Statement") in accordance with Section 2897 of the Public Authorities Law (the "PAL") concerning RLBC's proposed disposition of real property by means of a negotiated agreement and for less than fair market value. In accordance with PAL Section 2897(6)(d)(ii), this Statement is provided to you at least 90 days prior to the planned disposition. Please accept this Statement in satisfaction of the applicable requirements of the PAL.

The Property

The Bevier Memorial Building and parking lot are located in the City of Rochester at 42 and 48 South Washington Street respectively (collectively, the "Property"). The four-story, approximately 26,000 square-foot Bevier Memorial Building was designed by Claude Bragdon, a noted architect and designer of many other notable buildings in Rochester, and features parapets and polychromatic ceramic banding above the windows in blue, white, green, and brown. It was constructed in 1910 for the Rochester Athenaeum and Mechanics Institute, a forerunner to the Rochester Institute of Technology. The Property has been listed on the National Register of Historic Places since 1973.

The Property has been vacant since 2004. In 2005, the parapet from the Bevier Building fell on to the sidewalk on the south side of building, leaving part of the roof structure open to the elements. In 2006, the City issued its first of several property code enforcement tickets due to bricks falling from the building. Due to the former owner's failure to implement the requested repairs, in 2010, the City placed barricades to prevent pedestrians from walking on the sidewalk adjacent to the building and then made emergency repairs to the parapet and roof at a cost of \$44,634, an amount that was added to the Property's tax bill after the former owner failed to reimburse the City.

The City initiated a tax foreclosure action against the Property but it was redeemed from foreclosure on October 13, 2011, one day before it was scheduled to go to auction. On October 17, 2011 the Property was sold to its present owner, Robert Conte (the "Owner"). As of January 1, 2014, the Property is: subject to nine open cases of property code violations dating back to 2010; tax delinquent to the City of Rochester in the amount of \$169,301.78; and delinquent on County of Monroe taxes in the approximate amount of \$70,000.

A fair market value of \$300,000 for the Property has been established by an appraisal dated June 19, 2013 by Douglas Blue III of Midland Appraisal Associates and reviewed by Jay J. Loson, MAI. The Property has been listed for sale with Nothnagle Brokers. The Property continues to deteriorate with water leaks and broken windows.

The Project

RLBC intends to acquire the Property from Owner and then convey it to Franklin Bevier, LLC (“the Developer”), to restore and adapt the Property as a certified historic rehabilitation project consisting of 15 apartment units (two of which shall be affordable to households with incomes less than 120% of the Median Family Income; one unit affordable to incomes less than 80% MFI) and 5,000 square feet of first floor commercial space (collectively, the “Project”). The Project is consistent with the policies and strategies of the City of Rochester (“the City”) for revitalization of the area in which the Property is located.

The Owner and RLBC have negotiated a Purchase and Sale Agreement (“PSA”), by which the Owner will convey title to the Property to RLBC in return for the RLBC’s payment of up to \$230,000, consisting of a purchase price of \$200,000 and \$30,000 as reimbursement for paying off a lien previously held against the Property. In addition, the PSA provides that RLBC will pay approximately \$70,000 to satisfy County of Monroe taxes and liens on the Property.

In anticipation of its acquisition of the Property, RLBC has negotiated, and the Board of Directors of RLBC (“Board”) has authorized RLBC to enter into, a Land Disposition Agreement (“LDA”) by which the RLBC will convey the Property to the Developer in return for the Developer’s payment of approximately \$50,000, which shall be calculated by subtracting \$20,000 from the amount RLBC pays to discharge all County of Monroe taxes and liens at closing. The transfer of the Property to the Developer is further conditioned upon Developer undertaking and completing construction of the Project prior to December 31, 2015.

Factors Considered

Prior to authorizing RLBC to enter into the LDA to dispose of the Property for a price (approximately \$50,000) that is less than the Property’s fair market value (\$300,000), the Board considered and weighed a number of factors, including but not limited to the following six issues that PAL Section 2897(7)(b) requires to be considered for a below-fair-market disposition:

I. A full description of the asset.

The Property consists of the following two parcels of real property in the City of Rochester, County of Monroe, State of New York:

Address	SBL Number
42 S. Washington Street	121.30-1-45
48 S. Washington Street	121.30-1-43.

The Property contains a four-story historically significant building that has been abandoned and tax delinquent for several years, as described above.

II. An appraisal of the fair market value of the asset and any other information establishing the fair market value sought by the board.

The fair market value of the Property as established by an appraisal dated June 19, 2013 by Douglas Blue III of Midland Appraisal Associates and reviewed by Jay J. Loson, MAI is \$300,000. RLBC proposes to acquire the Property for approximately \$300,000 pursuant to a Purchase and Sale Agreement with the Owner.

III. A description of the purpose of the transfer, and a reasonable statement of the kind and amount of the benefit to the public resulting from the transfer, including but not limited to: the kind, number, location, wages or salaries of jobs created or preserved as required by the transfer; and the benefits, if any, to the communities in which the asset is situated.

The Property, which is listed on the National Register of Historic Places and was designed by an important local architect, has been vacant and tax delinquent and is in imminent danger of irreversible decline. The conveyance by the RLBC for less than fair market value is the only reasonable alternative that will save the Bevier Memorial Building and return it to productive use in a critical area of the Center City. A developer has been found with the necessary skills and resources to undertake the preservation and adaptive reuse of the Property, but will require the provision of a development premium (i.e., including a purchase price that is below fair market value) to do so. The Developer anticipates that the Project will entail the expenditure of approximately \$3.8 million in expenditures for construction and soft costs, create approximately 50 construction jobs, and, upon completion, will employ approximately 15 workers.

D. A statement of the value to be received compared to the fair market value.

The appraised value of the Property is \$300,000. The consideration to be received by the RLBC at closing is approximately \$50,000, for a net difference of approximately \$250,000.

E. The names of any private parties participating in the transfer, and if different than the statement required by Item D above, a statement of the value to the private party.

The Developer acquiring the Property is Franklin Bevier, LLC. The members of the LLC are: Douglas B. Sutherland, Ted L. Kinder, Timothy Stitt, and Patrick Dutton. The Developer, its members and affiliated entities have developed, own and manage more than \$60 million in seven comparable commercial and residential developments, three of which are certified historic rehabilitations of National Register listed properties with a total of 270 residential units and 130,200 square feet of commercial space.

F. The names of other private parties who have made an offer for such asset, the value offered, and the purpose for which the asset was sought to be used.

No other private party has made an offer for the Property, even though it has been listed with a commercial real estate broker.

Conclusion

Prior to authorizing RLBC to enter into the LDA and in accordance with PAL Section 2897(7)(c), the Board concluded that the Project's purpose of saving the Bevier Memorial Building and adapting it for productive use is within the purpose, mission, and governing statute of the RLBC and that there is no reasonable alternative to the proposed below market transfer for implementing the Project. Prior to reaching this conclusion, the Board weighed the information that is summarized above and found that:

- The equity of the Property is approaching zero as its value continues to decline and the cost of renovation and tax debt continues to rise.
- There is no reasonable prospect of a market rate transfer that would enable the Property to be saved from irreversible decline.

- There is no possibility of redeveloping the Property absent a public sector contribution toward the development premium.
- Except for the less-than-fair-market-value transfer contemplated by the LDA, there is no possibility of a public contribution toward the development premium within the requisite time frame before physical deterioration makes saving the Bevier Memorial Building unreasonably costly.

We appreciate this opportunity to provide you with this explanatory Statement regarding the public benefits of the Bevier Project, an endeavor made possible by the tools provided to RLBC by the State Land Bank Act.

Appendix I



Procurement Report for Rochester Land Bank Corporation

Run Date: 09/22/2014

Fiscal Year Ending: 06/30/2014

Status: CERTIFIED

Procurement-Information:

Question	Response	URL (if applicable)
1. Does the Authority have procurement guidelines?	Yes	http://www.cityofrochester.gov/landbank
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	
3. Does the Authority allow for exceptions to the procurement guidelines?	Yes	
4. Does the Authority assign credit cards to employees for travel and/or business purchases?	No	
5. Does the Authority require prospective bidders to sign a non-collusion agreement?	No	
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents or specifications for procurement contracts?	No	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-j(2)(a) of the State Finance Law, "The Procurement Lobbying Act"?	No	
8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-j(10) of the State Finance Law?	No	
8a If Yes, was a record made of this impermissible contact?		
9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-j(9) of the State Finance Law?	No	

Procurement Report for Rochester Land Bank Corporation

Run Date: 09/22/2014

Fiscal Year Ending: 06/30/2014

Status: CERTIFIED

Procurement Transactions Listing:

This Authority has indicated that it has no Procurement Transactions for the reporting period.

Procurement Report for Rochester Land Bank Corporation

Run Date: 09/22/2014

Fiscal Year Ending: 06/30/2014

Status: CERTIFIED

Procurement Transactions Listing:

Additional Comments:

Appendix J



Investment Report for Rochester Land Bank Corporation
Fiscal Year Ending:06/30/2014

Run Date: 09/22/2014
Status: CERTIFIED

Investment Information:

Question	Response	URL (if applicable)
1. Has the Authority prepared an Annual Investment Report for the reporting period as required by Section 2925(6) of PAL?	Yes	http://cityofrochester.gov/landbank
2. Are the Authority's investment guidelines reviewed and approved annually?	Yes	
3. Did the Authority have an independent audit of investments as required by Section 2925(3)(f) of PAL?	No	
4. Has the Authority's independent auditor issued a management letter to the Authority in connection with its annual audit of investments?	No	

Procurement Report for Rochester Land Bank Corporation

Run Date: 09/22/2014

Fiscal Year Ending: 06/30/2014

Status: CERTIFIED

Procurement Transactions Listing:

Additional Comments: