



TCPDC

TIOGA COUNTY PROPERTY DEVELOPMENT CORPORATION

607.687.8260 | www.tiogacountyny.com | 56 Main St. Owego NY 13827

**Tioga County Property Development Corporation
Annual Board of Directors Meeting Minutes (Zoom)**

Wednesday, May 27, 2020

12:00 p.m.

Ronald E. Dougherty County Office Building

Legislative Conference Room, Room #106

56 Main Street, Owego, NY 13827

1. Call to Order: Chair Sauerbrey called the meeting to order at 12:22 p.m. with seven board members participating via Zoom with Mr. Baratta and Mr. Williams being absent.
2. Zoom Conference Participation:
 - a. Board of Directors: Martha Sauerbrey (Chair), Patrick Ayres (Vice-Chair), Ralph Kelsey (Treasurer), Christina Brown, Stuart Yetter, Lesley Pelotte, David Astorina
 - b. Staff: Teresa Saraceno, Cathy Haskell
 - c. Excused: None
 - d. Absent: Michael Baratta (Secretary), George Williams
 - e. Guests: Joe Meagher, TCPDC Attorney, Alena Fast, INHS Real Estate Developer, and Joe Bowes, INHS Director of Real Estate Development
3. **Old Business**
 - a. **Approval of March 24, 2020 Audit Committee Meeting Minutes –**
Chair Sauerbrey requested a motion to approve the March 24, 2020 Audit Committee Meeting minutes.
Motion to approve the March 24, 2020 Audit Committee Meeting minutes, as written.

**P. Ayres/R. Kelsey/Carried
None Opposed
Abstentions – None**
 - b. **Approval of March 24, 2020 Board of Directors Meeting Minutes –**
Chair Sauerbrey requested a motion to approve the March 24, 2020 Board of Directors Meeting minutes.
Motion to approve the March 24, 2020 Board of Directors Meeting minutes, as written.

**S. Yetter/D. Astorina/Carried
None Opposed
Abstentions – None**

4. **New Business**

a. Proposed Board of Directors Nominations/Slate of Officers –

- Chairperson: Martha C. Sauerbrey – 3-year term through 12/31/22.
- Vice-Chairperson: Patrick Ayres – 2-year term through 12/31/21.
- Treasurer: Ralph Kelsey – 3-year term through 12/31/22.
- Secretary: Mike Baratta – 2-year term through 12/31/21.

Motion to approve the Slate of Officers, as presented.

**C. Brown/D. Astorina/Carried
None Opposed
Abstentions – None**

b. Committee Appointments – Ms. Saraceno reported committees cannot include members of the appointing body; therefore, Chairperson Martha Sauerbrey will be excluded from any committee appointment.

- **Audit Committee: (4 Directors)**

- Patrick Ayres, Michael Baratta, Ralph Kelsey, George Williams

Motion to approve the Audit Committee, as presented.

**L. Pelotte/C. Brown/Carried
None Opposed
Abstentions – None**

- **Finance Committee: (4 Directors)**

- Patrick Ayres, Michael Baratta, Ralph Kelsey, Christina Brown

Motion to approve the Finance Committee, as presented.

**L. Pelotte/D. Astorina/Carried
None Opposed
Abstentions – None**

- **Governance Committee: (4 Directors)**

- Patrick Ayres, Stuart Yetter, David Astorina, Lesley Pelotte

Motion to approve the Governance Committee, as presented.

**R. Kelsey/C. Brown/Carried
None Opposed
Abstentions – None**

c. Introduction & Presentation by Ithaca Neighborhood Housing Services –

Ms. Saraceno reported Board members were sent an informational packet regarding INHS Real Estate Development. Alena Fast, INHS Real Estate Developer, and Joe Bowes, INHS Director of Real Estate Development introduced themselves.

Company Background: Ms. Fast reported INHS is a 501c3 not-for-profit formed in the 1970's in Ithaca, NY. This was originally a small grassroots organization, locally formed, to assist with revitalization in the City of Ithaca, NY. Since then, INHS has grown and today the organization's mission is develop, own, and manage affordable housing with rental to first-time homebuyers and other people who need assistance with home purchases. In addition, INHS provides rehabilitation assistance to the elderly.

Service Area: Ms. Fast reported the service area is Tompkins County and the six contiguous counties, which includes Tioga County.

Projects: Ms. Fast reported a majority of INHS projects are centered around Ithaca and Tompkins County, but also have a townhouse style development outside Seneca Falls in Tyre, NY and a project currently under construction in Watkins Glen, NY. Ms. Fast reported the Watkins Glen, NY project is a very good comparison to the projects currently being discussed in Owego, NY. Ms. Fast reported the Watkins Glen, NY project is a three-story building with 34 units consisting of one and two-bedrooms with a 7,000 sq. ft. childcare center located on the first floor that will be operated by a local childcare facility seeking expansion. Ms. Fast reported INHS has been marrying childcare facilities with the affordable housing rentals and it is a good fit.

Mr. Kelsey inquired as to whether the Watkins Glen, NY project is available for an on-site visit.

Mr. Bowes reported the Watkins Glen, NY project is currently under construction with primarily a foundation with some steel being erected. However, there is another property located in the City of Ithaca that is a childcare facility with affordable housing for sale and rental and a tour can be arranged upon request.

INHS Interest in Owego, NY: Ms. Fast reported INHS has expressed an interest in Owego, NY as they were the recipient of the Downtown Revitalization Initiative (DRI) from New York State last year, which shows us that the State is very interested in funding projects that will revitalize Owego including affordable housing. Ms. Fast reported INHS is aware that there was a project put forth in the DRI application for Temple Street that was unfunded, however, INHS believes this is a good location and fundable project. In addition, Ms. Fast referenced the 2018 Tioga County Housing Study that reveals many households are spending more than 30% of their income on rent.

Ms. Fast reported the properties under consideration are located on the corners of Temple and Liberty Streets. Ms. Fast reported, once TCPDC takes ownership of the properties, INHS would be interested in purchasing them from TCPDC to consolidate the parcels and develop affordable housing.

Ms. Fast reported there is a rough sketch that consists of units on the first floor along with office space, community room, laundry, and possible childcare facility.

Ms. Fast reported INHS has been communicating with Tioga Opportunities, Inc., who is interested in managing the property with possibly acquiring an ownership role, although that is unconfirmed at this time. In addition, Tioga Opportunities, Inc. may be interested in operating a childcare facility at this location.

Ms. Fast reported the project would be a three-story elevator building with 30-35 units with one and two-bedrooms and possibly a childcare facility based on the model under construction in Watkins Glen, NY.

Community Feedback: Ms. Fast reported INHS believes it is important to obtain community feedback based on the community's needs, vision, etc. This is an

initial look at the type of project that could be suited on this parcel; however, INHS is open to other ideas and would welcome community meetings for additional input from community stakeholders.

Roles & Responsibilities: Ms. Fast reported there will be a small special needs set aside that could be for individuals with physical disabilities, developmental disabilities, veterans who are homeless, etc. to name a few of the many categories that could be chosen. Ms. Fast reported these units would require a service provider, therefore, potentially another partner.

Financing Sources: Ms. Fast reported INHS would be applying to NYS for Low Income Housing Tax Credits, which are tax credits that the State would award INHS and then sold to a bank or a for-profit entity that is looking for tax credits in exchange for money. Ms. Fast reported this would be the major source of financing. In addition, INHS could obtain a State mortgage and various other available State funding.

Timeline: Ms. Fast provided the following basic timeline, which is subject to change, based on the current pandemic situation:

Tentative Date	Action
Summer 2020	Purchase agreements and land acquisition with landowners.
September 2020	Community meetings.
December 2020	Begin approval process with Village of Owego in terms of Site Plan Approval (<i>anticipated to take a few months</i>).
June 2021	Apply for New York State funding.
Spring 2022	Construction would commence, contingent upon being award the first time.
March 2023	Construction completed.

Questions:

Payment in Lieu of Taxes (PILOT) – Mr. Ayres inquired as to whether there would be any PILOTs negotiated with the Village of Owego for services provided or would this be totally tax-exempt with zero taxes paid. Ms. Fast reported the building itself would be owned by a Limited Liability Corporation (LLC) that is not tax-exempt. Ms. Fast reported there are a couple of different options where the building would pay property taxes based on the income generated or INHS could negotiate a PILOT with the Village of Owego. This would be determined with the Village of Owego as we progress with the project based on what would be the most sensible for the Village of Owego and the project.

Site Plan Review Requirements – Mr. Ayres inquired as to whether INHS has anticipated what the site plan requirements might entail with the Village of Owego and the County Planning Board, as well as potentially affecting the neighboring properties relative to the flood plain. Ms. Fast reported the proposed project site is in the flood plain; therefore, a special permit would be required. Ms. Fast reported it could involve a longer approval process than the anticipated average of four-five months. Mr. Bowes reported INHS typically enters into a contract with an engineering firm from early onset to work with

them in conjunction with the Village of Owego Code Enforcement and Planning Departments. Mr. Bowes reported INHS has a lot of experience with the environmental review. Mr. Bowes reported local staff would be involved in the entire process. Mr. Bowes reported the property in the City of Ithaca was built in a flood plain, therefore, it would be ideal to use the same engineer that assisted in the property design to ensure the DEC and local flood plain requirements are met. Mr. Bowes reported INHS has built projects in flood plains, but it does have its own unique challenges that INHS will need to monitor. Mr. Ayres reported he would be interested in finding out what Mayor Baratta and the Village of Owego's position is on this potential project.

Taking Control of the Property and Relocation of Tenants – Mr. Kelsey inquired as to who is involved in the effort of land acquisition and relocation of tenants and at what point in the timeline does this occur. Ms. Fast reported INHS would develop a re-location plan. Ms. Fast reported Tioga Opportunities, Inc. would be utilized to assist with interacting with the tenants and providing assistance with relocation.

Ms. Saraceno reported she has been discussing the purchase offer option with Attorney Meagher. Based on the information known about the project, Attorney Meagher reported it would be in TCPDC's best interest to move forward with the purchase offer options. Attorney Meagher reported he prepared a couple of draft agreements for two property owners for nine properties. Mr. Meagher reported he does not believe re-location is an appropriate part of the purchase offer option agreement, as this is about securing our right to purchase.

Mr. Kelsey reported regardless of whether INHS is able to obtain project funding, he recommends TCPDC should still consider purchasing the properties for future development, however, doesn't believe TCPDC should be the landlord. Ms. Saraceno concurred the intent is for the properties to be vacant at time of purchase and the re-location process would be complete. Attorney Meagher reported TCPDC would still have the right within the one-year period to determine whether to proceed with the purchase offer. In the event TCPDC does not proceed with the purchase offer, Attorney Meagher noted the only risk involved is the option deposit loss.

State Budget Cuts/State Funding Options – In light of the current economic situation, budget cuts are inevitable and funding will be harder to find, therefore, Mr. Kelsey inquired about how confident INHS is in regards to funding sources for the equity and financing portion of the project. Mr. Bowes concurred these are uncertain times currently, however, everyone INHS has been conversing with in the industry (investment and State financing) have said things are not changing drastically at the moment and that the State of NY is still going to have financing and funding for affordable housing and investors are still looking for similar level investments pre-pandemic. However, with the caveat that this is subject to change. Mr. Bowes reported there is always some risk in real estate, but given the current situation there is more risk than normal, but hoping to work through the process locally and the timeline

is long enough that things will become clearer by year-end. Mr. Bowes reported they are operating on the information, as it is known today.

Project Timeline – Mr. Ayres inquired about whether funding has been obtained to purchase these properties. Ms. Saraceno reported funding has been awarded to purchase and demolish these ten properties and one rehabilitation project. Mr. Ayres requested clarification regarding purchasing tenant-occupied properties. Ms. Saraceno reported the intent is the TCPDC will not take ownership of these properties until the tenant re-location is complete. Ms. Saraceno reported an agreement with INHS with assistance of Tioga Opportunities, Inc. will be put in place for the re-location effort. Once the properties are tenant-free, Ms. Saraceno reported TCPDC will close on the properties and then the bid process will commence for demolition and environmental services.

Ms. Fast and Mr. Bowes departed the meeting at 12:50 p.m.

d. Acknowledgement of January – April 2020 Financial Reports –

- Profit & Loss Statement
- Balance Sheet

Motion to acknowledge the January – April 2020 Financial Reports, as presented.

**R. Kelsey/L. Pelotte/Carried
None Opposed
Abstentions – None**

e. TCPDC 2019 Annual Report – Chair Sauerbrey requested a motion to affirm the March 25, 2020 phone vote approval of the TCPDC 2019 Annual Report.

Motion to affirm the March 25, 2020 phone vote approval of the TCPDC 2019 Annual Report.

**R. Kelsey/S. Yetter/Carried
None Opposed
Abstentions – None**

f. Renewal of TCPDC Mission Statement - Chair Sauerbrey requested a motion to affirm the March 25, 2020 phone vote approval of the TCPDC Mission Statement renewal.

Motion to affirm the March 25, 2020 phone vote approval of the renewal of the TCPDC Mission Statement.

**P. Ayres/L. Pelotte/Carried
None Opposed
Abstentions – None**

g. Update on Sale of Properties and Status of Available Properties – Ms. Saraceno reported an inventory sheet was included in today's meeting packet and, to date, TCPDC has closed on six properties. The only remaining TCPDC-owned properties are the three in Owego, and the two in Waverly (127 Providence Street and 108 Park Street). Ms. Saraceno reported she has received an offer on 127 Providence Street and three individuals have expressed interest on 108 Park Street, however, no official offers as of this meeting. In addition, Ms.

Saraceno reported 35 Lincoln Street, Waverly, NY is the property slated for rehabilitation.

- h. Purchase Offer for 127 Providence Street, Waverly, NY** – Discussion was tabled for Executive Session.

Motion to move into Executive Session to discuss real estate purchase offer for 127 Providence Street, Waverly, NY at 12:55 p.m.

**P. Ayres/L. Pelotte/Carried
None Opposed
Abstentions - None**

Executive Session adjourned at 1:06 p.m.

Motion to accept purchase offer of \$3,500 for 127 Providence Street, Waverly, NY.

**R. Kelsey/D. Astorina/Carried
None Opposed
Abstentions – P. Ayres**

- i. Award of Additional Funding via Modified Grant Agreement 4.2 through Enterprise Community Partners, Inc.** - Ms. Saraceno reported TCPDC received \$560,000 of the \$670,000 requested for the demolitions of ten properties and rehabilitation of 35 Lincoln Street, Waverly, NY for completion by June 2021, as addressed in the award letter. In light of the current COVID-19 pandemic, Ms. Saraceno reported there has been some discussion this may possibly be extended to the end of the year, however, was advised to maintain the June 2021 date for budgetary and work plan purposes with the possible option to extend later. Ms. Saraceno reported she did revise the work plan to remove the Newark Valley, NY property due to receiving less funding than requested. Ms. Saraceno reported this property was removed due to being unknown as to whether TCPDC could acquire this property.

- j. Extension of Administrative Services Agreement with Tioga County until June 30, 2021** – Ms. Saraceno reported this would be the same agreement that is currently in place, which is approximately \$8,200 quarterly and noted the relationship between TCPDC and Tioga County ED&P would remain the same for continuation of the administrative services.

Motion to authorize extension of Administrative Services Agreement with Tioga County until June 30, 2021.

**R. Kelsey/C. Brown/Carried
None Opposed
Abstentions - None**

ACTION: Ms. Saraceno will prepare the resolution for Tioga County Legislature adoption and then execution of the Administrative Services Agreement.

- k. Discussion of Purchase of Properties to Allow for Re-development as indicated in 4.2 Work Plan** – Ms. Saraceno reported the new work plan is included in today's meeting packet, which outlines acquisition costs, demolition, additional rehabilitation cost for the Waverly property, re-location services, and environmental services. Ms. Saraceno reported this work plan reflects the ten properties we have received approval to do.

Ms. Saraceno reported the additional proposed projects are 107 Liberty Street, 112 Liberty Street, and 113 Liberty Street. Ms. Saraceno reported the 112 Liberty Street property is County-owned property that went through the foreclosure process with a couple of offers that ultimately fell through due to the condition of the property. Ms. Saraceno reported this property is located directly across the street from the TCPDC owned property and should be demolished for new development. This is the same for 107 and 113 Liberty Street properties. These are privately owned vacant lots and the owners are interested in selling. Ms. Saraceno reported these properties would set up TCPDC for future development on the other section of Liberty Street.

As previously discussed, Ms. Saraceno reported Owego-Apalachin Central School District is looking to build small one and two bedroom homes (up to 1000 sq. ft.) in relation with their building trade course and possible partnership with BOCES. This would provide handicapped smaller homes in this area. With the ongoing school closure, Ms. Saraceno reported she does not have an update on this and is unable to make a commitment at this time based on budgetary guidance. In the event this is not a viable option for the school district, Ms. Saraceno reported this would open the opportunity for other developers.

Ms. Saraceno reported for the cost associated with these three properties in conjunction with the TCPDC-owned property, Ms. Saraceno inquired about Board interest in pursuing these properties if the budget allows.

l. 2nd Quarter 2020 Disbursement Request from Enterprise Community Partners, Inc. – Ms. Saraceno reported she revised the work plan and budget once the final funding amount was received. Ms. Saraceno reported Enterprise Community Partners, Inc. was agreeable to the revisions.

m. INHS Follow-up Discussion - Chair Sauerbrey inquired as to whether we need to enter into an agreement with INHS. Attorney Meagher reported it would be ideal for INHS to draft an agreement with TCPDC, as they will not be performing services on our behalf without our consent. Attorney Meagher reported if INHS is proposing re-location services they should be presenting TCPDC with an agreement outlining the terms and conditions. Attorney Meagher reported it is a little vague at this point as to what INHS is intending to do for TCPDC. Attorney Meagher reported there will most likely need to be a series of agreements as we proceed with this project depending on the stage we are in with INHS. At some point, a written agreement will need to be acquired.

Ms. Saraceno reported INHS initially provided TCPDC with a letter of intent to acquire and develop properties from TCPDC for grant application purposes to obtain the \$560,000 award. In addition, INHS has provided a draft purchase option agreement for the properties.

Ms. Saraceno reported an appraisal has been done on the TCPDC-owned property on Temple Street that was demolished last year; therefore, TCPDC could possibly gauge the other Temple Street properties around this appraised

amount. Ms. Saraceno reported the Board would need to determine the sale amount for the properties.

Attorney Meagher reported the grant funding is available to TCPDC to purchase the properties, therefore, the Board should proceed with purchasing the properties regardless of whom we enter into an agreement with.

Mr. Ayres requested clarification regarding the funding and the purpose of such. Based on Mr. Ayres and Ms. Saraceno's concurrence, the following was noted:

- TCPDC was awarded grant funding for the purpose of purchasing and demolishing the targeted ten properties to create land development opportunity for affordable housing. Noting the purpose of the grant is not to build affordable housing, but to demolish and make available for redevelopment.
- Regardless of whether we enter into an agreement with INHS or any developer to build affordable housing, our intention is to solely purchase and demolish for future opportunity.
- Acquisition of properties will not close until the re-location of current tenants is completed with the assistance of INHS and Tioga Opportunities, Inc.
- TCPDC will enter into an agreement with INHS and Tioga Opportunities, Inc. for re-location services noting this does not necessarily indicate a commitment with INHS for development.
- INHS is drafting a re-location services agreement. This is a separate service outside of the development.
- Once TCPDC acquires the vacant properties, the demolition process will commence and enter into an agreement with INHS or other entity for future development.

Mr. Kelsey proposed moving forward with a resolution to authorize an option to purchase all the properties. Ms. Saraceno and Attorney Meagher will be working on these offers to purchase. Attorney Meagher will be assisting with the negotiations.

Mr. Kelsey inquired as to whether any of the said properties are encumbered with a mortgage or delinquent taxes. Attorney Meagher will research.

Motion to authorize a resolution for Ms. Saraceno and Attorney Meagher to secure an option to purchase for all said properties not to exceed the terms set forth in the two agreements.

**R. Kelsey/M. Sauerbrey/Carried
None Opposed
Abstentions – None**

5. **Chairman's Remarks** – In regards to the next regular meeting, Chair Sauerbrey reported this would be an in-person meeting, if permissible; otherwise, it will be a Zoom meeting. In addition, Chair Sauerbrey reported if there is an emergent need to meet prior to the next regular meeting, she proposed conducting Zoom meeting at 12:00 p.m. All Board members in attendance were in favor of this emergency option, if necessary.

6. **Next Regular Meetings** –

- Wednesday, July 22, 2020 at 5:30 p.m.
- Wednesday, October 28, 2020 at 5:30 p.m.
- Wednesday, January 27, 2021 at 5:30 p.m.

7. **Adjournment** – Mr. Ayres motioned to adjourn at 1:40 p.m.

Respectfully submitted,

Cathy Haskell