



Land Reutilization Corporation of the Capital Region
433 State Street
Schenectady, NY 12305

ANNUAL REPORT

As per Public Authorities Law Article 9, Title 1, §2800 (2), the Land Reutilization Corporation of the Capital Region (LRCCR) offers the following information regarding its status and activities for the year 2016:

OPERATIONS AND ACCOMPLISHMENTS

The LRCCR is established as a Non-Profit, subject to New York's Public Authority Law. The LRCCR has filed its Articles of Incorporation with New York State and has an IRS approved designation of 501 (C) (3).

For 2015 & 2016, the LRCCR was awarded a \$3,000,000 New York State Attorney General Community Revitalization Initiative Grant. Most activity undertaken by the Corporation in 2016 was in support of this grant. The Land Bank also continued to support the Breathing Lights Multi-City Art Installation Project, which was wholly funded by the Bloomberg Foundation following winning the Bloomberg Philanthropies Public Art Challenge. The project brought tremendous attention to the challenges of vacancy and abandonment and provided opportunities for the Land Bank to market properties and continue our community outreach.

The Land Bank had no employees and in 2016 and relied on professional services for project management services. In June, the Land Bank transitioned from being located and operated in Schenectady's City Hall to the offices of the Schenectady Metroplex Development Authority ("Metroplex"). The Land Bank has entered a management agreement with Metroplex for oversight and program management services in Schenectady on an annual renewal basis. Orion Management Consulting has continued to provide program management for projects related to the City of Amsterdam. Orion reports to Metroplex.

Project activity related to the New York State Attorney General Community Revitalization Initiative ("CRI") program in 2016 includes:

Twenty-five additional buildings were demolished or abated for further renovation by private entities. Three of those buildings were in the City of Amsterdam with the remaining buildings in the City of Schenectady. Over the past two years the Land Bank have removed thirty-five vacant and abandoned buildings while stabilizing two additional properties which are currently being renovated by private parties.

In Amsterdam, the Land Bank has collaborated with Rivercrest Development Corporation (an affiliated entity of the Amsterdam Housing Authority) to create thirteen units of renovated housing in seven structures. These units meet the affordability guidelines of the CRI and will be managed by Rivercrest. The Land Bank has finished all abatement activity and the renovations are currently underway with an expected completion in the summer of 2017.

In Schenectady, the Land Bank continued to move its Eastern Avenue Focus project forward. A phase 1 project at Tribute Park implemented sidewalks, utilities, fencing, landscaping and lighting. This project was funded through a grant from the CRI, Wright Family Foundation, and the Carlilian Foundation. A phase 2 will be implemented in 2017 which will install additional park amenities including a splash pad, a trail to Vale Park, play equipment, among other improvements. Phase 2 will be funded through a collaboration to raise funds with The Capital Region Rotary and The Schenectady Foundation.

Also in Eastern Avenue, the Land Bank has continued working with House of Angels to restore three buildings that were formerly part of the St. Mary's Church Complex. The Land Bank provided support to register the campus as Historic Place on the New York State and Federal registries. The St. Mary's Church is now reopened as Renaissance Hall with a garden level restaurant with new streetscape and landscaping improvements. In 2017 the Land Bank will continue to work with local housing partners to identify a professional developer to submit a housing proposal for the Convent and School. This project will be an anchor to the Eastern Avenue Neighborhood.

In addition, with 2015-16 CRI funding, the Land Bank has partnered with a local developer to historically preserve the former Nott Street School which dates back to the 19th Century. The project will be completed in the summer of 2017 and retrofits the vacant buildings as 16 affordable housing units.

Eighteen additional units of housing are undergoing renovations in the City of Schenectady including new construction by Habitat for Humanity, the return of three flood damaged properties to active use in the Stockade District and multiple renovations on Eastern Avenue, among others.

The Land Bank has secured or applied for additional grant resources that will benefit neighborhood development within the focus area. The 2017-18 CRI program provides additional resources for the redevelopment of the former Annie Schaffer property at 101 Nott Terrace as thirty units of housing, ten that meet affordability standards. In addition, the CRI program provides resources for a focus on removing blight in the Mont Pleasant Neighborhood in Schenectady and the East End in the City of Amsterdam. The Mont Pleasant work will be in coordination with the City and County of Schenectady's efforts to expand Orchard Park, a small and isolated pocket park that will benefit from increased visibility from the street and amenities, install new smart street lighting, and enhance the library branch.

The Land Bank was also selected for the Neighbors for Neighborhoods program which will provide the opportunity for local residents to become quality small scale landlords.

The Land Bank's website with the E-Property Plus property management software provides the public one source to view properties owned by the Land Bank and the City of Schenectady.

FINANCIAL REPORT

- The audited financial report for fiscal year 2016 is attached as Appendix A.
- Operating and Financial Risks – No Operating Risks were identified. As a result of the 2016 Annual Audit, some comments were made to improve the internal control systems, the main one being the creation of a formal cash receipts process.
- No investments were made and no bonds were issued, nor are any outstanding so there is no current rating of bonds
- Long Term Liabilities - None

MISSION STATEMENT - The mission statement and measurements were not amended in 2016 and read as follows:

The purpose and mission of the Land Reutilization Corporation of the Capital Region is to strengthen neighborhoods by mitigating blight through the improvement of existing structures and by returning vacant and abandoned property to productive use.

VISION

The residents of our community have the right to live in an environment free from crime that is well maintained and allows for a viable and productive housing option for all who choose to live here. The communities will benefit from the Land Reutilization Corporation of the Capital Region’s actions of reducing blight, promoting economic development, increasing property values, and thereby improving the quality of life for all Capital Region residents.

To accomplish its purpose, the Land Reutilization Corporation of the Capital Region, will acquire properties that are tax delinquent, foreclosed, vacant, abandoned, distressed, or through an acquisition thereof would otherwise be consistent with municipally created and/or approved redevelopment plans.

The core focus of the Land Reutilization Corporation of the Capital Region is to protect and strengthen existing residential and mixed-use neighborhoods. To do this, the Land Reutilization Corporation of the Capital Region will endeavor to meet the following operational objectives:

- Identify and remove environmental factors that are considered blighting influences on a neighborhood such as condemned, burned and otherwise unsalvageable buildings, abandoned cars, trash, and debris.
- Work with cross-regional and local municipal governments to assure enforcement of property maintenance standards and the development of affordable housing and commercial activity which will foster enhanced economic development.

STAKEHOLDERS & EXPECTATIONS

The Foreclosing Governmental Entities, their taxpayers and residents are the Corporations stakeholders.

Stakeholder expectations of the Land Reutilization Corporation of the Capital Region include: timely demolition of abandoned or unsafe structures, reuse of vacant lots, increased home-ownership, and the enhancement of public safety, health, and welfare of the neighborhood’s residents.

PERFORMANCE MEASUREMENTS

- Number of properties obtained: 29.
 - 20 from City of Schenectady - 2 sold for redevelopment, 1 planned for redevelopment and 17 for demolition

- 7 from the City of Amsterdam- 4 for redevelopment, 3 for demolition
- 2 from a bank – 1 sold for redevelopment, 1 listed for sale
- Number of structures improved: 23 properties either complete or in process
- Number of blighted buildings removed: 25
- Number of blighted buildings redeveloped: see improved
- Number of vacant lots redeveloped: 3 – 866, 868 & 870 Eastern Avenue
- New housing units constructed: 52 completed or underway
- Home-ownership – 3 structures achieved: 466 Cedar, 2351 Consaul Road and 1051 Barrett Street
- Grant funding obtained: \$ 3,000,000 (2015-2016) and \$215,000 for Tribute Park.
- Community outreach events held: The Land Bank did not hold any outreach events but attended multiple community meetings and all board meetings are open to the public.

SCHEDULE OF BONDS - The LRCCR has not issued any bonds and therefore there is no schedule of any outstanding bonds or notes.

COMPENSATION SCHEDULE – No employees

REAL PROPERTY REPORT

Address	Municipality	SBL	Ownership	Assessed Value	Owed in Taxes	Date to LB	Transferer
320 Hulett Street	C.O.S.	49.33-1-19	Land Bank	\$ 73,400	N/A	7/31/2015	Bank Donation
105 Degraff Street	C.O.S.	39.82-2-50	Land Bank	\$ 95,000	N/A	4/21/2016 - resigned deed 11/03/16	Schenectady Transfer
108 Degraff Street	C.O.S.	39.82-2-83	Land Bank	\$ 18,264	N/A	4/21/2016	Schenectady Transfer
114 Porter St	C.O.S.	39.82-1-40	Land Bank	\$ 14,628	N/A	4/21/2016	Schenectady Transfer
870 Eastern Ave	C.O.S.	39.83-2-72	Land Bank	\$ 10,200	N/A	2/5/2014	Private Purchase
868 Eastern Ave	C.O.S.	39.83-2-71	Land Bank	\$ 22,100	N/A	8/19/2016	Schenectady Transfer
866 Eastern Ave	C.O.S.	39.83-2-70	Land Bank	\$ 17,900	N/A	8/19/2016	Schenectady Transfer
843 Eastern Ave	C.O.S.	39.83-2-49.1	Land Bank	\$ 65,100	N/A	4/24/2015	Bank Donation (HSBC, Wells Fargo)
105 Prospect St	C.O.S.	39.82-2-74	Land Bank	\$ 22,160	N/A	6/12/2015	Schenectady Transfer
123 Prospect Street	C.O.S.	39.82-2-65	Land Bank	\$ 46,900	N/A	8/19/2016	Schenectady Transfer
129 Prospect Street	C.O.S.	39.82-2-62	Land Bank	\$ 87,900	N/A	8/19/2016	Schenectady Transfer
826.5 Eastern Ave	C.O.S.	39.82-2-16.1	Land Bank	\$ 200,500	N/A	4/21/2016	Schenectady Transfer
294-296 Locust Ave	C.O.A.	40.9-2-40	Land Bank	\$ 20,000	N/A	3/1/2016	Bank Donation
101 Prospect Street	C.O.S.	39.82-2-76	Land Bank	\$ 8,788	N/A	4/21/2016	Schenectady Transfer
131-133 Guy Park Avenue	C.O.A.	39.82-2-43	Land Bank	\$ 126,000	N/A	11/15/2016	Amsterdam Transfer
99 Prospect St	C.O.S.	39.82-2-77	Land Bank	\$ 38,300	N/A	6/12/2015	Schenectady Transfer
1702 Carrie Street	C.O.S.	39.43-2-19	Land Bank	\$ 78,400	N/A	6/12/2015	Schenectady Transfer
110 1/2 Prospect Street	C.O.S.	39.74-3-22.2	Land Bank	\$ 69,900	N/A	4/21/2016	Schenectady Transfer
112 Prospect Street	C.O.S.	39.74-3-22.1	Land Bank	\$ 30,260	N/A	4/21/2016	Schenectady Transfer
101 Degraff St	C.O.S.	39.82-2-48	Land Bank	\$ 61,100	N/A	6/12/2015	Schenectady Transfer
840 Eastern Ave	C.O.S.	39.83-2-55	Land Bank	\$ 78,000	N/A	6/12/2015	Schenectady Transfer
795 Eastern Ave	C.O.S.	39.74-2-28	Land Bank	\$ 68,900	N/A	6/12/2015	Schenectady Transfer
3011 Caroline Avenue	Rotterdam	48.14-10-18	Land Bank	\$ 85,000	N/A	7/1/2015	County Transfer
706 Vale Place	C.O.S.	39.82-1-32	Land Bank	\$ 65,800	N/A	6/12/2015	Schenectady Transfer

EFFECTIVENESS OF INTERNAL CONTROL - The Finance Committee reviewed the Land Bank’s policy for making payments to vendors and adopted a new Fiscal Policy, attached as **Appendix C**

LEGISLATION CREATING AUTHORITY – Appendix D

DESCRIPTION OF AUTHORITY AND BOARD

COMMITTEES AND MEMBERS

BOARD - Biographical information for all directors, officers and employees is not required since they are not paid a salary and therefore salary reporting is not required. The Board Membership is as follows:

<u>Name</u>	<u>Position</u>	<u>FGU</u>	<u>Appointment by</u>	<u>Expiration</u>
Bob Martin		Amsterdam	Commom Council	3/21/2018
Bob DiCaprio	Vice Chair	Amsterdam	Commom Council	3/21/2016
Jeffrey McDonald	Secretary	City of Schenectady	Mayor McCarthy	12/31/2017
Joseph Berlant	Treasurer	City of Schenectady	City Council	3/25/2019
Richard Ruzzo	Chair	City of Schenectady	City Council	3/25/2017
Kathleen Rooney		Schenectady County	Legislature	3/13/2019
Richard Patierne		Schenectady County	Legislature	3/28/2018

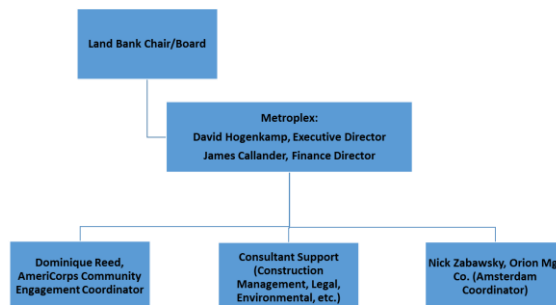
Executive Director- David J. Hogenkamp (through a management agreement with Schenectady Metroplex Development Authority)

BOARD MEETINGS AND ATTENDANCE – The Board meets on the third Tuesday of each month. The Schedule is posted at <http://capitalregionlandbank.com/schedule/>. Attendance can be found by reading the Corporation’s Minutes at <http://capitalregionlandbank.org/> under “About Us”.

SUBSIDIARIES – The Corporation is prohibited from having subsidiaries

NUMBER OF EMPLOYEES – The Corporation has a part-time Executive Director supplied and compensated by the Schenectady Metroplex Development Authority

ORGANIZATIONAL CHART



BYLAWS – See Appendix E

MATERIAL CHANGES IN OPERATIONS AND PROGRAMS – None

FOUR YEAR FINANCIAL PLAN

LAND REUTILIZATION CORPORATION OF THE CAPITAL REGION								
BUDGET AND FINANCIAL PLAN (Combines Administration and FGU Accounts)								
2017 BUDGET								
	2013	2014	2015	2016	2017	2018	2019	
	Actual	Actual	Actual	Forecast	Proposed	Proposed	Proposed	
REVENUE & FINANCIAL SOURCES								
Operating Revenues								
Charge for Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rental and financing income	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other operating revenues	\$15,000	\$0	\$0	\$0	\$22,000	\$0	\$0	\$0
Non-operating Revenues								
Investment earnings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State subsidies/grants (AG)	\$0	\$120,200	\$766,390	\$1,874,549	\$358,861	\$0	\$0	\$0
Federal subsidies/grants	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Municipal subsidies/grants (5yr 50%)		\$100,000	\$46,484	\$2,666	\$25,000	\$25,000	\$25,000	\$25,000
Non-Government Grants			\$44,000	\$65,000	\$150,000	\$0	\$0	\$0
Public authority subsidies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other nonoperating revenues	\$0	\$0	\$482	\$42,000	\$0	\$0	\$0	\$0
Gains/(Losses) on Property Dispositions		\$843	\$58,482	\$74,500	\$25,000	\$25,000	\$25,000	\$25,000
Proceeds from the Issuance of Debt	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$ 15,000	\$ 221,043	\$ 915,838	\$ 2,058,715	\$ 580,861	\$ 50,000	\$ 50,000	\$ 50,000
EXPENDITURES								
Operating Expenditures								
Salaries and wages	\$0	\$0	\$40,409	\$0	\$0	\$0	\$0	\$0
Other employee benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Professional Services contracts								
Program Management				\$5,408	\$30,540			
Project Manager - General (Jen)				\$35,088	\$0	\$0	\$0	\$0
Project Manager - Local (Orion TWA)		\$47,191	\$46,941	\$22,240	\$5,000	\$5,000	\$5,000	\$5,000
Bookkeeping & Accounting		\$1,590	\$13,450	\$18,888	\$7,500	\$7,500	\$7,500	\$7,500
Marketing			\$31,191	\$3,527	\$3,000	\$3,000	\$3,000	\$3,000
Legal		\$41,746	\$33,208	\$42,042	\$15,000	\$7,500	\$5,000	\$5,000
Insurance		\$1,557			\$5,500	\$5,500	\$3,500	\$3,500
New York State Land Bank Alliance								
Contractual Obligations - City of Schenectady	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplies and materials	\$0	\$9,113	\$0	\$0	\$0	\$0	\$0	\$0
Operating Expenditures before Insurance	\$0	\$101,197	\$165,199	\$127,193	\$66,540	\$28,500	\$24,000	\$24,000
Other operating expenditures	\$5,046	\$366	\$6,575	\$500	\$10,000	\$6,000	\$5,000	\$5,000
Total Operating Expenditures	\$5,046	\$101,563	\$171,774	\$127,693	\$76,540	\$34,500	\$29,000	\$29,000
Non-Operating Expenditures								
Payment of principal on bonds & financing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest and other financing charges	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
subsidies to other public authorities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital asset outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Demolition (AG related)	\$0	\$0	\$503,162	\$906,838	\$0	\$0	\$0	\$0
Renovation (AG related)	\$0	\$0	\$23,697	\$637,375	\$358,861	\$0	\$0	\$0
Renovation & Demolition (non AG property)		\$0	\$0	\$178,000	\$0	\$0	\$0	\$0
Maintenance, Taxes - non AG property	\$0	\$0	\$15,540	\$14,779	\$0	\$0	\$0	\$0
Other non-operating exp.	\$0	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0
Non Operating Expenditures	\$0	\$0	\$542,399	\$1,736,992	\$508,861	\$0	\$0	\$0
TOTAL EXPENDITURES	\$5,046	\$101,563	\$714,173	\$1,864,685	\$585,401	\$34,500	\$29,000	\$29,000

BOARD PERFORMANCE AND EVALUATIONS

Land Reutilization Corporation of the Capital Region

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 Corporation.	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 Corporation and reviews these annually.	5	1		
The Board sets clear and measurable performance goals for the Corporation that contribute to accomplishing its mission.	5	1		
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 staff so as to be well informed on the status of all important issues.	5	1		
Board members are knowledgeable about the Corporation'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	6			

the information being presented is accurate and complete.				
The Board knows the statutory obligations of the Corporation and if the Corporation is in compliance with state law.	5	1		
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.	5	1		
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	4	2		
The Board has identified the areas of most risk to the Corporation and works with management to implement risk mitigation strategies before problems occur.	5	1		
Board members demonstrate leadership and vision and work respectfully with each other.	5	1		

TOTAL ASSETS \$1,163,713.53

PENDING LITIGATION – None

APPENDIX A – AUDITED FINANCIAL REPORT