
**GREATER SYRACUSE
PROPERTY DEVELOPMENT CORPORATION**

201 East Washington Street, Suite 500
Syracuse, NY 13202
Tel (315) 448-8177 Fax (315) 448-8705

2013 Budget Report

I. Past budget years' actual expenses and revenues:

N/A

II. Current budget years' projected expenses and revenues:

The Greater Syracuse Property Development Corporation has no assets/liabilities or revenues/expenditures for the 2012 fiscal year. Professional and legal services were provided by the City of Syracuse during this time.

III. 2013 Budget attached.

Basis for Estimated Expenses

This budget is based upon the operating costs of several local non-profit housing-development agencies and public authorities. These numbers provide a basis for fundraising and planning, but will likely be amended once the GPSDC acquires properties, better defines unit-costs for their maintenance, and gains operating experience.

- 1) **Staffing** will include a blend of salaried position(s) and contracted professional services:
 - Executive Director – likely to be hired in spring, 2013
 - Administrative Assistant – possible hire 2013/2014, may contract out
 - Contracts Manager – possible hire 2014, or may be part of ED's duties
 - Contracted Professional Services: Board Legal Counsel, Accounting, Payroll
- 2) **IT** costs to include
 - Purchase and set-up of desktop computers for staff
 - Software Licenses
 - Microsoft Office
 - Adobe Suite
 - Arc GIS
 - Property management database software
 - Set-up and maintenance of GSPDC website that will include all Public Authorities reporting requirements, inventory of GSPDC-owned property, online purchase application, etc.
 - Mobile unit(s) for data-entry in the field – conditions assessment and monitoring properties
- 3) **Office Supply** usage estimates based on City Department of Neighborhood & Business Development—likely on the high end.
- 4) **Office space** volunteered by the City in year one. Depending on space needs future location yet to be determined.
- 5) **Acquisition costs** \$1+\$150 title search cost = \$151/property.

- 6) **Deed Filing Costs** based on deeds bundled onto six-eight filings per year from City to GSPDC, following quarterly foreclosures.
- 7) **Legal** costs for property acquisition, separate from board counsel
- 8) **Property Insurance** estimated to be \$800/year based on Syracuse Model Neighborhood Corporation's cost for occupied buildings; \$500/year for vacant buildings; \$200/year for vacant lots based on SIDA's insurance costs for unimproved properties.
- 9) **Special Assessments** based on typical City properties. Does not account for special districts, but foreclosures are less likely in special lighting districts, which tend to be located in higher-value neighborhoods. It also accounts for County waiver of the sewer use charge for vacant buildings owned by the GSPDC.
- 10) **Maintenance of Vacant Buildings** – contracted service. \$2000/year per vacant building = Cost of periodic monitoring, mowing, snow removal, board-ups, clean-up following dumping. This cost gradually declines as properties are sold or demolished.
- 11) **Maintenance of Vacant Lots** – contracted service. \$500/year per vacant lot = Cost of periodic monitoring, mowing, snow-removal, clean-up following dumping. This cost gradually increases as properties are demolished, but will eventually decline as properties are assembled and disposed of.
- 12) **Stabilization of Strategic Properties.** These will include partial rehabs and this item will increase as funds become available. These will be located in targeted investment areas and otherwise prioritized in the City's redevelopment plan, based on property type, location, and condition, planned to maximize the impact of these strategic investments.
- 13) **Management of Occupied Properties** – contracted service. Rents collected should cover the cost of property management – a property manager will be contracted for basic maintenance, rekeying, managing leases, collecting rent – and necessary repairs. Keeping properties occupied will reduce the likelihood of vandalism and makes them easier to sell, with a rental income stream in place.
- 14) **Hazardous Materials Assessment** – contracted service. As disposition decisions will be based on condition (rehab potential), location, and property type, strategic properties may require hazardous materials testing to determine their disposition strategy (sell for rehab or demo/deconstruct). This will include asbestos, lead-paint, and other materials requiring costly remediation.
- 15) **Demolition/Deconstruction.** In years one and two, SIDA's contribution to the City of Syracuse will cover an extensive number of demolitions and focus on seizable properties that are not in a salvageable condition, prior to their transfer to the GPSDC.
- 16) **Demolitions and Stabilization** of these properties utilize budget above in first four years.
- 17) **Architectural and Surveyor Services.** Incentive programs to encourage purchasers to rehab to specific design standards and encourage combination of "lot next door" purchases with existing property may require professional assistance of architects or surveyors.

GSPDC Projected Expenses and Revenues 2013-2016

Projected Expenses <i>Organizational Overhead</i>	Year 1 FY2013	Year 2 FY2014	Year 3 FY2015	Year 4 FY2016
Staff ¹	\$ 200,000.00	\$ 213,300.00	\$ 223,300.00	\$ 223,300.00
Directors and Officers Insurance	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
IT ²	\$ 10,000.00	\$ 8,000.00	\$ 6,000.00	\$ 6,000.00
Office Supplies and Postage ³	\$ 8,000.00	\$ 10,000.00	\$ 12,000.00	\$ 12,000.00
Rent, Utilities ⁴	in-kind	tbd	tbd	tbd
subtotal	\$ 228,000.00	\$ 241,300.00	\$ 251,300.00	\$ 251,300.00

Backlog of Foreclosed Properties

<i>Soft Costs</i>				
Acquisition Costs ⁵	\$ 71,725.00	\$ 95,633.33	\$ 95,633.33	\$ 23,908.33
Deed Filing Fees ⁶	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Legal Fees ⁷	\$ 60,000.00	\$ 140,000.00	\$ 140,000.00	\$ 40,000.00
Property Insurance ⁸	\$ 150,000.00	\$ 300,000.00	\$ 325,000.00	\$ 350,000.00
Special Assessments ⁹	\$ 61,225.00	\$ 96,700.00	\$ 134,000.00	\$ 99,000.00
<i>Hard Costs</i>				
Maintenance of vacant buildings ¹⁰	\$ 300,000.00	\$ 660,000.00	\$ 900,000.00	\$ 800,000.00
Maintenance of vacant lots ¹¹	\$ 75,000.00	\$ 300,000.00	\$ 500,000.00	\$ 515,000.00
Stabilization of Strategic Properties ¹²	\$ 500,000.00	\$ 750,000.00	\$ 750,000.00	\$ 750,000.00
Management of Occupied Properties ¹³	\$ -	\$ -	\$ -	\$ -
Hazardous Material Assessments ¹⁴	\$ 20,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Demolitions ¹⁵		\$ 500,000.00	\$ 500,000.00	\$ 500,000.00
subtotal	\$ 1,240,450.00	\$ 2,894,833.33	\$ 3,397,133.33	\$ 3,130,408.33

Properties Seized Each Year

Acquisition Costs	\$ 15,100.00	\$ 15,100.00	\$ 15,100.00	\$ 15,100.00
Closing Costs/Filing Fees	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00	\$ 1,050.00
Property Insurance	\$ 13,103.75	\$ 68,830.00	\$ 87,115.00	\$ 101,660.00
Maintenance of vacant buildings	\$ 45,000.00	\$ 110,000.00	\$ 130,000.00	\$ 150,000.00
Maintenance of vacant lots	\$ 5,625.00	\$ 45,000.00	\$ 72,500.00	\$ 90,000.00
Management of Occupied Properties	\$ -	\$ -	\$ -	\$ -
Hazardous Material Assessments	\$ 10,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Special Assessments	\$ 2,000.00	\$ 9,375.00	\$ 13,875.00	\$ 17,875.00
Demolitions and Stabilization ¹⁶	\$ -	\$ -	\$ -	\$ -
Survey and Architectural Assistance to purchasers ¹⁷	\$ 15,000.00	\$ 30,000.00	\$ 45,000.00	\$ 45,000.00
subtotal	\$ 106,878.75	\$ 299,355.00	\$ 384,640.00	\$ 440,685.00

	Year 1 FY2013	Year 2 FY2014	Year 3 FY2015	Year 4 FY2016
<i>contingency - 10%</i>	\$ 157,532.88	\$ 343,548.83	\$ 403,307.33	\$ 382,239.33
Operating Expenses Grand Total	\$ 1,732,861.63	\$ 3,779,037.17	\$ 4,436,380.67	\$ 4,204,632.67

Projected Revenues

1) City Grants	\$ 2,000,000.00	\$ 3,000,000.00	\$ 3,000,000.00	\$ 2,000,000.00
County Grants	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00	\$ 500,000.00
Ford IT grant	\$ 10,000.00	\$ 8,000.00	\$ 6,000.00	\$ 6,000.00
LDC/Local Foundation Grants	\$ 250,000.00			
Loans	\$ 200,000.00			
2) Sale of Real Property	\$ 300,000.00	\$ 2,154,289.60	\$ 2,154,289.60	\$ 2,154,289.60
3) 50%/5 Year Property Tax Split*	\$ -	\$ 6,416.16	\$ 52,398.64	\$ 98,381.12
Fund Balance +	\$ 1,527,138.38	\$ 1,889,668.59	\$ 1,276,307.57	\$ 554,038.05

+ Grants made by the City (lines 1 and 3) will be transferred each October, so the fund balance supports the next three quarters' operating expenses.

*Will be requested of Common Council and County Legislature for all properties sold by the GSPDC as permitted by the Land Bank Act.