

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION
January 17, 2017

The Stark County Land Reutilization Corporation met for their regular meeting on Monday, January 17, 2017 at 9:00 a.m. in the Stark County Regional Planning Commission Conference Room.

Board Members

Alex Zumbar
Richard Regula
Lem Green
Bill Smith

RPC Staff

Lynn Carlone
Beth Pearson
Emma Posillico
Jill Gerber
Bob Nau
Rachel Forchione

Others

Jim Wallace
John Rinaldi
Maureen Austin
Deana Stafford
Jaime Allbritain
Joe Mazzola
Bayan Alihassan

1. CALL TO ORDER BY SCLRC CHAIRMAN, Alex Zumbar
2. ROLL CALL – Board Members Present

Roll call found the following board members in attendance: Alex Zumbar, Richard Regula for Janet Creighton, Lem Green, and Bill Smith. Absent – John Arnold

Smith moved, Regular seconded, and the motion carried to approve the recommendation from the Township Association appointing John Arnold as the township representative.

3. MINUTES OF THE DECEMBER 19, 2016 MEETING

Regula moved, Green seconded, and the motion carried to approve the minutes of December 19, 2016.

4. PUBLIC SPEAKS – No public speaks
5. TREASURER REPORT – Jim Wallace

Wallace gave a Treasurer's Report summary for the month of December. The bank reconciliation statement for the month ending December 31st had a checking account balance of \$737,621.20. Revenues were \$288,866.89 and total expenses were \$276,272.74. The Star Ohio Investment account had an ending balance of \$1,001,291.73 with \$647.96 interest earned, and the Star Plus account had an ending balance of \$6,101.40.

Green asked for clarification on an item under revenue for Jermaine Gaitor - redemption of parcel for \$1,219. Zumber stated that a property owner has up to 45 days to redeem their property, so Mr. Gaitor must have come in and paid costs associated with that parcel. Stafford stated that process would be just like a regular foreclosure. In order for them to redeem the property, they would have to pay all court costs along with the real estate taxes. The proper party that paid the expense gets reimbursed when Mr. Gaitor made his payment. So either the expense came from the SCLRC or from the city.

Regarding the Property Profile System Software, Green asked RPC staff for an update. Carlone stated that they are not yet using this software as it is still in the stages of development. RPC staff are working with the person that is developing the software for SCRLC's needs.

Green moved, Regula seconded, and the motion carried to accept the Treasurer's report as submitted.

6. FISCAL ITEMS – Beth Pearson – No Report
7. NEIGHBORHOOD INITIATIVE PROGRAM (NIP) REPORT – Lynn Carlone

Carlone presented the Neighborhood Initiative Program (NIP) Update

City of Canton:

❖ **248– Total number of acquired properties to date**

- 228 demolitions have been completed overall – 8 new demolitions have been completed since the last report.
 - 8 – Canton currently developing reimbursement packets/Canton ready to have reimbursement packets reviewed by RPC
 - 200 demolition reimbursement packets have been submitted overall – 10 new since last report.
 - 181 demolitions have been approved by OHFA – 16 new packets since last report
 - Current average cost of demolition per property is \$15,675.00
 - OHA mortgages are fully executed on 165 properties & OHFA reimbursement to SCLRC - \$2,572,111.97
 - OHA mortgages are pending on 16 properties; OHFA to reimburse SCLRC additional - \$250,462.39
 - Canton has been reimbursed a total of \$2,586,811.40 for 181 properties
 - 9 demolitions are in various stages of review/approval by OHFA; outstanding reimbursement request - \$155,828.30
 - 10 demolitions are being readied by the RPC for submission to OHFA - \$157,147.08

❖ **4 – Total number of properties identified on a current active list for acquisition under Round 1 & 2**

❖ **265 – Total number of properties identified on a current active list for acquisition under Round 3**

- ❖ **12 – Total additional properties currently waiting resubmission from Canton for review by RPC for possible addition to Round 3**
- ❖ **1 – Deed being prepped to transfer to Land Bank**

City of Alliance:

- ❖ **42 – Total number of acquired properties to date:**
 - 10 – Properties being bid for asbestos abatement
 - 32 Demolitions have been completed overall – 1 new demolition has been completed since last report
 - 3 – Properties are waiting to be greened/sidewalk replaced
 - 29 demolition reimbursement packets have been submitted overall – 2 new packets since last report.
 - 25 demolitions have been approved by OHFA – 0 new packets since last report.
 - Current average cost of demolition per property is \$13,674.00
 - OHA mortgages are fully executed on 25 properties & OHFA reimbursement to SCLRC - \$332,502.92
 - Alliance has been reimbursed a total of \$300,002.92 for 25 properties
 - OHA mortgages pending payment/execution on 0 properties; once completed, OHFA reimbursements to SCLRC
 - 4 demolitions are in various stages of review/approval by OHFA; outstanding reimbursement requests - \$64,043.02
- ❖ **13 – Deeds being prepped to transfer to Land Bank**
- ❖ **90 – Total number of properties identified on a current active list for acquisition under Round 3**

City of Massillon:

- ❖ **4 – Total number of acquired properties to date**
 - 4 demolitions have been completed overall – 0 new demolitions have been completed since last report
 - 4 demolitions are in various stages of review/approval by OHFA; outstanding reimbursement requests - \$38,394.68
 - Current average cost of demolition per property is \$9,599.00
- ❖ **30 – Total number of properties identified on a current active list for acquisition under Round 3**

Green moved, Regula seconded, and the motion carried to approve the NIP Report as submitted.

8. SIDE LOT/VACANT LOT PROGRAM REPORT – Sarah Peters

Lynn Carlone presented the Side Lot Program Update:

Total Applications Submitted: 1130

(6 applications were received since the last update)

Cities – 970: Canton: 795; Massillon: 77; Alliance: 98

Other Communities – 160

Bethlehem Twp – 6, Brewster – 2, Canton Twp – 27, East Canton – 7, East Sparta – 2, Hartville – 3, Jackson Twp – 3, Lake Twp – 2, Lawrence Twp – 6, Lexington Twp – 26, Limaville 2, Louisville – 2, Meyer’s Lake – 1, Minerva – 3, Nimishillen – 4, Osnaburg Twp – 8, Paris Twp – 3, Perry Twp – 10, Pike Twp – 2, Plain Twp – 26, Sandy Twp. – 2, Sugarcreek Twp – 4, Tuscarawas Twp – 2, Washington Twp – 4, Waynesburg – 3.

- Total Number of Applications Under Preliminary Review: 0
- Total Number of Applications Denied: 411
- Number of Canceled Applications/Fee Refunded: 41
- Total Number Pending Approval by Community: 20
- Total Number on Hold (Canton): 31
- **Total Number of Approved Applications: 627**
(19 applications were approved since the last update)

- Total Number of Approved Applications Pending Deposit Receipt / NIP Early Lien Release Approval / Request for Foreclosure / Completed Foreclosure Proceeding: 137
- Total Number Being Prepared for Transfer: 59
- **Total Number Transferred to Date: 431**
(2 Side Lots were transferred since the last update)

Vacant Lot Program Update:

Total Applications Submitted: 110 (1 application received since the last update)

Cities – 105: Canton – 96; Alliance – 8; Massillon – 1

Other Communities – 5: Canton Twp. – 1; Hartville – 1; Lexington Twp. – 2; Sugarcreek Twp. – 1

- Total Applications under Preliminary Review: 0
- Total Applications Denied: 56
- Number of Canceled Applications/Fee Refunded: 1
- Total Pending Approval by Community: 1
- Total on Hold (Canton): 35
- **Total Approved Applications: 17**
- Total Approved Applications Pending Executed MOU/Completion of Foreclosure Proceeding: 4
- Total Being Prepared for Transfer: 2
- Total Transferred to Date: 11

Regula moved, Smith seconded, and the motion carried to approve the Side Lot/Vacant Lot Report as submitted.

9. NEW BUSINESS

a) Abandoned Gas Station Clean-Up Funding – 520 S. Union Ave., Alliance (Parcel #102303)

Joe Mazzola referenced the letter submitted by Alliance requesting assistance from the Land Bank for acquisition of a property owned by a local developer, Bayan Alihassan, for the purposes of conducting an environmental site assessment and possibly a remediation. This property is a former gas station located on Union Ave. Alihassan wanted to pursue any assistance to help him clean this site. He no longer wants this property to be a gas station, and he knows there are tanks underground. After thorough research and speaking with the BTAC, the way to go about this is to get this property into the Land Bank's name. The Land Bank could then do any Phase I or Phase II assessments to see what contamination may be on the property. It would then be transferred back to Alihassan for redevelopment.

Nau stated that RPC received the US EPA Brownfield Assessment grant to do Phase I and Phase II environmental assessments. One of the requirements to be eligible for that program is that the owner is not a viable entity. According to representatives at the Bureau of Underground Storage Tank Regulations (BUSTR), the owner of this property is a viable entity, which means he has the ability to clean it up and is not eligible to receive funding through this program. The State Legislature specifically mentions Land Banks as having immunity from being a responsible party in situations like this. The scenario would be for the property owner to transfer the property to the Land Bank who has immunity, and they would be eligible to apply to the RPC for the Phase I and Phase II environment assessment. If there is a release that occurred on the property, then the Land Bank can apply to BUSTR to determine if the property is a Class C site, which makes it potentially eligible for another program available through ODSA for abandoned gas stations, which allows funding up to \$500,000 to clean-up these type of sites. At that point the Land Bank would transfer the property back to the property owner, and then they in partnership with the City of Alliance would apply for the ODSA clean-up funding.

There was additional discussion clarifying the process. Smith was familiar with this program as Canton Township had worked with a property owner to clean-up a gas station in their township. Emma Posillico stated if an owner proves himself to be not viable and cannot pay for clean-up, they can then retain ownership through the US EPA grant while receiving assistance, but Alihassan is viable and that is why he can't proceed through the US EPA grant. He paid for the gas station and potentially knew about the tanks. They will not consider him eligible through the US EPA funding because he is viable, so by transferring this property to the Land Bank, who has immunity, they will be able to receive assistance through the US EPA grant.

Green asked if the present owner has any connection or is a successor of the previous owner, and is not just a corporation reformed. Alihassan stated no, he had no connection with the previous owner, and they have paid back taxes of almost \$3,000 on the property. This property will be redeveloped and will generate more taxes. Nau stated the Land Bank would hold title to this property to do the Phase I and Phase II assessments and get a clean-up cost estimate, but then if it is classified as a Class C site, it would be eligible for the State abandoned gas station program, but at that point the Land Bank would transfer the property back to the existing property owner. Green asked if while the Land Bank owns this property, they need to insure themselves against ordinary liability. Nau stated yes there will be some expenses incurred, which will be addressed in the agreement with Alihassan. Green agreed it was central to the Land Bank's core mission. Green moved and Smith seconded to accept the proposal as presented.

Regula asked what would happen if Alihassan won't take the property back after the assessments are completed. Alihassan stated that will not happen. Their plans are to construct a mini-plaza on the site. Green asked what the timeline was on this project. Alihassan stated right away. He has several properties that have been redeveloped, and he referenced the informational packet passed out to the Board. Nau stated RPC's timeline is to do a Phase I and Phase II in about six months. A vote was taken on the previous motion and carried.

b) Habitat for Humanity – Acquisition of 1822 Lincoln Way NW, Massillon (Parcel #603565)

Nau stated a letter was submitted by Habitat requesting the acquisition of the property located at 1822 Lincoln Way for the purpose of preserving the existing housing structure for a Massillon homeowner. This is part of Habitat's ongoing acquisition program in cooperation with the City of Massillon. Green moved, Regula seconded, and the motion carried to approve the acquisition on behalf of Habitat.

10. OLD BUSINESS

a) Community Building Partnership Services

Nau stated that at last month's meeting there was discussion about the status of the agreement with Community Building Partnerships (CBP). The original agreement was for \$15,000 which was committed through the end of 2016. There is an unexpended balance of \$3,525 that could be used, but a new agreement would need to be executed if the Board would decide to spend down that balance.

Green stated he would be an advocate for deferring any decision at the moment. He and Austin had discussions with the City after last month's Land Bank meeting regarding the processing of the Side Lot/Vacant Lot applications. He proposed to Fonda, and he accepted it, that RPC staff would send the applications over for approval and if staff does not get an answer within 30 days, they will proceed as if it was approved. The current procedure would be modified to when RPC gets an application, instead of sending it to Austin to be distributed, Peters would email it directly to all five departments with the understanding that if the city does not get it done within 30 days, they either have to contact RPC staff to request more time, or staff accepts it as approved. Nau stated this will be a little extra work for staff because they are dealing with five departments and five separate decision making capacities. But in a general sense that is what RPC does with the other political subdivisions. Staff has one point of contact with the city or township, and they are given 30 days to respond. If staff doesn't hear from them, they may reach out, but it is understood that if you don't respond, it will be accepted as approved. Green stated that he expects some backlash from Council because Council members are very cautious about transferring or assigning their responsibilities as they view them. Having said that, the Land Bank does need Austin a few more hours to help work that out. It's always been a vexing problem because it involves coordination with so many different departments. He wanted to authorize payment to CBP for whatever time Austin would put in arranging a transfer to RPC of these responsibilities. Austin stated she hasn't done anything since the end of the year, but she was happy to assist in the transition, if they can submit a bill based upon the contract from last year.

Nau reminded them that there is a balance that had been authorized. Carlone stated that Peters and Austin have already discussed this, knowing that the contract was going to end. Austin had let Peters know where everything stood at that point in time. Austin is paid through December 31st. Green didn't believe it was a required motion, but there should be an understanding that as long as there is money to pay and Austin is involved in the transition, CBP can send a bill and get paid for it. Austin stated she needs to be clear on what it is she is actually helping to transition. Green suggested she speak with

Peters and let her know what to do. Carlone stated that Peters is well aware of what needs to be done. There will definitely be some instances of issues between five departments. One department will clear it, some will not clear it. Staff is expecting to end up with back logs of that. Austin stated Peters is waiting to find out who the new contact will be in the building department.

Green stated the whole thing has become complicated because an exact deadline for the city to respond has never been negotiated, and eventually he gave up and said, take whatever time you need. Austin was hopeful that with the new Comp Plan in place and with the hiring of a planning director, some of that may be coordinated.

2) NIP 3

Rinaldi stated there are instances now where property owners want to get their properties out of being locked into the NIP 3. Chief Molnar is working on a document that would spell out what is needed, so to be consistent with everyone. He wanted to schedule a meeting with Carlone, Peters and Stafford to get everyone on the same page. It's been relatively easy to this point, but people are starting to push, so to avoid litigation, it should be in print to solidify. Zumbar stated he would have someone contact Rinaldi to get that date scheduled. Rinaldi stated they just want to make sure everything is documented according to law and to the standards so the integrity of the program is not compromised.

The meeting was adjourned at 9:40 a.m.

11. Next Meeting – February 27, 2017, 9:00 a.m.