

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION
January 20, 2015

The Stark County Land Reutilization Corporation met in regular session Tuesday, January 20, 2015, 9:00 a.m. in the Stark County Regional Planning Commission Conference Room.

Board Members

Alex Zumbar

Maureen Austin, alt.

Bill Smith

Richard Regula, alt.

Tom Bernabei

RPC Staff

Bob Nau

Sarah Peters

Jill Gerber

Beth Pearson

Lynn Carlone

Others

Jim Wallace, Treasurer's Office

Nancy Molnar, Beacon Journal

Amelia Kocher, City of Alliance

Deana Stafford, Treasurer's Office

Gerard Yost, Prosecutor's Office

- 1) **CALL TO ORDER BY SCLRC CHAIRMAN - Alex Zumbar**
- 2) **ROLL CALL**

Board Members Present:

Alex Zumbar, Stark County Treasurer/Chairman

Tom Bernabei, Stark County Commissioner

Richard Regula, representing Janet Creighton -Stark County Commissioner

Maureen Austin, representing Lem Green -Municipal Representative

Bill Smith, Township Representative

Zumbar stated the individuals designated to represent the Directors in their absence are Richard Regula for Janet Creighton, Maureen Austin for Lem Green, and Jaime Allbritain for Alex Zumbar. Bernabei moved, Smith seconded, and the motion carried to accept the representatives.

Zumbar noted that several invoices came in after the agenda was printed. He wanted to amend the agenda to include the following invoices: \$2,000 to be paid to Phillip Schandel for PJR services; Moore Title Group for \$10,400 for PJR work; FER Title Agency for \$8,400 for PJR work; and the Clerk of Courts for \$2,916.61. Bernabei moved, Smith seconded, and the motion carried to amend the agenda for the above-mentioned invoices.

- 3) **MINUTES OF THE DECEMBER 15, 2014 MEETING**

Bernabei moved, Smith seconded, and the motion carried to approve the minutes of December 15, 2014.

4) **TREASURER REPORT - Jim Wallace**

Wallace stated the net revenue over expenses was \$302,019 for the year ending 2014. The bank reconciliation statement for the month of December ended with a checking account balance of \$161,825.51. Regarding the Star Plus funds, there was a year end balance of \$1,001,016 and in December \$170.00 was earned in interest for the month. Smith moved, Regula seconded, and the motion carried to accept the Treasurer's report.

5) **FISCAL REPORT - Beth Pearson**

- a. Moore Title Group (26 PJRs) - \$10,400
- b. FER Title Agency (21 PJRs) - \$8,400
- c. Stark County Clerk of Courts (3 BOR sales)- \$2,916.61
- d. Phil Schandel (4 PJRs) - \$2,000

Bernabei moved, Regula seconded, and the motion carried to approve the above-noted invoices.

6) **NEIGHBORHOOD INITIATIVE PROGRAM/SIDE LOT PROGRAM REPORT**

Carlone presented the Neighborhood Initiative Program (NIP) Update - City of Canton:

213 - Total Number of Properties Identified on an Active List for Acquisition

- 78 - Number of Properties the Prosecutor's Office is currently pursuing for Board of Revision Foreclosure
 - 0 10-Day Demand letter(s) sent
 - 10 PJR ordered; waiting to be received
 - 0 PJR ordered and received; waiting for complaint to be filed
 - 0 Complaint filed; waiting for hearing date
 - 3 Regular foreclosure docket
 - Waiting on 1 direct purchase deed with a redemption date of 1/2/15 & waiting on 1 deed from hearing held on 12/4/14; redemption date was 1/2/15
 - 22 Hearings held 1/15/15 Redemption Date 2/12/15
 - 16 Hearings held 1/29/15 Redemption Date 2/26/15
 - 12 Hearings held 2/12/15 Est. Redemption Dates 3/12/15
 - 10 Hearings scheduled for 2/26/15 Est. Redemption Date 3/26/15
 - 3 Waiting to be reviewed/holding for payment
- 5 - Number of anticipated properties to be acquired through direct purchase or deed in lieu of foreclosure
- 34 Properties on the "Waiting to be Active" list
- 1 - Deed needing to be recorded from Auditor acquisition(s)/completed BOR cases
- 95 Total number of acquired properties to date

Regula asked if they were having trouble getting demolition contractors. Carlone stated the City of Canton is handling the entire NIP program; RPC staff will just process the paper work. The city has an active list of about seven demolition contractors they plan on using on a rotation basis. If anyone knows of a contractor that is interested, the RPC can put them in touch with the city.

Bernabei asked if they are going to bid them out and give the job to the lowest bidder. Carlone stated they are not handling it that way. The city has chosen to use a method where the cost of demolition will be determined by the square footage of the property. They will ask the first contractor on the rotating list if they are willing to take down the property for that dollar amount based upon the square footage. If they are not willing to do it, then they will ask the second contractor on the list and so forth. The city was told by the Ohio Housing Finance Agency (OHFA) that using this method was acceptable. They are allowed to use that method if it is based upon square footage of the house. They understand that 15 properties are currently under asbestos review and from there they will go to asbestos removal and then to demolition.

Sarah Peters presented the Side Lot Program Update:

Communities:

Cities – 615: Canton: 514; Massillon: 52; Alliance: 49

Other Communities – 94

Bethlehem Twp -4, Brewster – 2, Canton Twp – 16, East Canton – 4, East Sparta – 3, Hartville – 3, Jackson Twp – 2, Lake Twp – 1, Lexington Twp – 10, Minerva – 1, Nimishillen – 3, Osnaburg Twp – 5, Paris Twp – 3, Perry Twp – 4, Pike Twp – 1, Plain Twp – 22, Sugarcreek Twp – 3, Tuscarawas Twp – 1, Washington Twp – 3, and Waynesburg – 3

- Total Applications Submitted: 709
- Total Number of Applications Under Preliminary Review: 1
- Total Number of Applications Denied: 281
- Number of Canceled Applications/Fee Refunded: 19; 1 pending
- Total Number Pending Approval by Community: 82
- Total Number of Approved Applications: 325
- Total Number of Approved Applications Pending Deposit Receipt / Request for Foreclosure / Completed Foreclosure Proceeding: 179
- Total Number Being Prepared for Transfer: 86
- Total Number Transferred to Date: 60

Peters reviewed the draft for the Vacant Lot Disposition program. She pointed out the differences between this policy and the Side Lot program. The property owner must still be current on their taxes and have no code violations. The property itself has to be certified tax delinquent. But the major differences would be the pricing and the priorities should there be multiple applicants wanting the same property. Bernabei asked if a formula is used when determining the pricing and if this formula arrives at the price by adding the auditor's assessed value to the cost of acquisition and transfer/recording costs. Nau stated they would like to make that as a good starting point in the negotiation. Any deviation from the approved pricing will be brought back to the Board for their review.

PUBLIC HEARING - 9:15 AM

Zumbar opened the public hearing for the presentation of the SCLRC budget. Pearson reviewed the anticipated program revenue and expenditures for 2015 (attached). Zumbar gave a summary of the NIP program along with the upcoming deadlines.

Zumbar called for anyone that would like to speak in opposition to this proposed budget. As there were no comments, a call was made for anyone that wanted to speak in favor of the proposed budget. There were no comments. Bernabei moved, Regula seconded, and the motion carried to adopt the proposed 2015 budget as submitted.

The Public Hearing ended at 9:28 a.m.

7) **PUBLIC SPEAKS**

There were no public speaks.

8) **NEW BUSINESS**

9) **OLD BUSINESS**

Update on the Alliance Demolition Project at 50 N. Linden

Nau stated that Alliance has signed the agreement with the Land Bank for the demolition of 50 N. Linden. They were working on the agreement in the context of a template for overall funding guidelines for the Land Bank demolition programs. It states the maximum amount is up to \$60,000 with a 50/50 match. Staff has recommended the Land Bank fund only the physical demolition of the building, and not some of the soft costs such as environmental assessments and asbestos abatement. They have negotiated with Alliance that any costs they incur through asbestos or environmental work will be eligible for the 50/50 match. They anticipate that after the building is down, the Land Bank will receive the invoices through the city of Alliance from the demolition contractor and then reimburse the city for 50% of the demolition cost. This seems appropriate in terms of moving forward and not getting too involved in some of the environmental work. It was their understanding that funding should cover demolition costs only and not consulting costs.

Assurance of Properties being Vacated before Demolition

Deana Stafford stated they were in the process of recording several of the deeds, but had an issue where a daughter of one of the property owners contacted their office. Her father and her aunt are in title of the property, but the father is actually incarcerated and the aunt lives in Arizona. The daughter moved her family into this property, keeping in mind they are now in the redemption period and in the end process of getting ready to record the deeds, but she wanted to redeem the property. The issue was resolved when speaking with her. She was told what would be required for her to redeem the property, which would be to put down 20% of the delinquent taxes and enter into a contract to pay all the costs that have been incurred to date. She would also have the concern of whatever zoning issues there might be or

if she needed to move out. She did receive a call from the realtor that is working on the project with the city of Canton, Mike Boylan, who drove by the property and found that she had vacated the property. Now that she is no longer there, they are in a position to go ahead and record the deed. They didn't want to take title of this property if there was somebody living there.

Gerard Yost stated the assumption is when the Land Bank takes title to these properties that they are blighted, vacated and abandoned, and the last thing you want to do is send a demolition contractor to find someone living there, not to mention the physical hazard and the public relations nightmare it could be. This incident did raise the issue that we need to be aware if there are squatters on these properties and police them to make sure they are vacant before heading in with a bulldozer. Zumber stated the city of Canton's Development Department does sign an affidavit declaring they are vacant/abandoned property but this particular scenario caught their attention. Bernabei asked who signed the deed in this case. Stafford stated this would have been a deed that transferred through the Board of Revision. Yost stated they were in the 11th hour at that point waiting out the redemption period when the phone call came into Stafford from the niece/daughter asking what she had to do to save the property.

Stafford stated one of the things they are trying to keep in mind is the affidavit for this particular property stating that it was vacated would have started back in July and August. That initial affidavit is really the only one they receive in the process. The BOR hearing date would have been October 30th, these particular hearings would have required a 45 day redemption period which we were then approaching in December. Now in January the deeds are prepared and ready to be recorded, so you are looking at a good six months from when we first understood that this property was vacated and how someone can come in and occupy so quickly. Bernabei asked who prepared the affidavit. Zumber stated in this case it was the city of Canton's Department of Development, and it was accurate back then.

Carlone stated they are working on demolition and acquisition guidelines and hope to bring those to the board within the next couple of months.

10) **NEXT MEETING - Tuesday, February 17, 2015 at 9:00 a.m.**

11) **ADJOURNMENT**

There being no more business, the meeting was adjourned at 9:41 a.m.

Respectfully submitted,

Jill Gerber, RPC Office Manager

2015 SCLRC EXPENDITURES BUDGET

PROGRAM EXPENSES

Contracted Expenses

Administration - RPC	\$	180,000.00
Stark County Treasurer	\$	52,000.00
Stark County Prosecutor	\$	135,000.00
Julian & Grube, Inc.	\$	1,200.00
	\$	368,200.00

Insurance

Sirak Ins - Property Insurance	\$	5,700.00
Sirak Ins. - D & O	\$	3,598.00
	\$	9,298.00

Audit

Auditor of State	\$	6,500.00
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Travel

Travel by SCLRC Board	\$	1,500.00
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Side Lot Expenses

Quit Claim Deed prep	\$	10,000.00
Stark County Recorder	\$	7,200.00
Stark County Clerk of Courts	\$	16,200.00
Title Work	\$	80,000.00
Advertising	\$	38,300.00
Stark County Sheriff	\$	10,000.00
Various Vendors	\$	1,000.00
	\$	162,700.00

Property Maintenance

Grounds maintenance	\$	8,000.00
Securing of properties	\$	12,000.00
	\$	20,000.00

2015 SCLRC EXPENDITURES BUDGET

Vacant Land Acquisition

Quit Claim Deed prep	\$	500.00
Stark County Recorder	\$	360.00
Stark County Clerk of Courts	\$	810.00
Title Work	\$	4,000.00
Advertising	\$	1,915.00
Stark County Sheriff	\$	500.00
	\$	8,085.00

Property Acquisition

Land Assemblage	\$	65,500.00
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Demolition Program - Land Bank

Asbestos Inspection	\$	8,000.00
Demolition & Asbestos Removal	\$	72,000.00
	\$	80,000.00

Contingencies	\$	144,757.00
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TOTAL PROGRAM EXPENSES	\$	721,783.00
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NIP Expenses

Demolitions under NIP	\$	2,875,000.00
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TOTAL EXPENSES	\$	<u>3,741,540.00</u>
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2015 SCLRC REVENUE BUDGET

Earned Revenue

Program Revenue

DTAC	\$ 750,000.00
Side Lot App Fees	\$ 20,000.00
Vacant Lot Program	\$ 10,000.00
City of Canton NIP	\$ 84,500.00
Interest from Investment	\$ 2,040.00
Miscellaneous	

TOTAL EARNED REVENUE \$ 866,540.00

NIP Income

NIP \$ 2,875,000.00

Total Estimated Revenues \$ 3,741,540.00