

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION
February 25, 2019

The Stark County Land Reutilization Corporation met for their regular meeting on Monday, February 25, 2019 at 9:00 a.m. in the Stark County Regional Planning Commission Conference Room.

Board Members

Alex Zumbar
Janet Creighton
Bill Smith
Scott Haws

1. CALL TO ORDER – Alex Zumbar, SCLRC Chairman

2. ROLL CALL – Board Members Present

Roll call found the following Board members in attendance: Alex Zumbar, Janet Creighton, Bill Smith and Scott Haws on behalf of John Arnold. Lem Green – absent.

3. APPROVAL OF MINUTES OF JANUARY 28, 2019 MEETING

Creighton moved, Smith seconded, and the motion carried to approve the minutes of January 28, 2019 meeting.

4. PUBLIC SPEAKS – No public speaks

5. TREASURER/FISCAL REPORT - Heather Cunningham

Cunningham reviewed the Treasurer's report for January and stated the numbers are correct on the report, but a formatting error caused the numbers to not properly align with the funds. This report will be updated and sent out to the members. Haws moved, Smith seconded, and the motion carried to approve the Treasurer's report for January.

6. NEIGHBORHOOD INITIATIVE PROGRAM (NIP) REPORT

Lynn Carlone presented the Neighborhood Initiative Program (NIP) Update

City of Canton:

❖ **541– Total number of acquired properties to date:**

- 480 demolitions have been completed overall – 0 new packets have been completed since the December report
 - 480 demolitions have been approved by OHFA – 6 new packets since the January report.
 - Current average cost of demolition per property is \$16,636.00

- OHA mortgages are fully executed on 480 properties & OHFA reimbursement to SCLRC - \$7,985,155.66
 - Canton has been reimbursed a total of \$7,356,406.58 for 480 properties

❖ **26 - Total Number of Properties Identified on a Current Active List for Acquisition under Round 3**

City of Alliance:

❖ **156 - Total number of acquired properties to date:**

- 140 demolition reimbursement packets have been submitted overall – 0 new packets since the November report.
 - 140 demolitions have been approved by OHFA – 0 new packets since January report
 - Current average cost of demolition per property is \$14,412.00
 - OHA mortgages are fully executed on 140 properties & OHFA reimbursement to SCLRC - \$2,017,617.99
 - Alliance has been reimbursed a total of \$1,834,692.07 for 140 properties

❖ **5 - Total Number of Properties Identified on a Current Active List for Acquisition under Round 3.**

City of Massillon:

❖ **53- Total number of acquired properties to date**

- 31 demolitions reimbursement packets have been submitted overall – 0 new packets since December report
 - 23 demolitions have been approved by OHFA – 0 new packets since November report.
 - Current average cost of demolition per property is \$11,659.00
 - OHA mortgages are fully executed on 23 properties & OHFA reimbursement to SCLRC - \$268,158.27
 - Massillon has been reimbursed a total of \$238,258.27 for 23 properties
 - 8 additional packets were returned to Massillon during January for needed revisions.
 - 5 packets have been returned to the RPC; they are currently in preliminary review.
 - 3 packets remain to be resubmitted.

❖ **8 - Total Number of Properties Identified on a Current Active List for Acquisition under Round 3.**

NIP – Planning for 100% Expenditure by December 18, 2019 - UPDATE

Carlone stated that last month staff provided the Board updates on the NIP expenditures. This document is an update from last month showing the current status on properties being pursued. Carlone stated the cumulative total for NIP funding is \$12,151,913. To date, reimbursements for 643 NIP

properties has been submitted for \$10,270,931. The figures have changed for *properties currently owned* which has decreased from 752 last month to 750. There are two properties that have been dropped, one being in Canton and the other in Massillon. After taking ownership, it was found that residence has taken place on those properties, which makes them no longer NIP eligible. There are only 107 *additional properties owned* that have not been submitted for reimbursement.

The current balance of the NIP grant to expend by December 18th to meet the 100% expenditure rate is \$1,880,981. Of the 107 currently owned properties to still be reimbursed, it is estimated that approximately \$1,595,136 will be needed to reimburse those properties. If that number is subtracted from \$1,880,981, which is the current balance of the NIP, there is about \$285,844 remaining uncommitted under NIP.

After last month's Land Bank meeting, a group met to review which properties that are currently being pursued could actually be taken ownership of by March 1st. At this point these figures have been reduced from last month. In the city of Canton, the Land Bank is pursuing 26 properties, the city of Alliance has five properties, and the city of Massillon has eight properties. Once again using average demolition costs, approximately \$598,000 will be needed. It is estimated that the NIP program could be overspent by around \$312,000. If the Board is in approval, it is being proposed that the communities that have properties that will no longer be able to be covered under NIP because the grant has been fully expended will share 50/50 of the expenses with the Land Bank. This is all based upon current figures and things could change slightly. The communities of Canton, Massillon and Alliance would be covering \$156,000 and about \$156,000 would be covered by the Land Bank. It is the plan to get all of the reimbursement packets submitted to RPC by September 1st, so everything can get fully processed and reimbursed prior to December 18th. Nau stated staff is proposing this be on a first come/first serve basis, so whoever gets them down first will get 100% under the NIP, and once the money has run out, then it's 50/50. Zumar asked if the Board had any issue in regards to the \$156,000 projected expenditure by the Land Bank. There were no objections. Creighton moved, Haws seconded, and the motion carried to approve the 50/50 split.

7. SIDE LOT/VACANT LOT PROGRAM REPORT

Sarah Peters presented the Side Lot/Vacant Lot Program Update:

Total Applications Submitted: 1666

(17 applications were received since Jan. '19 update)

Cities – 1419

Canton: 1,134, Massillon: 111, Alliance: 174

Other Communities – 247

Bethlehem Twp – 10, Brewster – 3, Canal Fulton – 1, Canton Twp – 51, East Canton – 7, East Sparta – 2, Hartville – 3, Jackson Twp – 4, Lake Twp – 4, Lawrence Twp – 6, Lexington Twp – 36, Limaville – 2, Louisville – 2, Meyer's Lake – 1, Minerva – 3, Nimishillen – 5, North Canton – 1; Osburg Twp – 13, Paris Twp – 3, Perry Twp – 10, Pike Twp – 14, Plain Twp – 33, Sandy Twp – 15, Sugar Creek Twp – 6, Tuscarawas Twp – 2, Washington Twp – 5, and Waynesburg – 4, Wilmot-1

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- Total Number of Applications under Preliminary Review: 6
 - Total Number of Applications Denied: 568

- Number of Canceled Applications/Fee Refunded: 64
- Total Number Pending Approval by Community: 13
- **Total Number of Approved Applications: 1,015**
(1 Application approved since Jan. '19 update)

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- Total Number of Approved Applications Pending Deposit Receipt / NIP Early Lien Release Approval / Request for Foreclosure / Completed Foreclosure Proceeding: 293
 - Total Number Being Prepared for Transfer: 38
 - **Total Number Transferred to Date: 684**

Vacant Lot Program Update:

Total Applications Submitted: 186

(0 Applications received since Jan. '19 update)

Cities – 160; Canton: 146, Alliance: 11, Massillon: 3

Other Communities – 26

Bethlehem Twp – 8, Canton Twp – 1, Hartville – 1, Jackson Twp – 2, Lexington Twp – 2, Sandy Twp – 5; Sugarcreek Twp – 1, Washington Twp – 4,

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- Total Number of Applications under Preliminary Review: 0
 - Total Number of Applications Denied: 139
 - Number of Canceled Applications/Fee Refunded: 5
 - Total Number Pending Approval by Community: 8
 - **Total Number of Approved Applications: 34**
(1 Applications approved since the Jan. '19 report)

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- Total Number of Approved Applications Pending Executed MOU/ Completion of Foreclosure Proceeding: 13
 - Total Number Being Prepared for Transfer: 0
 - Total Number Transferred to Date: 21

Haws moved, Smith seconded, and the motion carried to approve the Side Lot/Vacant Lot report and the NIP Report as presented.

8. **NEW BUSINESS**

- a. Demolition Assistance Program Request
 - City of Louisville – 1203 E. Main St., parcel# 3602008

Vince Marion, city of Louisville, stated the city acquired the property at 1203 E. Main Street through a sheriff's sale. The purpose for acquiring the property is to obtain the land for right-of-way for an intersection improvement. The house was vacant for some time prior to the foreclosure being

initiated. The city paid for the acquisition and now is in the process of having it demolished for the intersection improvements. Quotes received estimate a total demolition with environmental costs to be just under \$9,000. The city has submitted an application for demolition assistance of \$5,000, which is 50 percent of \$10,000, anticipating any overruns. Creighton moved, Smith seconded, and the motion carried to approve the demolition assistance program request for the city of Louisville.

b. City of Alliance – Demolition Assistance Request

Nau stated that Alliance is requesting demolition assistance for a late developing project that the city discussed with RPC staff late Friday afternoon. Joe Mazzola, city of Alliance, stated last year the city sought the Land Bank's help in acquiring property known as Alliance Crest Rubber and other properties within an entire block on N. Union Avenue. It became an EPA superfund site and has been abandoned for a long time. Any environmental problems were removed by the EPA in 2017. The urgency of the city's request is because there is a demolition contractor currently working in Alliance that is in the process of taking down a large industrial site formerly known as T&W Forge on West Ely Street. The Safety Service Director, Mike Dreger, contacted the contractor about possibly coming over and demolishing the Crest Rubber site while they were still in the area. The city intends to leave the newer warehouses, but everything else will be removed. The contractor could start work within days, and the city can do the work with soft commitments from the Land Bank. The city is planning on using in-kind services as their match, but the hard costs would be itemized. City employees/city forces would be doing a substantial part of the work normally performed under a demolition contract. The city's request from the Land Bank is for less than \$50,000. Mazzola stated that there has been a demand for industrial warehouse space in Alliance. It is their hope that the Board will authorize up to \$50,000 towards this project, contingent upon them meeting the requirements, deadlines, and anything else as prescribed by Land Bank staff.

Nau stated a couple of issues do exist. The Land Bank does have guidelines the Board adopted for the 50/50 Demolition Assistance Program. One of the requirements of this program is that quotes are obtained for demolition. Also the city using in-kind services towards the match is something never done before, as only cash has been used in the past. The Board just committed up to \$160,000 for demos just earlier in the meeting, and the budget amount is \$165,000. Other budget line items with funds allocated to TAAP and Side Lot could be moved if this is something the Board wants to pursue. But this is certainly a late breaking request, and there are some questions that should be discussed.

Creighton asked how many buildings will be taken down. Mazzola provided a visual of the block as he explained what would remain. Creighton asked again the reason why the Board is being asked to decide on this today. Mazzola stated they have a highly qualified industrial demolition contractor that is already working in the city. Mobilization is a huge factor with industrial demolitions, and the contractor has it all there and ready to go. Smith asked if he wasn't in the area, what the cost difference would be. Mazzola stated he didn't know, but it would be substantial. Creighton asked how far the contractor is with the current project that it is incumbent upon the Board to make this decision today. Mazzola stated he is near the end. Smith asked if there are asbestos or environmental concerns. Mazzola stated the contractor has his own asbestos surveyors; he does it all. Zumber stated this should only be conditional approval. He thought the Board would want to see some more information. Nau reminded the Board that the environmental issues have never been paid for in the past under the 50/50 Demolition Program. It is strictly 50 percent of the hard demo costs. Smith stated the city would have to break that all out, but he didn't have a problem with the in-kind services. Creighton asked if there is anything in our regulations that allows for using in-kind services. Nau stated we have never

contemplated it, but there's nothing that says that it is prohibited. It was mentioned that ODOT already has a methodology in place to document in-kind services, so there are ways to do it that are tested. Smith asked what the plan was for the vacant land once the buildings are down. Mazzola stated nothing specific, but the city has had two or three credible inquiries regarding this site once it's clean. Nau stated the Land Bank just acquired this property on the city's behalf, so the Land Bank actually owns the property. Peters stated the deed is in interoffice mail from the Auditor, but it has not yet been recorded. Nau stated the Land Bank will transfer it to the Alliance Land Reutilization Program. It's just a pass through that has been done for Alliance. Zumbar stated money may have to be appropriated to make sure there are funds available to cover all the demolitions that we expect will take place this year, so an adjustment will have to be made. Due to the unique situation where all the equipment is already there, it makes sense to grant conditional approval provided that a 50/50 Demolition Assistance application, additional information and an itemized list of costs will be coming from the city. Zumbar moved, Creighton seconded, and the motion carried to approve the conditional approval for the city of Alliance to move forward with this project, on the condition that the city provide the required items for Mr. Nau to satisfy this Board's decision. Approval is for the amount up to \$50,000.

9. OLD BUSINESS
10. NEXT MEETING – Thursday March 21, 2019, 9:00 am
11. ADJOURNMENT