

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION
February 26, 2018

The Stark County Land Reutilization Corporation met for their regular meeting on Monday, February 26, 2018 at 9:00 a.m. in the Stark County Regional Planning Commission Conference Room.

Board Members

Alex Zumbar
Janet Creighton
Bill Smith
Lem Green

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, Janet Creighton, Lem Green and Bill Smith.

3. MINUTES OF THE JANUARY 22, 2018 MEETING

Green moved, Creighton seconded, and the motion carried to approve the minutes of January 22, 2018. Creighton moved, Zumbar seconded, and the motion carried to approve the minutes from the December 18, 2017 work session meeting.

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

The month of January ended with a checking account balance of \$1,359,147.83. Revenues were \$547,467.48 and total expenses were \$254,502.92. The Star Ohio Investment account had an ending balance of \$1,013,253.76 with \$1,226.61 interest earned, and the Star Plus Investment account had an ending balance of \$6,154.35. Green questioned the reserved maintenance costs. Peters stated the cities can ask for up to \$400 per year for the three years the OHFA mortgage is on NIP properties. Some of these NIP properties have gone through the first year, so the cities have invoiced the Land Bank for the actual maintenance costs they have incurred. This cost seen on the financial report is the balance that remains from what has been invoiced to date. Creighton moved, Green seconded, and the motion carried to approve the Treasurer's Report for January.

6. NEIGHBORHOOD INITIATIVE PROGRAM (NIP) REPORT – Lynn Carlone

Carlone presented the Neighborhood Initiative Program (NIP) Update

City of Canton:

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

- 284 demolitions have been completed overall – 14 new packets have been completed since the January report
 - 270 demolitions have been approved by OHFA – 12 new packets since the January report.
 - Current average cost of demolition per property is \$15,901.00
 - OHA mortgages are fully executed on 258 properties & OHFA reimbursement to SCLRC - \$4,103,193.73
 - Canton has been reimbursed a total of \$3,936,128.31 for 270 properties
 - SCLRC to be reimbursed an additional \$188,683.66 for 12 properties which will have OHA mortgages placed on them
 - 14 additional demolition packets being readied by the RPC for submission to OHFA; OHFA to reimburse SCLRC additional - \$226,035.80

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

City of Alliance:

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

- 64 demolition reimbursement packets have been submitted overall – 0 new packets since the December report.
 - 64 demolitions have been approved by OHFA – 11 new packets since January report
 - Current average cost of demolition per property is \$14,020.00
 - OHA mortgages are fully executed on 53 properties & OHFA reimbursement to SCLRC - \$732,976.25
 - Alliance has been reimbursed a total of \$813,173.63 for 64 properties
 - SCLRC to be reimbursed an additional \$164,323.29 for 11 properties which will have OHA mortgages placed on them

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

City of Massillon:

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

- 4 demolitions have been completed overall – 0 new demolition has been completed since December 2016
 - 4 demolitions have been approved by OHFA – 0 new packets since February report.
 - Current average cost of demolition per property is \$9,599.00
 - OHA mortgages are fully executed on 4 properties; OHFA reimburse to SCLRC - \$39,644.68
 - Massillon has been reimbursed a total of \$34,444.68 for 4 properties

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

Zumbar asked Josh Whitacre, City of Massillon, how the city was progressing with completing NIP demolitions. Whitacre stated that Massillon was doing well with the demolition program. Whitacre stated the city has 10 properties that will be submitted to RPC this week for reimbursement. There are 8 more properties the city is currently tearing down and preparing packets to submit for reimbursement. If everything goes well, the city will have at least 15 more reimbursement packets submitted by the end of April or May in addition to the current 10. They currently have 300 vacant properties, but only about 80 of those properties may qualify for demolition. But the city is looking for other solutions to see what can be done with the vacant houses that do not appear to be blighted. Green moved, Smith seconded, and the motion carried to approve the NIP report as presented.

7. SIDE LOT/VACANT LOT PROGRAM REPORT – Sarah Peters
Sarah Peters presented the Side Lot Program Update:

Total Applications Submitted: 1405
(11 applications were received since Jan. '18 update)

Cities – 1211
 Canton: 981, Massillon: 92, Alliance: 138

Other Communities – 194

Bethlehem Twp – 8, Brewster – 2, Canal Fulton – 1, Canton Twp – 33, East Canton – 7, East Sparta – 2, Hartville – 3, Jackson Twp – 4, Lake Twp – 4, Lawrence Twp – 6, Lexington Twp – 32, Limaville – 2, Louisville – 2, Meyer’s Lake – 1, Minerva – 3, Nimishillen – 4, Osnaburg Twp – 12, Paris Twp – 3, Perry Twp – 10, Pike Twp – 8, Plain Twp – 30, Sandy Twp – 2, Sugarcreek Twp – 5, Tuscarawas Twp – 2, Washington Twp – 4, and Waynesburg – 3, Wilmot -1

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- Total Number of Applications under Preliminary Review: 11
 - Total Number of Applications Denied: 486
 - Number of Canceled Applications/Fee Refunded: 52
 - Total Number Pending Approval by Community: 17
 - **Total Number of Approved Applications: 839**

(9 Applications approved since last month's update)

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- Total Number of Approved Applications Pending Deposit Receipt / NIP Early Lien Release Approval / Request for Foreclosure / Completed Foreclosure Proceeding: 203
 - Total Number Being Prepared for Transfer: 40
 - **Total Number Transferred to Date: 596**

Vacant Lot Program Update:

Total Applications Submitted: 154

(3 Applications received since the last month's update)

Cities – 144; Canton: 131, Alliance: 11, Massillon: 2

Other Communities – 10

Canton Twp – 1, Hartville – 1, Lexington Twp – 2, Sugarcreek Twp – 1, Washington Twp – 3, Jackson Twp - 2

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- Total Number of Applications under Preliminary Review: 3
 - Total Number of Applications Denied: 124
 - Number of Canceled Applications/Fee Refunded: 4
 - Total Number Pending Approval by Community: 0
 - **Total Number of Approved Applications: 23**

(7 Applications approved since the last report)

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- Total Number of Approved Applications Pending Executed MOU/ Completion of Foreclosure Proceeding: 7
 - Total Number Being Prepared for Transfer: 2
 - Total Number Transferred to Date: 14

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

8. **NEW BUSINESS**

- a. Targeted Acquisition Assistance Program Request
 - Habitat for Humanity – Vacant lot at 16th St. NE, Canton (222020)

Peters stated that Habitat for Humanity has submitted a new request for assistance for acquiring a vacant lot on 16th Street, Canton. The Land Bank previously signed an agreement with Habitat to assist them in TAAP in their project area in the City of Canton. No approval was necessary because of the prior agreement, but this was to inform the board of the additional lot they have identified in that target area.

b. City of Alliance – Acquisition of 633 N. Union Ave.

Joe Mazzola, City of Alliance, stated there is a severely blighted property formerly known as Alliance Rubber and Crest Rubber which has been vacant and abandoned for some time. Michelle Cutler, at the City of Alliance, had brought it to his attention when she asked him to contact the owner to get the grass cut on the property. The property was condemned by the city fire department, and shortly after that it got on the radar of the Federal EPA. At one point he recognized that it was labeled a federal superfund EPA site. The site was professionally cleaned up, which included removing everything above ground, but the EPA didn't get involved in the soil, because they had no reason to believe the soil was contaminated. The buildings and a lot of old material remain on the site. The city has had a couple of serious inquiries about redevelopment on that site. The city is requesting the Land Bank's assistance in helping them acquire the six properties that comprise the site. The City of Alliance would eventually put them into the city's CIC. It would be a two-step process. The first step is acquiring the property, and without site control they can't do anything regarding future development. Mazzola stated that the city may come back to the Land Bank in the future to request funding assistance with demolition, depending on who the ultimate end user is.

Green asked if the city is asking for money to acquire the properties or just the legal authority to get title. Mazzola stated they are looking for the legal authority to get title. The city understands they are responsible for paying the fees associated with any acquisition and transfer. Green moved, Creighton seconded, and the motion carried to assist the City of Alliance in their targeted acquisition assistance request for parcels 113641, 109213, 110258, 110259, 113642 and 113036.

c. Revised Fiscal Policy and Procedures

Nau stated the Land Bank currently has five board members and there is a provision for three officers being the president, treasurer and secretary. It was originally set up where the RPC functionally was acting as the secretary and president, and Jim Wallace from the Stark County Treasurer's office was named treasurer. Zubar has stated that the Treasurer's office can no longer serve in that capacity. Dave Thorley has been reviewing the Land Bank's Code of Regulations on how this should be handled going forward.

Thorley stated this process began when RPC began the work of revising the Fiscal Policies. He has reviewed the Code of Regulations and all the minutes from the inception of the Land Bank. The RPC may functionally serve as secretary and the Treasurer's office was serving as treasurer, but at no point did the Land Bank ever appoint officers. Portions of the Code of Regulations pertaining to the discussion was handed out. Article VI, Section 6.1 Employment and Designations of Officers of the Code of Regulations indicates the Board of Directors shall appoint a president, treasurer and secretary. This becomes critical as the Code of Regulations states the additional function of these officers. Pursuant to Article VI, Section 9.6, Signatories on Deeds and Transfers of Real Property Interests, the way the Land Bank has been executing deeds is not in conformity with the regulations. The chairman and one director have been signing the deeds, but it should be the president and one director. The fact that the Land Bank has been doing that for quite some time doesn't mean that everything that has been done is null and void. The Land Bank has been acting under the color of law, believing they were done correctly, and the law would allow those to stay. But from this point forward, the Board needs to do them in conformity with the Code of Regulations. He asked that today a motion be passed appointing the president, treasurer and secretary. The president being the executive director of RPC. Green asked why this would be done this way, and believed it would make more sense that the president (*chairman*) of

the Land Bank board be the president of the corporation. Thorley stated that actually that would be a tremendous conflict of interest. In 2012 the Stark County Prosecutor asked for two attorney generals' opinions that related to similar situations. Green asked how it could be a conflict for Zumbar to sit as the president (*chairman*) of the board and serve as the president of the corporation. Gerald Yost, Prosecutor's office, stated that it also relates to Zumbar's capacity as the Treasurer of Stark County. Thorley stated the conflict arises because Zumbar as Stark County Treasurer oversees the DETAC funds and the DETAC monies funds the Land Bank. Thorley stated RPC is asking this because of their contract to administer all programs for the Land Bank and that it just flows that the president should be the executive director of RPC. The treasurer should be the fiscal officer of RPC and the secretary should be the office manager. So the positions would be appointed rather than individuals. RPC is asking as a first step in the process that the board appoints officers. The next step of revising the fiscal policies is being done in conjunction with the Treasurer's office.

Zumbar moved, Creighton seconded, and the motion carried to appoint the following officers: the executive director of the RPC shall serve as president, the fiscal officer of RPC shall serve as treasurer, and the officer manager of RPC shall serve as secretary.

9. OLD BUSINESS

a. Property Management Software Update

Peters stated the board members should have received an email with their log-in credentials. Board members did confirm they received that information. Green asked Peters to email him a few parcel numbers that could be used to test out the system. Peters stated she could do that, and that RPC staff can provide additional assistance to navigate through the system if necessary.

b. Survey Results

A handout was provided to the board summarizing the survey results. Peters reviewed the spreadsheet, which showed the items the board was most interested in pursuing going forward.

11. Next Meeting – Thursday, March 15, 2018 - 9:00 a.m.

The meeting was adjourned at 9:30 a.m.