

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION
March 16, 2017

The Stark County Land Reutilization Corporation met for their Annual Meeting on Thursday, March 16, 2017 at 9:00 a.m. in the Stark County Regional Planning Commission Conference Room.

Board Members

Alex Zumbar
John Arnold
Lem Green
Janet Creighton
Bill Smith

RPC Staff

Katie Phillips
Lynn Carlone
Beth Pearson
Sarah Peters
Jonelle Melnichenko
Jill Gerber
Bob Nau
Dave Thorley

Others

Jim Wallace
John Rinaldi
Joe Mazzola
Dave Maley
Mayor Kathy Catazaro-Perry
Deana Stafford
Jaime Allbritain

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, Bill Smith, Lem Green, John Arnold and Janet Creighton.

3. ELECTION OF CHAIRPERSON AND VICE-CHAIRPERSON OF THE BOARD OF DIRECTORS

Per the regulations of the bylaws, every year at the Annual meeting there must be an election of the Chairperson and Vice Chairperson for the Board of Directors. Creighton moved, Smith seconded, and the motion carried to reappoint Alex Zumbar as Chairperson and Lem Green as Vice Chairperson.

4. MINUTES OF THE FEBRUARY 27, 2017 MEETING

Green moved, Creighton seconded, and the motion carried to approve the minutes of February 27, 2017. Smith and Arnold abstained.

5. PUBLIC SPEAKS – No public speaks

6. PRESENTATION OF ANNUAL REPORT

Peters presented the Annual Report for Land Bank activities completed in 2016. (Annual Report attached) Arnold moved, Smith seconded, and the motion carried to accept the Annual Report as submitted.

7. TREASURER REPORT – Jim Wallace

The month of February ended with a checking account balance of \$714,286.95. Revenues were \$143,441.97 and total expenses were \$122,220.13. The Star Ohio Investment account had an ending balance of \$1,002,563.09 with \$599.58 interest earned, and the Star Plus Investment account had an ending balance of \$6,106.35. Creighton moved, Green seconded, and the motion carried to accept the Treasurer's report as submitted.

8. FISCAL ITEMS – Beth Pearson –

Post Approval of Payments

1. City of Massillon – NIP #30 – 4 parcels	\$34,444.68
a. 609740 – 1320 Kracker St NW	\$10,647.51
b. 600371 – 407 11 th St SW	\$ 7,680.79
c. 600452 – 51 Marion Ave SE	\$ 8,167.92
d. 612323 – 547 Neale Ave. SW	\$ 7,948.46

Green moved, Smith seconded and the motion carried to approve the post approval of the above noted payments.

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

Carlone presented the Neighborhood Initiative Program (NIP) Update

City of Canton:

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

- 228 demolitions have been completed overall – 0 new demolitions have been completed since January report
 - 11 - Canton currently developing reimbursement packets/Canton ready to have reimbursement packets reviewed by RPC
 - 217 demolition reimbursement packets have been submitted overall – 8 new packets have been submitted since the last month's report.
 - 200 demolitions have been approved by OHFA – 10 new packets since the last month's report.
 - Current average cost of demolition per property is \$15,654.00

- OHA mortgages are fully executed on 181 properties & OHFA reimbursement to SCLRC - \$2,978,402.66
- OHA mortgages are pending on 10 properties; OHFA to reimburse SCLRC additional - \$157,383.08
 - Canton has been reimbursed a total of \$2,730,939.70 for 200 properties
- 9 demolitions are in various stages of review/approval by OHFA; outstanding reimbursement requests - \$135,931.29
- 8 additional demolitions need to be reviewed by RPC

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

City of Alliance:

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

- 37 demolitions have been completed overall – 0 new demolition has been completed since last month's report
 - 8 – Alliance currently developing reimbursement packets/Alliance ready to have reimbursement packets reviewed by RPC
 - 29 demolition reimbursement packets have been submitted overall – 0 new packets since last month's report.
 - 29 demolitions have been approved by OHFA – 0 new packets since last month's 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 \$357,920.02 for 29 properties
 - OHA mortgages pending payment/execution on 4 properties; once completed, OHFA reimbursements to SCLRC - \$64,043.02

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

City of Massillon:

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

- 4 demolitions have been completed overall – 0 new demolition has been completed since December

- 4 demolitions have been approved by OHFA – 0 new packets since last month’s report.
 - Current average cost of demolition per property is \$9,599.00
 - OHA mortgages are pending on 4 properties; OHFA to reimburse SCLRC - \$39,644.68
 - Massillon has been reimbursed a total of \$34,444.68 for 4 properties

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

Zumbar referenced a conference call with the City of Canton and asked Carlone to recap the discussion. Carlone stated there was a conference call with discussion regarding the properties that are being pursued by the Prosecutor’s office under the Board of Revisions. Canton had requested that staff look at trying to move those through quicker. Gerry Yost, Assistant Prosecuting Attorney, discussed those issues, but said everything is moving along, and there is a legal process that must be followed. There was also discussion in regards to the properties that were taken under the NIP Round 3. Currently Canton owns 20 properties under Round 3. There was a concern that contracts are not in place on those properties, meaning the properties are owned by the Land Bank but the city has not boarded up or done any other type of activities on those properties. The city was running this program through their Development Department in the past, but it has now being switched to their Building Department, and some things are being worked out between the two departments. The Building Department is trying to make sure that they are meeting all of the requirements.

Zumbar asked Rinaldi, City of Canton, if interior inspections have been completed and what exactly the city is requesting of the Land Bank. Rinaldi assured the Board that in the matter of public safety, the city is looking at those properties and boarding them up as needed. If something comes to their attention, they are on it immediately. When the city does board up a property, unless it’s a matter of public safety, the property is posted for seven days before it is boarded up. Regarding the interior inspections and writing the scopes of work, they will be ready to move forward on these once the details get worked out with some contractual items. He was meeting with Dominion in the morning, and they would be going through all 20 properties, pulling out the meters. Mary Jackson, city employee, has some remaining packets that she will be contacting contractors to award those bids. So the Building Department is aggressively going after these properties, and he again assured the Board that in the matter of public safety, if there’s any issues that come up, he had the documentation to back up that they are doing what needs to be done.

Zumbar suggested that Nau and Thorley contact Bill Bartos to find out if there is a contractual matter with the agreement between the SCLRC and the City of Canton, and if there are issues that need to be hammered out, those items need to be identified and resolved. He requested that they report back to the Board. He urged Canton to get their contracts in place and keep the demolitions moving forward as well as additional properties to send to the Land Bank, because everything is on a tight timeline. Directives have been given to Yost to proceed with the cases that are in place right now, because the process has started. The process can’t just stop on a dime, and if a PJR has been ordered that is \$400 that is being expended, then that’s going to become a potential issue for this Board in terms of having to pay for that if Canton decides to go a different route. Green asked if the city is talking about doing something else. Zumbar stated, no, but it was his understanding that we are to basically stop work. Carlone stated her understanding was that Canton did not want to move ahead until the contract between the Land Bank and Canton for Round 3 was fully executed. Thorley added that from the

meeting they had in Canton City Hall in February, he understood that the city was going to provide language to him that would either be incorporated into the contract or as an addendum, but he has not heard from anyone. Green asked what the city is saying is lacking at this point, and what is the Land Bank supposed to do.

Rinaldi stated the one underlying issue is the insurance that is placed on these properties. He believed that was the last issue that needs to be worked out. Someone from the city was going to contact Beth Pearson and get the details worked out. That is the only issue pending. Rinaldi did understand the sense of urgency, but he believed there was a very simple resolve to this issue.

Zumbar wanted to make the Board aware that each property must be insured, which is one of the guideline stipulations. The cost of the insurance was \$140 and now it has dropped to \$120. He asked that Pearson and Peters do some additional fact finding and give an update on what costs are being expended for the insurance and what the new policy states the costs are to be. Canton needs to have a full understanding what those costs are per property, what we have actually invoiced them to date versus what is still remaining out there, and what perhaps we have not invoiced them and we have chosen not to do so because it's now an empty lot. Insuring an empty lot is minimal, and the Land Bank can certainly afford that. He didn't believe the city was billed for empty lots.

Pearson stated in the beginning it was set up that the Land Bank would bill the city \$145 and that would cover the three years the Land Bank owns the property, whether the house was on it for a year or two years and then the vacant lot after that, so it was averaged out and the total cost was to be billed at one time. The Land Bank would not bill for future years for the vacant lot because we would recoup those expenses up front.

Creighton asked if Nau and Thorley should still contact Bill Bartos as mentioned earlier. It was agreed that they would do that. Thorley stated if the only issue happens to be insurance and the contract that was in place for Round 1 and 2 is sufficient for Round 3, then maybe they want to execute a new agreement to delineation between Rounds 1, 2, and 3, but he was waiting for language from the city on that issue. Green stated whatever the controversy is between the Land Bank and the city, it involves a matter of only \$200 or \$300 per lot, so we are not talking about a large amount. Thorley stated but in fact it does add up. Zumbar stated for the City of Canton it is an expense, and they are being cost conscience. He did not want to suggest the Land Bank step in take care of anybody's insurance, but we have to look at the agreements and get the facts and everybody needs to get on the same page.

Rinaldi added those 20 properties will be ready to jump, and he thought this was a very minor thing, but the city is running this project in a whole different mindset now, and efficiency is our target each and every day and moving forward with this.

Green moved, Arnold seconded, and the motion carried to approve the NIP report as presented.

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

Sarah Peters presented the Side Lot Program Update:

Total Applications Submitted: 1182

(15 applications were received since last month's update)

Cities – 1008

Canton: 827, Massillon: 77, Alliance: 104

Other Communities – 174

Bethlehem Twp – 7, Brewster – 2, Canton Twp – 33, East Canton – 7, East Sparta – 2, Hartville – 3, Jackson Twp – 3, Lake Twp – 2, Lawrence Twp – 6, Lexington Twp – 27, Limaville – 2, Louisville – 2, Meyer’s Lake – 1, Minerva – 3, Nimishillen – 4, Osnaburg Twp – 9, Paris Twp – 3, Perry Twp – 10, Pike Twp – 4, Plain Twp – 28, Sandy Twp – 2, Sugarcreek Twp – 5, Tuscarawas Twp – 2, Washington Twp – 4, and Waynesburg – 3

- Total Number of Applications under Preliminary Review:12
- Total Number of Applications Denied: 421
- Number of Canceled Applications/Fee Refunded: 43
- Total Number Pending Approval by Community: 85
- **Total Number of Approved Applications: 621**
(1 Application approved since last month’s update)

- Total Number of Approved Applications Pending Deposit Receipt / NIP Early Lien Release Approval / Request for Foreclosure / Completed Foreclosure Proceeding: 117
- Total Number Being Prepared for Transfer: 23
- **Total Number Transferred to Date: 481**
(39 45 Side Lots were transferred since last month’s update)

Green asked if staff was getting a good response from Canton since Maureen Austin is no longer handling the process. Peters stated that she has spoken to the various departments in the city that review the applications and has now received the proper contact information for each department. The city is currently reviewing 79 of these 85 applications. Three of the five departments have fully reviewed them, so she is waiting on the city Engineering Department as they review and identify any possible right-of-way easements. The smaller communities that may receive only a few occasional applications will get 30 days for review. For the city, the applications are being sent out simultaneously to each of the five departments to try and get the city’s review time also to 30 days. They all get two weeks to review the application, and the council member gets two weeks to review, so it should be a full 30 days for Canton to review. If anyone needs additional review time, they just need to let her know. This process has taken much time to complete, but it appears to be working out.

Vacant Lot Program Update:

Total Applications Submitted: 116

(1 Application received since the last month’s update)

Cities – 111; Canton: 102, Alliance: 8, Massillon: 1

Other Communities – 5

Canton Twp – 1, Hartville – 1, Lexington Twp – 2, Sugarcreek Twp – 1

- Total Number of Applications under Preliminary Review: 1
- Total Number of Applications Denied: 57
- Number of Canceled Applications/Fee Refunded: 1
- Total Number Pending Approval by Community: 40
- **Total Number of Approved Applications: 17**

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- Total Number of Approved Applications Pending Executed MOU/ Completion of Foreclosure Proceeding: 4
 - Total Number Being Prepared for Transfer: 0
 - Total Number Transferred to Date: 13
(2 Vacant Lots were transferred since last month's report)

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

11. NEW BUSINESS

12. OLD BUSINESS

a. Private Letter - Refunds

Zumbar stated communication was received from Robin Thomas, Western Reserve Land Conservancy, in regards to the IRS private letter refund. In the end, the SCLRC did pull out of that determination process and were refunded some of our initial fees, but there still remains shared funds from the 18 land banks seeking a private letter ruling from the IRS. The methodology was decided by the committee to the distribution of the remaining funds as follows: smaller land banks would receive a reimbursement of \$403.51; mid-size land banks would receive a reimbursement of \$1,210.52; and the large land banks would receive a reimbursement of \$3,631.55. Creighton moved, Arnold seconded, and the motion carried to approve the methodology and refund amount as submitted.

13. EXECUTIVE SESSION

Green moved and Creighton seconded to adjourn into Executive Session at 9:41 a.m. for the purpose of discussing pending litigation. Smith – yes; Creighton – yes; Zumbar – yes; Green – yes; Arnold – yes.

Zumbar moved, Arnold seconded, and the motion carried to adjourn from Executive Session at 9:51 a.m.

The meeting was adjourned at 9:51 a.m.

14. Next Meeting – April 17, 2017, 9:00 a.m.