

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION
June 15, 2020

The Stark County Land Reutilization Corporation met for their Regular meeting on Monday, June 15, 2020 at 9:00 a.m. in the Stark County Regional Planning Commission Conference Room. The option to participate via teleconference was made available.

Board Members Present

Alex Zumbar
Janet Creighton
Lem Green
John Arnold
Bill Smith

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, John Arnold, Lem Green and Bill Smith

3. APPROVAL OF MINUTES OF MAY 18, 2020 MEETING

Arnold moved, Zumbar seconded, and the motion carried to approve the minutes of May 18, 2020 meeting.

4. PUBLIC SPEAKS – No public speaks

5. TREASURER/FISCAL REPORT

Heather Cunningham reviewed the Treasurer's Report for the month of May. Green moved, Smith seconded, and the motion carried to approve the Treasurer's Report for May.

6. SIDE LOT/VACANT LOT PROGRAM REPORT
Sarah Peters provided the Side Lot Program Update:

Total Applications Submitted: 1,980
(18 applications were received since May '20 update)

Cities – 1,659
Canton: 1,312, Massillon: 128, Alliance: 219

Other Communities – 321

Bethlehem Twp – 25, Brewster – 3, Canal Fulton – 1, Canton Twp – 60, East Canton – 7, East Sparta – 2, Hartville – 3, Jackson Twp – 4, Lake Twp – 5, Lawrence Twp – 11, Lexington Twp – 40, Limaville – 2, Louisville – 2, Marlboro Twp. – 1, Meyer's Lake – 1, Minerva – 3, Nimishillen – 6, North Canton – 1, Osnaburg Twp – 15, Paris Twp – 3, Perry Twp – 14, Pike Twp – 20, Plain Twp –

34, Sandy Twp – 40, Sugarcreek Twp – 6, Tuscarawas Twp – 2, Washington Twp – 5, Waynesburg – 4, Wilmot -1

- Total Number of Applications under Preliminary Review: 17
- Total Number of Applications Denied: 833
- Number of Canceled Applications/Fee Refunded: 69
- Total Number Pending Approval by Community: 12
- **Total Number of Approved Applications: 1049**

- Total Number of Approved Applications Pending Deposit Receipt / NIP Early Lien Release Approval / Request for Foreclosure / Completed Foreclosure Proceeding: 114
- Total Number Being Prepared for Transfer: 8
- **Total Number Transferred to Date: 927**

Vacant Lot Program Update:

Total Applications Submitted: 209

(2 Application received since May '20 update)

Cities – 178; Canton: 161, Alliance: 11, Massillon: 6

Other Communities – 31

Bethlehem Twp - 9, Canton Twp – 5, Hartville – 1, Jackson Twp – 2, Lake – 1, Lexington Twp – 2, Perry – 1, Sandy – 5, Sugarcreek Twp – 1, Washington Twp – 4

- Total Number of Applications under Preliminary Review: 1
- Total Number of Applications Denied: 160
- Number of Canceled Applications/Fee Refunded: 7
- Total Number Pending Approval by Community: 0
- **Total Number of Approved Applications: 41**

- Total Number of Approved Applications Pending Executed MOU/ Completion of Foreclosure Proceeding: 2
- Total Number Being Prepared for Transfer: 0
- Total Number Transferred to Date: 39

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

7. **NEW BUSINESS**

- a. Demolition Assistance Program Request
 - Hall of Fame Village, LLC

Carol Smith and Mike Crawford were in attendance representing the Hall of Fame Village, LLC. The HOF Village had submitted an application for funding through the Demolition Assistance Program. Bob Nau stated he participated in a conference call involving Bill Smith, Dave Thorley, Steve Babik and Carol Smith, where they discussed the HOF's needs in respect to demolition assistance. The Land Bank does have an existing 50/50 Demolition Assistance Program where the Land Bank pays for 50% of the cost of demolition. The Land Bank has assisted various political subdivisions with approximately 27 demolition projects to date. The policy for the Demolition Assistance Program clearly states that this program is for cities, villages and townships. Assistance to the HOF Village would be patterned after that policy, but it would be a separate agreement if the board so desires. The HOF Village has been in the process of acquiring property around their facility and doing demolitions. According to their application, they have 84 structures remaining to be demolished which includes 79 residential homes, two commercial structures, two garages and one partial school structure (Dennis R. Smith building). Their total estimate for that project is \$800,665. They are budgeting \$6,500 to demolish each residential property. If it is the desire of the board to pursue this, a budget revision would be necessary. The budget revision would involve reallocating \$400,000 from the Ohio Star investment account to the demolition line item, and the second action would be authorizing and approving the Land Bank President and the Chairman of the Board to enter into an agreement with the HOF Village, LLC in an amount not to exceed \$400,332.50, which is 50% of their total project costs.

Zumbar stated there were several points that Ms. Smith had expressed during their previous conversation. Chief of them is the demolition of the structures will have a major impact on that area when those structures are removed, therefore, removing the blight. It meets one of the critical mission goals of economic development since the Land Bank is a community improvement corporation. So it certainly falls within this board's discretion and decision making for this type of project. It also becomes one of the Land Bank's first public/private partnerships here in Stark County.

Carol Smith expressed the importance of getting these homes down now to get the site ready for the economic development to come. Mike Crawford stated they embarked upon this opportunity about September 2019. They have completed all the hurdles and received SEC approval, but when COVID 19 hit, they had to pause the activity. They had been moving ahead at a nice pace, because Constellation had provided a \$30 million facility for them to draw down upon and start building the Constellation Center for Excellence. There were things they needed to do to clear land and start thinking about the infrastructure. In addition, the ability to get equity very quickly, which was supposed to be in March, was really going to allow them to start more in earnest building out the village, but then the COVID 19 happened. The good news is the markets have stabilized, and last week \$30 million plus of our stock traded on the market. There is a great momentum around their company. There is a passion around the story at a very high level with investors. They expect the stock to trade again quite nicely this week. Their goal is to start the demolition almost immediately following the June 30th closing date; start the construction of the Center for Excellence and the remaining football fields, the sports fields and then the rest of the village. They will have a newly renovated hotel in downtown by September or October. It is 60% completed right now. The city will be proud of the facility. This assistance will allow the HOF to get that work going and clean up an unsightly area. It is not representative of what they want in the city, and it's not representative of the area they intend to build, and they want to correct that.

Creighton asked if they were tearing down the Dennis R Smith School. Zumbar stated the budget submitted by the HOF Village shows the demolition of the school at about \$60,000. Ms. Smith stated that half of the school is already down. The remaining half of the school is still being utilized

today for their football program. When their new football operation center is completed, which is scheduled to be completed toward the end of the month or the beginning of July, they will then vacate the school, which will allow us at that time to take the building down.

Creighton stated that sometimes the cost of the demolition actually exceeds the estimate because of problems they run into. If that were to happen, will the HOF incur the extra costs or will they come back to the Land Bank. Mr. Crawford stated the HOF will incur the extra costs.

Green stated that he has lived in the HOF area for about 50 years, and he was very enthusiastic about the project being undertaken; however, he cannot vote in favor of the proposal because he did not believe it was within the Land Bank's sphere of proper activity. The HOF Village LLC is a private enterprise, and they are doing something that is going to be very helpful to this community, but he doesn't think it was the Land Bank's business. The properties the HOF bought were single-owner occupied, non-tax delinquent properties. They were not blighted, but it had been an ideal urban community. The Land Bank deals with the removal of blighted properties, and before this project started, it was a thriving community with no sign of blight. Now the houses are subject to all the problems of vacant and deteriorating property. Green supported the HOF project and wanted it to succeed, but the Land Bank has \$400,000 that can be spent in relieving the community of blight, and this project was not included.

Mr. Crawford thanked Green for his comment and respected his opinion. A couple of things happen when projects like this come to a community and the property owners get the sense that a corporation is going to be doing something in the area where they live. First almost instantly the value of their homes quadruple, because they see dollar signs in terms of being bought out. The second thing that happens is when they know that this type of opportunity presents itself, there is an attitude that there's not much that they are going to do to their home anymore, and this is being heard from some surrounding property owners. Once this project is built, the economic impact for everybody in the city should generate tremendous amount more revenue that others can benefit from.

Nau stated when reviewing the Land Bank's bylaws, it's very clear that this is within the scope of a land bank to enter into a contract with a non-profit or a for-profit, although typically we work through the political subdivisions. Friday afternoon Nau spoke with Mayor Bernabei, and the Mayor has also spoke with Green. The Mayor stated that he is supporting the project, and his office will be submitting a letter of support, which is always required in the political subdivision. Ms. Smith has indicated that these properties have all been annexed or in the process of being annexed into Canton. This agreement would be administered to mirror the 50/50 Demolition Assistance Program. The process involves the political subdivision completing the demolition, and then they submit that paperwork to us and the Land Bank reimburses them for 50% of the cost. Ms. Smith has indicated there will be some phases to this process, which is acceptable, and we can work through that. The HOF wanted to start phase 2 in September or October, and by that time the demos would have to be completed. Dave Thorley will draft an agreement and will send it over to the HOF Village to have their council review it.

Creighton asked if it was correct that the Hall of Fame originally bought those houses, and the Hall of Fame Village inherited this situation. Ms. Smith stated there were approximately 22-25 properties that the Pro Football Hall of Fame had acquired over some time, which all of those through a real estate agreement are being sold to Hall of Fame Village. Fifteen properties have already come over, and there's a mortgage note out on that for when we were going to start phase 2 a couple years ago with the new hotel. Then the balance will come over at the close of the public mergers. The balance of

the properties have been purchased by HOF Village, so there's just over 100 homes plus or minus that have been purchased in the neighborhood.

Creighton asked how long those houses have been vacant. Ms. Smith stated it is in varying degrees. They started purchasing houses back in 2016-17, and some of them have already come down. Creighton believed that the area is blighted now with the vacant houses just sitting there. This is economic development, and she believed in the positive leadership of Mike Crawford, and he's given us a sense of hope and progress. She wanted to give him a chance to be able to do what he has promised, because she believed he's equipped to do that, and she will be voting for it.

Smith agreed with Creighton's comments. Arnold also agreed with what Creighton said, and he respected Green's comments. But by the Land Bank's involvement in this project, they can help accelerate the progress. Zumbar indicated that there would be three motions needed to complete the process.

Zumbar moved and Smith seconded to approve the demolition assistance request as submitted by the Hall of Fame Village. Roll call vote: Janet Creighton – yes, Alex Zumbar – yes, Bill Smith – yes, Lem Green – no, John Arnold – yes. Member Green descends, motion carries.

Zumbar moved and Arnold seconded to reallocate \$400,000 from the Land Bank's investments to the operating budget for 2020. Roll call vote: Janet Creighton – yes, Alex Zumbar – yes, Bill Smith – yes, Lem Green – yes, John Arnold – yes. Motion carries.

Zumbar moved and Creighton seconded to appropriate \$400,000 from the operating budget to the line item demolition code in the budget. Zumbar confirmed that supporting this project was within the Land Bank's bylaws. Roll call vote: Janet Creighton – yes, Alex Zumbar – yes, Bill Smith – yes, Lem Green – yes, John Arnold – yes. Motion carries.

8. OLD BUSINESS

Zumbar stated the audit was released. This was discussed at last month's meeting. There were no findings or citations. There was a comment, which has been addressed.

9. Next Meeting – July 20th - 9:00 a.m.

The meeting was adjourned at 9:32 a.m.