

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION  
June 18, 2018

The Stark County Land Reutilization Corporation met for their regular meeting on Monday, June 18, 2018 at 9:00 a.m. in the Stark County Regional Planning Commission Conference Room.

Board Members

Alex Zumbar  
Janet Creighton  
Bill Smith  
John Arnold

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 John Arnold. Zumbar moved, Creighton seconded, and the motion carried to excuse Lem Green due to vacation.

3. APPROVAL OF MINUTES OF MAY 21, 2018 MEETING

Arnold moved, Smith seconded, and the motion carried to approve the minutes of May 21, 2018 meeting.

4. PUBLIC SPEAKS – No public speaks
5. TREASURER/FISCAL REPORT - Heather Cunningham

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

6. NEIGHBORHOOD INITIATIVE PROGRAM (NIP) REPORT

**Lynn Carlone presented the Neighborhood Initiative Program (NIP) Update**

**City of Canton:**

- ❖ **494– Total number of acquired properties to date:**
  - 349 demolitions have been completed overall – 30 new packets have been completed since the May report
    - 301 demolitions have been approved by OHFA – 17 new packets since the May report.
      - Current average cost of demolition per property is \$16,183.00
      - OHA mortgages are fully executed on 284 properties & OHFA reimbursement to SCLRC - \$4,525,102.19

- Landbank is awaiting the reimbursement of 17 properties from OHFA - \$298,997.99
  - 21 demolition packets being readied by the RPC for submission to OHFA; OHFA to reimburse SCLRC additional - \$361,962.90
  - 17 additional packets are under preliminary review by the RPC for submission to OHFA
- ❖ **79 - Total Number of Properties Identified on a Current Active List for Acquisition under Round 3 (+ 14 property packets are under preliminary review of RPC)**

**City of Alliance:**

- ❖ **153 - Total number of acquired properties to date:**
  - 75 demolition reimbursement packets have been submitted overall – 0 new packets since the March report.
    - 75 demolitions have been approved by OHFA – 11 new packets since May report
      - Current average cost of demolition per property is \$14,125.00
      - OHA mortgages are fully executed on 64 properties & OHFA reimbursement to SCLRC - \$897,299.54
      - Landbank is awaiting the reimbursement of 11 properties from OHFA - \$162,045.93
        - Alliance has been reimbursed a total of \$920,619.55 for 75 properties
- ❖ **9 - Total Number of Properties Identified on a Current Active List for Acquisition under Round 3.**

**City of Massillon:**

- ❖ **42 - Total number of acquired properties to date**
  - 14 demolitions have been completed overall – 0 new demolitions has been completed since March report
    - 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
      - 10 demolition packets being readied by the RPC for submission to OHFA; OHFA to reimburse SCLRC additional - \$120,427.05
- ❖ **15 - Total Number of Properties Identified on a Current Active List for Acquisition under Round 3.**

Creighton moved, Arnold seconded, and the motion carried to approve the NIP Report as presented.

Carlone reviewed the summary of the NIP expenditures to date and what is yet to be expended by the December 18, 2018 deadline if the 75% goal is to be met.

**Neighborhood Initiative Program (NIP) –  
Planning for 75% Expenditure by December 18, 2018**

<u>Date</u>	<u>Action</u>	<u>Funding</u>
March 31, 2014	Award of Round 1	\$ 4,235,000.00
September 30, 2015	Award of Round 2	<u>\$ 500,000.00</u>
	Total	\$ 4,735,000.00
August 18, 2016	Contract of Round 3	\$ 6,017,166.37
November 14, 2016	Addition \$ under #3	<u>\$1,280,279.58</u>
	Cumulative Total	\$12,032,445.95+
	(+remittance of unspent maintenance \$)	

<u>Date</u>	<u>Action</u>	<u>Required Outcome</u>
December 18, 2018	75% Expended (Round 1, 2 & 3) Reallocation Analysis	\$9,024,334.36+

Landbank is expending an average of \$15,625.87 on each demolition. As such, landbank needs to own a minimum of 770+ properties in order to exhaust funding. Currently, it is expected that 774 will be owned.

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Total NIP Reimbursements to date: \$6,406,619.33

(Reimbursements #1-51)

Canton - \$5,188,801.13

Alliance - \$1,059,345.47

Massillon - \$158,463.73

Average Demo Cost per Property: \$15,625.87

Canton - \$16,164.48

Alliance \$14,124.60

Massillon - \$11,813.83

Properties currently owned: 682

Canton – 488 (72%)

Alliance – 152 (22%)

Massillon – 42 (6%)

Demolitions requested for reimbursements: 410

Canton – 321

Alliance – 75

Massillon - 14

Additional properties owned: 272

Canton – 167

Alliance – 77

Massillon - 28

Additional properties currently being pursued for ownership: 92

Canton - 67

Alliance – 10

Massillon – 15

Balance of NIP grant to expend by 12-18-18 to meet 75% expenditure rate:

\$2,617,724.13 (\$9,024,344.36 - \$6,406,610.33)

At average demolition cost, additional properties that need to be submitted for reimbursement:

168+ (additional 20 properties should be pursued due to maintenance reimbursement, fluctuating costs, etc.)

Canton – 135 additional properties (135 x \$16,164.46 = \$2,182,202.10)

Alliance – 41 additional properties (41 x \$14,124.60 = \$579,108.60)

Massillon – 12 additional properties (12 x \$11,318.83 = \$135,825.95)

TOTAL = 188 additional properties - \$2,897,136.65 (provides a gap balance of \$279,412.52 as “insurance”)

\*Need to be remitted for reimbursement by September 1, 2018\*\*

OHFA - \$12,032,445.95/\$25,000 per property = 482 properties

Actual - \$12,032,445.95/\$15,625.87 per property = 770+ properties

Zumbar asked if this information has been communicated to each of the communities. Thorley stated on Wednesday, they had a conference call with the City of Canton, and John Highman was part of that conference call. The City of Canton is well aware of the problem. They have not had meetings with Alliance and Massillon yet. Creighton asked what happens if Massillon can't come up with 12 additional properties, but Canton does. Carlone stated they were doing a breakdown based upon percentages, but if one community can't come up with enough reimbursement packets, as long as 188 properties are reached, that will be OK. Each community actually owns enough properties already, but she didn't know if they are at the stages where they can submit the packets.

JR Rinaldi, City of Canton, stated that he felt comfortable that everybody is getting the documentation that is needed on the backend so the packets can be completed. City Council had originally indicated 300 properties would be torn down, and we're over that number and could possibly do 400.

7. SIDE LOT/VACANT LOT PROGRAM REPORT**Sarah Peters presented the Side Lot/Vacant Lot Program Update:****Total Applications Submitted: 1495***(41 applications were received since May '18 update)*

Cities – 1289

Canton: 1034, Massillon: 99, Alliance: 156

Other Communities – 206

Bethlehem Twp – 9, Brewster – 2, Canal Fulton – 1, Canton Twp – 36, East Canton – 7, East Sparta – 2, Hartville – 3, Jackson Twp – 4, Lake Twp – 4, Lawrence Twp – 6, Lexington Twp – 33, Limaville – 2, Louisville – 2, Meyer’s Lake – 1, Minerva – 3, Nimishillen – 5, North Canton – 1; Osnaburg Twp – 12, Paris Twp – 3, Perry Twp – 10, Pike Twp – 11, Plain Twp – 30, Sandy Twp – 2, Sugarcreek Twp – 5, Tuscarawas Twp – 2, Washington Twp – 5, and Waynesburg – 4, Wilmot - 1

- Total Number of Applications under Preliminary Review: 0
- Total Number of Applications Denied: 517
- Number of Canceled Applications/Fee Refunded: 62
- Total Number Pending Approval by Community: 39
- **Total Number of Approved Applications: 877**  
*(17 Applications approved since May '18 update)*

- Total Number of Approved Applications Pending Deposit Receipt / NIP Early Lien Release Approval / Request for Foreclosure / Completed Foreclosure Proceeding: 222
- Total Number Being Prepared for Transfer: 27
- **Total Number Transferred to Date: 611**  
*(4 Side Lots were transferred since the April '18 update)*

**Vacant Lot Program Update:**

**Total Applications Submitted: 161**

*(4 Applications received since the last month’s update)*

Cities – 150; Canton: 137, Alliance: 11, Massillon: 2

Other Communities – 11

Canton Twp – 1, Hartville – 1, Lexington Twp – 2, Sugarcreek Twp – 1, Washington Twp – 4, Jackson Twp - 2

- Total Number of Applications under Preliminary Review: 0
- Total Number of Applications Denied: 132
- Number of Canceled Applications/Fee Refunded: 5
- Total Number Pending Approval by Community: 0
- **Total Number of Approved Applications: 24**  
*(1 Application approved since the last report)*

- Total Number of Approved Applications Pending Executed MOU/ Completion of Foreclosure Proceeding: 8
- Total Number Being Prepared for Transfer: 0

➤ Total Number Transferred to Date: 16

Creighton 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 Requests
- Habitat for Humanity - #241899, 217236

Peters stated that based on the agreement that was signed with Habitat for Humanity for lots in Canton, Habitat has submitted two additional TAAP applications; one for a vacant lot and another for a lot that has a vacant residential structure to be preserved. These properties are within their renewal project area in Canton, and fall within the agreement. Staff has reviewed and approved the applications and will proceed with those requests. Zubar asked if those costs associated with the TAAP program are reimbursed to the Land Bank. Peters stated, yes, the Land Bank pays those costs up front, and then submits an invoice to the applicant for reimbursement upon transfer of the property.

b. 919 6<sup>th</sup> Street NW, Canton

Thorley stated on May 30<sup>th</sup> he received a phone call from the EPA that someone had dumped 16 barrels at the property located at 919 6<sup>th</sup> Street, Canton. Most of the barrels had what appeared to be roofing tar and a couple barrels had a sloshy type of liquid in them. He immediately reached out to Rinaldi and on May 31<sup>st</sup>, they met the EPA at the site. The EPA was very insistent that the site be cleaned up immediately. Thorley was given the name of SunPro Services for the clean-up of this property. Lance Wilcox, Project Manager of SunPro, met them at the scene, and on May 31<sup>st</sup> they had a crew out to clean up the site. The barrels have been removed and are being kept at the recycling center on Schroyer. A SunPro representative had told him that they were reaching out to various companies to see if they could dispose of them without testing the materials, but they were not able to find a location that would take the barrels. So it appears they are going to be testing that product, and that will take about 10 days. SunPro had estimated a cost of \$500 to \$1,000 per barrel, depending on if testing had to be done and exactly what was in the barrels. Thorley has had conversations with John Highman, City of Canton, on how best to proceed with this because the city has to pay for the clean-up. They believe it is a reimbursable expense to NIP, but there may be cost if it exceeds \$25,000. The City of Canton does have a contract with SunPro to take care of environment discharges, but they don't have a PO. So they are trying to narrow down what the cost will be.

Zubar stated this had to be done, but he felt the Land Bank should cover those costs and then send out an invoice to Canton. Creighton asked if it is known how the barrels got there and were any of them opened. Thorley stated some of them were opened. It appears that the Fire Department received a call about the barrels on the property, and after investigating the matter followed their protocol to call the EPA. Zubar asked if anyone knows how long the barrels had been there. Thorley stated they have no idea. The Land Bank took title to this property on May 6<sup>th</sup>, so from the time Rinaldi actually does his vetting of the properties to the time the Land Bank took title, there is considerable lag time, so we don't know. Zubar asked Rinaldi if he remembered seeing the barrels on the property when he initially reviewed it. Rinaldi stated that he didn't recall seeing the barrels on the property.

9. OLD BUSINESS

a. City of Canton – Reimbursement of Expenses – 331 Broad Ave. NW (#225534)

Thorley stated the Land Bank took title to this property for purposes of NIP demolition, and it appears that when it was forfeited, the taxes were never wiped off. Somewhere there was a breakdown in the system.

Jerry Yost, Prosecutor's office, stated two years ago the property at 331 Broad Ave. was tax delinquent and went through tax foreclosure through the Treasurer's office. It didn't sell at sheriff's sale, and at that point it went to an Auditor's sale at the end of 2015 at which time the property was sold. When properties are sold at an Auditor's sale, the monies from the Auditor's sale are supposed to be applied to the taxes and any remainder of the taxes wiped off. For some unknown reason, the Auditor's office did not remove the taxes, so although it shows the property was transferred, the tax payment does not show. It is not uncommon to see two owners in a transfer and the property taxes not paid, because a Quit Claim deed can be signed to a purchaser and the taxes go with it. The Prosecutor's office tracks by name, so a prior foreclosure is not seen because it's in a different name. When the deed goes on, the tax bill is still showing with a new owner and significant delinquent taxes. Then when Canton sees the vacant property, Rinaldi submits it and says the property is tax delinquent, vacant, abandoned and blighted; so let's remove it. It goes through the process, it appears as though it is tax delinquent, and it is foreclosed upon a second time. So it's actually foreclosed on twice within 2-3 years.

Yost stated when a tax bill is seen with a significant delinquency, we foreclose and go forward. At the date of the hearing, the red flag that they should have caught is that the amount of taxes owed decreased. It's still showing delinquent, but less delinquent. The Prosecutor's office did not catch it because the documents that were filed on showed the original documents. So we foreclosed upon the property, it goes through the whole process, and the Land Bank takes title to it. The owner that had bought it at Auditor's sale did not list a new tax address either, so they aren't paying taxes for the year they owned it, and they aren't giving a location to serve them, so the original owner is served and it is published. It wasn't until the bull dozer came on the property that the owner shows up and asked why his house is being torn down. At that point, there are significant costs expended already, and we start realizing there is a problem back when the Auditor transferred this and didn't take the taxes off. Certainly the City of Canton acted in good faith, because this is not something they could have known about. There's been a break down at the county level when the Auditor didn't take the taxes off and no one caught it during the process. From the standpoint of the Prosecutor's office, there's an Auditor's deed that goes on and maybe that red flag should have been there when we looked at the PJR, but the problem is when these title searches do the PJRs they list the current owner, the date they took title, and the instrument number. So it is not discovered unless we dig further into what was done. It's not uncommon to transfer tax delinquent property.

Yost stated the question is who is culpable for the bill. He didn't believe it was Canton because they had no way of knowing, and it doesn't appear to be the Land Bank because they are the pass through. So it appears to be the county, but how does it get collected. Yost stated the ultimate responsibility is the Auditor's office that didn't take the taxes off, and it was over a year later *until this was discovered*. (Italics are words I added – he stopped short of finishing the thought)

Yost explained another similar situation involving forfeited lands where the Prosecutor's office did catch the mistake before it went that far. Zubar stated regarding the property at 331 Broad St., so

the property owner showed up because the wrecking ball was going to be knocking down their house. He asked Rinaldi if there are still code enforcement violations on this property. Rinaldi stated they will have to address the code enforcement infractions or it will go right back into demolition. Once the city writes them a citation, they have a certain amount of time to remediate those issues, then if it would go through the city's law department, you're looking at a year. The positive to this is that the house didn't get torn down but the negative is there are some costs expended, but a catastrophe was avoided. Zumbar stated even with a year out, this house may still be demolished because the program won't be over until 2019.

Thorley stated regarding the invoice for \$4,000 from the City of Canton, he didn't believe the Land Bank should pay the administrator's fee for \$500, because we have all kinds of time involved in not only this project but many other projects on their behalf that we never get reimbursed for. The \$400 title fee exam in reality is probably a land bank expenditure, because we would have done that anyways. So that totals \$900 that should be removed, which makes the amount owed a little over \$3,000. The Land Bank should not pay this because it's not their responsibility nor their fault, but the City of Canton should also not be stuck with the expenses. Thorley stated that he was going to reach out to the Auditor and have a discussion with him as it relates to this property and how this invoice can get paid. There is delinquent tax money sitting in the Prosecutor's office that could be used to pay for this, because they do get their share of DTAC money also. Yost stated that discussion would have to be held with the Prosecutor. Zumbar recommended having a meeting with John Anthony to come to a conclusion between the Prosecutor, the Treasurer's office and Auditor. He believed the Auditor's office needs to be made aware of the fact that the forfeited lands seems to have some kinks that need to be worked out, and the Auditor needs to be advised of the situation. Deana Stafford, Treasurer's office, stated at Thursday's Board of Revision hearing she did have a conversation with the Auditor about it, and he was vaguely aware of it. Zumbar asked that Thorley should speak with the Auditor so it's conveyed very clearly and/or put it in writing.

Yost then discussed with the Board another situation involving two adjacent Massillon properties, one being a property identified for NIP. In 1953 when these two lots in question were transferred, the numbers on the deeds were transposed. This error continued over the years with multiple transactions of these properties. The one property was blighted and tax delinquent, and the other property owned by Ms. Johnson is current on her property taxes. When the Prosecutor's office foreclosed upon the blighted property, this error resulted in the Land Bank taking title to the wrong property. At the last Board of Revision's meeting they did take action to vacate the foreclosure, but the deeds are still incorrect, and we still have a blighted house. This matter will be transferred to the Common Pleas Court to be corrected. The property owner, Ms. Johnson, will be notified by letter that a problem has been discovered in the process of cleaning up the blighted house next to her, and that the legal descriptions will be corrected. Yost believed they should proceed, but he wanted the Board to know about the situation and sanction it. Creighton stated that it would be appropriate to invite Ms. Johnson in for a meeting, or go to her home, but believed she should not be contacted by telephone. Yost agreed and stated that he would be sending her a letter asking her to contact him. Zumbar stated without objection from the Board, Yost should move forward and go through the judicial foreclosure and get a judge's signature.

10. Next Meeting – July 23, 2018 - 9:00 a.m.

The meeting was adjourned at 9:50 a.m.