

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION
July 20, 2020

The Stark County Land Reutilization Corporation met for their Regular meeting on Monday, July 20, 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
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, Lem Green and Bill Smith. John Arnold was absent.

3. APPROVAL OF MINUTES OF JUNE 15, 2020 MEETING

Zumbar moved, Green seconded, and the motion carried to approve the minutes of June 15, 2020 meeting.

4. PUBLIC SPEAKS – No public speaks

5. TREASURER/FISCAL REPORT

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

6. SIDE LOT/VACANT LOT PROGRAM REPORT

Sarah Peters provided the Side Lot Program Update:

Total Applications Submitted: 2,004

(24 applications were received since June '20 update)

Cities – 1,679

Canton: 1,323, Massillon: 130, Alliance: 226

Other Communities – 325

Bethlehem Twp – 28, Brewster – 3, Canal Fulton – 1, Canton Twp – 60, East Canton – 7, East Sparta – 2, Hartville – 3, Jackson Twp – 4, Lake Twp – 6, 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

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- Total Number of Applications under Preliminary Review: 21
 - Total Number of Applications Denied: 836
 - Number of Canceled Applications/Fee Refunded: 69
 - Total Number Pending Approval by Community: 22
 - **Total Number of Approved Applications: 1056**
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- Total Number of Approved Applications Pending Deposit Receipt / NIP Early Lien Release Approval / Request for Foreclosure / Completed Foreclosure Proceeding: 121
 - Total Number Being Prepared for Transfer: 6
 - **Total Number Transferred to Date: 929**

Vacant Lot Program Update:

Total Applications Submitted: 214

(5 Application received since June '20 update)

Cities – 179; Canton: 162, Alliance: 11, Massillon: 6

Other Communities – 35

Bethlehem Twp - 13, Canton Twp – 5, Hartville – 1, Jackson Twp – 2, Lake – 1, Lexington Twp – 2, Perry – 1, Sandy – 5, Sugarcreek Twp – 1, Washington Twp – 4

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- Total Number of Applications under Preliminary Review: 0
 - Total Number of Applications Denied: 166
 - Number of Canceled Applications/Fee Refunded: 7
 - Total Number Pending Approval by Community: 0
 - **Total Number of Approved Applications: 41**
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- 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

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

7. **NEW BUSINESS**

a. Targeted Acquisition Assistance Program Requests:

- The ABCD, Inc. – Parcel #10005084, 208501, 208502, 207960, 208497, & 216316
- Village of Beach City – Parcel #6900290, 6900678

Creighton moved, Green seconded, and the motion carried to approve the TAAP requests as submitted.

8. OLD BUSINESS

HOF Village Update

Nau stated the HOF Village agreement was fully executed one week ago today, and the deadline agreed upon was to have everything completed by November 30th. From his discussion with Carol Smith, she indicated they opened bids last Friday for that project. They are using just one contractor for the entire project, and they want to start at the south side and work their way north. Green asked if they are starting with the demolition of the school. Nau stated the high school locker room must be completed first, because the McKinley football team is using that building. He knew the locker rooms are coming along pretty good. Creighton asked Nau if he knew for sure the locker rooms are being worked on. Nau stated that J.R. Rinaldi has been sending him pictures of the progress, so that was his understanding. J.R. Rinaldi stated the locker rooms are probably about three weeks from being completed.

Starfire Gas Station Update

Nau stated the building has been demolished and a couple of weeks ago they pulled three tanks. They back-filled the hole but there was as expected some contamination. They will send the lab results to the EPA and BUSTR and will decide what type of remediation is necessary. The monitoring wells had shown there was some off-site migration. He had taken some pictures of it that he can share with the board, as he was out there when they pulled the tanks. Then they will go back and remove the requisite amount of soil, dispose of it properly, back-fill it, and then hopefully we will get the *No Further Action* letter.

Springwood Lake Campground

Zumbar asked for a brief summary of what has been discovered with Springwood Lake Campground. We had a meeting last week with Scott Zurakowski, who represents Springwood Lake Campground, and he filled us in on some things that perhaps we were not fully aware of.

Thorley stated that Peters and he had met with Scott Zurakowski, attorney with Krugliak, Wilkins, and some campground board members at his office around June 15th. There had been a number of individuals, and one individual in particular, that had submitted some vacant lot applications and then some side lot applications. There were a number of other campground lot owners that started doing that also. They are in the system and are going to be heard probably by the BOR in August. The campground board then found out about it, and they were going to submit 50 side lot/vacant lot applications, so it was getting out of hand. So basically in our meeting with them they were told that we were not going to process anymore vacant/side lot applications as related to the campground. They may meet the definition of the side lot, but the moment they receive that parcel, it's actually a lot that could be sold. An individual campground lot owner was getting these properties, flipping and then selling them. So as of June 30th, we cut them off from any additional applications. We told them if the campground board wished to pursue these delinquent parcels, there was an *Interested Purchaser* program, and that it would be better suited to go that route. Basically as of June 30th, there are a handful of applications that are being reviewed. We told the campground board members that we

would submit the applications to the board for their review and approval before we foreclose on any additional parcels. Their campground is actually set up differently than any other campground because the lots are not owned by the campground, but by individuals. The property owners pay dues to the campground. There are many tax delinquent parcels at the campground. Basically an individual applied for a vacant lot, and after he had the vacant lot, he was grabbing side lots around it. Thorley stated the problem is the Land Bank spends about \$1,000 in court costs but receives \$100. This individual is flipping and then selling those lots to anyone.

Creighton asked why that is any different than if someone just went out and started buying property and did that anywhere in the city. Is the property not getting back on the tax rolls, and isn't that the Land Bank's mission to get people to pay the taxes. She did not care who buys the property and who flips them. Thorley stated that actually brings about a greater need for discussion into the side lot program, and what then the Land Bank wishes RPC staff to do with side lots going forward. That was a discussion he wanted to have in August when they had better numbers. If you look at it from that perspective, yes that is very true, but the taxes being paid at Springwood Lake are not a lot of taxes, and the Land Bank is spending a lot of money to put smaller properties back on the tax rolls. Creighton believed that this individual has the right to do that, and that we live in a free marketplace. Thorley stated this individual has the right to do that through the *Interested Purchaser* program, and the taxes do in fact get paid then and not necessarily wiped off as the Land Bank is doing. So here's an individual that after purchasing the parcel, turns around and just flips them. The taxes don't get paid, and the Land Bank pays the court costs of upward of \$1,000 for this individual to turn a profit, so that is where the greater discussion needs to happen with the Land Bank. What is the mission of the Land Bank, and what does the board wish RPC staff to do going forward on all side lots. Nau clarified that under the side lot program, the taxes are wiped away, but under the *Interested Purchaser* program, the purchaser pays the taxes.

Creighton asked Thorley if the board had given him the authority to make this decision, and should not this issue have come before the board for discussion to allow them to make the decision. Thorley responded that the board did not give him the right to make that decision; that is 100% correct. But he made that decision with the understanding that there would be further discussion with the board as to what direction the board wishes RPC to take as it relates not only to Springwood Lake but any/all side lots. Smith asked if the accepting of applications was just suspended and put on hold until August when this could be brought before this board for discussion, or did you just cancel them out all together. Thorley stated that we canceled them out all together. Zumbar stated his concern is that we have opened ourselves up to potential litigation. This board sets policy and the policy we currently have in place that deals with the side lots is pretty straight forward. Nau wanted to make it clear that he had made the decision. We have done it in other circumstances where people are speculating where there's acreage next to them, and five acres are delinquent, and we're just not going to do it. It's not within our mission in eliminating slum and blight. Certainly we work for the board, so if the board has a different opinion on that, but he made the call and he would take total responsibility.

Zumbar stated this will not get resolved today, but the board will need to have information pertaining specifically to this situation so that, if indeed the policy for the side lot needs to be tweaked or changes made, then the board can then discuss it, vet it, make the changes or not make the changes. This would be great if this can be ready for the August meeting, but we certainly need to come back and revisit this, but the board itself needs to be the policy maker; that is its role and function.

Green asked if they are talking about changing, modifying or keeping the vacant lot policy. Zumber clarified the discussion is on both the side lot and vacant lot programs. This individual was purchasing property through the vacant lot program, and then he was able to apply for other side lots thereafter, because now it's contiguous. That's how he manipulated the situation. Thorley stated the vacant lot is not even purchased for fair market value, but for the auditor's assessed value. For example if a house is torn down in the city of Canton, now you have a true vacant lot, a substandard lot in most cases that would then go to the person next door, and the Land Bank would require that it be combined, so if there's a sale or death, that land has been combined and it goes as one. What can happen at Springwood Lake, when an individual gets a side lot, he then can take that and immediately turn it around and sell it to someone else. We mentioned to the campground board, that we require, when possible, side lots be combined. In this case, the campground would then lose their dues on that lot. And that's their problem, because they have many property owners with outstanding dues that they can't collect now because two lots were combined into one. The collection of dues has been a problem down there for a long time. So from Springwood Lake's perspective, an individual could be selling a lot to someone, this person then applies for membership and gets denied, so he now owns a lot down there and was denied membership in the campground, and the campground has stated that has happened.

Creighton asked how someone would get denied membership. Thorley stated the campground has a vetting process they go through, but that's their issue. When we met with them, we were looking at it from both sides. Creighton stated her issue is not whether or not they get their dues; her issue is that it gets back on the tax rolls. She asked Nau if he had said earlier that sometimes the Land Bank has denied people going after a lot because they were going after the adjacent acreage. She believed the Land Bank's mission was not only to remove blight and encourage economic development, but also to collect taxes. She asked why we wouldn't sell that acreage to somebody next door. Nau stated it is a resource allocation with Peters. She spends 80% of her time on side lots, and RPC has other things for her to do. That really weighed heavily into the decision because this big demo project is coming up and there are other things staff need to work on. Smith stated that he was glad the board was hearing about it, that way next month when we sit down to discuss this, we come in somewhat prepared to the thought process.

Prosecutor's Agreement

Zumber brought up the matter of the renewal of the Prosecutor's agreement that's going to be coming up by the end of this year. In October that contract should be reviewed to see if they have met their number of cases stated in the agreement. Babik stated the Prosecutor's office wants to make sure that they provide value. The agreement with the Land Bank is for 75 cases, and we don't want to be in a position where we are way under 75 and it looks like we are not doing the work we should be doing. Thorley stated as of this moment, he thought there are 42 cases or more that are coming up. He didn't see that as being a potential issue. Green asked what their annual commitment was per the agreement. Babik stated the Prosecutor's office is contracted for 75 cases at a flat rate, and then over 75 there's a cost of \$750 per case. Thorley stated that because of COVID this year, it could be a little disjointed, but he didn't think there will be an issue. Yost stated once the restrictions were lifted they could go after vacant lots again. They have got several just in the city, and they are going to start coming in. The problem is until we start putting them back on the rolls, some will be in December or January that should have been in August, and that is going to throw the numbers off. But when you look at a two-year average, that's probably going to balance out. Peters stated there are about 40 side lot applications that are currently under review, which are potential approvals that may be added to the

number of requested cases this year. Zumbar stated that we want to definitely review his information before the board renews this contract.

9. Next Meeting – August 17th - 9:00 a.m.

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