

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION
October 19, 2015

The Stark County Land Reutilization Corporation met for their Regular Meeting on Monday, October 19, 2015 at 9:00 a.m. in the Stark County Regional Planning Commission Conference Room.

Board Members

Alex Zumbar
Tom Bernabei
Bill Smith
Lem Green
Janet Creighton

RPC Staff

Bob Nau
Jill Gerber
Sarah Peters
Lynn Carlone
Beth Pearson
Brenda Sarsany
Dave Thorley

Others

Joe Mazzola
Jim Wallace
Deana Stafford
Maureen Austin
Gerald Yost
Michelle Cutler
Nancy Molnar

1. CALL TO ORDER BY SCLRC CHAIRMAN, Alex Zumbar

2. ROLL CALL – Board Members Present

Alex Zumbar, Stark County Treasurer/Chairman
Tom Bernabei, Stark County Commissioner
Janet Creighton, Stark County Commissioner
Lem Green, Municipal Representative
Bill Smith, Township Representative

3. MINUTES OF THE SEPTEMBER 21, 2015 MEETING

Bernabei moved, Smith seconded, and the motion carried to approve the minutes of September 21, 2015.

4. PUBLIC SPEAKS

Mazzola referenced the letter from the City of Alliance concerning the acquisition of 513 W. Main St. (Parcel #110616) which is a property that is tax-delinquent and severely blighted. Sun America Converting LLC has new investors and are looking to triple their business within the next 3-5 years, and need more land to do so. They have asked the city to help them to acquire properties on Main Street for the purpose of redevelopment. The company is willing to take care of all the demolition costs and asbestos abatement. Zumbar stated they would forward this on to the appropriate individuals to begin the process.

5. TREASURER REPORT – Jim Wallace

Wallace stated the bank reconciliation statement for the month of September ended with a checking account balance of \$567,830.22. Revenues for the month were \$129,675.87. Total expenses were \$65,500.53. For the Star Plus funds, there was a balance at the end of September of \$1,002,513.50. Interest for the month was \$164.62. Creighton moved, Bernabei seconded, and the motion carried to accept the Treasurer's report as submitted.

6. FISCAL REPORT – Beth Pearson

Post Approval of Payments

1. City of Canton – NIP Demolition Payment – Total \$53,632.63
 - a. 809 Gilmore Ave. NW - \$13,288.09
 - b. 310 Young Ave. SE - \$15,049.04
 - c. 618 – 8th St. NW - \$13,433.36
 - d. 849 Gibbs Ave. NW - \$11,862.14

Green moved, Bernabei seconded, and the motion carried to approve the above-noted payment of NIP invoices.

2. Stark County Recorder - Deposit \$3,000 into the Land Bank's escrow account

Creighton moved, Smith seconded, and the motion carried to approve the request.

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

Carlone presented the Neighborhood Initiative Program (NIP) Update

City of Canton:

*** 205 - Total number of acquired properties to date**

- 83 demolitions have been completed overall – 21 new demolitions have been completed since last month/report.
 - Canton expects to complete another 19 demolitions by the end of October.
 - At this time, 1 additional demolition is contracted to be completed in November.

- 24 demolition reimbursement packets have been submitted overall – 7 new packets since last month/report.
 - 14 demolitions have been fully approved by OHFA – 4 new packets since last month/report
 - Current average cost of demolition per property is \$15,475.00
 - Once OHA mortgages are fully executed, OHFA total reimbursement to SCLRC- \$207,102.26
 - Canton has been reimbursed \$188,902.26.
 - 10 demolitions awaiting OHFA review of support data & cost.

*** 39 - Total Number of Properties Identified on a Current Active List for Acquisition**

➤ **34 - Number of Properties the Prosecutor’s Office is currently pursuing for Board of Revision Foreclosure**

5	Hearings scheduled for 9/3/15	Est. Redemption Date 10/2/15
6	Hearings scheduled for 9/24/15	Est. Redemption Date 10/22/15
6	Hearings scheduled for 10/8/15	Est. Redemption Date 11/6/15
5	Hearings scheduled for 10/22/15	Est. Redemption Date 11/20/15
12	Hearings scheduled for 11/19/15	Est. Redemption Date 12/18/15

➤ **4 – Aeon Tax Lien properties**

➤ **1 - Number of anticipated properties to be acquired through direct purchase or deed in lieu of foreclosure**

City of Alliance:

*** 31 – Total eligible NIP properties identified:**

- 17 Requested through Board of Revisions
- 8 Requested from Auditor’s forfeited lands list
- 1 Pending 2nd Sheriff’s sale date 12/1; if not sold will request from Auditor

5 On hold per City of Alliance

- Alliance has established needed purchase orders to pursue acquisition.
- Alliance is working to establish contracts for board-up, asbestos evaluation, asbestos removal, demolition contractors, etc.

Green asked if there was some delay in the execution of the OHFA mortgages. Carlone explained the process and stated that there is a great span of distance between the time RPC submits for the initial reimbursement and the time the OHFA mortgages are done, but staff is not waiting for anything from OHFA at this point. Initially when this process started, it would only take OHFA a few days to review the packets that were submitted, but now the gap is getting larger between the time the initial packets are received from the City of Canton and the time that the Land Bank receives reimbursement for them from OHFA. Zumbar stated the reason for that is because OHFA is now starting to receive the packets from all the other counties involved in the process. Carlone stated OHFA has said that it could take up to 30 days, but the delays are not on the side of the Land Bank.

Zumbar stated the City of Canton has told Land Bank staff that they are stopping at 240 properties and will not go above that number. Initially it was thought this number was flexible with the possibility of one or two more properties, but they have made it very clear in the conference calls that they are stopping at 240, and that we are not to go above that number. Once the city made this statement, many properties were pulled from the BOR hearings, so right now there are 244 properties that are titled or are going to be titled, which leaves the Land Bank with four properties over the 240 figure. It is possible there are redemptions that could take place between now and next year with some of these properties that are going through the BOR hearings. Zumbar wanted to get direction from this Board concerning the four remaining properties that the Land Bank will own and technically be responsible for. He did not want to see all of the costs already incurred go to waste, which are between \$2,500 and \$5,000. He proposed to the Board that the Land Bank step in and handle those four properties if needed. Canton still would demolish them, but the Land Bank would pay those demolition costs. He wanted to make sure the Board understood that these four additional properties could come back for approval of demolition, and if the Board can agree at this point in time to approve moving forward and plan on demolishing them, then Canton can be told that the Board has given verbal approval at this time and they will be asked to keep them in the program for demolition, and that way it doesn't slow the process on their end.

Zumbar stated that Canton will continue to demolish properties throughout the winter. They have some of the larger contractors that are now freed up from their other major construction of commercial properties like Eslich Wrecking and Joseph Jeffries. Green asked who picks the four properties, because the Land Bank will be responsible for paying the maintenance and insurance costs. Yost proposed to the Board that they consider the four Aeon properties with the thought of trying to recoup part of that \$25,000 through the NIP program. Stafford stated the City of Canton has already paid some of the expenses on those four Aeon properties, for example a PJR or an advertising expense. She suggested that whatever the City of Canton has already paid, perhaps the SCLRC can reimburse the city for that, for we know exactly which ones are expended by SCLRC and which are expended by the City of Canton. Yost stated that there will be some open funding for maintenance for the next three years, and he thought some of these properties will be lined up for side lot or vacant lot. Green moved, Creighton seconded, and the motion carried that the Land Bank pursue along the lines that Zumbar has suggested and accept the responsibility for the four properties.

8. SIDE LOT/VACANT LOT PROGRAM REPORT – Sarah Peters**Sarah Peters presented the Side Lot Program Update:****Total Applications Submitted: 900**

(31 applications were received since the Sept '15 update)

Cities – 769: Canton: 638; Massillon: 64; Alliance: 67

Other Communities – 131

Bethlehem Twp – 5, Brewster – 2, Canton Twp – 20, East Canton – 5, East Sparta – 3, Hartville – 3, Jackson Twp – 2, Lake Twp – 1, Lawrence Twp – 6, Lexington Twp – 23, Minerva – 1, Nimishillen – 4, Osnaburg Twp – 7, Paris Twp – 3, Perry Twp – 8, Pike Twp – 2, Plain Twp – 22, Sandy Twp. – 1, Sugarcreek Twp – 4, Tuscarawas Twp – 2, Washington Twp – 4, Waynesburg – 3.

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- Total Number of Applications Under Preliminary Review: 19
 - Total Number of Applications Denied: 321 (2 applications were denied since the last update)
 - Number of Canceled Applications/Fee Refunded: 33
 - Total Number of Applications received for NIP Properties Pending Review/Eligibility: 24
 - Total Number Pending Approval by Community: 43
 - **Total Number of Approved Applications: 460** (6 applications were approved since the last update)

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- Total Number of Approved Applications Pending Deposit Receipt / Request for Foreclosure / Completed Foreclosure Proceeding: 201
 - Total Number Being Prepared for Transfer: 28
 - **Total Number Transferred to Date: 231** (21 Side Lots were transferred since the last update)

Peters stated that last October 2014, they met with the City of Canton to give them an update on the Side Lot program. This December 7th, Land Bank staff will be going back to give City Council another update on the programs. Thorley stated in his conversation with Cindy Timberlake this morning, she indicated that she would contact us on December 1st to formalize the time they want us to be there, but we're probably looking around 6:00 p.m.

Green asked if Land Bank staff was accepting applications on the NIP properties prior to their demolition. Peters stated no, people have been calling her about properties getting ready to be demolished, and she has told them that applications will not be accepted until after the house is down.

Peters stated the typical qualifications for a Side Lot applicant is that they must be the owner of the contiguous property with 50% common boundary, be current on their taxes, and have no code violations. Any other properties they own under a business must also be current and have no code violations. But OHFA requires the Side Lot applicants be an owner occupant of a contiguous property, so rental properties do not qualify. If someone owns a single vacant lot next to a house that is coming down, they would not be eligible. Peters has received a few applications that have already been denied for NIP side lots. An additional requirement is they can't have had a tax foreclosure against them since January 1, 2010. Green stated those restrictions won't last forever though. Peters stated the Land Bank will hold title for three years until the OHFA mortgage is released, and then these properties will be turned over to the city, and then the city could transfer it to one of these rental interested purchasers. Green asked if the building is down and the transaction is complete, can the Land Bank just transfer it right now to Canton. Peters stated no, the Land Bank cannot do that, but the property can be transferred early to an approved side lot person. Carlone stated that OHFA requires the property meet specific OHFA requirements within three years with that mortgage on, but after the three years, those requirements no longer apply.

Vacant Lot Program Update:

Total Applications Submitted: 43 (1 application was received since the last update)

Cities - 40: Canton – 35; Alliance – 4; Massillon - 1

Other Communities – 3: Lexington Twp. – 2; Sugarcreek Twp. - 1

Total number of Applications under Preliminary Review: 1

- Total Number of Applications Denied: 14
- Total Number Pending Approval by Community: 5
- Approved Applications (pending MOU/Purchase Agreement/Deposit): 23

9. NEW BUSINESS

Zumbar stated with the OHFA NIP program, there are several spreadsheets that are being kept by the Treasurer's office, RPC and the City of Canton. They had looked earlier at a couple of programs to assist with tracking all of these properties from start to finish. With that in mind, Stafford has been looking for a program that was cost affective and affordable and could be used going forward with the SCLRC. He had mentioned this to Nau, because the first two programs looked at by the RPC were very costly. This program is to be utilized primarily by RPC, Treasurer's office and whatever city or municipality that the Land Bank is working with, so that everyone understands what is to be done in each particular property as it is acquired from start to finish. Programs like these would also give the Board members the opportunity to view the program at any point in time.

Stafford provided a packet of information regarding the program called QuickBase from Intuit. She stated that it is not technically referred to as a "*property* management" program, but it is more of a "*project* management" program. The QuickBase program allows a spreadsheet to be put into a complete database so that anybody can have access to the information. The program would allow each of the office departments to access the information to make updates or just view the status of a

property. E-Property Plus was one of the programs that was presented before, and it came with a start-up cost of \$30,000 plus a per user fee each month after that. This program has just a simple per user/per month fee. There are three different versions that can be used. In her research in looking at the program, they would be looking at the *Premier* package. It starts at \$25 per user/month at 20 users, also the *Premier* version has a lot of different features versus the basic *Essential* package (\$15 per user/month at 10 users) which is a very simple, cookie cutter availability. The *Premier* gives almost as much as the *Platform* package (\$40 per user/month at 40 users), but the *Platform* base is too much information which is not needed. It allows us to link into the Auditor's office and into the Clerk of Courts office, so although it's a project management and not so much a property management, it still gives us the features they are looking at to effectively be able to communicate with all the different departments and that would allow everyone to be able to update their information. The City has had much turn over the last few months, causing information to be lost, and if they had a program similar to this, it allows us to be constantly on task and very organized in the project itself.

Green asked if this program could handle both the NIP and other programs. Stafford stated it can handle NIP and the Side Lot and Vacant Lot programs. You can set up as many different projects as needed under this program with as many different users as needed. Each of the users can have a different level of accessibility. This is a program that sends out notifications that something is overdue. Green asked who else is using it. Stafford stated they heard about this program from Tax Ease, who is using it. They are using it with all of their parcels right now when they purchase a tax lien. There was some discussion on sharing of the cost and Stafford thought each department would share in the cost depending on how many users each department would need. It will be \$6,000 per year, \$500 minimum per month at 20 users. Green asked who would actually create the database. Stafford stated she already has a database compiled, so they would copy that database and upload it into the system. RPC also has databases that can also be uploaded into the system. Green asked who has the expertise to make it functional, to create the warnings and assignment of due dates. Stafford thought that she along with Carlone and Peters could set those up. Green asked Carlone and Peters' their opinion on this program. Peters stated it would be worth looking into along with the other programs earlier introduced that are available. She has not yet looked at the QuickBase program but the cost difference of any program is something the Board will want to consider. The way the other two programs (E-Property Plus and Property Profile System) were initially looked at were geared more towards the property itself rather than an overall project, and there was some localized help if needed. The people from Cuyahoga Land Bank offered assistance in helping the user set up the entire program the way you want it. So it was not a "box" program, but QuickBase appears to be some type of cloud based system. Stafford stated it is still more of a database, and it does have a customer service department that offers unlimited text support. Smith asked if she had went through the free trial to see if your data matches what you are looking for. Stafford stated she has not done that, but she would like to. Smith suggested that Peters, Carlone and Stafford sit down and go through that. He has used Intuit a lot and it is user friendly and simple, but that is based from a contractor's stand point. They have retailed it and done a lot of things with the accounting, but a free trial would be worthwhile to determine if the Land Bank's information fits in and if you can get what you need out of it. Smith stated there may also be some support that is certified in Quick Books, so if you have a problem, you can go to them. Stafford offered some additional specifications of the QuickBase program and how it could benefit the Land Bank's different users.

Smith stated whatever program is used, all the parties must buy into it. Everybody that is going to use this program should get together to make sure that it utilizes exactly what we're after. Nau recommended putting a scope together and an RFP. There are multiple vendors out there, and if

everyone can agree on what we want, then we can make an educated evaluation on what works, accounting for price. Bernabei asked how to proceed with multiple jurisdictional users in order to get a buy in from everyone involved. Nau stated the RPC can work with the cities, Treasurer's office and the Prosecutor's office and put a scope together that meets everybody's needs and come back to the Board. Zumar agreed to let Nau arrange the necessary parties to sit down come up with a scope for the project for an RFP to be issued. They should come back to make some type of presentation to the Board to readdress this piece of the puzzle, because we will need to have something that we are all sharing and can be updated by those parties that are involved. It should give us a snapshot of what progress is being made on these parcels or the demolition program.

10. OLD BUSINESS

a. Vacant Lot Policy

Nau referenced the Vacant Lot Policy along with a spreadsheet that provided the list of vacant lots with the delinquent taxes, Auditor's appraised value and Auditor's assessed value along with the administration fees. The purpose of the spreadsheet was to show the difference between the appraised value and assessed value. The Vacant Lot Policy states that the assessed value and administration fee are to be used to determine purchase price, but different people had different expectations of what that was. The issue whether to use assessed value versus appraised value was discussed extensively at the staff level, and RPC's recommendation would be to go with the current policy using assessed value. Realistically, even at the assessed value, it is a fairly substantial dollar money to acquire those vacant properties. From a public policy standpoint, the idea is to get these properties back on the tax rolls, and by using assessed value, it gives the best chance to do that.

Nau presented an example where the Lucas County Land Bank got burned a couple of times with commercial properties where they had an identified end user that wanted to purchase vacant lots. The Land Bank acquired the property, and then when they went to turn it over to the end user, they no longer wanted it. Thorley has suggested that we collect these fees up front to make sure they are serious about it, because once the lots are acquired and if the applicant backs out, the SCLRC would be stuck owning a vacant lot; we must put some mechanism in place. Green asked if the policy should be amended in that respect. It was pointed out that the Vacant Lot policy states under Section (D.3) "A non-refundable deposit of 10% of the Auditor's assessed value or a minimum of \$500.00, whichever is more, plus legal administration fees will be required to be submitted with the signed MOU/Purchase Agreement." It was suggested the policy be changed to require the purchase price be paid up front.

Nau asked for a motion to approve the assessed value plus administration fees be provided up front by the applicant. Zumar asked if everyone was clear about the change being proposed. Bernabei referenced Section (E.2) "The Land Bank will process applications on a first come, first serve basis", and asked if that is what the Board wants to stay with. What if the second person has a higher need or higher use for the property. Zumar stated when that happens, and it has occurred already, the Land Bank has pulled out and advised them that they will have to go through the Interested Purchaser Program through the Treasurer's office. That is where it will go through a tax foreclosure and a Sheriff's sale. Green stated this may have to be reconsidered, because if there are two people that want it, they want it at the assessed value plus costs, and it is very possible that neither one will want it at the appraised value. Zumar stated they felt that was the fairest way of doing it. Nau asked Zumar if he thought that section should be taken out. Bernabei stated he wasn't saying pro or con, but he has seen circumstances in which there may be a more beneficial use for a second or third applicant. Zumar

stated there could be language that gets inserted there that brings it back to the Board to make that decision. But the idea is to try to keep the Board out of the administration as much as possible. Thorley stated he believed this concern is actually covered in the policy. Referencing the first paragraph on page one of the policy where it states "The transfer of any given parcel of property in the Vacant Lot Disposition Program is subject to override by higher priorities as established by the Land Bank." This would be applicable if you have somebody else that comes in at some point, school system or other governmental entities, which would be potentially a "higher priority". Then at Section (E.2) it states the first come/first serve basis, and then at Section (E.3) it addresses with how you will deal with the second applicant if it comes in. Bernabei referenced Section (A.3) "intended use must be disclosed" where it suggests that there is something more than just the race to be the first to put in the application. Thorley believed there was enough flexibility to have the direction by the Board. Green moved, Smith seconded, and the motion carried that the present Vacant Lot Policy be amended in Section (D.3) to state the purchase price which is the Auditor's assessed value plus legal administration fees will be payable in advance before further processing of the application.

b. Update on City of Massillon demolition contract

Thorley stated the demolition contract with the City of Massillon is very similar to that which was executed by Alliance and Louisville. It deals with seven properties for a total amount of \$20,000 aggregate. This agreement was emailed to the Mayor on October 6th but we have not heard back at this point. Nau stated that in his conversation with the Mayor, she indicated the city was potentially interested in doing some demolition yet this year, but they understood that they would not get reimbursed until next year as the agreement states. When discussing the 2016 budget, it will be recommended that the amount allotted for demolition be increased to perhaps \$180,000 as long as the locals are matching. Pearson stated the budget must be presented within 30 days prior to the end of the fiscal year, so it will be at the November meeting.

c. 509 W. Main St., Alliance – Acquisition and transfer

Thorley stated that Mazzola eluded to this property when he spoke of 513 W. Main, because 509 Main is the property next door. It had a second sale in September and has been transferred to the City of Alliance.

11. NEXT MEETING – November 16, 2015, 9:00 a.m.
12. ADJOURNMENT was at 9:55 a.m.