

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION
November 16, 2015

The Stark County Land Reutilization Corporation met for their Regular Meeting on Monday, November 16, 2015 at 9:00 a.m. in the Stark County Regional Planning Commission Conference Room.

Board Members

Deana Stafford, alt. for Alex Zumbar
Tom Bernabei
Bill Smith
Lem Green
Janet Creighton

RPC Staff

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

Others

Joe Mazzola
Jim Wallace
Maureen Austin
Michelle Cutler
Nancy Molnar
Edward Daniels

1. CALL TO ORDER BY SCLRC VICE CHAIRMAN, Lem Green

2. ROLL CALL – Board Members Present

Deana Stafford, Representing Alex Zumbar
Tom Bernabei, Stark County Commissioner
Janet Creighton, Stark County Commissioner
Lem Green, Municipal Representative
Bill Smith, Township Representative

3. DESIGNATION OF REPRESENTATIVE BY A DIRECTOR OF SCLRC

Green referenced a written notification submitted by Alex Zumbar that named Deana Stafford, in addition to Jaime Allbritain, as his representatives on the Board of Directors for SCLRC.

4. MINUTES OF THE OCTOBER 19, 2015 MEETING

Bernabei moved, Creighton seconded, and the motion carried to approve the minutes of October 19, 2015.

5. PUBLIC SPEAKS – No Public Speaks

6. TREASURER REPORT – Jim Wallace

Wallace stated the bank reconciliation statement for the month of October ended with a checking account balance of \$464,150.52. Revenues for the month were \$2,085.95. Total expenses were \$105,765.65. For the Star Plus funds, there was a balance at the end of October of \$1,002,683.63. Interest for the month was \$170.13. Creighton moved, Smith seconded, and the motion carried to accept the Treasurer's report as submitted.

7. FISCAL ITEMS – Beth Pearson

Post Approval of Payments

- 1) City of Canton – NIP Demolition Payment – Total \$46,082.03
 - a. 808 – 7th St. NW #201666 - - \$15,342.74
 - b. 515 – 9th St. NW #229325 - \$14,087.94
 - c. 930 Shorb Ave. NW #225138 - \$16,651.35

Bernabei moved, Creighton seconded, and the motion carried for the post approval of payment of the above-noted NIP invoices.

- 2) Insurance Partners – Property Insurance Renewal - \$19,750.00

Green asked if these expenses were reimbursable to the Land Bank under the NIP. Pearson stated yes, the NIP parcels are reimbursable, but the properties under the Side Lot program are not. Creighton moved, Bernabei seconded, and the motion carried to approve the insurance payment.

3) 2016 Draft Budget

Pearson stated according to the bylaws, at least 30 days prior to the end of each fiscal year, the annual budget must be presented to the Board for the next succeeding fiscal year, but it does not necessarily need to be approved today. After the details of the draft 2016 budget were reviewed (see attached), Pearson asked for comments from the Board. Green recommended deferring any discussion on the budget until Zumbar could be present.

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

Carlone presented the Neighborhood Initiative Program (NIP) Update

City of Canton:

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

- 100 demolitions have been completed overall – 17 new demolitions have been completed since last month/report.
 - Canton expects to complete another 3 demolitions by the end of November.
 - Canton expects to complete 1 additional demolition by the end of November.

- 32 demolition reimbursement packets have been submitted overall – 8 new packets since last month/report.
 - 14 demolitions have been fully approved by OHFA – 0 new packets since last month/report
 - Current average cost of demolition per property is \$15,475.00
 - OHA mortgages are fully executed & OHFA total reimbursement to SCLRC- \$207,102.26
 - Canton has been reimbursed \$188,902.26.
 - 18 demolitions are in various stages of review/approval by OHFA; outstanding reimbursement requests - \$304,433.13.

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

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

5	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:

- * **7 – Total number of acquired properties to date**
- * **23 – Additional eligible NIP properties identified:**
 - 15 Requested through Board of Revisions – 10-day demand letters sent
 - 3 Requested from Auditor’s forfeited lands list
 - 1 Pending 2nd Sheriff’s sale date 12/1; if not sold will request from Auditor
 - 4 On hold per City of Alliance
 - Alliance has established needed purchase orders to pursue acquisition.
 - Alliance has established contracts for board-up, asbestos evaluation, asbestos removal, demolition contractors, etc.

Green asked why the Aeon properties haven’t been completed. Peters stated although the tax liens were purchased by the Land Bank, they couldn’t proceed with the foreclosure until the tax lien certificates had been cleared up. Stafford stated the SCLRC has already taken title to two of these properties. The Prosecutor’s office wants to go through one more formal hearing to make sure the Aeon transfer has been noted for record, and the other two properties are actually scheduled for hearing to make sure they have covered all their basis.

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

Sarah Peters presented the Side Lot Program Update:

Total Applications Submitted: 918
(18 applications were received since the Oct ’15 update)

Cities – 785: Canton: 651; Massillon: 65; Alliance: 69

Other Communities – 133

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: 5
 - Total Number of Applications Denied: 335 (14 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: 39
- Total Number Pending Approval by Community: 35
- **Total Number of Approved Applications: 471** (11 applications were approved since the last update)

- Total Number of Approved Applications Pending Deposit Receipt / Request for Foreclosure / Completed Foreclosure Proceeding: 184
- Total Number Being Prepared for Transfer: 42
- **Total Number Transferred to Date: 245** (14 Side Lots were transferred since the last update)

Vacant Lot Program Update:

Total Applications Submitted: 49 (6 applications received since the last update)

Cities - 46: Canton – 40; Alliance – 5; Massillon - 1

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

Total number of Applications under Preliminary Review: 0

- Total Number of Applications Denied: 13
- Total Number Pending Approval by Community: 13
- Approved Applications (pending MOU/Purchase Agreement/Deposit): 23

Peters stated the MOUs/purchase agreements have been sent out to the 23 approved applicants, and RPC is waiting on the applicants to return the purchase agreements along with payment. Creighton stated she has been watching the other communities and noted today that 16 out of 17 townships have participated in the Side Lot program. She asked if there was a reason Marlboro Township is not participating. Peters stated that perhaps they are not aware of the program or have a lack of interest. In the beginning of the program, letters were sent out to all the townships. Green stated he believed they have close to zero delinquent properties in Marlboro Township. Peters stated she would follow up with providing information on the program to the township.

10. NEW BUSINESS

a. City of Alliance – Acquisition of properties:

- (1) 1006 S. Arch (parcel #103088) and 1028 S. Arch (parcel #110489)
- (2) 39 N. Arch (parcel #106020)
- (3) E. Main St. (parcel #105569) and E. Prospect St. (parcel #105570)
- (4) 400 E. Main St. (parcel #113245), 51 N. Linden Ave. (parcel #106479) and Main St. (Parcel #106481)
- (5) S. Liberty Ave. (Parcel #113576)

Nau stated the Land Bank received five separate requests from the City of Alliance to acquire properties on their behalf. The city will pay any fees associated with that process. Mazzola stated that

many of these parcels are located downtown and are part of the ongoing demolitions. The city is seeking ownership of the East Main parcel, which is the large two-family house that is next to the carwash, so they can move it into the hands of Sun America who is looking to triple their business over the next three to five years. The 1006 S. Arch location is a vacant, abandoned commercial property, and the city's Safety Service Director is seeking that property. Ownership of that property may enable the city to barter with other owners in the area for a trade-off. There's a section of an old rail line where the city is looking to locate the bikeway through town and then to Arch. Regarding South Liberty, they want to clean up the area in and around the park. Green asked if these are all properties that the Auditor now owns by virtue of foreclosure sales. Cutler stated yes, all but the S. Arch properties, and they are asking that those properties be sent through the foreclosure process. It has delinquent taxes and the property owner is deceased. Green stated so the contemplated result would be that the properties would be subjected to Sheriff's sale and nobody would pay the required minimum, and it would default to the State of Ohio and then transfer to the City. Mazzola stated that was correct.

Nau stated that Alliance will pay all necessary fees. There was discussion if there should be a formal motion on this action, because this had not been done in the past. Green asked that if it requires an active participation by the Treasurer (Zumbar), should this Board assume that this can be approved in his absence. Daniels stated that he had spoken with Zumbar, and if the Board is in agreement with it, he is fine with it. It was agreed that a motion is necessary.

Bernabei moved, Creighton seconded, and the motion carried to proceed with the City of Alliance's request for the properties discussed.

b. First Amendment to NIP Agreement to increase time and money

Nau referenced the agreement and a letter from Carlie Boos to Alex Zumbar dated October 30th, awarding an additional \$500,000 performance bonus to SCLRC and extending the invoicing deadline to October 31, 2017. To accept this award, the NIP agreement needed to be signed and returned by November 13, 2015, which deadline came before the next scheduled Land Bank meeting, so Zumbar has already signed this agreement. Green believed it was appropriate to get the Board to approve the amendment. Bernabei stated the original obligation was 169 properties by September 30th, so how would that change with this amendment. Stafford stated because SCRLC has exceeded the required minimum number of properties, the performance bonus allowed the \$500,000, so there is not an additional requirement of numbers to reach. This additional money can be utilized for either Alliance or the City to acquire more properties at their option. Nau stated Massillon has expressed some interest in participating also.

Smith moved, Creighton seconded, and the motion carried to accept the NIP Reallocation Award of \$500,000 allotted for exceeding the required ownership of 169 properties by September 30, 2015.

Green expressed concern over the probable change in the near future of the composition of the current Board. He asked Mr. Bernabei what the implications of him being elected Mayor will be. Bernabei stated that the Commissioners will appoint someone in his place at the January organizational meeting.

OLD BUSINESS - None

11. NEXT MEETING – December 21, 2015, 9:00 a.m.

12. ADJOURNMENT was at 9:30 a.m.

Earned Revenue

Program Revenue

DTAC	\$ 773,000.00
Side Lot App Fees	\$ 20,000.00
Vacant Lot Program	\$ 77,000.00
NIP Prosecutor Fees	\$ 42,500.00
Interest from Investment	\$ 2,040.00
Miscellaneous	

notes

\$768,000 DTAC + \$5,000 MFG
200 applications x \$100 each
approximately \$2,200 per parcel x 35
\$500 per property x 85 properties for Prosecutor Expenses (45 in Canton and 40 in Alliance)
\$170/month x 12 months

TOTAL EARNED REVENUE

\$ 914,540.00

NIP Income

NIP	\$ 2,700,000.00
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approx. 65% of remaining grant including additional \$500,000 minus estimated reimbursements 1-10

Total Estimated Revenues

\$ 3,614,540.00

2016 SCLRC DRAFT EXPENDITURES BUDGET

PROGRAM EXPENSES

	Total Budget
Contracted Expenses	
Administration - RPC	\$ 180,000.00
Stark County Treasurer	\$ 52,000.00
Stark County Prosecutor	\$ 135,000.00
Julian & Grube, Inc.	\$ 1,200.00
	\$ 368,200.00

notes

Overall admin of SCLRC, secretarial and financial
NIP program expenses
NIP program expenses
Financial Report preparation

Insurance	
Sirak Ins - Property Insurance	\$ 30,000.00
Sirak Ins. - D & O	\$ 3,598.00
	\$ 33,598.00

expires 4/15/16

Audit	
Auditor of State	\$ 6,500.00

Travel	
Travel by SCLRC Board	\$ 1,500.00

Side Lot Expenses	
Expenses related to side lot	\$ 158,000.00
Various Vendors	\$ 2,000.00
	\$ 160,000.00

200 lots
Average cost per parcel is \$790 from application to transfer
Side lot app fee reimbursement \$100 x 20

Property Maintenance	
Grounds maintenance	\$ 8,000.00
Securing of properties	\$ 12,000.00
	\$ 20,000.00

mowing
boarding up of properties as needed

Vacant Lot Program	
Acquisition Costs	\$ 38,500.00
Administrative Fees	\$ 38,500.00
	\$ 77,000.00

Avg. Acq. Costs of \$1,100 x 35 parcels
All expenses related to transfer of vacant parcel

Property Acquisition	
Land Assemblage/Rehab	\$ 65,500.00

Demolition Program - Land Bank	
Demolition	\$ 180,000.00
	\$ 180,000.00

1/2 of approved hard demolition costs

TOTAL PROGRAM EXPENSES	\$ 892,298.00
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Contingencies \$ 22,242.00

NIP Expenses	
Demolitions under NIP	\$ 2,700,000.00

TOTAL EXPENSES	\$ 3,614,540.00
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