

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION
November 17, 2014

The Stark County Land Reutilization Corporation met in regular session Monday, November 17, 2014, 8:30 a.m. in the Stark County Regional Planning Commission Conference Room.

Board Members

Alex Zumbar

Janet Weir Creighton

Bill Smith

Lem Green

Tom Bernabei

RPC Staff

Bob Nau

Sarah Peters

Dave Thorley

Jill Gerber

Beth Pearson

Lynn Carlone

Others

Jim Wallace, Treasurer's Office

Maureen Austin, Community Building Partnership

Jerry Yost, Prosecutor's Office

Deanna Stafford, Treasurer's Office

Nancy Molnar, Beacon Journal

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 (arrived 8:33)

3) **MINUTES OF THE OCTOBER 20, 2014 - SPECIAL MEETING**

Green moved, Bernabei seconded, and the motion carried to approve the minutes of October 20, 2014.

Zumbar asked the agenda be amended to include an invoice from RPC for \$1,399.60 for MOF administrative expenses for October. Creighton moved, Bernabei seconded, and the motion carried to amend the agenda as requested. Bill Smith arrived at 8:33 a.m.

4) **TREASURER REPORT - Jim Wallace**

Wallace reviewed the bank reconciliation statement for the month of October ending with a checking account balance of \$157,503.66. Regarding the Star Plus funds, there was a balance of \$1,000,682.26 the end of October with \$169.79 earned on interest for the month. Bernabei moved, Creighton seconded, and the motion carried to accept the Treasurer's report.

5) FISCAL REPORT - Beth Pearson

- a. Clerk of Courts BOR Sale (8/14/14 & 9/25/14) - \$3,770.48

Pearson stated there were 14 Board of Revision sales that went through and that included the attorney fees for Phil Schandel. Bernabei moved, Green seconded, and the motion carried to approve the above-noted invoice for \$3,770.48

- b. RPC October invoice for Moving Ohio Forward - \$1,399.60

Creighton moved, Bernabei seconded, and the motion carried to approve the above-noted invoice for \$1,399.60.

6) DEMOLITION PROGRAM/SIDE LOT PROGRAM REPORT

Lynn Carlone reviewed the final MOF update. Bernabei asked for the total administrative cost. Carlone stated they were allowed to bill up to \$100,000 but she did not believe the actual administrative costs were ever totaled. She could get the actual costs by looking at what was charged back to the board for reimbursement for RPC administrative costs. Bernabei asked that amount be given to him in an email.

MOVING OHIO FORWARD (MOF) UPDATE - FINAL REPORT:**Subrecipients**

- 1) City of Alliance – A total of 32 demolitions (45 units of housing) were complete, submitted, and reimbursed by the State AG's office, for a total demolition cost, including soft costs of \$455,638.25. A total of \$380,638.25 was reimbursed to the City of Alliance; match funding of \$75,000.00 was provided by the city.
- 2) City of Canton – A total of 334 demolitions (382 units of housing) were completed, submitted, and reimbursed by the State AG's office, for a total demolition cost, including soft costs of \$2,426,891.53. A total of \$1,233,462.75 was reimbursed to the City of Canton; match funding of \$1,248,605.70 was provided by the city.
- 3) Perry Twp. – A total of 3 approved demolitions (3 units of housing) were completed, submitted, and reimbursed by the State AG's office, for a total demolition costs, including soft costs of \$19,452.03. A total of \$19,452.03 was reimbursed to Perry Township; no match funding was utilized by the township.
- 4) Plain Twp. – A total of 16 demolitions (16 units of housing) were completed, submitted, and reimbursed by the State AG's office, for a total demolition cost, including soft costs of \$99,746.45. A total of \$62,551.77 was reimbursed to Plain Township; match funding of \$39,054.41 was provided by the township.

Non-Subrecipients

- 1) 46 demolitions (48 units of housing) completed, submitted, and reimbursed by the State AGs office. Total demolition costs, including soft costs - \$655,185.63 (\$500.00 match credit provided by Pike Twp.) (3 - Beach City, 1 – Canal Fulton, 2 - East Canton, 20 – Massillon, 2 – Meyers Lake, 1 – Navarre, 4 – Waynesburg, 2 – Wilmot, 1 - Canton Twp., 1 - Bethlehem Twp., 1-Lake Twp , 3 – Lexington Twp., 2 – Nimshillen Twp, 1 - Pike Twp., & 2 - Tuscarawas Twp.).

Total funding expended on demolitions – hard & soft costs - \$3,656,913.89

(In addition, a total of \$172,019.97 was spent on allowable oversight/administration)

Total of 431 demolitions completed - Average cost per demolition - \$8,484.72

Total of 494 units of housing demolished - Average cost per unit - \$7,402.66

- **Total Available MOF Grant: \$2,343,607.00**
- **Total Reimbursement submissions: \$2,169,567.70**
(Available balance: \$174,039.30)
(Administration credited: \$100,000.00)
- **Total Non-Match funding available - \$510,703.08**
(\$500,000 non-match funding + \$10,703.08 match credit)
Invoiced: \$510,703.08
Remaining balance: \$ -0-
- **Total Match funding available - \$1,832,903.92**
Invoiced: \$1,658,864.62
Remaining balance: \$174,039.30

**Moving Ohio Forward Demolition Program Financial Tracking
Match Commitments vs. Expenditures**

Community	Match Committed	Spent Match	Unspent Match
City of Alliance	\$75,000.00	\$75,000.00	\$0.00
City of Canton	\$1,353,107.00	\$1,248,605.70	104,501.13
Perry Township	\$15,000.00	\$0.00	\$15,000.00
Plain Township	\$100,000.00	\$39,054.41	\$60,945.59
Pike Township	\$500.00	\$500.00	\$0.00
SCLRC Match	300,000.00	\$296,206.05	\$3,794.12
Total	\$1,843,607.00	\$1,659,366.16	\$184,240.84

By September 30th, all “Moving Ohio Forward” (MOF) demolitions were completed, with final invoicing submitted to the State Attorney General’s office prior to October 31st, as required. The “Final Performance Report” was submitted to the State AG’s office on November 4, 2014. At this time, no additional work is expected to take place under the MOF program.

SIDE LOT PROGRAM UPDATE:**Communities:**

Cities - 600

Canton: 500; Massillon: 52; Alliance: 48

Other Communities – 92

Bethlehem Twp -4, Brewster – 2, Canton Twp – 16, East Canton – 4, East Sparta – 3, Hartville – 3, Jackson Twp – 2, Lake Twp – 1, Lexington Twp – 10, Minerva – 1, Nimishillen – 2, Osnaburg Twp – 5, Paris Twp – 3, Perry Twp – 4, Pike Twp – 1, Plain Twp – 21, Sugarcreek Twp – 3, Tuscarawas Twp – 1, Washington Twp – 3, and Waynesburg – 3.

- **Total Applications Submitted: 692**
- **Total Number of Applications Denied: 228**
- **Number of Canceled Applications/Fee Refunded: 16**
- **Total Number Pending Approval by Community: 113**
- **Total Number of Approved Applications: 339**
- **Total Number of Approved Applications Pending Deposit Receipt / Request for Foreclosure / Completed Foreclosure Proceeding: 257**
- **Total Number Being Prepared for Transfer: 48**
- **Total Number Transferred to Date: 34**

Green asked Maureen Austin if she was still working on the city's applications. Austin stated there were about 60 applications she was looking at right now in different stages of review, but their contract ran out again causing a delay, but they were told it would be renewed. Bernabei asked what the average cost per lot was determined to be. Peters stated it has changed a little bit since more lots have been transferred. The Land Bank's total cost is about \$1,100. Green recalled a discussion about the possibility of this policy being reviewed as to the property owner's contribution to that cost. Nau stated that was tabled until a work session could be scheduled.

NEIGHBORHOOD INITIATIVE PROGRAM (NIP) UPDATE:**City of Canton**

- **Total Number of Properties Identified on an Active List for Acquisition: 217**
- **Number of Properties the Prosecutor's Office is pursuing for Board of Revision Foreclosure: 140**

1	10-Day Demand Letter(s) Sent	
2	Auditor Acquisition(s)	
16	PJR Ordered, Waiting to be Received	
40	PJR Ordered and Received; Waiting for Complaint to be Filed	
0	Complaint Filed; Waiting for Hearing Date	
11	Hearings scheduled for 10/30/14	Redemption Date 12/14/14
16	Hearings scheduled for 11/13/14	Redemption Date 12/28/14
35	Hearings scheduled for 12/4/14	Redemption Date 1/1/15
14	Hearings scheduled for 12/18/14	Redemption Date 1/15/15
5	Waiting to be Reviewed/Holding for Payment	

➤ **Number of Anticipated Properties to be Acquired through Direct Purchases or Deed in Lieu of Foreclosure: 12+/-**

➤ **Total Number of Acquired Properties under NIP: 13**

Other Communities - Participation Pending

Bernabei asked if everything was on schedule. Peters stated there are an additional 27 properties that could be acquired from the BOR before the end of the year, which would make 40. With the 35 to be acquired around the beginning of the year, that would be almost 80, and we must have 85 properties deeded to the Land Bank by March 31st.

Thorley stated he thought there were 21 more properties set for hearing on January 15th, with an additional 21 properties for January 29th which would put it up over 107, and we need 85, so we are well on our way. Gerry Yost stated because the redemption date has been shortened from 45 to 28 days that will enable these properties to be redeemed by the March deadline. The bigger concern is the September deadline.

Zumbar stated the City of Canton has requested he and any other involved staff attend a November 24th City Council Caucus meeting at which time they will answer questions about the NIP and Side Lot programs. Bernabei asked what the maximum number of properties are they can demolish under the NIP program. Zumbar stated the targeted goal is 169 which is the grant minimum. The total dollar amount that is reimbursed is \$25,000 per property, but if we come under that number, then we are able to do more. Thorley stated the one thing that needs to be factored in is that the demolitions must occur by June 2016, so while we are just in the acquisition phase, we still need to focus on that time line. He had a conversation with Jackie Bateman, who prepares the deeds for the Sheriff's office, and she stated her turn around time is usually one week. For the hearing scheduled for December 4th, we will have that order for the 34 deeds to actually go to her prior to the redemption date, so she can get a head start in getting those completed.

Zumbar stated the weekly teleconference calls that have been conducted with the City of Canton are being pushed out to three weeks, because Canton needed more time to get some things accomplished. They have a unique way of handling their purchase orders and their approval process for getting them

paid, which is one of our biggest concerns right now. Anything exceeding their authorized limit requires them to go before their council to get approval on monies that have been already appropriated for the program.

7) **PUBLIC SPEAKS**

Zumbar noted that no one signed up for public speaks.

8) **NEW BUSINESS**

a. Response to Nancy Molnar's Questions

Nau stated that Nancy Molnar had passed out a series of questions following last month's Land Bank meeting. They have met with Ms. Molnar and have prepared a written response to answer her questions. A copy of the questions and answers were provided to the board for their information.

Zumbar referenced question one where the answer states that 34 side lots have been transferred to date even though we know that 339 have been approved. He asked if it is anticipated the full 339 eventually be transferred. Peters stated that some may not go through for various reasons, but most should go through.

9) **OLD BUSINESS**

a. Coen Property - 1900 19th Street, NE, Canton, Ohio 44714

Nau stated the Land Bank received a letter from Attorney Werren from Day Ketterer, in regards to a property located on 19th Street. Attorney Werren is asking if the Land Bank would be interested in acquiring the property through a Quit Claim Deed. Nau shared some information on this property and recommended that they do not take possession of it. Green stated he was very eager to say yes to a request like that and believed it was within the Land Bank's scope of interest, but we don't have any plan. Nau stated at the work session, property acquisition is one of the topics to be discussed. He thought there must be a strategic approach about that. Certainly some of these properties have significant liabilities associated with them, but some of them have value.

Zumbar knew that RPC was preparing a list of properties throughout the county which identify underground storage tanks and potential remediation issues. That leads us to potentially look at grant funding or other sources of revenue which could be interjected into the bigger picture to address some of these remediation problems and strategically identify throughout the county which projects we are willing to undertake with the mind that it has to be outsourced with some of these because RPC is going to be handling a lot of the administrative duties for us in addition to their original purpose. Creighton moved, Green seconded and the motion carried to send a letter to Attorney John Werren thanking him for his offer but declining at this time, and that he could check back with us in the future.

A work session was scheduled for December 12th at 9:00 a.m. at the RPC office. This work session will be about two hours. Nau stated reviewing the draft budget was a good starting point as we discuss what we want to do next year and longer term. A notice and draft agenda will be sent out to all members.

Green stated the planning to some degree depends on available money and it has never been clear to him how much money the Land Bank has to work with. The Treasurer's report tells how much money is in the bank but mostly that is already committed for special things. He was talking principally about the DETAC monies. He suggested the financial report should say how much money is ours. Zumbar stated that can be discussed at the work session, but he would give him an update now. On average, the

Land Bank is bringing in about \$800,000 a year from DETAC dollars that come in from our enforcement and going after delinquent taxes throughout the county. That will continue for some time but we're not guaranteed that revenue stream forever. Eventually we are going to hit a wall where it's getting tougher to bring in those dollars. Recently we had 570 parcels put up for tax lien, and of those 570 parcels, over 250 people came in and either paid in full or got on a contract for payment. That is still DETAC money. The remaining people that were eligible for that tax lien certificate received a letter telling them they would be put up for a potential tax lien sale or immediately foreclosed upon. That generated some additional people that came in and paid in full or got onto a contract. Of that remaining pool, only 43 were actually sold at the tax lien sale which generated over \$1,150,000 in collected taxes. It is his intention to do another tax lien sale next year, so with the generation of these additional funds that are coming in that are over and above what is normally done, we will average \$20-21 million in delinquent tax collection, and that is each year. The prosecuting attorney's office can only do so much before they get over burdened and the same with his office in terms of their current structure. But these are DETAC dollars and the DETAC fund is a separate creature, but when you start adding bodies you still have to come before the commissioners and say, this is what we are doing with the personnel and in his office he might do a 75/25 split, and 25% is being compensated out of the general fund where the other 75% is from DETAC.

Bill Smith expressed appreciation to Bob Nau, Lynn Carlone and Sarah Peters for acclimating him to the Land Bank program.

10) **NEXT MEETING - December 15, 2014 at 8:30 a.m.**

11) **ADJOURNMENT**

There being no more business, the meeting was adjourned at 9:14 a.m.

Respectfully submitted,

Jill Gerber
RPC Office Manager