

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION
November 20, 2017

The Stark County Land Reutilization Corporation met for their regular meeting on Monday, November 20, 2017 at 9:00 a.m. in the Stark County Regional Planning Commission Conference Room.

Board Members

Deana Stafford
Janet Creighton
Lem Green
Bill Smith

RPC Staff

Lynn Carlone
Bob Nau
Sarah Peters
Jill Gerber
Amanda Davey
Rachel Forchione
Jonelle Melnichenko
Dave Thorley

Others

JR Rinaldi
Jaime Allbritain
Josh Whitacre

1. CALL TO ORDER BY SCLRC CHAIRMAN, Alex Zumbar
2. ROLL CALL – Board Members Present

Roll call found the following Board members in attendance: Deana Stafford, alternate for Alex Zumbar, Janet Creighton, Bill Smith and Lem Green. John Arnold, absent.

3. MINUTES OF THE October 15, 2017 MEETING

Green moved, Creighton seconded, and the motion carried to approve the minutes of October 15, 2017.

4. PUBLIC SPEAKS – No public speaks
5. TREASURER REPORT

The month of October ended with a checking account balance of \$1,656,724.16. Revenues were \$258,395.45 and total expenses were \$180,392.66. The Star Ohio Investment account had an ending balance of \$1,009,860.66 with \$1,043.52 interest earned, and the Star Plus Investment account had an ending balance of \$6,137.22. Creighton moved and Smith seconded to approve the Treasurer's Report for October.

6. FISCAL ITEMS

Sarah Peters presented the following fiscal items:

Post Approval of Payments

1. City of Canton – NIP #38 – 7 parcels	\$116,306.93
a. 204226 608 Prospect Ave. SW	15,920.00
b. 222136 421 Girard Ave. NE	17,442.50
c. 212991 1920 2 nd St. NE	14,858.11
d. 233312 1821 3rd St. SE	12,451.64
e. 230834 324 Belden Ave. NE	18,355.48
f. 219794 208 Green Ct NE	15,165.64
g. 202458 1929 2 nd St. NE	22,113.56

Green moved, Smith seconded, and the motion carried to approve the post-approval of the above noted payments.

2. Insurance Partners Insurance

Peters stated that on November 1st Insurance Partners informed staff that the general liability insurance policy was to expire on November 4th and requested that staff review the renewal policy. Staff then requested an extension from Insurance Partners to allow additional time to review the renewal policy provided. To get that extension, the cost the Land Bank would have to pay for the period of extension through November 22nd would be a total of \$787.50. Staff is asking for approval of the policy extension and renewal policy. There were some numbers transposed on the proposed renewal policy that needed to be revised. Staff had given Insurance Partners updated numbers of the Land Bank's current inventory so that the renewal policy would reflect accurate numbers. Stafford asked if there was any discussion about a new policy. Peters stated staff had been trying to figure out the cost per parcel actually getting charged. They have a premium amount of \$100 for a building on a property for one year, or a vacant lot at one year is \$5.00, but the Land Bank generally does not hold title to a property for a full year that has a building on it, so staff is trying to figure out what exactly is being paid per parcel in order to do a comparison. RPC staff has been trying to get in touch with other Land Banks to see what carriers or brokers they are utilizing, but this will not get completed before the new policy must be signed. It is an annual policy, and with the extension, the new start and end dates are not yet known. Green moved, Creighton seconded, and the motion carried to approve the payment of the extension and the renewal of the policy for the next year.

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

Carlone presented the Neighborhood Initiative Program (NIP) Update

City of Canton:❖ **416 – Total number of acquired properties to date:**

- 268 demolitions have been completed overall – 10 new packets have been completed since the October report
 - 249 demolitions have been approved by OHFA – 7 new packets since the October report.
 - Current average cost of demolition per property is \$15,916.00
 - OHA mortgages are fully executed on 242 properties & OHFA reimbursement to SCLRC - \$3,827,856.97
 - Canton has been reimbursed a total of \$3,627,775.02 for 249 properties
 - OHA mortgages are pending on 7 properties; OHFA to reimburse SCLRC - \$128,367.13
 - 9 demolitions have been submitted to OHFA and awaiting approval; OHFA to reimburse SCLRC additional - \$154,119.63
 - 10 additional demolition packets being reviewed by the RPC for submission to OHFA; OHFA to reimburse SCLRC additional - \$155,224.29

❖ **123 - Total Number of Properties Identified on a Current Active List for Acquisition under Round 3****City of Alliance:**❖ **136 - Total number of acquired properties to date:**

- 53 demolition reimbursement packets have been submitted overall – 18 new packets since the October report.
 - 35 demolitions have been approved by OHFA – 0 new packets since August report
 - Current average cost of demolition per property is \$13,820.00
 - OHA mortgages are fully executed on 35 properties & OHFA reimbursement to SCLRC - \$470,309.58
 - Alliance has been reimbursed a total of \$423,883.66 for 35 properties
 - 18 additional demolition packets being readied by the RPC for submission to OHFA; OHFA to reimburse SCLRC additional - \$262,146.70

❖ **28 - Total Number of Properties Identified on a Current Active List for Acquisition under Round 3. (1 additional parcel submitted by City & under review by RPC)****City of Massillon:**❖ **25 - Total number of acquired properties to date**

- 4 demolitions have been completed overall – 0 new demolition has been completed since December

- 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

❖ **33- Total Number of Properties Identified on a Current Active List for Acquisition under Round 3.**

9. SIDE LOT/VACANT LOT PROGRAM REPORT – Sarah Peters
Sarah Peters presented the Side Lot Program Update:

Total Applications Submitted: 1371
(27 applications were received since Oct. '17 update)

Cities – 1182
 Canton: 962, Massillon: 89, Alliance: 131

Other Communities – 189

Bethlehem Twp – 8, Brewster – 2, Canal Fulton – 1, Canton Twp – 33, East Canton – 7, East Sparta – 2, Hartville – 3, Jackson Twp – 4, Lake Twp – 4, Lawrence Twp – 6, Lexington Twp – 29, Limaville – 2, Louisville – 2, Meyer’s Lake – 1, Minerva – 3, Nimishillen – 4, Osnaburg Twp – 12, Paris Twp – 3, Perry Twp – 10, Pike Twp – 6, Plain Twp – 30, Sandy Twp – 2, Sugarcreek Twp – 5, Tuscarawas Twp – 2, Washington Twp – 4, and Waynesburg – 3, Wilmot -1

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- Total Number of Applications under Preliminary Review: 10
 - Total Number of Applications Denied: 465
 - Number of Canceled Applications/Fee Refunded: 51
 - Total Number Pending Approval by Community: 41
 - **Total Number of Approved Applications: 804**
(12 Applications approved since last month’s update)

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- Total Number of Approved Applications Pending Deposit Receipt / NIP Early Lien Release Approval / Request for Foreclosure / Completed Foreclosure Proceeding: 223
 - Total Number Being Prepared for Transfer: 11
 - **Total Number Transferred to Date: 570**
(10 Side Lots were transferred since last month’s update)

Vacant Lot Program Update:

Total Applications Submitted: 150
(9 Application received since the last month’s update)
 Cities – 142; Canton: 130, Alliance: 11, Massillon: 1

Other Communities – 8

Canton Twp – 1, Hartville – 1, Lexington Twp – 2, Sugarcreek Twp – 1, Washington Twp - 3

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- Total Number of Applications under Preliminary Review: 9
 - Total Number of Applications Denied: 86
 - Number of Canceled Applications/Fee Refunded: 2
 - Total Number Pending Approval by Community: 7
 - **Total Number of Approved Applications: 46**
- (0 Applications approved since the last report)

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- Total Number of Approved Applications Pending Executed MOU/ Completion of Foreclosure Proceeding: 32
 - Total Number Being Prepared for Transfer: 0
 - Total Number Transferred to Date: 14

Creighton moved, Green seconded, and the motion carried to approve the NIP and Side Lot/Vacant Lot reports as presented.

10. NEW BUSINESSa. Review of OHFA October 31st NIP letter regarding reimbursements

Nau referenced a letter submitted by OHFA regarding NIP reimbursements stating that beginning January 1, 2018, all land banks will be required to follow the standard process that requires proof of demolition expenses and payment by the land bank prior to submission of the reimbursement request. After that date, OHFA will no longer provide pre-approvals and all reimbursement requests must include proof the Land Bank has paid the demolition expenses. The process currently being followed is that the Land Bank gets pre-approval on reimbursements for Canton, Alliance and Massillon. The Land Bank will need to pay the cities first and then the Land Bank will get reimbursed. Green asked if this is designed to correct a problem, or is it just housekeeping. Nau stated the SCLRC is uniquely set up where the communities are doing the demolitions and then the Land Bank reimburses them for the costs. Most other Land Banks do the demos themselves, but SCLRC was set up differently, because Canton was originally the grant applicant. Stafford asked if staff gets much feedback from OHFA when the packets are submitted for that pre-approval period, or are things at a good point and that is not going to be a problem. Carlone stated that they could not guarantee it's never going to be a problem. There have been instances where staff does hear back with a problem. Stafford asked if an expense is denied because the proper paperwork is missing, or do they give staff the opportunity to submit the documentation. Peters stated OHFA will let them know which document is missing and will give them opportunity to submit it. Stafford asked if staff believes not getting that pre-approval to be a problem. Carlone stated she doesn't see this as being a problem, but the Land Bank needs to understand that there's always the chance that the Land Bank has paid for something that may not get reimbursed, but this is highly unlikely to happen.

b. City of Massillon – Demolition of 248 Erie St. S. & 26 Tremont Ave. SE

Peters referenced the letters submitted by the City of Massillon requesting demolition assistance for 248 Erie St. S, which is owned by the City of Massillon, and the property at 26 Tremont Ave. SE, which is owned by F & M Properties (Mildred Kowell). Both properties are located across from one another in an area that has economic development opportunities. The city has requested a funding amount of \$10,000 for 26 Tremont Ave. SE with estimated hard costs of about \$24,000, and a funding amount of \$7,000 for 248 Erie St. with estimated hard costs of \$14,000. Staff has reviewed the properties.

Green asked for additional background on the parcels. Josh Whitacre, City of Massillon, stated that 26 Tremont Ave. property has been empty for years. The structure is beyond repair at this point and needs to be torn down. Green stated the property on Tremont Ave. was previously owned by Waikem Realty and was transferred in May 2013, and the property on Erie St. was transferred from Shirley Green. He asked if Shirley Green was connected with Waikem Realty. Whitacre stated he could not speak to that fact, but 248 Erie was given to the city by Ms. Green. Green asked if he had any knowledge that there was any previous relationship between Kowell's and the transferors. Whitacre did not know, but he could ask Dave Maley. Green asked that if the Board would approve this, would there be contracts for demolition issued immediately. Whitacre stated they are ready for that, and have already awarded the bids. Green asked if the city has any opinion as to who it was that caused this distressful condition. Whitacre stated he didn't know who caused it; it wasn't the city, but the original owners, but it's just neglect from others and neglect to pursue business opportunities. Cities across Stark County have faced issues with properties that are left vacant for a while then become blighted or damaged to the point that they need to be torn down, which is the situation with these properties. Green asked if he had any knowledge with respect to what the relationship was, if any, between the Kowell's and Waikems. Whitacre stated that he was not familiar with the relationship but could ask Mr. Maley. Green asked if they were viewing this as a matter of some urgency, and would the situation be distressed if this would be deferred until either Dave Maley or someone comes in and gives the background and knows what is going on. Whitacre stated that Maley would be happy to explain the situation; the relationship between the Kowell's and Waikems. Green stated he just didn't want the Board to approve a transaction whereby somebody has some role in causing the problem, then transfers the problem to someone else to get the Land Bank to bail them out. He was pretty certain it wasn't happening, but he wanted the record to show it was not happening. Peters stated when staff received these requests, she had asked Dave Maley if the Land Bank was to approve these requests at this meeting, and how long they would have to get the work completed; Maley said at least 60 days. Green stated he did not have suspicions or concerns, but he believed that on something like this, the record should be very explicit. He would be in favor of this issue being taken up at next month's meeting. Creighton moved, Green seconded, and the motion was carried to table this item until the next meeting.

Peters mentioned that the 2018 draft budget has been put in the Board's packet for their review. If anyone has questions or concerns, they are to contact RPC staff so that those questions can be addressed prior to next month's meeting. Creighton asked that the 2017 budget be shown alongside the 2018 budget for comparison.

11. OLD BUSINESS

a. Property Management Software Update

Peters stated the developer was working on trying to get more of the automated updates and items that will help procedures working in the software (Property Profile System/PPS). The Board will have their log-ins once all that information is fully uploaded. Stafford stated that all new information she has been getting is going into the software, so she is no longer using a separate spreadsheet. Green asked if they are using part of it now for their daily operations. Stafford stated yes, exclusively. Peters stated that some staff from the Prosecutor's office are also using PPS, so any new information is going directly into the system. PPS can automatically generate documents which cuts down on the process time. Stafford stated she wanted to discuss with staff about how to generate a report where they can do billing for the cities. Peters stated they can discuss that.

b. 1512 Garfield Ave. SW Demolition

Peters stated the property on 1512 Garfield is down. Demolition was done on November 2nd and greened on the 3rd. They are still waiting on some final documentation from the contractor, Eshlich Wrecking. The neighbor has already submitted a side lot application, and if the applicant qualifies, it will be transferred to her.

12. Next Meeting – December 18, 2017, 9:00 a.m. Work session to follow.

The meeting was adjourned at 9:27 a.m.