

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION
November 21, 2016

The Stark County Land Reutilization Corporation met for their regular meeting on Monday, November 21, 2016 at 9:00 a.m. in the Stark County Regional Planning Commission Conference Room.

Board Members

Alex Zumbar
Janet Creighton
Richard Regula
Lem Green

RPC Staff

Sarah Peters
Lynn Carlone
Beth Pearson
Emma Posillico
Jill Gerber
Dave Thorley
Bob Nau
Katie Phillips
Jonelle Melnichenko

Others

Jim Wallace
Joe Mazzola
Michele Cutler
John Rinaldi
Maureen Austin
Vince Marion

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, Richard Regula, Lem Green and Janet Creighton.

Zumbar moved, Creighton seconded, and the motion carried to excuse Smith due to a conflicting engagement.

3. MINUTES OF THE OCTOBER 17, 2016 MEETING

Regula moved, Green seconded, and the motion carried to approve the minutes of October 17, 2016.

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

Wallace gave a Treasurer's Report summary for the month of October. The bank reconciliation statement for the month ending October 31st had a checking account balance of \$805,125,898. Revenues were \$9,698.83 and total expenses were \$251,517.32. Green asked for further clarification on the Tax Lien Foreclosure Payoff amount under Revenue. Thorley stated the Land Bank purchased 52 individual tax liens for approximately \$25,000, and the \$9,353.83 received is recouping part of that

money. Wallace pointed out there are now two investment accounts. There was \$1 million that was transferred from the Star Plus Investment account into the Star Ohio Investment account. That \$1 million was in the Star Ohio account for only four days and earned \$89.14. For the Star Plus funds, there was a balance at the end of October of \$6,097.31. Interest for October was \$275.96.

Creighton moved, Regula seconded, and the motion carried to accept the Treasurer's report as submitted.

6. FISCAL ITEMS – Beth Pearson

Post Approval of Payments

1. City of Alliance – NIP Reimbursement #23 (5 parcels) - \$68,479.17

a.	100015 – 430 S. Liberty Ave.	\$15,327.18
b.	100348 – 520 N. Park Ave.	\$14,924.08
c.	100722 – 214 W. Washington St.	\$10,885.47
d.	104682 – 35 Geiger Ave.	\$14,407.14
e.	112952 – 49 E. Market St.	\$12,935.30

2. City of Alliance – NIP Reimbursement #24 (9 parcels) - \$102,268.32

a.	100076 – 1132 E. Grant St.	\$8,968.98
b.	102314 - 155 E. Market St.	\$11,616.50
c.	108769 – 706 S. Seneca Ave.	\$13,357.03
d.	106600 – 1033 S. Seneca Ave.	\$11,209.68
e.	107659 – 220 S. Haines Ave.	\$10,477.30
f.	109409 – 33 E. Columbia St.	\$13,754.08
g.	100303 – 505 South St.	\$11,054.05
h.	105869 – 143 W. Columbia St.	\$10,272.58
i.	109842 – 151 W. Columbia St.	\$11,558.12

Green moved, Regula seconded, and the motion carried to approve the post approval of payments as presented.

Approval of Payments

1. Squire Patton Boggs LLP - Legal Services for Review of IEL (Industrial Excess Landfill) properties potential donation - \$6,303.75

Green moved, Creighton seconded, and the motion carried to approve the above-noted payment.

Draft 2017 Budget

Pearson made available to the Board the draft 2017 Budget for review. A public hearing, as required by the Bylaws, will be held at the next Land Bank meeting to review the details of the budget. Green asked why the average cost per parcel was \$790 for the side lot program when in the past it had been around \$1,000 or more. Peters stated the Land Bank is not being charged court costs for the side lots, which amounts to a couple hundred dollars less than the vacant lots or NIP properties. Green asked if there would be a report on the software acquisition, and is staff using it now. Peters stated they are not using it now because it is still in the early stages of being developed to their specific needs. Regarding the property insurance, Regula asked if that was put out to bid for next year. Pearson stated no, it did not go out for bid. When they went to bid last time, this was the only insurance company that exists that provides this type of insurance. The Land Bank is unique as it has properties where the status is always changing from a building to nothing on the property, so the Land Bank is adding in and taking out all the time. Zumbar asked if they could get two additional quotes. Creighton asked that the 2016 approved budget total be kept so she could compare that with 2017.

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

Carlone presented the Neighborhood Initiative Program (NIP) Update

City of Canton:

*** 241– Total number of acquired properties to date**

- 201 demolitions have been completed overall – 19 new demolitions have been completed since the last report.
 - 27 – Canton currently developing reimbursement packets/Canton ready to have reimbursement packets reviewed by RPC
 - 174 demolition reimbursement packets have been submitted overall – 18 new since last report.
 - 156 demolitions have been approved by OHFA – 0 new packets since last report
 - Current average cost of demolition per property is \$15,578.00
 - OHA mortgages are fully executed on 156 properties & OHFA reimbursement to SCLRC - \$2,414,511.01
 - Canton has been reimbursed a total of \$2,211,711.01 for 156 properties
 - 18 demolitions are in various stages of review/approval by OHFA; outstanding reimbursement requests - \$295,989.40
 - 0 demolitions are being readied by the RPC for submission to OFHA

*** 11 – Total number of properties identified on a current active list for acquisition under Round 1 & 2**

*** 166 – Total number of properties identified on a current active list for acquisition under Round 3**

*** 31 – Total additional properties currently being reviewed by RPC for possible addition to Round 3**

City of Alliance:

- * **32 – Total number of acquired properties to date:**
 - 1 – Property waiting for asbestos inspection
 - 31 Demolitions have been completed overall – 0 new demolition has been completed since last report
 - 1 – Property is waiting to be greened
 - 3 – Alliance currently developing reimbursement packets/Alliance ready to have reimbursement packets reviewed by RPC
 - 27 demolition reimbursement packets have been submitted overall – 9 new packets since October report.
 - 16 demolitions have been approved by OHFA – 5 new packets since last report.
 - Current average cost of demolition per property is \$13,300.00
 - OHA mortgages are fully executed on 11 properties & OHFA reimbursement to SCLRC - \$143,555.43
 - Alliance has been reimbursed a total of \$197,734.60 for 16 properties
 - OHA mortgages pending payment/execution on 5 properties; once completed, OHFA reimbursements to SCLRC – an additional \$74,979.17
 - 9 demolitions are in various stages of review/approval by OHFA; outstanding reimbursement requests - \$113,968.32
 - 2 demolitions are being reviewed by the RPC/awaiting additional paperwork for submission to OHFA
- * **22 – Total number of properties identified on a current active list for acquisition under Round 1 & 2**
- * **71– Total number of properties identified on a current active list for acquisition under Round 3**

City of Massillon:

- **4 – Total number of acquired properties to date:**
 - 4 demolitions are being reviewed by the RPC for submission to OHFA
- * **26 – Total number of properties identified on a current active list for acquisition under Round 3**

NIP TIMELINE – NOVEMBER 14, 2016

Carlone reviewed the following NIP Timeline summary and pointed out the Land Bank is receiving an additional \$1,280,279.58, but this agreement has not been fully executed yet.

<u>Date</u>	<u>Action</u>	<u>Funding</u>
March 31, 2014	Award of Round 1	\$ 4,235,000.00
September 30, 2015	Award of Round 2	\$ 500,000.00
	Total	\$ 4,735,000.00

August 18, 2016	Contract of Round 3	\$ 6,017,166.37
November 14, 2016?	Addition \$ under #3	<u>\$1,280,279.58</u>
	Cumulative Total	\$12,032,445.95

Round 1 & 2

<u>Date</u>	<u>Action</u>	<u>Required Outcome</u>	<u>Actual Outcome</u>
March 31, 2015	50% Acquired	95 properties	137 properties
September 30, 2015	100% Acquired	189 properties	202 properties
October 28, 2016	50% Expended	\$2,367,500.00	\$2,450,000.00+
October 31, 2017	100% Expended	\$4,735,000.00	_____
March 31, 2018	Final Financial Report Due		
Final Performance Report	Due after release of the last 3-year lien		

The Land Bank is expending an average of \$15,300 on each demolition. As such, the land bank needs to own a minimum of 309 properties in order to exhaust Round 1 & 2 funding. As of November 14, 2016, the land bank owns 277 properties: Canton – 241; Alliance – 32; Massillon: 4

Another 33 properties are currently being pursued under Round 1 & 2: Canton – 11; Alliance - 22

Total expected properties to be acquired under Round 1 & 2 – 310 properties

Round 3

<u>Date</u>	<u>Action</u>	<u>Required Outcome</u>	<u>Needed Outcome</u>
May 18, 2017	50% Acquired Reallocation Analysis I	241 properties	394 properties total
November 18, 2017	100% Acquired 25% Expended (Round 1, 2 & 3) Reallocation Analysis II	482 properties \$3,008,111.49	787 properties total \$3,008,111.49
December 18, 2018	75% Expended (Round 1, 2 & 3) Reallocation Analysis	\$9,024,334.36	\$9,024,334.36
December 18, 2019	100% Expended (Round 1, 2 & 3)	\$12,032,445.95	\$12,032,445.95

263 properties are currently being pursued under Round 3: Canton – 166; Alliance – 71; Massillon – 26

December 2, 2016 Canton to provide 50-55 properties

January 6, 2017

Canton to provide 50-55 properties

Total expected properties currently set to be pursue under Round 3: 363 - 373 properties

As the average demolition cost is \$15,300, the land bank needs to own a minimum of 787 properties in order to exhaust Round 1, 2, & 3 funding.

OHFA - $\$12,032,445.95/\$25,000$ per property = 482 properties

Actual - $\$12,032,445.95/\$15,300$ per property = 787 properties

Total expected properties currently set to be pursue under Rounds 1, 2, & 3: 673 - 683 properties

Based upon the above, the Land Bank will need to pursue another 104 – 114+ properties in order to fully expend the currently available NIP funding.

Regula moved, Creighton seconded, and the motion carried to approve the NIP report as submitted.

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

Sarah Peters presented the Side Lot Program Update:

Total Applications Submitted: 1,108

(15 applications were received since the last update)

Cities – 949: Canton: 777; Massillon: 77; Alliance: 95

Other Communities – 159

Bethlehem Twp – 6, Brewster – 2, Canton Twp – 27, East Canton – 7, East Sparta – 2, Hartville – 3, Jackson Twp – 3, Lake Twp – 1, Lawrence Twp – 6, Lexington Twp – 26, Limaville 2, Louisville – 2, Meyer’s Lake – 1, Minerva – 3, Nimishillen – 4, Osnaburg Twp – 8, Paris Twp – 3, Perry Twp – 10, Pike Twp – 2, Plain Twp – 26, Sandy Twp. – 2, Sugarcreek Twp – 4, Tuscarawas Twp – 2, Washington Twp – 4, Waynesburg – 3.

- Total Number of Applications Under Preliminary Review: 0
 - Total Number of Applications Denied: 413
(1 application was denied since the last update)
 - Number of Canceled Applications/Fee Refunded: 41
 - Total Number Pending Approval by Community: 53
 - **Total Number of Approved Applications: 601**
(5 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: 167
- Total Number Being Prepared for Transfer: 9
- **Total Number Transferred to Date: 725**
(14 Side Lots were transferred since the last update)

Vacant Lot Program Update:

Total Applications Submitted: 106 (6 applications received since the last update)

Cities – 102: Canton – 93; Alliance – 8; Massillon – 1

Other Communities – 4: Hartville – 1; Lexington Twp. – 2; Sugarcreek Twp. – 1

- Total Applications under Preliminary Review: 0
- Total Applications Denied: 52
- Number of Canceled Applications/Fee Refunded: 1
- Total Pending Approval by Community: 40
- **Total Approved Applications: 13**
- Total Approved Applications Pending Executed MOU/Completion of Foreclosure Proceeding: 2
- Total Being Prepared for Transfer: 3
- Total Transferred to Date: 8

Creighton asked if there was any follow-up with Marlboro Township as discussed at last month's meeting. Nau stated that he did speak with a township trustee regarding the programs.

Green asked Maureen Austin if the Land Bank was paying her fees for professional services and when that agreement would expire. He did not know if the Board would be renewing that expense. Austin stated that the contract was for one year, ending in December 31st. Green asked if there would be a problem if it turns out that her services would not be funded. Austin stated she would check with the city to see if they were planning on entering an agreement with Community Building Partnership (CBP) for next year. Earlier this year the city did have a budget shortfall. Green stated they need to anticipate this because that review procedure must go forward with or without CBP in it. If the city won't pick up that bill next year, they can anticipate a hard time with the Land Bank renewing that agreement. Austin agreed, stating the Land Bank was only doing this as a gap measure, but she would pursue that with the city. Green asked her to let him know the results of her discussions with the city before the next board meeting.

Green moved, Regula seconded, and the motion carried to approve the Side Lot/Vacant Lot Report as submitted.

9. NEW BUSINESS

Thorley stated in the 2016 budget, the Board allocated \$180,000 for the demolition of properties. The Land Bank's portion of funds in each one of these requests is not to exceed 50% of the total documented cost for each demolition. That money is to be allocated for only the actual physical demolition of the structures.

- a) City of Louisville – Request for 50/50 Demolition Reimbursement of 705 W. Main St. (Parcel #10000534)

On October 27th, a letter was received from Louisville for the demolition of 705 W. Main Street. This property is the result of a fire in February of 2015. The city is now in a position in which they wish to take it down, requesting \$15,000 toward the physical demolition of that property. Regula asked who owns this property. Marion stated that it is owned by a private entity. It was a two-story residence that was transformed into a neighborhood bar called the “Time Out”. Since the fire, it has not operated. There was an apartment on the second floor that was being utilized by the owner. The city does have an access agreement with the property owner and has already conducted the environmental study, and the asbestos report has been generated. Regula asked who owns it after the property is torn down. Marion stated the city is going to be assessing the value of the demolition after the property, so if they want it, they can move forward on a foreclosure. Green moved, Creighton seconded, and the motion carried to approve the request from the City of Louisville as submitted.

- b) City of Alliance – Request for 50/50 Demolition Reimbursement of 133 S. Linden Ave. (Parcel #110336)

Thorley stated the City of Alliance submitted a request in a letter dated November 14th for assistance in the demolition of an apartment building located at 133 S. Linden (parcel #110336). They are asking for \$10,500 in demolition match funds. Zumbar asked Pearson the total dollar amount left in the demolition fund. Pearson stated they have only spent between \$40,000 - \$60,000. Creighton moved, Zumbar seconded, and the motion carried to approve the request as submitted from the City of Alliance.

- c) City of Canton – Acquisition of Vacant Parcels (Parcel #203864, 231116, 227766)

Peters stated the City of Canton submitted a letter dated November 1st stating they would like to obtain three tax delinquent and vacant properties for use by Esmet to expand their facility. The city is requesting the Land Bank initiate tax foreclosure on the parcels listed to eventually convey title to Esmet, Inc. free of tax liabilities. Green moved, Zumbar seconded, and the motion carried to approve the request from the City of Canton as submitted.

- d) Habitat for Humanity Partnership – Acquisition of 735 9th St. SW, Massillon (Parcel #603352)

Peters stated that Habitat for Humanity submitted a letter dated November 2nd requesting the Land Bank assist them in the acquisition of the tax delinquent property at 735 9th St. SW in Massillon. It is their plan to preserve the existing housing structure for a new homeowner. This property has already gone through a foreclosure and has been forfeited to the State. Habitat does have an agreement with the Land Bank to assist in acquiring property in the City of Massillon. Green moved, Regula seconded, and the motion carried to approve the request from Habitat as submitted.

- e) TranSystems - Notice of Intent to Acquire Easement for Street Improvement at 2244 Mahoning Ave. NE, Canton (Parcel #237552)

Thorley stated the Land Bank owns the property at 2244 Mahoning Rd, and this item is a notice to acquire an easement located on that property. The City of Canton needs a temporary construction easement, and TranSystems is a real estate consulting firm that is acting on behalf of the city to secure the right of way necessary for the project in that area. The Land Bank has been offered \$300 for this temporary

construction easement. Green asked if the Land Bank should be collecting fees. Thorley stated this is a NIP property, and the \$300 will be looked upon as program income, which causes staff reporting headaches if it is accepted. Carlone suggested that since it is a NIP property, it is not worth earning program income on because it will cost more administratively to do the reporting back to OHFA. Green moved, Creighton seconded, and the motion carried to grant the easement requested, but it should be expressed to Transystems that the Land Bank won't be concerned if they don't get the money. Thorley stated that he would contact Transystems and relay that to them.

10. OLD BUSINESS

Bishop's Gate Update

Nau presented a remedial costs summary submitted by Pandey Environmental for the Bishop Gates property (fka Delbert-Smith Greenhouses) located on Mogadore Ave. in Lake Township. Through the Brownfield assessment program, RPC completed a phase 1 and 2 environmental assessment and remedial action plan for this property. This report is showing remedial costs of around \$1.1 million to clean up the property and demo the buildings. The Auditor had approached the Land Bank in the past about taking over this property. This property consists of 16 acres that had a greenhouse that was torn down without getting any permits. It is potentially a valuable property, but the Land Bank must weigh the cost of demolition and clean up versus the market value of the property. Thorley stated the status of this property is still in limbo. There was an action that had been filed in the courts to make a determination as to what is the actual tax delinquency. There's an argument going on between the Prosecutor's office and Attorney Juergensen as to what is the exact amount. He would have thought by now that would've gone by the wayside, but it just seems to be sitting there and no one wants to really address it. Green stated these issues must be resolved before he would be comfortable voting on any disposition. The last time he spoke with John Anthony, the Glick's estate was trying to get the Land Bank to clean it up and then the family could take it back and make money from it. Thorley stated the tax redemption amount that they would have to pay to get the property back is the issue. The Board would need to ask the Auditor to transfer it to the Land Bank, and at that point the redemption issue would be extinguished. Nau added that the Auditor stated this property will go up for Auditor's sale soon, and he is interested in the Land Bank taking it over, but Nau recommended the Land Bank not do that based upon the fact that it's a big liability and there is no end user in mind. Thorley stated last year at the Auditor's sale someone actually purchased it, not knowing of the environmental issues associated with the property. The Auditor then allowed him to back out. At that time it was purchased for approximately \$40,000. Nau stated they had heard there is a church that may be interested in purchasing it. Thorley stated the Attorney General's office had some environmental action going on against the property. When Judge Sinclair was in office, there was a motion granted to assess any damages against the property at \$25,000 per day. There was never a damages hearing upon that, but it could still be accruing \$25,000 per day, so the Attorney General's office has an interest.

EPA Brownfields Assessment Funding

Nau stated that RPC along with the cities of Canton and Alliance are part of a community-wide coalition in the process of applying for another Brownfields assessment grant. It is a three-year process for \$600,000 for phase 1 and 2 environmental assessments. Partners Environmental is the consulting firm chosen to prepare and submit this grant application on our behalf, and they have indicated to us that it would be helpful to expand our coalition. Massillon has decided to participate. They also recommended the Land Bank participate as a coalition member. The RPC would still be the lead agency,

and they could send a letter of support for that, but it would be a good idea, if the Board so desires, to be on that coalition for the grant application. Nau had an MOU prepared, but it is not executed unless we are awarded the money. Creighton moved, Regula seconded, and the motion carried to have the Land Bank participate in this coalition.

Township Board Representative

Zumbar stated due to Bill Smith being elected County Commissioner, a vacancy has been left on the Board. He has drafted a letter to the Stark County Township Association requesting that they forward a potential township representative name that could be appointed to the Land Bank Board. This name must be appointed by the Township Association and represent a township of at least 10,000 population.

11. Next Meeting – December 19, 2016, 9:00 a.m.