

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION
December 19, 2016

The Stark County Land Reutilization Corporation met for their regular meeting on Monday, December 19, 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
Bill Smith

RPC Staff

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

Others

Jim Wallace
Michele Cutler
John Rinaldi
Maureen Austin
Deana Stafford
Jaime Allbritain
Joe Mazzola

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, Janet Creighton and Bill Smith.

3. MINUTES OF THE NOVEMBER 21, 2016 MEETING

Regula moved, Creighton seconded, and the motion carried to approve the minutes of November 21, 2016.

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

Wallace gave a Treasurer's Report summary for the month of November. The bank reconciliation statement for the month ending November 30th had a checking account balance of \$725,027.05. Revenues were \$185,165.24 and total expenses were \$265,264.08. The Star Ohio Investment account had an ending balance of \$1,000,643.77 with \$554.63 interest earned, and the Star Plus account had an ending balance of \$6,099.32.

Green moved, Smith seconded, and the motion carried to accept the Treasurer’s report as submitted.

6. FISCAL ITEMS – Beth Pearson

Post Approval of Payments

1. Insurance Partners - \$17,237.75 (one year renewal of property liability policy)

2. City of Canton – NIP #26 (9 parcels) - \$156,916.94

a.	218688 – 1935 4 th St. NE	\$13,206.13
b.	214780 – 1441 9 th St. NE	\$11,770.78
c.	233455 – 1728 Blecker Pl NE	\$12,816.71
d.	233079 – 1701 Blecker Pl NE	\$16,090.74
e.	242085 – 1801 3 rd St. NE	\$20,874.00
f.	237530 – 3222 13 th St. SW	\$16,468.07
g.	203079 – 506 14 th St. SE	\$13,160.65
h.	204530 – 3211 14 th St. SW	\$13,034.17
i.	214456 – 1440 Sycamore Ave. SE	\$ 9,495.69

3. City of Canton – NIP Reimbursement #27 (7 parcels) - \$102,282.49

a.	226561 – 300 13 th St. NW	\$17,640.44
b.	218548 – 2065 3 rd St. SE	\$23,700.00
c.	218082 – 1932 4 th St. SE	\$11,740.35
d.	245247 – 1911 5 th St. SE	\$14,833.78
e.	203414 – 2517 10 th St. SW	\$11,870.54
f.	216631 – 112 14 th St. SE	\$11,435.73
g.	201398 – 1605 4 th St. NE	\$11,061.65

Pearson stated that staff is in the process of obtaining two additional quotes for property insurance as requested by the Board at last month’s meeting. The amount of \$17,237.75 to Insurance Partners was due on December 1st, so in order to maintain coverage on the properties while they get other quotes, they had to move forward with payment of this expense. Green moved, Creighton seconded, and the motion carried to approve the post approval of payments as presented.

Green asked if the Land Bank got reimbursed for the property insurance from the NIP funds. Pearson stated that they do invoice the cities for those expenses, and the Land Bank did receive payment from the cities, but she was not aware if the cities were getting reimbursed by NIP. Green asked if this expense could be put under maintenance costs. Peters stated that cannot be done because of the way it is being billed. It’s billed before the OHFA mortgages are placed on the property after the demo is done, so the insurance is being paid up front and you can’t invoice anything under the

maintenance allowance for the reimbursement costs that is before the date of the mortgage, because that maintenance allowance is for the three-year holding period during the mortgage. Green asked if there was any chance they could get it the next year. Because if the Land Bank owns the property, and it's within the three-year period, could it be charged off the insurance at that point. Peters stated at that point the \$145 for the insurance has already been paid. Pearson stated actually the insurance is about \$145, but when the property is demolished it goes down to just a few dollars a year. The larger expense is when the building is still there.

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

Carlone presented the Neighborhood Initiative Program (NIP) Update

City of Canton:

❖ **248– Total number of acquired properties to date**

- 220 demolitions have been completed overall – 19 new demolitions have been completed since the last report.
 - 30 – Canton currently developing reimbursement packets/Canton ready to have reimbursement packets reviewed by RPC
 - 190 demolition reimbursement packets have been submitted overall – 7 new since last report.
 - 165 demolitions have been approved by OHFA – 9 new packets since last report
 - Current average cost of demolition per property is \$15,595.00
 - OHA mortgages are fully executed on 165 properties & OHFA reimbursement to SCLRC - \$2,572,111.97
 - Canton has been reimbursed a total of \$2,587,273.86 for 181 properties
 - 16 outstanding demolitions awaiting OHFA invoice & reimbursement to SCLRC – additional reimbursements - \$250,461.89
 - 9 demolitions are being readied by the RPC for submission to OFHA

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

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

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

City of Alliance:

❖ **41 – Total number of acquired properties to date:**

- 10 – Properties 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 – 0 new packets since last report.
 - Current average cost of demolition per property is \$13,300.00
 - OHA mortgages are fully executed on 25 properties & OHFA reimbursement to SCLRC - \$332,502.92
 - Alliance has been reimbursed a total of \$300,002.92 for 25 properties
 - OHA mortgages pending payment/execution on 0 properties; once completed, OHFA reimbursements to SCLRC
- 0 demolitions are in various stages of review/approval by OHFA; outstanding reimbursement requests -
- 2 demolitions are being reviewed by the RPC/awaiting additional paperwork for submission to OHFA

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

❖ **89 – 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

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

Carlone stated that if everything goes as expected, they will be pursuing 698 properties. 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: 1,124

(16 applications were received since the last update)

Cities – 964: Canton: 789; Massillon: 77; Alliance: 98

Other Communities – 160

Bethlehem Twp – 6, Brewster – 2, Canton Twp – 27, East Canton – 7, East Sparta – 2, Hartville – 3, Jackson Twp – 3, Lake Twp – 2, 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: 11
- Total Number of Applications Denied: 406
- Number of Canceled Applications/Fee Refunded: 41
- Total Number Pending Approval by Community: 58
- **Total Number of Approved Applications: 608**
(7 applications were approved since the last update)

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- Total Number of Approved Applications Pending Deposit Receipt / NIP Early Lien Release Approval / Request for Foreclosure / Completed Foreclosure Proceeding: 163
 - Total Number Being Prepared for Transfer: 16
 - **Total Number Transferred to Date: 429**
(4 Side Lots were transferred since the last update)

Vacant Lot Program Update:

Total Applications Submitted: 109 (6 applications received since the last update)

Cities – 104: Canton – 95; Alliance – 8; Massillon – 1

Other Communities – 5: Canton Twp. – 1; Hartville – 1; Lexington Twp. – 2; Sugarcreek Twp. – 1

- Total Applications under Preliminary Review: 1
- Total Applications Denied: 53
- Number of Canceled Applications/Fee Refunded: 1
- Total Pending Approval by Community: 37
- **Total Approved Applications: 17**
- Total Approved Applications Pending Executed MOU/Completion of Foreclosure Proceeding: 6
- Total Being Prepared for Transfer: 1
- Total Transferred to Date: 10

There was a brief discussion on how many applications are pending from the City of Canton. Green moved, Regula seconded, and the motion carried to approve the Side Lot/Vacant Lot Report as submitted.

9. ADOPT SCLRC 2017 MEETING SCHEDULE

Creighton moved, Smith seconded, and the motion carried to approve the 2017 SCLRC Meeting Schedule. Smith stated that at the last Township Association Meeting, John Arnold was appointed to replace him on the SCLRC.

10. NEW BUSINESS

- a) Habitat for Humanity Partnership – Acquisition of 16 parcels, Canton, OH

Peters stated these properties requested by Habitat have houses on them, and the purpose of the acquisition is to rehab the homes for resale. They are looking for post approval for those 16 requests. Green moved, Regula seconded, and the motion carried to approve the request from Habitat.

Austin asked if approval of this means that the Land Bank has a rehab policy and can other non-profits receive assistance. Green stated the Land Bank is just facilitating Habitat's mission by acquiring

the property. Austin asked if other nonprofits that want to do rehab can come to the Land Bank and request acquisition. Green thought the Board would be receptive to that. Nau stated the Land Bank does have an agreement with Habitat. If another non-profit would come, they must have an agreement and be recognized to receive assistance. Austin stated that Community Building Partnership (CBP) has received phone calls the past year from individuals or organizations that are looking to acquire a property to rehab, and it was her understanding that there is not that kind of program in place. Zumbar stated the Land Bank does not have a rehab program in place, but the Board would consider each request from a recognized non-profit.

PUBLIC HEARING ON THE CY 2017 SCLRC BUDGET

Zumbar called the public hearing to order. Opportunity was given for anyone in favor of the proposed 2017 budget to speak. Pearson presented the details of the 2017 SCLRC budget. (See attached) Opportunity was given for anyone in opposition to the proposed 2017 SCLRC budget to speak. There were no comments, and Zumbar declared the public hearing closed.

b) SCLRC Bank Account – First Commonwealth

Zumbar stated for many years they did business with First Merit, but as all are aware, Huntington has purchased First Merit and that particular location is now controlled by First Commonwealth. He is now walking the monies to Huntington Bank a block away, but that is an issue because there is not any security for that exercise. With that in mind, he wanted to entertain the Board's recommendation to permit him to move forward and open an account with First Commonwealth. Creighton moved, Regula seconded, and the motion carried to approve a bank account be opened for the SCLRC with First Commonwealth.

Thorley commented that they had their annual meeting with the Canton City Council to provide them an update on the Land Bank programs. Council was engaged and had some questions regarding the timeline for the side lot/vacant lot programs. Zumbar stated in addition, there were some people from the audience that had some questions about the tax lien sales and also potentially interested purchaser agreements.

11. OLD BUSINESS

Green moved, Creighton seconded, and the motion carried to approve the 2017 Budget as presented.

Austin asked for confirmation regarding the contract that CBP has with the Land Bank to process side lot applications. Regarding the new applications she picked up last week, she asked if she should complete the processing of those applications, because they will not be finished with the review by December 31st. Pearson stated the contract expires December 2016. Green stated that she should stop work on January 1st, but that they do have a meeting scheduled with Fonda Williams today to discuss this matter. It was his opinion there is no reason the city cannot be handling that administrative work.

The meeting was adjourned at 9:26 a.m.

12. Next Meeting – January 17, 2017, 9:00 a.m.

PROGRAM EXPENSES

Total FY 2017
Budget

Contracted Expenses		
Administration - RPC		\$ 180,000.00
Stark County Treasurer		\$ 54,000.00
Stark County Prosecutor		\$ 135,000.00
Julian & Grube, Inc.		\$ 1,200.00
		\$ 370,200.00
Insurance		
Sirak Ins - Property Insurance		\$ 30,000.00
Sirak Ins. - D & O		\$ 4,200.00
		\$ 34,200.00
Audit		
Auditor of State		\$ 15,000.00
Travel		
Travel by SCLRC Board		\$ 1,500.00
Side Lot Expenses		
Expenses related to side lot		\$ 158,000.00
Various Vendors		\$ 1,500.00
		\$ 159,500.00
Property Maintenance		
Grounds maintenance		\$ 8,000.00
Securing of properties		\$ 12,000.00
		\$ 20,000.00
Vacant Lot Program		
Acquisition Costs		\$ 38,500.00
Administrative Fees		\$ 38,500.00
Various Vendor		\$ 4,000.00
		\$ 81,000.00
Property Manag. Software		
Software Acquisition		\$ 26,250.00
Yearly Maintenance		\$ 7,500.00
		\$ 33,750.00
Property Acquisition		

Land Assemblage/Rehab	\$ 65,000.00	
Demolition Program - Land Bank		
Demolition	\$ 180,000.00	
	\$ 180,000.00	
TOTAL PROGRAM EXPENSES	\$ 960,150.00	
Contingencies	\$ 18,890.00	
NIP Expenses		
Demolitions under NIP	\$ 3,000,000.00	
TOTAL EXPENSES	\$ 3,979,040.00	

Earned Revenue

FY 2017

Program Revenue

DTAC	\$ 780,000.00
Side Lot App Fees	\$ 20,000.00
Vacant Lot Program	\$ 105,000.00
NIP Prosecutor Fees	\$ 50,000.00
Interest from	\$ 2,040.00
Miscellaneous	\$ 22,000.00

TOTAL EARNED REVENUE

\$ 979,040.00

NIP Income

NIP	\$ 3,000,000.00
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Total Estimated Revenues

\$ 3,979,040.00