

MINUTES OF THE STARK COUNTY LAND REUTILIZATION CORPORATION  
June 26, 2023

The Stark County Land Reutilization Corporation met for their regular meeting on Monday, June 26, 2023 at 9:00 a.m. in the Stark County Regional Planning Commission Conference Room.

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, Bill Smith, John Arnold and Chris Hardesty. Janet Creighton arrived at 9:14 a.m.

3. APPROVAL OF MINUTES OF MAY 15, 2023 MEETING

Hardesty moved and Smith seconded to approve the minutes of the May 15, 2023 meeting. Motion carried on a roll call vote as follows: Voting Aye - Zumbar, Smith, and Hardesty. Arnold abstained.

4. PUBLIC SPEAKS

5. TREASURER/FISCAL REPORT

Heather Cunningham reviewed the Treasurer's Report for the month of May. Arnold moved and Smith seconded to approve the Treasurer's Report for May as presented. Motion carried on a roll call vote as follows: Voting Aye - Zumbar, Smith, Arnold and Hardesty.

6. SIDE LOT/VACANT LOT PROGRAM REPORT

**Sarah Peters provided the Side Lot Program Update:**

**Total Applications Submitted: 2,496**

*(23 applications were received since May '23 update)*

Cities – 2,067

Canton: 1,628, Massillon: 180, Alliance: 259

Other Communities – 429

Beach City – 1, Bethlehem Twp – 65, Brewster – 9, Canal Fulton – 1, Canton Twp – 84, East Canton – 7, East Sparta – 2, Hartville – 3, Jackson Twp – 6, Lake Twp – 8, Lawrence Twp – 12, Lexington Twp – 55, Limaville – 2, Louisville – 2, Marlboro – 1, Meyer's Lake – 1, Minerva – 5, Nimishillen – 6, North Canton – 2, Osnaburg Twp – 15, Paris Twp – 3, Perry Twp – 18, Pike Twp – 21, Plain Twp – 38, Sandy Twp – 41, Sugarcreek Twp – 6, Tuscarawas Twp – 2, Washington Twp – 6, Waynesburg – 6, Wilmot-1

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- Total Number of Applications under Preliminary Review: 4
  - Total Number of Applications Denied: 936

- Number of Canceled Applications/Fee Refunded: 183
  - Total Number Pending Approval by Community: 26
  - **Total Number of Approved Applications: 1,347**
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- Total Number of Approved Applications Pending Deposit Receipt / NIP Early Lien Release Approval / Request for Foreclosure / Completed Foreclosure Proceeding: 118
  - Total Number Being Prepared for Transfer: 47
  - **Total Number Transferred to Date: 1,182**

### **Vacant Lot Program Update:**

#### **Total Applications Submitted: 361**

*(2 Applications received since May '23 update)*

Cities – 255: Canton: 209, Alliance: 32, Massillon: 14

Other Communities – 106

Bethlehem Twp – 61, Canton Twp – 11, Hartville – 1, Jackson Twp – 3, Lake – 3, Lexington Twp – 9, Nimishillen – 3, Paris – 1, Perry – 1, Pike – 1, Sandy Twp – 7; Sugarcreek Twp – 1, Washington Twp – 4,

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- Total Number of Applications under Preliminary Review: 0
  - Total Number of Applications Denied: 254
  - Number of Canceled Applications/Fee Refunded: 14
  - Total Number Pending Approval by Community: 2
  - **Total Number of Approved Applications: 91**
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- Total Number of Approved Applications Pending Executed MOU/ Completion of Foreclosure Proceeding: 26
  - Total Number Being Prepared for Transfer: 13
  - Total Number Transferred to Date: 52

Arnold moved and Hardesty seconded to approve the Side Lot/Vacant Lot Report as submitted. Motion carried on a roll call vote as follows: Voting Aye - Zumbar, Smith, Arnold and Hardesty.

### 7. **NEW BUSINESS**

- a. Targeted Acquisition Assistance Requests:
  - City of Canton – 36 Parcels

Peters stated the city is requesting the acquisition assistance of 36 parcels that are located in the Middle Branch of the Nimishillen Creek Conservation area. If approved, the 36 parcels would equate to 26 foreclosure requests. All parcels are tax delinquent vacant lots. Zumbar moved and Smith seconded to approve the TAAP requests from the city of Canton, totaling 36 parcels. Motion carried on a roll call vote as follows: Voting Aye - Zumbar, Smith, Arnold and Hardesty.

b. Demolition Assistance Requests:

- Perry Township – 215 Westland Avenue NW – Parcel #4308943
- Perry Township – 3432 Lincoln Way E – Parcel #4315605
- Perry Township – 5044 W Tuscarawas Street – Parcel #4302301

Peters stated that Perry Township submitted three DAP applications, one for a residential property at 215 Westland Ave. NW for an estimated hard cost for demolition at \$7,800, and the township is requesting funding of \$3,900. The second application for a residential property is at 3432 Lincoln Way E., for an estimated hard cost for demolition at \$15,100, and the township is requesting funding of \$7,550. The third application is for demolition of a commercial property at 5044 W. Tuscarawas Street that is a two-story warehouse. The township has an estimated hard cost of demolition at \$31,160, and they are requesting \$15,580, which if approved would come out of the DAP commercial budget. Arnold moved and Zumbar seconded to approve the DAP requests from Perry Township. Motion carried on a roll call vote as follows: Voting Aye - Zumbar, Smith, Arnold and Hardesty.

- Lexington Township – 11588 Ridgefield Avenue NE – Parcel #2808060

Peters stated that Lexington Township submitted one DAP application for a residential property at 11588 Ridgefield Ave. NE, requesting assistance for the demolition of an abandoned structure that has been vacant for quite some time. The township's total estimated hard cost for the demolition is \$10,382.08 and are requesting funding of \$5,191.04. Arnold moved and Smith seconded to approve the DAP request from Lexington Township. Motion carried on a roll call vote as follows: Voting Aye - Zumbar, Smith, Arnold and Hardesty.

- City of Canton – 1601 12<sup>th</sup> Street NE – Parcel #208502

Peters stated the city of Canton submitted one DAP application for a residential property at 1601 12<sup>th</sup> Street NE, which was a property recently transferred to the city. The city has an estimated hard cost for demolition at \$13,343 and is requesting funding of \$6,671. Zumbar moved and Arnold seconded to approve the DAP request from the city of Canton. Motion carried on a roll call vote as follows: Voting Aye - Zumbar, Smith, Arnold and Hardesty.

9. OLD BUSINESS

a. AEON Tax Lien Certificates Update

Peters reviewed the history of the AEON Tax Lien Certificates where in 2015 the Land Bank was approached by the Prosecutor's office about some tax lien certificates that were previously purchased by AEON Financial. The Land Bank in August 2015 ended up purchasing 54 tax lien certificates from AEON for \$25,000, and they have been the lien-holder on those certificates. Since then, of those 54 certificates, the Land Bank either pursued them as a NIP demolition or as a side-lot, if the property was already a vacant lot. There are about 30 tax lien certificates remaining of which there are four properties with an identified end user for which the RPC staff will send to the Prosecutor's office to pursue. The rest will be reviewed on a case-by-case basis to determine if there is an eligible and interested end user, or if the certificate should be dismissed. Zumbar stated the Land Bank did get back more than the \$25,000 that was spent on those particular certificates.

Jerry Yost with the Prosecutor's office stated the Land Bank had received some payment back from those on the Interested Purchaser (IP) program, in addition to the ones Peters mentioned that had end users. Another case was where a property owner actually redeemed their commercial structure, and the Land Bank made about \$15,000 back on that one alone. We actually were looking in the Treasurer's office too, and some of those have been sitting there since 2015. If we foreclose and it sells, we get the money. If we foreclose and it doesn't sell, we get the property. The thought is if there isn't a foreseeable end user, it's time to close those out. The reason he didn't want to dismiss these before now was in case someone comes in and wants to do something with that, and then we would have to start from scratch again, and we're already 90% of the way on it. But some of these have absolutely no end in sight and if that's the case, let's get rid of those cases that are sitting open on the books. Most of the foreclosures date back to 2007-2008 during the housing crisis when AEON bought and foreclosed on them, and then they didn't want them. AEON realized that we went to judgement, so they are sitting on the judgment at the time that we looked at them, with the ability to go if they wanted to, blocking the Land Bank and the Treasurer's office from pursuing a new tax foreclosure. It was decided that the most expeditious thing to do was to buy them and get them out of the middle, which we did, which ended up being at least a wash if not a little bit of money in our pockets. We're looking at what to do with the leftovers. Some of them will never have any end users; there's no one qualified through side lot or vacant lot. Some of them may be in the Nimishillen Creek area, and it will be easy to acquire those.

Smith asked if they revert to the municipality after two years. Yost explained that the certificate expires after two years, but instead of relying on the certificate to be able to pursue, AEON went clear to judgement, and the judgement is indefinite. So because judgement is out there, the Land Bank can pursue, and AEON could pursue at any time because it doesn't expire. The certificate has expired, but they already had judgement on the certificate, so now that's what they are after. Some of these have a judgement on the certificate for whatever that amount was and then continued delinquent taxes for another 15 years. Because the Land Bank and the Treasurer are working together, it's easy to merge the Land Bank's judgement and the Treasurer's interest, but if it was a private entity, we couldn't do that because AEON was standing in line first. Smith stated but for any property that does revert back, because it is a vacant property, the Land Bank would maintain it for two years, and then the city would get it. Smith asked if the city could put it up for sale. Zubar stated it is the city's decision what they want to do with the property. Hardesty stated the city of Canton has three options. The city can dispose of property through open bid, or it can be sold for the auditor's market value if it's acquired appropriately, or the city can use their CIC if it's an economic development purpose. Right now the city has started to sell properties that were acquired through TAAP and NIP, non-donation, or other qualifying properties per the ORC. The city has an application and a process now.

b. Agreement to Convey – City of Alliance - 403 E. Cambridge Street (TAAP Application)

Nau stated staff met a few months ago with Mike Dreger to discuss several projects with the city of Alliance. There are two projects that are not ready yet and are still being discussed, but this project is a church located at 403 E. Cambridge Street. An agreement has been negotiated for the project which is an abandoned, blighted church. The city had submitted a TAAP request to obtain this property. It did not sell at the Sheriff's sale. The Land Bank doesn't own it quite yet, but we are in control of the property. The city of Alliance is proposing that the Land Bank hold the property for a period of time before transferring it to the city, and the city has an arrangement with a demolition contractor that is willing to demo the building for salvage rates. It is advantageous for the city that the Land Bank hold the property during that time period. Alliance has also agreed to provide the funding and do any asbestos testing abatement that is necessary. The deadline is in the proposed agreement to complete the project

by September 1<sup>st</sup> with a 30-day extension available. Alliance indemnifies the Land Bank during its ownership of the property. The demolition contractor will take the building down, Alliance will pay for the asbestos abatement, and then once that is all completed, the Land Bank will transfer the property to the city of Alliance, completing the TAAP process. This scenario is a little different than what is typically done with TAAP applications, but with the Land Bank's immunity from some of the state's environmental regulations and liability, it's in the city's interest that we facilitate this project. Arnold wanted to clarify that this agreement with the city is not a financial investment, but the Land Bank is just acting as a conduit. Nau stated that is correct.

Yost gave some background with the property. This started out as a tax foreclosure from the Treasurer's office. This property went clear to sale, and then it was realized that this church, that dates back to the 1800s, was added onto many times, and the problem was it had been added onto across property lines onto two parcels. The Treasurer foreclosed on the main front parcel, not realizing they were only foreclosing on half the building. So it had to be vacated, and the process started over again. In the meantime, Alliance had been approached by a demolition contractor and told that if the city takes this property, they will be willing to take it down. There's still some value to the stained glass in the church, but the roof and floors are gone, so it's a hazard in many respects. It had been the old Lutheran church, and when they built a new church they abandoned this one. At one point, a non-profit came in that was going to make a museum there with a reverter clause to the Alliance city schools if they ever went under, but the schools said they were not interested.

John Anthony stated when negotiating this agreement with the city, staff asked themselves why the city needed the Land Bank to be involved in this project. The city wants to take advantage of whatever immunities the Land Bank has, which is the biggest reason. That leads into some of the other properties the city has identified that are possibly going to be contaminated. Another project that staff discussed with the city is a gas station with storage tanks, so that immunity becomes more relevant with that type of transaction. Zumbar stated that when the Land Bank undertakes these projects, it's the surprises that sometimes come back to haunt us, but that is what the Land Bank was designed to tackle, and we are the best entity to take on these projects. Creighton moved and Arnold seconded to approve the agreement with the city of Alliance. Motion carried on a roll call vote as follows: Voting Aye - Zumbar, Smith, Arnold, Hardesty and Creighton.

c. 12777 Mogadore Ave. NW Lake Township Property Update

Arnold stated that Lake Township would like to sell the property on Mogadore but is waiting on another letter from the EPA saying we are good to go. He would like to sell the property by sealed bid. Nau stated the Land Bank does have a financial arrangement with the township to share revenue from the sale of that property. Arnold moved and Zumbar seconded to have the Land Bank dispose of the property through sealed bid. Motion carried on a roll call vote as follows: Voting Aye - Zumbar, Smith, Arnold, Hardesty and Creighton.

10. NEXT MEETING - Monday, July 17, 2023 - 9:00 a.m.
11. ADJOURNED - The meeting was adjourned at 9:25 a.m.