

**LAKE COUNTY LAND REUTILIZATION CORPORATION  
ORGANIZATIONAL AND SPECIAL MEETING**

July 6, 2012

10:00 am

County Auditor's Conference Room

RAYMOND E. SINES  
DANIEL P. TROY  
JOHN S. CROCKER

ANTHONY ZAMPEDRO  
GABE CICCONE

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**CALL TO ORDER:** Lake County Treasurer John S. Crocker called the meeting to order at 10:00 am advising that this is the first formal meeting of the Lake County Land Reutilization Corporation and will serve as its organizational meeting

**ROLL CALL:** The following were present: Commissioner Raymond E. Sines, Commissioner Daniel P. Troy, and Treasurer John S. Crocker. It was noted that Anthony Zampedro (Assistant City Administrator from the City of Mentor which is the largest city in Lake County), and Gabe Cicconetti (Trustee for Painesville Township, one of three townships having a population of 10,000 residents or more, to represent the Townships in Lake County) were also present, in addition to Rabin-Darden Thomas of the Thriving Communities Institute and Deputy Treasurer John M. Rogers.

**NEW BUSINESS**

**1. MOTION APPOINTING JOHN M. ROGERS AS SECRETARY PRO TEM OF THE CORPORATION**

Motion: Crocker      Second: Sines  
AYES: ALL              NAYS: NONE

**2. RESOLUTION 2012-1 ACCEPTANCE AND APPOINTMENT OF REPRESENTATIVE MEMBERS**

- Anthony Zampedro, as the Board's Municipal Director
- Gabe Cicconetti, as the Board's Township Director

Mr. Crocker noted on the record that letters were received from Mr. Ken Filipiak, City Manager of the City of Mentor from and Chris Galloway, President of the Lake County Township Trustees Association, indicating the designation of these two individuals as the representatives for these two entities.

Motion: TROY              Second: SINES  
AYES: ALL                  NAYS: NONE

Mr. Crocker and the Commissioner's thanked both Mr. Cicconetti and Mr. Zampedro for volunteering their services and expressed the hope that this Board will do a lot of good for the Lake County Community.

### 3. RESOLUTION 2012-2 ADOPTING CODE OF REGULATIONS as amended

Mr. Rogers stated that this document will be the Corporation's Code of Regulations and is necessary per Ohio's statutory requirements. It is based upon a template provided by Ms. Robin Thomas (in attendance at this meeting) of the Thriving Communities Institute, an organization within the Western Reserve Land Conservancy that is spearheading the creation of Land Banks throughout Ohio. It has been modified by Mr. Rogers for use by the Lake County Land Reutilization Corporation and has been reviewed by John O'Donnell, an Assistant Prosecuting Attorney within the Lake County Prosecuting Attorney's Office. Mr. Rogers advised that this document is certainly able to be changed by the Board as the needs and operations of the Corporation become apparent.

#### **Discussion:**

There are 13 land banks now operating in Ohio with an additional 2-3 in their startup phase. By Ohio Law, counties must have a population of at least 60,000 residents in order to incorporate a land reutilization corporation. The Ohio legislature may be considering eliminating any population requirement thereby opening up the opportunity to all counties. Given the funding mechanism utilizing DTAC funds, some smaller counties may not have enough funds for their statutory duties let alone additional uses.

Ex-officio directors are such because of their respective offices and include the Treasurer and two Lake County Commissioners. There is an opportunity for an additional four members. Their appointment has to be unanimously agreed upon by the ex-officio members and at least one must have a real estate background. In addition there can be other non-voting members appointed.

The Lake County Land Reutilization Corporation being a private, non-profit organization is not a public corporation and as such is not required to abide by the Open Meetings Act. However the consensus of the Board is that if this organization is to succeed it would try to remain as open as is possible.

Mr. Zampedro noted that there appeared to be a typographical error with respect to the section regarding the execution of contracts. There is no section 9.3 rather the language should read 8.3.

With respect to the question of legal guidance for the Board, the Offices of the Prosecuting Attorneys throughout the State represent both the County Commissioners and the Treasurer's Offices in legal matters and as such have been helpful in assisting in initial matters associated with the startup of Land Banks. In some counties, there is consideration of entering into legal agreements with the offices of the Prosecuting Attorney to provide subsequent legal counsel to Land Banks. In other counties, separate legal counsel has been retained for legal advice. However, because of the representation by the Office of the Prosecuting Attorney to the various offices and entities including the Townships, there is some thought that conflicts might arise, presenting their own legal difficulties. Regardless, at some point a decision will have to be made as to which direction to choose for seeking future legal counsel. In addition, this Body will have to decide who will actually be responsible for overseeing the Land Bank's operations, including the execution of contracts, etc.

Motion: TROY  
AYES: ALL

Second: ZAMPEDRO  
NAYS: NONE

**4. RESOLUTION 2012-3 APPROVING THE FORM OF AGREEMENT AND PLAN WITH LAKE COUNTY, OHIO AND AUTHORIZING THE EXECUTION AND DELIVERY TO THE BOARD OF COUNTY COMMISSIONERS FOR APPROVAL AND EXECUTION OF AGREEMENT AND PLAN.**

Mr. Rogers advised that this is the last document that is required by Ohio Statute in the formation of a Land Reutilization Corporation. Once approved, it will be submitted to the Lake County Commissioners for approval. Again it is based on a template provided by Ms. Thomas and modified by Mr. Rogers for this Board's consideration. It is consistent with what has been passed by other Land Banks in Ohio and has also been reviewed by Mr. O'Donnell, the Assistant Prosecuting Attorney, before circulation. It, too, is subject to change as the Corporation develops.

Mr. Crocker noted that this document has to be approved by the Lake County Commissioners in separate session. Commissioner Troy stated that if two commissioners vote to approve here that it is likely to be approved by that Board and Commissioner Sines noted as well that he saw no conflict as it could also be voted down by the Commissioners in a subsequent meeting.

Motion: SINES  
AYES: ALL

Second: TROY  
NAYS: NONE

Mr. Rogers provided the Board with additional information including a schematic that showed the stages with respect to the formation of a Land Bank and where we are in that process. With the approval of the resolutions today, Mr. Crocker will be asking the Board of County Commissioners to approve an additional 5 percent of the available funds per Ohio Statute to fund the operations of the Land Bank. These funds, while separate and distinct from the funds being made available by the Attorney General for demolition purposes, could be used for the matching component of that program.

These funds will ultimately provide for hiring an executive director, staff, executing contractual agreements, acquiring property, rehabbing property. Ultimately, these funds will allow the Land Bank to Develop consistent with the intent or direction of this Board. Depends on what the Land Bank wants to do.

Discussion then proceeded with an explanation of exactly how the 5 percent is actually determined with Ms. Thomas providing a detailed of where and what amounts these monies comprise. No additional penalties are being applied; rather, the 5 percent share is from the pool of funds that arises as a result of a taxpayer being delinquent with respect to his or her payment or lack thereof of property taxes and the State's imposition of penalties and interest.

Further considerations included the cost vs. benefit of this funding mechanism, the reduction in revenue to taxing entities not encroaching on the tax base, the negative impact of blighted properties on adjacent homes and property values versus an increase in value and revenue streams after the removal of the blighted homes and or a performing base.

It was noted that the average cost to demolish a home in Cuyahoga County is approximately \$7,500.00 and can increase where asbestos is problematic, in some situations increasing the costs significantly. Mr. Sines questioned if any exemptions existed for asbestos-laden homes. Ms. Thomas advised that Mr. James Rokakis, Sen. Sherrod Brown and U.S. Rep. Steven LaTourette were working together to address this issue in an effort to change the EPA regulations and make taking down blighted properties less cost-prohibitive.

Commissioner Troy questioned how a Land Bank might impact or intervene in situations to minimize the flipping of properties to which Ms. Thomas stated that as far as Fannie Mae, if the property has a low value, typically around \$25,000, they are often donated to a land bank outright. In situations such as a tax foreclosure, if they exceed that value, they can go directly to land bank as opposed to a sheriff's sale. If the value is higher than the taxes owed, the prosecuting attorney can include in the judicial decree, subject to court approval, that there is a 45-day right of redemption whereupon the title is then transferred to the land bank if not paid. The Land Bank determines then what to do with the property and/or who the property is sold to.

Concerns were also expressed related to property maintenance of those properties held by the land bank. Mr. Rogers advised that as the property owner, the land bank would be responsible for the property maintenance and ultimately the Board and or the individual charged with operating the Land Bank will have to decide what approach to take, such as contracting with a service, mentioning that there have been some inquiries to date from interested parties.

The topic of discussion then turned to what might be the potential uses of acquired properties, with attention drawn to copies of a brochure from Kent State detailing some land uses by communities with land bank properties, including a vineyard, community parks, community gardens, pathways between streets and neighborhoods, reduction of density and making area's more attractive, and enhancing value. Ms. Thomas mentioned that often the simplest approach is to split the property and deed the halves to the adjacent property owners charging the property owners the cost associated with the transfer of title.

Also discussed was the number of properties held and the turnaround time once acquired. Ms. Thomas advised that in other counties, some now hold hundreds of properties and others less. Ultimately the idea is to assist in the stabilization of neighborhood values with the goal of seeing a productive return or use of these properties. Mr. Rogers noted that in some areas of the County, communities have hundreds of homes that are vacant and not in use. Ultimately, this Board will be circulating an MOU or a Memorandum of Understanding between the various communities and itself that will in large measure be based upon a countywide strategy or approach in dealing with this problem. We will be working as an economic development team of communities in partnership, a working relationship. Where we may initially pick up a single property, the acquisition of additional adjoining or surrounding lots might make sense to create a parcel in the future that would make economic sense for development. Properties that could be had are not just limited to residential but could be commercial or other types, the key being that the land bank is not just a bank, but a corporation that can be an economic tool for the county.

A suggestion of Mr. James Rokakis was relayed to the Board that once its membership is in place that a field trip to a neighboring county land bank might be a worthwhile exercise to get some ideas for our future operations. Mr. Rokakis had suggested Lucas County. Another discussed was Trumbull County which has a good community group involvement. Lucas though has in place an Executive Director, staffs a full-time attorney and a part-time assistant handling the operations.

Commissioner Troy questioned other funding sources including monies from outside of DTAC. In some counties, Cuyahoga for instance, the Prosecuting Attorney has designated funds from his DTAC account to assist their Land Bank's operations. Others, such as Montgomery's Treasurer, have also used funds, as the Commissioners did not fund its operations with an increase in the share allowed by statute in setting up the land bank. Casino funds were also discussed. While questioned as a likely source of revenue for the land bank, it could be possible that some of the funds might be available, if the monies were to be used for economic development and the approach was all inclusive. Commissioner Sines noted that their actual use remains to be determined at this point.

Regarding an existing land bank in a city, Ms. Thomas noted that if a city has a land bank, a county land bank can give to city, and also that a city land bank has first dibs on foreclosure. Basically, when a land bank acquires property through means other than tax foreclosure, they may have to notify the city and city has a 30 days right to claim. So there will be a lot of working hand in hand because of a perceived community purpose and the necessity of a prioritized approach.

Mr. Crocker advised that this has been a good discussion but it is time to move on.

Mr. Rogers then advised an additional resolution that is not on the agenda but prepared for consideration, authorizes the Treasurer to apply for funds available from the State's Attorney General for the purpose of demolishing residential properties. Before consideration of this resolution he noted that:

- He has asked for and has obtained an extension for the application to Ohio Attorney General's Office, in effect allowing until end of August
- He prepared and presented a table for review for informational purposes regarding foreclosures in Lake County. As indicated, the number of foreclosure filings in 2010 was 788; in 2011, there were 1,596; and in 2012 through June, there were 861. He noted that the table was based upon information provided from filings in the Clerk's Office and the respective zip codes so there may be some skewing as some of the townships and cities are the same. Painesville and Painesville Township and some areas in Concord Township all share 44077, as do some other communities thus there could be some skewing.
- The purpose of this information is to give some idea as to the scope of the problem countywide. Also provided was a larger graph of bank-owned properties by community, upwards of 200, due in large measure to foreclosure activity and was prepared by the County's Planning Commission.

- The grant application for the Attorney General is in process of being prepared.

The discussion that followed concerned the apparent number of bank-owned homes and what appeared to be a low number. It was noted that many homes that have been foreclosed upon may have already been sold and titled as a result of a sheriff's sale. Others may still be in foreclosure litigation. The properties actually detailed are likely to have been purchased back by the bank at the sheriff's sale.

**MOTION TO BRING THE ADDENDUM TO THE FLOOR FOR CONSIDERATION:**

Motion: ZAMPEDRO Second: CICCONETTI  
AYES: ALL NAYS: NONE

**RESOLUTION 2012-4 AUTHORIZING THE TREASURER, ON BEHALF OF THE LAKE COUNTY LAND REUTILIZATION CORPORATION TO MAKE APPLICATION TO THE OHIO ATTORNEY GENERAL OFFICE MOVING OHIO FORWARD GRANT PROGRAM has been placed on the agenda.**

Discussion:

Mr. Rogers noted he had modified Section 4, which had not been reviewed by Mr. O'Donnell. When speaking of matching funds, some counties are using general funds for this component of their grant application. Nothing to date has been suggested in this County, but there is a requirement in the application that matching funds be addressed. As proposed in this Resolution, the Board commits the Land Bank to coordinate the acquisition of any funds to meet the matching component requirement of those funds made available by the grant; as funds become available, then the Land Bank commits to assist in the local share as described in the guidelines. The State has allocated \$500,000 in grant money to Lake County and close to \$1 million that is 50/50 sharing. We don't have a half a million set aside to match at this point but we are committing to acquiring those funds. It should also be noted that as monies from the DTAC share become available, the Board could use those monies for matching purposes if the Board so chooses.

Commissioner Troy noted that whatever resources the Board might contribute, they could try to recover later. Ms. Thomas stated that any land bank money would come back and could be used for the program. Regardless, if you don't have matching funds, you'll still want to apply for \$500,000 and then you can amend the grant application later. But if community has funds available for demolition and commits it as match, you (Land Bank) would then be able to spend \$60,000, for your \$30,000. Commissioner Sines noted that once the Board develops a program if funds become available, it could allow the local communities to buy in and Mr. Cicconetti suggested that they may have funds available for a match if needed for homes in Painesville Township area.

Mr. Rogers advised that as of today's date, there are 30 homes designated throughout Lake County communities, if funds were available, that leaders have identified that they'd like taken down. A number of communities have not responded as of yet in response to a letter issued by Mr. Crocker inviting participation in this grant program. He stated he continues to follow up with calls to local officials.

Procedurally, the Land Bank will not make the decision as to what homes are to be taken down. There are guidelines promulgated by the Attorney General's Office including that the home has to have been a residence at some point in the last 50 years, has to be in foreclosure and have been vacant for 90 days, or if not, blighted, abandoned, vermin infested, utilities off, crime, nuisance. Ultimately, there needs to be condemnation order unless the Land Bank owns it and the Individual communities would have their law director or solicitor get a condemnation order from the court to take the house down. Some fees may be covered by the grant but predominately it is the demolition costs which are ultimately negotiable with the contractor.

Mr. Zampedro asked that if a house is taken down, can a lien be filed on the on the property? Mr. Rogers responded that some funds may be recovered and Ms. Thomas clarified that if they want to keep the property, assessment liens could be used, and in essence creating a revolving fund with revenues coming back to the land bank. Mr. Rogers noted that while all funds made available by the Attorney General are for the use of demolishing residential properties, there are some properties that have been mentioned by community leaders that are on the cusp of the residential definition such as a convent and/or rectory in one community. The intent is to ask regardless.

**5. RESOLUTION 2012-4 AUTHORIZING THE TREASURER, ON BEHALF OF THE LAKE COUNTY LAND REUTILIZATION CORPORATION TO MAKE APPLICATION TO THE OHIO ATTORNEY GENERAL OFFICE MOVING OHIO FORWARD GRANT PROGRAM**

Motion: TROY                      Second: ZAMPEDRO  
AYES: ALL                          NAYS: NONE

**ELECTION OF CHAIR AND VICE-CHAIR**

Ms. Thomas noted that most of the chairmen of the Land Banks are the County Treasurers.

**6. MOTION TO APPOINT TREASURER CROCKER CHAIRMAN AND COMMISSIONER TROY VICE-CHAIRMAN OF THE LAKE COUNTY LAND REUTILIZATION CORPORATION BOARD OF DIRECTORS**

Motion: Sines                      Second: ZAMPEDRO

Discussion:

Commissioner Troy asked if alternates are allowed to which Mr. Rogers advised that Ex-officio members and the two Directors can appoint alternates. Ms. Thomas advised that appointments should be in writing so that specific alternates are designated and the Board doesn't have differing people show up at future meetings.

AYES: ALL                          NAYS: NONE

**7. ESTABLISH DATE, TIME, PLACE FOR NEXT MEETING**

The consensus was to schedule the Board meetings on a quarterly basis with additional meetings called by the Chair as needed. Until further notice, the meetings will continued to be held in Auditor’s Conference Room, subject to the approval of the Lake County Auditor. This will allow compliance with statutory regulations for corporation and closing of books and any auditory requirements.

There was discussion regarding the expansion of the board, as the law allows up to nine voting members. Mr. Rogers advised that there has been some inquiry and interest expressed from individuals including Mayor Manross from Fairport Harbor, Frank Kellogg from the Health District, Malcolm Schaffer from the Real Estate Community and at least one other Township Trustee. The Board discussed the various qualifications of those individuals that might be considered and or appointed, the number of appointments, the question of non-voting members and length of terms. Mr. Rogers pointed out that at least one of the appointments has to have a real estate background. Choosing not to act or appoint at this point, Mr. Sines and the body of the Board asked Mr. Rogers to prepare a release for the News Herald advising individuals with an interest to serve to submit letters and resumes for consideration to Mr. Crocker. Once received, the Board will meet to decide what additional appointments, if any, will be made. Mr. Crocker will call the next meeting once that information is available.

There was some discussion as to the need to hire an Executive Director, but that too was agreed upon as being premature at this point. Mr. Crocker asked if Ms. Thomas had any qualifications with respect to individuals who might be considered and or the scope of their duties. Ms. Thomas advised she would provide Mr. Crocker with some information for that individual and/or the position shortly.

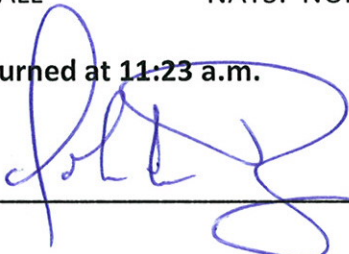
Finally, Mr. Rogers advised that he has received 2 letters of inquiry expressing an interest in working with the land bank; one from a company in Columbus which does both the asbestos assessments and demos, in addition to a variety of other tasks for Land Banks. He has asked that they forward the information for future review by the Board. The other interest was from a landscaping company that applies a chemical that browns grass, but doesn’t kill it so it doesn’t have be cut.

**8. OTHER BUSINESS:**

There being none, Mr. Crocker asked for a Motion to Adjourn.

**MOTION TO ADJOURN:**

Motion: Sines                      Second: TROY  
AYES: ALL                          NAYS: NONE

Meeting adjourned at 11:23 a.m.  


Approved: \_\_\_\_\_

*Sect.*

Date: Sept 27<sup>th</sup> 2012