

The Board of Directors of the Lake County Land Reutilization Corporation (the "Board of Directors") met in session on the 26th day of June, 2014 at 3:13 p.m, in the 5th Floor Conference Room of the Lake County Administration Center with the following Directors present:

(Wm. Margalis for)
ROBERT E. AUFULDISH
MALCOLM A. CHAFER
GABE CICCONE

LORRAINE M. FENDE
BETH A. KNEZEVICH
TIMOTHY S. MANROSS
DANIEL P. TROY

Ms. Fende moved to approve the minutes of the Friday, March 28, 2014 meeting and Mr. Chafer seconded the motion.

AYES: 5 NAYS: 0 ASBSTENTION: Knezevich, Manross

LAKE COUNTY LAND REUTILIZATION CORPORATION
1st QUARTERLY MEETING
Friday, March 28, 2014 @ 3:00 p.m.
5th Floor Conference Room
Lake County Administration Building

1. CALL TO ORDER: Daniel P. Troy, Acting Chair called the meeting to order at 3:02 p.m.

ROLL CALL: The following were present:

ROBERT E. AUFULDISH
MALCOLM A. CHAFER
GABE CICCONE
LORRAINE M. FENDE

BLAIR J. HAMILTON
DANIEL P. TROY
ANTHONY J. ZAMPEDRO
JOHN M. ROGERS

2. MOTION TO APPROVE MINUTES OF THE NOVEMBER 22, 2014 MEETING

Motion: Chafer
AYES: ALL

Second: Cicconetti
NAYS: NONE

Abstention: Fende
ABSTENTION: ONE

3. RESOLUTION 2014-13 RE-APPOINTING JAMES M. LYONS AS LEGAL COUNSEL FOR THE LCLRC

Mr. Rogers explained that a new two year contract is before the board today versus last year's one year contract for convenience sake. Mr. Lyon's term will be effective January 1, 2014 through December 31, 2015. Commissioner Aulfuldish asked what Mr. Lyon's attorney fees were. It was explained that his rate stays at \$125.00/hour with a retainer of \$750/quarter. We have not paid Mr. Lyon's any additional fees above the retainer rate to date. An affirmative vote for the adoption of Resolution 2014-13 was passed unanimously.

Motion: Zampedro Second: Hamilton
AYES: ALL NAYS: NONE ABSTENTION: NONE

4. RESOLUTION 2014-14 RE-APPOINTING DOUGLAS L. HEISER OF HEISER & ASSOCIATES AS ACCOUNTANT FOR THE LCLRC

Mr. Rogers explained that a new two year contract is being sought from the board today versus a one year contract, the same as with Mr. Lyon's contract. Mr. Heiser's term will be effective January 1, 2014 through December 31, 2015. His accounting fees remain the same at \$200/month while his assistant will continue with payroll and QuickBooks matters at a rate of \$60/hour. An affirmative vote for the adoption of Resolution 2014-14 was passed unanimously.

Motion: Chafer Second: Zampedro
AYES: ALL NAYS: NONE ABSTENTION: NONE

5. RESOLUTION 2014-15 RE-APPOINTING JOHN M. ROGERS AS EXECUTIVE DIRECTOR FOR THE LCLRC, AFFIRMING HIS CONTRACT AND RE-AFIRMING HIS COMPENSATION

A one year contract is being sought from the board today for Mr. Rogers. His term will be effective March 1, 2014 through February 28, 2015. Compensation to be a continuing rate of \$60/hour with a maximum of 1000 hours. Mr. Roger's was compensated \$37,500 in 2013. An affirmative vote for the adoption of Resolution 2014-15 was passed unanimously.

Motion: Cicconetti Second: Aulfuldish
AYES: ALL NAYS: NONE ABSTENTION: NONE

6. RESOLUTION 2014-16 LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Resolution 2014-16 levying lien expenses for the house demolished at 1426 E 300th St, Wickliffe are \$16,203.60. Before us today are five completed demolitions from our Phase One of the MOF program.

Mr. Rogers explained that the law allows Land Banks acting on behalf of municipalities and villages to recover all incurred expenses for the MOF Program by certifying these costs to the tax duplicate. Township demolition expenses will be recovered using another instrument (to be defined at a later date through our attorney). Costs considered reimbursable by the Attorney General's office (MOF) include the following: Demolition, Asbestos Abatement, Abatement Assessment, Limited Lien Search Fees, Public Advertising Fees, and 5% Administrative Costs. Some rules have changed. Legal costs (Soft Costs @ \$515/demo) initially allowed in Phase One have since been revoked by the AG's office. Because of this termination the Land Bank Board previously agreed to cover these Soft Costs with DTAC funds.

Commissioner Aufuldish asked what the odds would be of our Land Bank ever collecting the demolition money assessed. Mr. Rogers stated we are in a more enviable position because our liens are certified to the tax duplicate. Therefore, the Land Bank would be next in line after the delinquent property taxes are paid. The Land Bank will keep all money paid back from the properties we have demolished. This money does not have to be returned to the state. More discussion followed and an affirmative vote for the adoption of Resolution 2014-16 was passed unanimously.

Motion: Aufuldish Second: Zampedro
AYES: ALL NAYS: NONE ABSTENTION: NONE

7. RESOLUTION 2014-17 LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Resolution 2014-17 levying lien expenses for the house demolished at 1428 & 1430 E 300th St, Wickliffe are \$27,948.90. An affirmative vote for the adoption of Resolution 2014-17 was passed unanimously.

Motion: Cicconetti Second: Chafer
AYES: ALL NAYS: NONE ABSTENTION: NONE

8. RESOLUTION 2014-18 LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Resolution 2014-18 levying lien expenses for the house demolished at 5822 Lake St, Mentor-on-the-Lake are \$16,487.30. An affirmative vote for the adoption of Resolution 2014-18 was passed unanimously.

Motion: Hamilton Second: Aufuldish
AYES: ALL NAYS: NONE ABSTENTION: NONE

9. RESOLUTION 2014-19 LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Resolution 2014-19 levying lien expenses for the house demolished at 7514 Goldenrod Dr, Mentor-on-the-Lake are \$12,668.78. An affirmative vote for the adoption of Resolution 2014-19 was passed unanimously.

Motion: Zampedro Second: Chafer
AYES: ALL NAYS: NONE ABSTENTION: NONE

10. RESOLUTION 2014-20 LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Resolution 2014-20 levying lien expenses for the house demolished at 419 Sixth St, Fairport Harbor are \$14,100.45. An affirmative vote for the adoption of Resolution 2014-20 was passed unanimously.

Motion: Zampedro

Second: Hamilton

AYES: ALL

NAYS: NONE

ABSTENTION: NONE

11. REVIEW OF LCLRC MOF PHASES 1, 2 AND 3

A PowerPoint presentation was viewed. Mr. Rogers continued to explain the property lien procedures used by the Land Bank.

- If a property is *privately owned in the city/village* and demolished, a resolution must be created by the city/village or its agent (LCLRC - the cities agent).
- If a property is *owned by the city or township* at the time of the demolition, there is no lien placed on the property and no resolution is necessary.
- If a property is *privately owned in a township*, the language is different. All costs incurred by the township for miscellaneous grass cutting, maintenance or demolitions can be certified by the township to the auditor. The law does not provide for the term "agents". On behalf of the Township, Mr. Lyons is suggesting an agreement be drafted between the township and the Land Bank. The township would certify the lien to the auditor and once the expenses are recovered, the Land Bank would be reimbursed from the township.

PHASE ONE – seven houses were demolished by Medico, billed at \$117,190.50 and have been reimbursed by the MOF program. Because of the hard winter weather – grade, seed and straw will be done this spring. This contract is basically complete.

PHASE TWO - is suffering the same issues with four houses being taken down in January and February. The house on 483 E 328th St, Willowick is city owned. Pillar Excavation has been reimbursed \$51,715.33 from the MOF program to date. Pictures of all demolished houses were reviewed.

PHASE THREE – When billed by OBO Demolition there will be approximately \$200,000 in demolitions with eleven homes in Painesville City, Mentor-on-the-Lake and Willoughby Hills.

Because we must have all the houses in the first MOF Grant Phase completed by May 31, 2014, it is agreeable with the Attorney General to use *change orders* vs the *bidding process*. In the past we had to bundle a few houses into a Phase then go out for bid on each Phase. With this new plan we will cut our demolition time table considerably.

It was stated that as of today with the 23 homes demolished, we have spent approximately \$385,000. Our average cost of a demolition is about \$16,685.00. When fifteen more houses are demolished we will have spent \$635,000. Our original grant application was for \$500,000 plus

\$150,000 (50/50) matching for a total of \$800,000. We will need 10 more homes to demo to use all the money. We have a prospective 14 more houses to demolish before the deadline.

Discussion followed on the chronological order of procedures required to demolish a house in Lake County. It is important to note that our contractors are all indemnified.

12. REVIEW OF LCLRC PROFIT AND LOSS/BALANCE SHEETS AND BUDGET

Mr. Rogers reviewed the Profit Loss and Balance Sheet highlighting specific line items. He continued with detailed discussion of the 2014 Budget. We are budgeting less than we received from the Treasurer's Office last year. \$65,000 has been added to the budget for an assumed grant from CDBG. This money will be used for the Painesville Township Park Project which in the planning stages. The ending balance from Close of Business as of February 28, 2014 is \$531,726.47.

It has been determined by the Ohio State Auditor that the Land Bank must have an independent audit conducted before the State Audit in 2015. In the mean time we will be using a separate accounting agency to prepare our taxes and conduct an audit for submission to the state. An additional \$3000 has been added to the accounting budget to cover such costs. More discussion followed.

13. LCLRC PROPOSED BUDGETARY COMMERCIAL DEMOLITION AND DEVELOPMENT PROJECTS (PowerPoint Presentation)

Demolition of Merrick Hutchinson School, 205 Singer Ave, Grand River

The School was built in 1926 and closed in 1979 because of declining enrollment; was used as the Lake County Mental Health Board and bingo games for many years. The building eventually was sold to the City of Grand River for \$1. The LCLRC has been asked to help Grand River take the building down for approximately \$52,000. This would be consistent with the removal of blight and neighborhood stabilization in Grand River. The end use for this property is a public park with a proposed pavilion and parking lot. The Village would control the demolition process and as work progresses, we will make the payments for the asbestos abatement and demolition.

Demolition of Painesville City Hotel, 247 Main St.

This hotel was successfully built in the early 1970's, but is now after many years beyond repair. The last time this building was used was early in 2001 when Lake Erie College leased the facility temporarily for student housing. It has not been occupied since that time. It is presently owned by Painesville City who has asked the Land Bank to share in the expense of the demolition. Earlier this year, Mr. Rogers requested funding to demolish the hotel from the Attorney General, but was declined because it did not qualify under the present Moving Ohio Forward guidelines. Asbestos abatement is estimated to be \$365,000; the building demolition cost is \$242,800 for a total of \$607,800. The Land Bank's share as proposed is 50% of this total. Painesville City will find funds for the balance of the project.

Development of Painesville Township Sycamore/Pontiac Park

This project was made possible because of a gift of two contiguous parcels of land to LCLRC located at the corner of Sycamore Drive and Pontiac Avenue. These parcels along with a third were generously donated by Mr. and Mrs. Robert and Margaret Esterele. The third parcel is

located on Bellevue Avenue. The proposal is to create a neighborhood community park which will include a pavilion, playground equipment, barbeque grills, benches and picnic tables. A board on board fence would be installed at the rear of the park with additional split rail fencing on all other sides. Attractive landscaping (a mound with trees) is included. The cost of the project is estimated to be \$155,455. Mr. Rogers is proposing we apply for CDBG funding for \$65,000 of the total. The Land Bank would then provide \$90,455 for the balance of the project. Once the park is completed ownership of the park would be returned to Painesville Township.

Demolition of Dworken & Bernstein Building, 153 E Erie St., Painesville City

This project would continue the Land Bank's campaign to eliminate blight and foster economic development. The property is owned by the Lake County Commissioners. Use of this parcel once it is cleared has yet to be determined. The scope of the project's cost is estimated at \$300,000. The Commissioners have requested 50% funding from the LCLRC in the amount of \$150,000. Budgetary discussion followed.

THE VICE-CHAIRMAN ENTERTAINED A MOTION TO MOVE TO EXECUTIVE SESSION TO DISCUSS EMPLOYEE MATTERS.

Motion: Zampedro Second: Aufuldish
AYES: ALL NAYS: NONE ABSTENTION: NONE

REGULAR MEETING SESSION RECONVENED AT 4:05 P.M.

ROLL CALL: The following were present:

**ROBERT E. AUFULDISH
MALCOLM A. CHAFER
GABE CICCONE
LORRAINE M. FENDE**

**BLAIR J. HAMILTON
DANIEL P. TROY
ANTHONY J. ZAMPEDRO
JOHN M. ROGERS**

14. MOTION TO APPROVE THE PROPOSED BUDGET FOR CALENDAR YEAR 2014

Motion: Chafer Second: Hamilton
AYES: ALL NAYS: NONE ABSTENTION: NONE

15. NEW BUSINESS: MEMORANDUM OF UNDERSTANDING BETWEEN LCLRC AND LAKE COUNTY COMMUNITIES

Mr. Rogers discussed the lawful regulations necessary for local communities and land banks to acquire property, pointing to the intended benefits of a non-profit land bank. Mr. Rogers is working with the LCLRC legal advisor, Jim Lyons and Robin Darden-Thomas of the Thriving Communities Organization to create an MOU (Memorandum of Understanding) template to be signed by each community and the Land Bank, clarifying the regulations and law when acquiring property.

- *When a property is foreclosed upon and the community (city, village or township) acquires the parcel, and the community will own the parcel(s) along with the tax indebtedness. No further taxes will accrue after the acquisition.*

However, if the property is sold before the 15 year date of purchase, the tax amount owed "at the time of purchase" must be returned by the community and divided between the various entities as described "during the tax year of the purchase", i.e. school levies, parks, or other.

- ***When the property is acquired by the Land Bank***, the parcel comes to the non-profit Land Bank with all liens forgiven. The land can then be sold back to the community free and clear of all liens. This allows the community and its partners more flexibility in developing the most appropriate end use of the property. The most important of which is the return of clean and green property to the community and the county tax base.

16. LCLRC's CODE OF REGULATIONS REQUIRES AN ADDITIONAL SIGNATURE ON ANY CHECK WRITTEN OVER \$10,000.

Mr. Rogers explained that with the approval of the new calendar year budget for 2014 several money disbursements will be greater than \$10,000. He asked for two members of the board to be available and on file with the bank for the signing of those larger checks. After discussion it was decided that the current Lake County Treasurer and the current Lake County Commissioner President would be assigned that duty. Therefore, Commissioner Aufuldish and Ms. Fende will hold this responsibility.

17. SCHEDULED MEETINGS IN THE FUTURE

All minutes in the future will list the next five quarterly meetings allowing all board members an opportunity to change dates as needed. It was agreed upon that the next Second Quarter Meeting will be Thursday, June 16, 2014 @ 3:00 p.m. The following dates are posted:

Third Quarter – Friday, September 26, 2014 @ 3:00 p.m.

Fourth Quarter – Friday, December 19, 2014 @ 3:00 p.m.

Annual Meeting – Thursday, March 19, 2015 @ 3:00 p.m.

First Quarter – Friday, March 27, 2015 @ 3:00 p.m.

Second Quarter – Thursday, June 18, 2015 @ 3:00 p.m.

With no further business Commissioner Troy asked for a motion to adjourn.

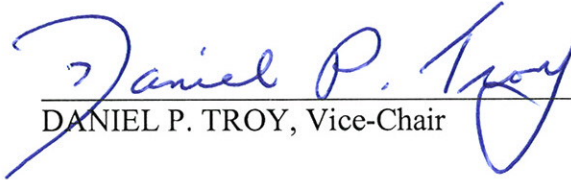
Motion: Cicconetti
AYES: ALL

Second: Zampedro
NAYS: NONE

ABSTENTION: NONE

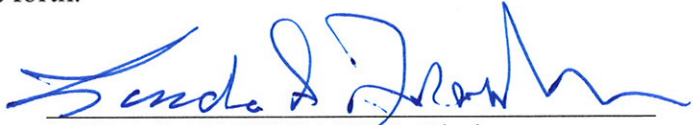
The meeting was adjourned at 4:24 p.m. by unanimous vote.

APPROVED: JUNE 26, 2014


DANIEL P. TROY, Vice-Chair

The undersigned, Secretary of the Lake County Land Reutilization Corporation, certified that the foregoing is a true and correct transcription of the minutes of the meeting held Thursday, June 26, 2014, of the Board of Directors of the Lake County Land Reutilization Corporation showing the adoption of the Minutes above set forth.

Dated: JUNE 30, 2014


LINDA S. FREDEBAUGH, Clerk