

The Board of Directors of the Lake County Land Reutilization Corporation (the "Board of Directors") met in session on the 19th day of December, 2014 at 3:03 pm, in the 5th Floor Conference Room of the Lake County Administration Center with the following Directors present:

(Bill Margalis for)
ROBERT E. AUFULDISH
MALCOLM A. CHAFER
GABE CICCONE
(Lori Painter for)

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

Mr. Chafer moved to approve the minutes of the October 24, 2014 meeting and Mr. Cicconetti seconded the motion.

AYES: 7 NAYS: 0 ASBSTENTION: Fende

LAKE COUNTY LAND REUTILIZATION CORPORATION
3rd QUARTERLY MEETING
Friday, October 24, 2014 @ 3:00 p.m.
5th Floor Conference Room
Lake County Administration Building

1. CALL TO ORDER: Timothy S. Manross, Chairman called the meeting to order at 3:02 p.m.

ROLL CALL: The following were present:

(Bill Margalis for)
ROBERT E. AUFULDISH
MALCOLM A. CHAFER
GABE CICCONE
(Lori Painter for)

LORRAINE M. FENDE
J. BLAIR HAMILTON
BETH KNEZEVICH
TIMOTHY S. MANROSS
DANIEL P. TROY

2. MOTION TO APPROVE THE MINUTES OF THE JUNE 26, 2014 MEETING

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

3. MOTION TO APPROVE RESOLUTION NO. 2014 – 35
A RESOLUTION AMENDING SECTION 4.2 OF THE CODE OF REGULATIONS
Changing the Code of Regulations from "the annual meeting to be held on the 3rd Thursday of the 3rd Month after the close of the fiscal year" – to "the Annual Meeting to be held ½ hour before the regularly scheduled 1st Quarterly meeting."

Motion: Knezevich

Second: Fende (Painter)

AYES: ALL

NAYS: NONE

ABSTENTIONS: NONE

4. MOTION TO APPROVE RESOLUTION NO. 2014 – 36

A RESOLUTION AMENDING SECTION 8.5 OF THE CODE OF REGULATIONS DESIGNATING SIGNATORIES ON CHECKS, DRAFTS, AND EVIDENCES OF INDEBTEDNESS – Changing the Code of Regulations and modifying the number of authorized signatories on the corporation’s bank account.

Motion: Fende (Painter)

Second: Aufuldish (Margalis)

AYES: ALL

NAYS: NONE

ABSTENTIONS: None

5. MOTION TO APPROVE THE FOLLOWING RESOLUTIONS LEVYING LIENS FOR EACH DEMOLITION TO RECOVER EXPENSES IN TOTAL

RESOLUTION NO. 2014 – 37

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 34B025F000200 (132 Shelton Blvd)

RESOLUTION NO. 2014 – 38

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 34A010L000050 (135 Traymore Blvd)

RESOLUTION NO. 2014 – 39

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 34A010G000190 (411 Woodstock Rd)

RESOLUTION NO. 2014 – 40

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 34A010N000890 (582 Waverly Rd)

RESOLUTION NO. 2014 – 41

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 27B057D000090 (669 Orchard Rd)

RESOLUTION NO. 2014 – 42

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 34A007J000720 (761 E 347th St)

RESOLUTION NO. 2014 – 43

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 34A014J000820 (1245 E 351st St)

RESOLUTION NO. 2014 – 44

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 34A007F000180 (1314 E 345th St)

RESOLUTION NO. 2014 – 45

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 34A008F000470 (1493 E 359th St)

RESOLUTION NO. 2014 – 46

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 34A002D000150 (1606 E 337th St)

RESOLUTION NO. 2014 – 47

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 27A007O000350 (5166 Nan Linn Dr)

RESOLUTION NO. 2014 – 48

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 14A0140000340 (321 Sixth St)

RESOLUTION NO. 2014 – 49

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 15C033F000640 (59 Nelson St)

RESOLUTION NO. 2014 – 50

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 15D016A000070, (415 Chardon St)

RESOLUTION NO. 2014 – 51

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 15D016A9000080 (428 Lawnview Ave)

Motion: Chafer

Second: Cicconetti

AYES: ALL

NAYS: NONE

ABSTENTIONS: None

6. **MOVING OHIO FORWARD UPDATE:** Mr. Rogers discussed an expense report showing all 58 demolitions including one home that was withdrawn, but had incurred \$1,353.30 in costs. Total expenditures amounting to \$1,048,153.53. The Attorney General has reimbursed the LCLRC \$812,431.00 (\$500,000 100% Grant, \$150,000 requiring a 100% match, \$162,431 requiring a 100% match) exhausting all Moving Ohio Forward funds awarded. The Land Bank's total contribution to date is \$237,075.83 which includes \$150,000 matching funds required for the MOF Phase I award. Of the Phase II \$162,431.00 awarded, approximately \$87,075 of the LCLRC's matching funds have been spent. A balance of \$75,355 remains for future demolitions.

The LCLRC has been reimbursed in an amount of \$43,028.38 to date by property owners for demolitions that have occurred. As previously discussed, any funds recovered from demolitions will be budgeted for additional demolitions as the need arises. Combining the aforementioned \$75,355.17 and the \$43,028.38 equals a balance of \$118,383.55 available for future demolitions. Mr. Rogers reported nine additional properties have been identified as potential demolitions in Painesville City, Painesville Township, Concord, Willowick and Willoughby Hills.

The Board was shown a PowerPoint presentation capturing all 58 structures razed, including views of "before and after" all work was completed. Commissioner Troy asked about Willowick properties and why there were so few. John explained that the 483 E 328th St demolition was the

only Willowick location to date. A convent and rectory originally under consideration have been removed as we have been informed by City officials that the Cleveland Catholic Diocese is looking at future development for these properties.

7. **DTAC FUNDS ANALYSIS:** It has been suggested that the 5% DTAC allocation from the penalties and interest provided to the LCLRC each year is possibly taking money from individual school systems. A sample tax bill was obtained from the Lake County Treasurer's office and carefully reviewed by the Auditor's Office. A distribution analysis was prepared by the Office of the Auditor indicating that the school system will receive the original tax dollars owed along with a share of penalties and interest indicating no loss of funds. Mr. Rogers reviewed this analysis with the Board.
8. **GRAND RIVER ADDITIONAL FUNDS:** Mr. Rogers reminded Board members of the additional funds requested earlier in the year for the Grand River - Merrick Hutchinson school demolition. After the project began, an unanticipated amount of asbestos needed removal, requiring an additional \$10,445. At the time, Mr. Rogers contacted all but one Board member, informally asking for authorization to expend the additional funds. Those contacted with the understanding that a formal vote would be taken at the future board meeting. Mr. Rogers asked members to formally authorize the additional expenditure in the amount of \$10,445. Chairman Manross requested a motion.

Motion: Knezevich

Second: Cicconetti

AYES: ALL

NAYS: NONE

ABSTENTIONS: None

9. **PAINESVILLE CITY HOLIDAY INN DEMOLITION:** Mr. Rogers reminded members that the Land Bank's commitment to the City of Painesville was to provide a 50% share (not to exceed \$306,000) towards the cost of this demolition. The demolition of the building was completed in large measure on Thursday, October 16, 2014. Work continues on the basement and foundation of the building. The property is to be back-filled, graded and seeded all before the end of the year. Conversations with the City of Painesville suggest that the project may come in under budget, but figures are not yet complete.
10. **DWORKEN AND BERNSTEIN BUILDING DEMOLITION:** Mr. Rogers reported that asbestos abatement is in progress on the building. This demolition is expected to occur in late November. The contractual agreement between the County and the contractor requires completion of this project by December 15th, 2014. Our commitment again is a 50% share - not to exceed \$150,000 for this cooperative effort.
11. **PAINESVILLE TOWNSHIP PARK:** The projected cost for this recreational facility is an estimated \$155,455. Mr. Rogers has sought out additional sources of funding to help pay for this park. An application requesting \$65,000 was made in June to the CDBG grant program. A letter

awarding \$27,000 of the original amount requested was received on September 2nd. As was discussed during the budgeting process, the LCLRC will make up any difference needed from Land Bank funds. Secondly, a \$1000 Allstate grant application was submitted in September. If this application is successful, any funds received will be applied to this project. Finally, the Painesville Rotary Club has suggested that they may be in a position to make a donation towards the project. Preliminary discussions with a representative of the Rotary has suggested the possibility of their paying for the park benches as outlined in our original estimate. These are estimated to cost approximately \$3,200.

Mr. Rogers signed a contract with CT Consultants to begin this project. Their engineering services will cost \$17,000 and this amount was approved earlier during the budgeting process. Mr. Rogers requested an affirmation of the original amount. Chairman Manross requested a motion to move forward with the township park as planned, requiring an expenditure of \$155,455.

Motion: Painter (Fende)
AYES: ALL

Second: Knezevich
NAYS: NONE

ABSTENTIONS: None

12. LCLRC NON-PROFIT STATUS: Mr. Rogers reported the Land Bank received its 501 (C) (3) designation from the IRS in August. Any donations made to the Land Bank after May 20, 2012 are considered tax deductible. A letter was sent to the Esterle Estate for their gift of the three parcels of land (Sycamore-Pontiac Park) advising them that their gift is tax-deductible. Other advantages of this not-for-profit status will allow us to be eligible to purchase HUD properties with a discount likely to approximate 10% of value.

13. FINANCIAL STATEMENT FOR LCLRC: The independent accounting agency, NMS Certified Public Accountants, prepared the 2013 financial statements for LCLRC as requested by the state auditor (copies were provided to all board members). It was noted that in the management recommendation section, the Land Bank should consider dividing its accounts between more than one financial institutions, as the FDIC insurance maximum per institution is \$250,000. Mr. Rogers is investigating other firms and will advise the board at the next meeting.

14. NEIGHBORHOOD INITIATIVE PROGRAM (NIP): The LCLRC received a \$500,000 grant from NIP made available through the Ohio Hardest Hit Fund program. To qualify, the LCLRC was required to identify a minimum of ten homes currently in foreclosure, in specifically targeted neighborhoods throughout Lake County. Stipulations for the use of this money are specific. The LCLRC must mortgage and own the properties for a minimum of three years. As it is nearly impossible to negotiate such an arrangement with a regular financial institution, Mr. Rogers is working with the Cuyahoga Land Bank's Mortgage Division to acquire the necessary \$100 mortgage on each of the foreclosed homes. There is a \$500 fee associated with a mortgage application, which is likely to be reimbursable as an administrative fee from the NIP Program. The grant money can only be used for demolition purposes. Final reports on the use of funds must be reported to the state by March 31, 2017.

15. FORFEITED PROPERTIES: The Land Bank currently owns ten properties including those received from forfeiture proceedings. Mr. Rogers identified the three Esterle properties gifted to us last year (two to be used for the park), plus seven more parcels acquired through the foreclosure process. Of the ten, one is commercial property – the balance are residential parcels. Still in the pipeline are an additional twenty properties for. Mr. Rogers explained that the LCLRC will take care of the properties pursuant to the guidelines outlined in the memorandums of understanding circulated to each of the Lake County communities. We are required to maintain all properties we own – grass cutting and the like. The commercial property referred to above is the 265 N State St building. Mr. Rogers is in preliminary discussion with the Lake County Council on Ageing who sponsors the familiar “Meals on Wheels” program. They have expressed an interest in locating their operations in this building. Because of the generous size of this structure, the Council on Ageing believes it could expand the scope of their services available to Lake County residents. Preliminary findings must first be performed before the Council on Aging Board of Directors can make a decision. More information will be made available at the next meeting.

There are several cubicles of office furniture within the building that Mr. Rogers would like to donate to the Lake County Department of Health. After a serious fire at the Mill St building, the Lake County Health Dept. will be relocating Victoria Place on Main St. This much needed furniture will help them with this relocation. Chairman Manross asked for a motion to approve this donation.

Motion: Painter (Fende)
AYES: 8

Second: Margalis
NAYS: NONE

ABSTENTIONS: Manross

General discussion continued on the rules, documents and maintenance of the now and soon to be acquired Land Bank properties. Mr. Rogers explained that he has been in discussion with the Lake County court magistrates, Auditor’s office and now the Opinions Counsel of the State of Ohio. Yet to be resolved are the legal procedures and guide-lines that the Land Bank must follow. He will brief us at the next meeting as to all the legalese that will be required when procuring property.

16. FAIRPORT HARBOR 509 THIRD ST PROPERTY: This property was scheduled for demolition by the LCLRC, but was ultimately demolished by the owner. Prior to the demolition, major flooding had caused significant structural damage to the foundation and the Village incurred a cost of \$10,270 to stabile the structure. The Village of Fairport Harbor has asked for our assistance, requesting a reimbursement of the obligation to the contractor. Mr. Rogers briefly reviewed our financial sttus to date and assured the Board that the expenditure would not harm our 2014 budgetary plans. Chairman Manross asked for a motion to approve the payment to the Village.

Motion: Painter (Fende)
AYES: ALL

Second: Knezevich
NAYS: NONE

ABSTENTIONS: Manross

17. SCHEDULED OF FUTURE MEETINGS

The following dates are posted:

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

Annual Meeting – Friday, March 27, 2015 @ 2:30 p.m.

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

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

Third Quarter – Friday, September 25, 2015 @ 3:00 p.m.

With no further business Chairman Timothy Manross asked for a motion to adjourn.

Motion: Manross

Second: Painter

AYES: ALL

NAYS: NONE

ABSTENTIONS: NONE

The meeting was adjourned at 4:04 p.m. by unanimous vote.

APPROVED: _____

12/19/2014



TIMOTHY S. MANROSS, Chairman

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 October, 24, 2014, of the Board of Directors of the Lake County Land Reutilization Corporation showing the adoption of the Minutes above set forth.

Dated: _____

12.19.14



LINDA S. FREDEBAUGH, Clerk