

The Board of Directors of the Lake County Land Reutilization Corporation (the "Board of Directors") met in session on the 3rd day of April, 2015 at 3:00 p.m., in the 5th Floor Conference Room of the Lake County Administration Center with the following Directors present:

**MALCOLM A. CHAFER
GABE CICCONETTI
LORRAINE M. FENDE
J. BLAIR HAMILTON**

**BETH KNEZEVICH
JUDY MORAN
DANIEL P. TROY
ANTHONY ZAMPEDRO**

Mac Chafer moved to approve the minutes of the December 19, 2014 meeting and Beth Knezevich seconded the motion.

AYES: 8 NAYS: 0 ABSTENTION: 0

**LAKE COUNTY LAND REUTILIZATION CORPORATION
4th QUARTERLY MEETING
Friday, December 19, 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 3:03 p.m.

ROLL CALL: The following were present:

**(Bill Margalis for)
ROBERT E. AUFULDISH
MALCOLM A. CHAFER
GABE CICCONETTI
LORRAINE M. FENDE**

**BETH KNEZEVICH
TIMOTHY S. MANROSS
DANIEL P. TROY
ANTHONY ZAMPEDRO**

2. MOTION TO APPROVE THE MINUTES OF THE OCTOBER 24, 2014 MEETING

Motion: Chafer

Second: Cicconetti

AYES: 7

NAYS: 0

ABSTENTIONS: FENDE

3. MOTION TO APPROVE THE FOLLOWING RESOLUTION LEVYING A LIEN TO RECOVER DEMOLITION EXPENSES

RESOLUTION NO. 2014 – 52 LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 04A0520000020 (4353 Main St, Perry Village)

Motion: Fende Second: (Margalis) Aufuldish
AYES: 8 NAYS: 0 ABSTENTIONS: 0

4. MOTION TO APPROVE THE FOLLOWING RESOLUTION RE-APPOINTING TIMOTHY S. MANROSS TO THE LCLRC BOARD

RESOLUTION 2014-53 RE-APPOINTING TIMOTHY S. MANROSS TO THE LCLRC BOARD FOR A THREE YEAR TERM BEGINNING NOVEMBER 1, 2014 AND ENDING OCTOBER 31, 2017.

(Note: Board appointments require the unanimous vote of both Commissioners and the Treasurer.)

Motion: Troy Second: Fende
AYES: 3 NAYS: 0 ABSTENTIONS: 0

5. OLD BUSINESS

a) MOVING OHIO FORWARD UPDATE: Mr. Rogers reported that 58 houses have been demolished between September 30, 2013 and October 31, 2014. Funds expended to date include the Attorney General's initial grant of \$500,000, his first and second phase awards amounting to \$ 312,341 of matching funds exhausting all Moving Ohio Forward funds that he awarded the Land Bank. The Land Bank's funds expended to date amount is \$237,075.83. We have a balance of \$75,355 remaining for future demolitions. We have also received \$43,028.38 in reimbursements from demolition costs, leaving an available balance of \$118,383.55 for ongoing demolitions.

There are five new homes left on the demolition list with estimated costs as follows:

- 1) 255 Stage Ave Painesville City
 \$22,990.00 + HzW, admin and soft cost Estimate \$2,200
- 2) 276 W Jackson St Painesville City
 \$17,600.20 + HzW, admin and soft cost Estimate \$2,200
- 3) 352 Sanford St Painesville City
 \$15,300.10 + HzW, admin and soft cost Estimate \$2,200
- 4) 73 Riverside Dr Painesville Twp
 \$30,942.25 + HzW, admin and soft cost Estimate \$2,200
- 5) 2965 Rockefeller Rd Willoughby Hills
 \$12,804.25 + HzW, admin and soft cost Estimate \$2,200

The grand total spent on MOF Demolitions (AGO & LCLRC) \$1,160,143.43. Mr. Rogers reported that there were originally 82 homes targeted for demolition at the onset of this program. The Land Bank will have demolished 63 homes and an additional 10 homes have been addressed

privately by either the property owners or banks as a result of our efforts. A formal thank-you letter to the Attorney General will be forwarded from the Land Bank once all projects have been completed and outstanding invoices paid.

b) GRAND RIVER MERRICK HUTCHINSON SCHOOL DEMOLITION: Mr. Rogers reported the final figure for this completed demolition was \$62,200.00.

c) PAINESVILLE CITY HOLIDAY INN DEMOLITION: Mr. Rogers reported this demolition has been completed as well. The Land Bank's commitment to the City of Painesville was to provide a 50% share (not to exceed \$306,000) based on Painesville's engineer cost estimates. A check for \$254,773.91 amounting to 50% of the projects cost was hand delivered to Painesville City Officials last Monday.

d) DWORKEN AND BERNSTEIN BUILDING DEMOLITION: This building is down and the work is almost completed. The Land Bank originally budgeted an amount of the estimated \$300,000 cost – not to exceed \$150,000 for this cooperative effort. We were later verbally advised as work progressed, that our share had been estimated to be \$103,500 based on the actual costs, yielding a savings of \$46,500. This and other savings will be used for future LCLRC projects.

e) PAINESVILLE TOWNSHIP PARK: As approved by the board at the last meeting, a contract with CT Consultants was signed and work has begun including lot clearance and land surveys. Joyce Bond and John have been working on possible methods of acquisition of materials through the state as opposed to going out for bid. The estimated cost for this park is \$155,455. On September 2nd, we have received a letter from the CDBG grant program indicating an award of \$27,000 based on our original application requesting \$65,000. In addition, a grant in the amount of \$1000 was awarded by Allstate. Finally, members of the Painesville Rotary Club and the Painesville Community Improvement Corporation (PCIC) have suggested that their respective organizations may be willing to help defray some of the costs associated with the proposed park. Mr. Cicconetti, who is a member of PCIC said they are looking to make this one of their first 2015 projects. Mr. Rogers has prepared letters to be mailed this week explaining our needs. The original architectural drawings indicated a board-on-board fence, but other options for a brick or concrete wall are being reviewed considering the maintenance issues with a wood fence.

f) SUMMARY - LCLRC 2015 OVERALL EXPENSES: Mr. Roger's summary of all above expenses, compared to the original budgeted amounts would approximate a savings just under \$125,000. Commissioner Troy asked that the Board consider the original letter to the County Commissioners stating our financial commitment to the Dworken and Bernstein project. The letter as provided specifically states, "The dollar amount that has been allocated to assist the

County for this project is \$150,000.” A brief discussion followed and the consensus of the Board was to reimburse the County the entire \$150,000.00.

6) NEW BUSINESS:

a) NEIGHBORHOOD INITIATIVE PROGRAM (NIP) The LCLRC has received a \$500,000 grant from Ohio Housing Finance Agency’s NIP program, made available through the Ohio Hardest Hit Fund program. To qualify, an agency such as ours is required to own at a minimum, ten houses located in NIP targeted areas within Lake County. Ownership must be for three years and each property must have a nominal mortgage wherein the Land Bank is the borrower.

As it is nearly impossible to negotiate such mortgage arrangements with a regular financial institution, Mr. Rogers is working with the Cuyahoga Land Bank’s Mortgage Division to acquire the necessary \$100 mortgage for each of the foreclosed homes. There will be a \$500 fee associated with the mortgage application and associated fees which is likely to be reimbursable as an administrative fee by the NIP Program. All NIP funds can only be used for demolition purposes. We are responsible for having completed our implementation of this program and all reports submitted by March 31, 2017.

Mr. Rogers discussed several houses that may qualify. 668 N St Clair St., Painesville City was a location that does not fit the NIP profile as was first thought. He stated that as we obtain each parcel, we must be cognizant that tearing down a house in a neighborhood may actually detract from the neighborhood. Each house represents unique circumstances and should be addressed accordingly.

b) FORCLOSED HOUSES: continue to come in from the Court. Another commercial building, discussed at the last meeting - 265 N State St., Painesville City was looked at by the Council on Aging for their Meals on Wheels program. But, the available parking spaces are inadequate at this point. The Council is discussing the possibility of working out an arrangement with an adjacent property owner. The office cubicles within the building were found to be in excellent shape and were donated to the Lake County Health Department due to their building fire earlier this year. Ms. Fende asked about the credit union client paperwork that was never removed from the building. Mr. Rogers assured her that the entire contents would be removed and shredded by Northcoast Shredding Services, a qualified shredder used by the county.

There is also a request from the Painesville Community Development Corporation (PCIC) to consider their acquiring the building. Certainly, should the Council on Aging’s prospects fall through, the PCIC would be a suitable option. Should that not work out, the Land Bank would continue to look for a suitable occupant.

c) **PRELIMINARY JUDICIALS:** Another issue the Land Bank is reviewing is the lack of a Preliminary Judicial being filed at the onset of foreclosure cases. As of October 2013, the Prosecuting Attorney's Office began filing *In Rem* cases under a different subsection of the Ohio Revised Code. Currently, only the property owners are being named as defendants in the case as opposed to all lien holders. The result of this practice would suggest that properties forfeited in these cases may not be entirely free of all encumbrances. We will keep you updated as to this mild complication.

d) **COUNTY TAX BILLS FOR LCLRC PROPERTIES:** Ms. Fende asked when this issue might be resolved, and why the paperwork is taking so long? Mr. Rogers stated he is awaiting responses from the Auditor's Office after having discussed the matter with the Prosecuting Attorney's Office. He was originally told that an exemption form was required to exempt property taxes being applied to Land Bank owned properties. When contacting the State of Ohio the State of Ohio, he was told no forms were necessary because the states statute specifically exempt Land Banks from property taxes. Mr. Rogers pointed out that while both offices have open lines of communication with the Land Bank, he does not have the authority to tell the Auditor or Treasurer to stop preparing any tax bills related to property held by the Land Bank.

e) **PROPERTY MAINTENANCE:** Commissioner Troy asked about the issue of maintenance and costs on the properties that we now own. Mr. Rogers explained that there are only four properties with structures that have been transferred to date. Three of the houses are scheduled for demolition. The fourth house at 6889 Dock Road has been winterized, therefore no immediate costs. This house is being reviewed for possible demolition.

As the Land Bank continues to grow, phone inquiries are now coming in requesting information on properties previously demolished. Even the Lake-Geauga Habitat for Humanity is interested in a cooperative partnership with the Land Bank. Geauga County Habitat for Humanity has just recently merged with Lake County. Their mission is to provide decent affordable housing to families in Lake County.

g) **LCLRC WEBSITE:** A website for LCLRC is the only project that is in this year's budget that has not yet been realized. We introduced an outline of our needs to Hatha Communications with knowledge that they had created the Cuyahoga Land Bank's original website several years ago and, that they continue to be a front runner in Land Bank web design in Northeast Ohio. But their initial cost estimates are too expensive for Lake County at this time. While Hatha has expressed a willingness to work with the Land Bank and provide services on an incremental basis, discussion followed with several names of other website designers. Mr. Rogers anticipates choosing a vendor prior to the next meeting and will provide an update then.

7) **FINANCIALS:** There is no formal report of the financials this month as there appears to be a discrepancy in the balance sheet from Quick Books. Mr. Rogers was unable to reach Doug

Heiser this week to discuss this issue. He also noted that we are analyzing procedures on how to show both awarded property values and demolition liens certified to the tax duplicate. In both cases, these values are categorized as assets to the Land Bank.

8) **NEW COMMISSIONER:** Commissioner Troy reminded us that as soon as the newly appointed commissioner is selected, (Robert Aufuldish has retired) we will need to add that person to the LCLRC Board roster. This representative will be designated by the County Commissioners before the 1st meeting of 2015.

9) **SCHEDULED OF FUTURE MEETINGS**

The following dates are posted:

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

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

Second Quarter – Thursday, June 26, 2015 @ 3:00 p.m.

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

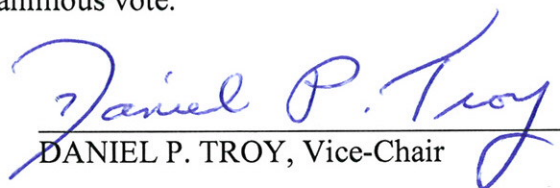
Fourth Quarter – Friday, December 18, 2015 @ 3:00 p.m.

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

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|-----------------|---------------|----------------|
| Motion: Manross | Second: Fende | |
| AYES: 8 | NAYS: 0 | ABSTENTIONS: 0 |

The meeting was adjourned at 3:52 p.m. by unanimous vote.

APPROVED: APRIL 3, 2015


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 December 19, 2014, of the Board of Directors of the Lake County Land Reutilization Corporation showing the adoption of the Minutes above set forth.

Dated: APRIL 3, 2015


LINDA S. FREDEBAUGH, Clerk