

The Board of Directors of the Lake County Land Reutilization Corporation met in session on the 19th day of December, 2016 at 3:00 p.m, on the lower level of 8 N State St (KeyBank Building) with the following Directors present:

**MAC CHAFER
GABE CICCONETTI
LORRAINE M. FENDE**

**TIMOTHY S. MANROSS
JUDY MORAN
ANDY ROSE**

Andy Rose moved to approve the minutes of the Monday, September 26, 2016 meeting and Lorraine Fende seconded the motion.

AYES: 6 NAYS: 0 ASBSTENTION: 0:

**LAKE COUNTY LAND REUTILIZATION CORPORATION
3rd QUARTER MEETING
Monday, September 26, 2016 @ 3:00 p.m.
8 N State St, KeyBank Building (Lower Level), Painesville OH 44077**

- 1. CALL TO ORDER:** Timothy S. Manross, Chairman called the meeting to order at 3:09 p.m.

ROLL CALL:

**LORRAINE M. FENDE
J. BLAIR HAMILTON
BETH A. KNEZEVICH
TIMOTHY S. MANROSS**

**JUDY MORAN
ANDY ROSE
DANIEL P. TROY**

Mr. Rogers was not present for this meeting. Segments of today’s report were read by Chairman Manross. It was agreed upon that since there were no actions on the table to be voted on, the report being read by Chairman Manross would be emailed to all Board Members following the meeting. The contents of that report is included in this transcription. Commissioner Troy commented that since the Board is only required to meet once a year, and that unless there is no Board voting action, that in the future progress reports might be the solution to finding meeting times appropriate for all.

- 2. MOTION TO APPROVE THE MINUTES OF THE 2nd QUARTER MEETING HELD JULY 11th, 2016.**

Motion: Rose Second: Fende
AYES: 7 NAYS: 0 ABSTENTIONS: 0

3. RESOLUTION 2016-73 RE-APPOINTING JOHN M. ROGERS AS EXECUTIVE DIRECTOR FOR THE LCLRC, AFFIRMING HIS CONTRACT AND RE-AFIRMING HIS COMPENSATION – FOURTH READING

Mr. Rogers’s annual contract has been previously provided for the Boards review. His term as outlined would be effective March 1, 2016 through February 28, 2017. Compensation is to continue at the ongoing rate of \$60/hour but with a proposed maximum yearly allowance being changed from the 1000 hours to 1200 hours. While Mr. Rogers was compensated for 1000 hours in 2015, his total hours were 1039.75 hours, the difference being uncompensated.

This resolution was tabled again, at the last meeting pending further discussions at an ad hoc committee meeting. As there was once more, no meeting prior to today’s session, Commissioner Troy and Andy Rose suggested an Executive Session be held at the end of today.

A motion was made to enter into an Executive Session for the purpose of discussing the re-appointment and salary of Mr. Rogers prior to the conclusion of today’s meeting.

Motion: Fende	Second: Knezevich	
AYES: 7	NAYS: 0	ABSTENTIONS: 0

4. OLD BUSINESS

a) NIP NEIGHBORHOOD INITIATIVE PROGRAM UPDATE

First Phase demolitions have been completed with a total of 27 homes demolished. We have received \$396,865.80 in reimbursements for the first 22 homes from the Ohio Housing Finance Agency (OHFA). CT has advised that we will be receiving documents today or tomorrow for my review and submittal to OHFA for the last five homes. These amounts we anticipate totaling \$93,459.10. Once received, the first phase of NIP program will have been completed. The Land Bank anticipated expenses to be \$512,272.03 with reimbursements of \$491,324.80. Any cost exceeding \$25,000 is not reimbursable. These properties may be transferred to a new owner three years from the date of the OHFA Open-ended mortgage (NIP reimbursement). In most cases, the NIP reimbursements will exceed our actual costs of demolition because they include amounts for our administrative costs and potential maintenance for the three years. Once these funds are received they can then be used for other Land Bank related projects.

There were 25 In Rem foreclosure cases in litigation as of the last meeting. We have received notices dating back to July 2016 from the Prosecuting Attorney’s Office of another 65 properties that have or will have In Rem or tax foreclosure complaints filed on behalf of the Lake County Treasurer because of delinquent taxes. Each of these represent potential acquisitions for the Land Bank.

During the foreclosure process, each property must be offered to the general public by Sheriff’s Auction on two separate occasions. When a foreclosure case has been completed and a final disposition may result in a forfeiture, - the community, the school district and the Land Bank are each offered the property with a right of first refusal. If no entity requests the parcel, then by an

order of the Court, the parcel can be forfeited to the State. It is at this point that the LCLRC would petition the property for ownership.

Taking this data into consideration, the Land Bank applied for a second NIP grant application. If we obtain 20-25% of the structures discussed above over the next 3 years, we should easily be able to utilize the \$750,000 awarded.

b) COMMUNITY DEMOLITION PROGRAM

The Land Bank has spent \$46,779.90 helping to remove condemned residential structures to date in 2016.

As of September 26, 2016, there are 21 properties identified by communities for demolition. These include;

1. 5599 Hickory, Mentor-on-the-Lake - *Resolution received, contractor bids out.*
2. 1738 E 298th St, Wickliffe - *Resolution received, contractor bids out.*
3. 1445 Chapman Rd, Madison Twp.
4. 1072 Edgewood Ave, Madison Twp.
5. 7405 Middle Ridge Rd, Madison Twp.
6. 6094 N Ridge Rd, Madison Twp.
7. 502 Fairlawn Ave, Painesville City
8. 160 Jefferson St, Painesville City
9. 564 S State St, Painesville City
10. 283 W Jackson St, Painesville City
11. 56 Safford St Madison Village
12. 683 E Main St Madison Village - fire damage, LCLRC unable to acquire
13. 416 Fifth St, Fairport Harbor Village
14. 1250 High St Fairport Harbor Village
15. 502 Fairlawn Ave, Painesville City
16. 160 Jefferson St, Painesville City
17. 564 S State St, Painesville City
18. 283 W Jackson St, Painesville City
19. 5 Athens Ave, Painesville Twp.
20. 28 Indiana Ave, Painesville Twp.
21. 33 Iroquois Ave, Painesville Twp.

Eastlake has identified 4 possible homes

c) LCLRC OWNED PROPERTIES REPORT UPDATE

The LCLRC has title to 83 properties (103 parcels of land including devil strips)

- (1)
Property - 321 Sixth St Fairport Harbor in process of Motion to Vacate.

- (27) (30 Parcels) NIP properties – guidelines make them unavailable for disposition for three years.

55 properties (71 parcels) are available for disposition, of which the following are pending agreements:

Two parcels will be donated as follows once we have clear title:

- 1 parcel, located on Euclid-Chardon Rd, to Lake Metroparks
- 1 Property, located on Skinner Ave, to the City of Painesville

We have pending purchase agreements on 6 properties consisting of 11 parcels:

- 1 commercial property consisting of six parcels located at 411 N State St in Painesville
- 1 residential property consisting of one parcel located at 191 W Jackson St Painesville
- 1 residential property consisting of one parcel located at E 342nd St Eastlake
- 1 residential property consisting of one parcel located at Scott St Painesville City
- 1 residential property consisting of one parcel located at 276 W Jackson St Painesville City
- 1 residential property consisting of one parcel located at 1014 W Jackson St Painesville City

2 homes located at 668 N St Clair St Painesville and 352 Clarmont Rd Willowick are under renovation and will be offered for sale to income qualified buyers.

We have interested parties on 5 residential parcels:

- 183 Sterling Ave Painesville City
- 107 Nebraska St Painesville City
- Tall Oaks Mentor-on-the-Lake
- 2965 Rockefeller Rd Willoughby Hills
- 1 parcel located on Cambden Crossing in Concord Twp

The majority of the remaining 35 properties (53 parcels) will be listed on our website as being available for sale. Additional properties have had inquiries from adjacent property owners and others.

The Land Bank has yet again, hit a glitch with the transfer of properties. The first of the negotiated properties were sent to a title agency to obtain title insurance during the processing of the Purchase Agreement. The Insurer refused to recognize the declaration on the Auditor's Deed that states the Land Bank has clear title. The deed was sent to another Title insurance agency who also denied the application. The title insurance companies are not willing to insure these properties even though we have obtained clear title under the law from the Auditor. This problem is impeding our ability to finalize the agreements already negotiated. Mr. Lyons is working through this issue with the title insurers and the prosecutor's office.

Once this issue is resolved, we will be able to proceed quickly with transferring our already agreed upon property transfers.

On a final note, I am considering taking title to a commercial structure on Stage Avenue in

Painesville. This one story building housed a printing operation Lake Photo for many years. I am working with the City of Painesville to obtain an environmental assessment of the property to ensure that no serious concerns exist. Once that is determined I will move forward to acquire the property with the intent of demolishing the building and clearing the land to make it available for future development.

5. COLLABORATIVE COMMUNITY DEMOLITIONS

a) PAINESVILLE PARKING GARAGE DEMOLITION

This project is nearly completed. The Land Bank was advised by Painesville's Acting Manager Doug Lewis of three change orders, the total project cost with adjustments will come in under budget and should total \$577,508. The Land Bank agreed to share 50% of the projects overall cost, with a ceiling not to exceed \$ 294,500. Based on current numbers, the Land Banks share will be \$288,754.00, or \$5,746 less than we originally budgeted.

b) EASTLAKE'S JFK SENIOR CENTER DEMOLITION

Eastlake's Engineer provided a preliminary estimate of \$53,543.60 for the demolition cost of the former JFK Center. This amount did not include an asbestos analysis (estimated to be between \$2,100 and 2,500) and any required asbestos abatement. The existing structure hinders any hopes for making the property attractive for future economic development. The Mayor advised that the projected end of the year funds may find the city carrying forward a negative balance. The City of Eastlake will make an attempt to find \$2,500 for the asbestos analysis. This analysis will help calculate a better estimate of the buildings demolition costs. The Mayor did not think that the City would be financially able to participate in the demolition of this property - even with the Land Bank's 50% share.

Mr. Rogers requested authorization to increase the Land Bank's share of the projects cost to cover it in its entirety, but not to exceed the budgeted amount of \$100,000. This request would assist the City of Eastlake entirely with the successful removal of this structure. The City would be responsible for the up-front demolition expenses and the Land Bank would then reimburse Eastlake upon the project's completion. This request would not change the amount originally authorized by the Board in our 2016 Budget, just the terms of the share.

Discussion followed. Commissioner Troy commented that he felt that the Land Bank should not be expected to pay for the complete cost. That it would be appropriate for the City to at least share some of the burden. Andy Rose agreed that the building must come down and any further development of this property would be difficult because of its location. Chairman Manross responded that any requests from our local communities for the Land Bank to assist in helping to improve their neighborhoods is greatly appreciated. That funding for all Lake County communities has dropped considerably. It was decided that the Board would like the full estimated cost of the project be realized before further discussion can be made.

A motion to approve the Land Bank donation of funds for the asbestos analysis only, and that the balance of the \$100,000 budgeted be placed on hold for now.

Motion: Troy
AYES: 7

Second: Rose
NAYS: 0

ABSTENTIONS: 0

6. RENOVATIONS

a) 352 CLARMONT ROAD RENOVATION

This renovation is almost completed. As of the beginning of last week, the front sidewalk and garage door were installed along with final garage siding. Carpeting is scheduled for installation this week, and punch list items will include grading, seeding and straw placement. Anticipated costs for this project remain as estimated. Final invoices after review by WRCDC, will be given to the Land Bank for payment.

An independent bank appraiser will conduct an appraisal prior to marketing this home. Because of the rehabilitation funding sources, an eligible buyer of this home will be income qualified under federal guidelines.

Any of the Board members interested in viewing both 668 N. St. Clair St., renovated home are more than welcome to tour. We appreciate the opportunity to show you around these two beautiful homes.

7. DEVELOPMENTS AND IMPROVEMENTS

a) 265 N STATE ST PAINESVILLE CITY BUILDING

As discussed at the last meeting, a grant application was submitted to the U.S. Department of Agriculture by the Hispanic Organization of Lake and Geauga Counties (HOLA) for funds to be used in the creation of an economic incubator/community kitchen. The grant has been awarded, and Mr. Rogers is waiting to receive formal verification of its award and the amount. A letter was submitted by Mr. Rogers to the USDA in support of the grant application consistent with what had been discussed with the Board in past meetings and within the scope of his authority. The goal is to return this long abandoned commercial building to a viable use. The LCLRC would be contributing the repair of the roof – all of this adding to the area’s revitalization.

The building, located across from St. Mary’s Church (which serves a significant Hispanic population) is situated in a low to moderate income neighborhood of Painesville, an area visibly in need of investment. HOLA, a not-for-profit, has enlisted the aid of an architectural firm to assist with the design and development of this proposal. Additionally, HOLA has enlisted the aid of a VP and Corporate Financial Officer with Parker Hannifin to advise and spearhead fundraising efforts to secure the necessary finances, (exclusive of the USDA grant) in order to make what will amount to a significant investment and improvements to the building – well beyond the LCLRC budgeted roof repair. As a result of conversations with HOLA, they have begun preparation while also meeting with Painesville City officials to obtain the necessary permits.

Discussion followed. Commissioner Troy clarified that to date, other than the \$10,000 spent to clear the shell of the building, no additional improvements have been made nor has the Board of the Land Bank passed any requests for funding. Commissioner Moran asked if the \$80,000 intended for the roof improvement was a line item that had been approved by the Board earlier this year. If so, the Director has the right to spend this money on the roof. After further discussion, the consensus was that the roof expense was put into the budget when the Land Bank acquired the property in December 2015. Commissioner Troy believes Mr. Rogers would not move forward on the roof improvement without discussion with the Board due to the present interests in the building. It was decided that the sense of the Board believes that before any additional structural repairs are made on the building, that the Executive Director bring all information to the Board of Directors for further discussion.

Chairman Manross entertained questions from Jim Weber who asked why there were so few meetings held by the Land Bank and who on the Board is watching over the spending? Arzella Melnyk asked why only 1/6th of the proposed Incubator was kitchen when the purpose of the building was for cooking. She asked to know what the real purpose was of the building. Jim Weber wanted to know how this facility could possibly be worth millions. Another woman spoke, but refused to give her name or address. Chairman Manross responded by saying all of these questions should be put before the Executive Director of the Land Bank. He would have more details at the next meeting.

8. LCLRC WEBSITE

Linda gave an overview of the web page, indicating that the “Available Properties Residential Parcels” section was not functioning properly. All other elements of the site were in place and ready for review. The web designer had loaded all the data but was having a problem with the server publishing the information properly. It was stated that Mr. Roger’s review of the web page the day before the meeting indicated the site was not reflective of the final anticipated product. Mr. Rogers asked for the Boards continued patience. Once completed, the Board will be given an access code for individual review and at that point the Board may direct any questions concerns or recommendations to the Land Bank.

9. NEW BUSINESS

a) RECORDS RETENTION SUBCOMMITTEE

Linda has been maintaining all files and electronically scans of land bank documents. We have not, nor do we delete any LCLRC related documents. I have been in contact with the Ohio Historical Society in Columbus for direction and assistance and have begun preparing a records retention schedule. It is my recommendation that the Board create a Records Retention Subcommittee consisting of at least three individual directors willing to spend some time as this work progresses. Typically, a records retention committee would meet a minimum of once a year to review records retention procedures for compliance. Circumstances often dictate a change, i.e. addition of a category or the need to address a particular matter. The committee would then be called upon to meet. There were no responses to the request for committee volunteers.

b) REQUEST OF FAIRPORT'S HUNGARIAN CULTURE CLUB

Mr. Rogers was contacted by the Hungarian Culture Club in Fairport Harbor about the possibility of donating funds towards a monument and surrounding park benches. The monument will be located on the southwest corner of the village square. While the monument was unveiled September 23rd, the club is still in the process of raising funds for the entire project, which includes the cost of the monument of \$15,000.

After considering the request, Mr. Rogers approached Gabe Cicconetti to discuss the possibility of using the Allstate Helping Hands Grant. This grant has been made available to us in the past because of his service on our Board. The use of the funds is consistent with the intent of the grants guidelines. In the last two years the \$2,000 received was used to help with the expenses related to the construction of the Jack Crislip Park. With no similar projects planned for this year, use of these dollars in this manner would make sense. Mr. Rogers had an opportunity to talk with all but three board members in passing, left messages for two others and have not been able to reach out to the final member thus far. All who were informed, have indicated support for the donation. This is not budgeted as an expense in this year's 2016 budget. Mr. Rogers requests the Board formally consider the matter allowing the Land Bank to appropriate the \$1,000 (2016 grant) for this purpose. This request was not acted upon and tabled until the next meeting.

EXECUTIVE SESSION

The Board of Directors, having voted earlier to go into Executive Session, announced that at this time, 4:20 pm, they would enter into Executive Session.

At 4:50 pm, the Board emerged from executive session. Mr. Rogers will continue his duties as Executive Director as outlined in his previous contract. The Resolution will remain on the agenda until next meeting.

The Board having no further business to discuss, adjourned 4:52 pm.

10) SCHEDULED OF FUTURE MEETINGS

The following dates are posted:

Fourth Quarter – Monday, December 19, 2016 @ 3:00 p.m.

First Annual Meeting – Monday, March 27, 2017 @ 3:00 p.m

First Quarter – Monday, March 27, 2017 @ 3:30 p.m.

Second Quarter – Monday, June 26, 2017 @ 3:00 PM

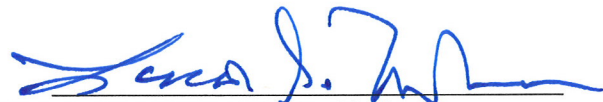
Third Quarter – Monday, September 25, 2017 @ 3:00 p.m.

APPROVED: 12/19/16


TIMOTHY S. MANROSS, Chair

The undersigned Clerk certified that the foregoing is a true and correct transcription of the minutes of the meeting held September 26, 2016, of the Board of Directors of the Lake County Land Reutilization Corporation showing the adoption of the Minutes above set forth.

Dated: 12.19.16


LINDA S. FREDEBAUGH, Clerk