

The Board of Directors of the Lake County Land Reutilization Corporation (the "Board of Directors") met in session on the 8th day of October, 2015 at 3:02 p.m, in the 5th Floor Conference Room of the Lake County Administration Center with the following Directors present:

MALCOLM A. CHAFER
(MIKE MANARY) FOR
GABE CICONETTI
LORRAINE M. FENDE
BLAIR HAMILTON

TIMOTHY S. MANROSS
JUDY MORAN
DANIEL P. TROY
ANTHONY J. ZAMPEDRO

Mac Chafer moved to approve the minutes of the Thursday, July 30, 2015 meeting and Anthony Zampedro seconded the motion.

AYES: ALL

NAYS: NONE

ASBSTENTION: NONE:

LAKE COUNTY LAND REUTILIZATION CORPORATION
2nd QUARTER MEETING
Thursday, July 30, 2015 @ 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 3:08 p.m.

ROLL CALL: The following were present:

MALCOLM A. CHAFER
GABE CICONETTI
LORRAINE M. FENDE
BLAIR HAMILTON
BETH A. KNEZEVICH

TIMOTHY S. MANROSS
JUDY MORAN
DANIEL P. TROY
ANTHONY ZAMPEDRO

- 2. MOTION TO APPROVE BOTH THE MINUTES OF THE APRIL 3, 2015 ANNUAL MEETING AND APRIL 3, 2015, 1st QUARTER MEETING**

Motion: Chafer

Second: Zampedro

AYES: 8

NAYS: 0

ABSTENTIONS: MANROSS

- 3. MOTION TO APPROVE THE FOLLOWING RESOLUTIONS IN TOTAL**

RESOLUTION NO. 2015 – 65

A RESOLUTION AFFIRMING THAT ALL POLICIES AND PRACTICES OF THE LAKE COUNTY LAND REUTILIZATION CORPORATION (LCLRC) AS ADOPTED AND IN

PLACE, ARE IN CONFORMANCE WITH APPLICABLE FAIR HOUSING LAW AND THAT THE LCLRC WILL TAKE THE NECESSARY STEPS TO AFFIRMATIVELY FURTHER FAIR HOUSING.

RESOLUTION NO. 2015 – 66

**A RESOLUTION RESCINDING RESOLUTION NO. 2014-31 LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE
Permanent Parcel Number 15A0270000050 (1143 N State St, Painesville City)**

RESOLUTION NO. 2015 – 67

**A RESOLUTION RESCINDING RESOLUTION NO. 2014-50 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. 2015 – 68

**A RESOLUTION RESCINDING RESOLUTION NO. 2014-51 LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE
Permanent Parcel Number 15D016A000080 (428 Lawnview Ave-Chardon St)**

Mr. Rogers explained that Resolution No. 2015-65 is necessary for any future applications seeking CDBG funding. In the past a letter of intent was used in place of a resolution. Once approved, this resolution will accompany future applications where any Fair Housing Law Affirmations are required during the next 12 months.

Resolution Number 2015-66 dealing with the Mt. Moriah Missionary Baptist Church and Resolutions 2015-67 and 2015-68 dealing with the Mt. Olive Baptist Church, are to rescind three liens placed on the tax duplicate liens for these three church owned parcels. Initial written communications between the City of Painesville and the churches were sent notifying the property owners that any liens would be placed onto the tax duplicate. These were issued prior to the Land Bank's involvement. Subsequent correspondence between the City and the property owners suggested otherwise. Both churches have advised the Land Bank that they are unable to pay off the tax liens. To offer the owners relief, Mr. Lyons has suggested that a mortgage be created which would be paid when the property is sold. If the parties reach an agreement, then the Land Bank would request a release of the liens, which the Auditor's office has indicated can occur with these resolutions. Once the property is sold, the Land Bank would recover the expense of the demolitions.

Concerns were discussed that this issue could again arise in the future. Mr. Rogers responded that the Land Bank will examine the release forms currently on file and will make sure that our documents as

drafted will clearly spell out in detail, the terms and conditions of any demolition in which the Land Bank's aid is enlisted by a community. Where a waiver is sought from the property owner, it will be clear that the expenses will be certified to the tax duplicate.

Motion: Moran

Second: Zampedro

AYES: ALL

NAYS: NONE

ABSTENTIONS: NONE

4. OLD BUSINESS

a) PAINESVILLE TOWNSHIP SYCAMORE-PONTIAC PARK

Mr. Rogers reported that the playground equipment, walkway and pads for the benches have all installed. The pavilion, concrete pad beneath the pavilion, lighting, benches, picnic tables and landscaping are yet to be completed. Barring any unforeseen circumstances we hope the project will be completed by Labor Day. A check for \$3000 was given to the Land Bank from the Painesville Community Improvement Corporation (PCIC) for the purchase of the picnic tables, along with another \$1000 check from the Allstate Foundation, which in conjunction with last year's donation will be used to pay for the Parks benches. We are looking at a means to inscribe into the tables and benches recognition that they were gifts of the PCIC and Allstate.

Mr. Rogers has discussed with Gabe Cicconetti the possibility of a joint sponsorship of a block party for the grand opening and transfer of title when the park is completed. The park project's cost was originally estimated to be approximately \$157,000 subject to any issues that might arise. After completion the park will be transferred to Painesville Township, who will then own the park and be responsible for its maintenance and security.

b) NIP NEIGHBORHOOD INITIATIVE PROGRAM UPDATE

Three bids were received for the first ten houses in the NIP program. Pillar Excavation bid \$126,950, T & T Demolition and Recycling LLC bid \$215,000 and B & B Wrecking bid \$229,400. Decisions as to who would be awarded the work was based on the figures for the individual houses, as to awarding a complete package to one bidder. This would allow us to be able to obtain competitive prices for future demolitions. The results are that T & T Demolition will demo the 4834 Glen Lodge Rd. residence in Mentor and Pillar Excavation will demolish the other nine homes throughout Lake County. At this point six additional homes have been identified that will help us meet the requirement that we own and have mortgages on 20 residences by the end of September. Mr. Rogers is confident that the additional four properties necessary will be procured in time before the deadline. The concern is that if we do not own and have mortgages on twenty houses by September 30th, the likelihood of some of our original \$500,000 grant may re-allocated by the Ohio Housing Finance Agency. It should be noted that based on the MOF program, the asbestos abatement and demolition costs for 20 houses was estimated to have been \$363,000. Our demolition expenses for the 10 houses awarded thus far are significantly less.

c) UPDATE COMMUNITY DEMOLITION PROGRAM

As of this date twelve of what are expected to be twenty five homes are in the process of being demolished. The residence at 6578 Lake Rd W, Madison Twp and that at 1798 Eldon Dr, Wickliffe City are expected to be the first demolished. Both properties are in a serious state of dis-repair either as a result of damage by fire or severe neglect. There are four properties in the City of Painesville for which we expect resolutions to demolish on or about August 7th. In Eastlake, an additional six homes have been condemned and we should have resolutions on or about the 7th of August. Delays may occur due to councils or trustees in recess during the during the summer month of August. As we receive these resolutions, these homes will be demolished in conjunction with the NIP project. All expenses incurred for these demolitions will be certified to the tax duplicate when we are finished and the Board passes the necessary resolutions in the future.

Commissioner Troy asked for a matrix of the funding stream for all the demolitions this year.

d) UPDATE ON THE 509 THIRD ST, FAIRPORT HARBOR PROPERTY

The Board of Directors passed Resolution 2015-57 at the last meeting certifying \$11,827.75 for the expenditures made for the house located in the Village of Fairport Harbor for the shoring up the residence whose foundation was severely damaged as a result of serious flooding in 2013 and our related expenses. The bank ultimately demolished the house at its own expense and sold the property. It would appear that the bank did not disclose this expense to the buyers of the property and the sale occurred prior to the Board's action to certify our lien for the related expenses. Prior to the lien being fully filed with the Auditor's Office, we notified by mail the new owners of the pending bill. Doing so would enable the owners to save some money if they were to pay the full amount before placement on the tax duplicate.

The now new owners responded complaining that they were unaware of any pending lien. Mr. Rogers asked if the Board wished to consider providing any relief to the new owners, explaining that he has withheld formally filing the lien prior to discussing this matter with the Board. After some discussion the Board decided that the lien should stay and that the issue is one really between the bank and the new property owners. However, due to the circumstances, Chairman Manross will make an attempt to reach out to the bank and suggest they pick up the lien expense.

e) ALLSTATE FOUNDATION GRANT FOR 2015

As previously mentioned, Mr. Rogers again reported that the Allstate Foundation approved another \$1000 Grant to the Land Bank. Both the 2014 and 2015 gifts of \$1000 will be used towards the improvements at the Sycamore/Pontiac Park in Painesville Township. Mr. Rogers extended a heartfelt thank you to Gabe Cicconetti for his efforts in helping us obtain both donations.

f) UPDATE ON THE LAND BANK STATE AUDIT

As of last Friday, June 24th the State had completed our Land Bank's first bi-annual audit.

Protocol requires a Post Audit Conference of the Executive Board and the Auditors. After a copy of the State Audit report has been sent to all Board members and reviewed by all, a decision must be made by the Board to waive the post audit. A formal letter from the Auditor will be sent to the Land Bank and then signed and returned if waving such audit. It was agreed by the Board that unless warranted, attendance and a post audit meeting would be waived.

2) NEW BUSINESS

a) THRIVING COMMUNITIES INSTITUTE (TCI) ASKS FOR LOBBYING FUNDS

A letter from Jim Rokakis was received requesting a \$2500 donation to help fund lobbying on behalf of all Land Banks in the State of Ohio. Vory's Advisors, a Columbus law firm, will work to find new funding streams for all Ohio Land Banks. Mr. Rogers requested the board approve the \$2500 amount requested to be applied towards this effort. Discussion followed. Commissioner Troy commented that this request is well placed, and it is never hurts to continue to educate the members of the legislation that this is a growing problem. The Commissioner expressed that it was his opinion that this money would be money well spent.

Motion: Troy

Second: Chafer

AYES: ALL

NAYS: NONE

ABSTENTIONS: NONE

b) LCLRC OWNED PROPERTY REVIEW

As of today's date the Land Bank owns 64 properties consisting of 77 parcels. 14 of these properties (18 parcels) are designated for NIP demolition. Five properties (one commercial and four residential) will be rehabilitated. 668 N St. Clair St. in Painesville City and 352 Claremont Rd., Willowick will be restored by Western Reserve Community Development Corporation (WRCDC). The restoration of the home at 1385 Craneing Rd., in Wickliffe will be overseen by CT Consultants due to the need for a structural engineer. A fourth residence in Fairport Harbor located at 434 King St. is also a possible renovation. The building at 665 N State St, Painesville City has seen some interest but before any action can be taken, it will need a minimum of a new roof. Once we have established clear title we will proceed with its renovation. The two parcels located at the intersection of Sycamore and Pontiac Roads in Painesville Township Park area are being used for the neighborhood park. There is another property that may revert back to the original owner as she claims she did not receive any notification that her property was subject to a foreclosure action. Another property at 417 Liberty St may require an eviction action, which would be handled by our legal counsel. As with other properties, no action is being taken pending the receipt of clear title. The remaining 42 properties consist of vacant land.

c) NEW FORECLOSURE PROCESS FOR LCLRC

Because of an opinion by the Attorney General earlier this year, the Land Bank's procedure for acquiring properties has changed. Since our first acquisition in September 2014 the Land Bank, communities and local school districts have been receiving notification from the Courts that a

property is available. If we were interested in the parcel we would petition the court and likely be awarded the property. Because of the AG's opinion, it appears that the properties given to the Land Bank are not free and clear of encumbrances.

After much discussion and research, between myself, Mr. Lyons and the Prosecuting Attorney's Office, the Land Bank in the future will not be responding to the notifications issued by the Court. Rather we will wait until the property has been forfeited to the state or Auditor's Land Bank whereupon all right, title, claim and interest of the former owner is transferred to and vested in the State of Ohio. It is at this point that if we are interested in acquiring the property, we will petition the Auditor accordingly.

When transferred to the Land Bank via an Auditor's Deed, the parcel "shall pass free and clear of all taxes, assessments, penalties and interests to the petitioning corporation." Consequently, regarding the 58 forfeited parcels that we now own – we will be asking the Court to vacate those decisions and request that the parcels be taken back via a "Motion to Vacate." If successful, the Court upon the granting of our motion, will cause the cases to revert back to the status directly before the point we were awarded the parcels. The prosecutor's office will then ask that the parcels be forfeited to the Auditor's Land Bank, after which we will immediately petition for the parcels. The Auditor will then assign us the properties – with title that is free and clear of all encumbrances. At that point we will be in a position to value and dispose of the properties in through the marketplace.

d) OPPORTUNITY TO ACQUIRE AND RESELL COMMERCIAL PROPERTY

The City of Painesville has been approached by an interested buyer of six contiguous parcels of land facing both N State St. and N St. Clair St. in the City of Painesville. Mr. Rogers will be meeting with both the city and the buyer this week to see if the Land Bank can offer assistance to this negotiation by acquiring the property from the State Auditor's Land Bank. In this case the Land Bank would be petitioning for these parcels knowing there is a prospective buyer. Procedurally, this could also place us in a position to acquire a structure for our own use at some point.

e) LCLRC HOME RENOVATIONS

Mr. Rogers explained that he had budgeted \$300,000 for three home renovations. Additionally, the LCLRC applied for CDBG and HOME grants that would have given the Land Bank upwards of \$177,000 to help offset these renovation expenditures. The LCLRC intends to provide any monies needed with its own funds. Presently the renovation estimates are hovering just below \$300,000 for the three homes. Mr. Rogers advised that he believes the LCLRC will be receiving \$194,000 in grants. Depending on how the numbers work out, we should be financially in a position to renovate the commercial building on 265 N State St., Painesville City as well. Final figures should be available before the next meeting, once all of the estimates are in.

The 265 N State St. building needs a new roof. At the advice of Chuck Klco with the County, Mr. Rogers has sought a quote from the Garland Company, a member of the US Communities Agency. This relationship allows us to contract through an assured competitive bid situation –

much like a state bid on a police car. The preliminary estimates to renovate the building are about \$124,000, with \$70,000 of that required by the roof. The Auditor's value of the building and land is around \$150,000.

Mr. Rogers reminded the Board that when we rehab and return the buildings to good working viable structures and sell them to solid businesses and hardworking citizens, we have accomplished our goal of maintaining and/or improving neighborhoods while restoring tax revenue for the communities.

Mac Chafer our Board member has voluntarily completed appraisals on twelve of our properties at no charge. Mr. Rogers formally thanked Mac for his efforts.

f) MARKETING THE LCLRC

Mr. Rogers gave a presentation to the Painesville Exchange Club on June 8th, and a presentation to the Ohio Public Finance Conference. Also, he met with the Western Reserve Community Development regarding the 668 N St. Clair St., Painesville City property. This home will be the first house the Land Bank and WRCDC will have cooperatively rehabbed since its inception on 2013. He has met with with Dave Dillan, of First Energy, who is also a board member of Habitat for Humanity. Next year it is hoped that we can offer a parcel of land to Habitat to build a new home in the Lake County area.

g) FINANCIAL STATEMENTS

Mr. Rogers reviewed the Profit and Loss statements and Balance Sheets for the 2nd Quarter. He believes we are in line with our projections for the year. Commissioner Troy asked how much money LCLRC has collected from DTAC funds since its inception. Mr. Rogers reported \$627,000 in 2013, \$643,000 in 2014 and \$478,000 to date in 2015 for a total of \$1,748,000. At Commissioner Troy's request, Mr. Rogers explained how the forfeited property assets are calculated. For those property's acquired through forfeiture or donation – the valuation is that of the Auditor's market value. On those parcels where the LCLRC demolished the residence, the cost of the demolition certified to the tax duplicate is used as the value. It should be noted that until we actually sell a property, the valuations used are only estimates.

h) EXECUTIVE SESSION – JOHN ROGERS COMPENSATION

Chairman Manross brought before the Board the subject of compensation for Mr. Rogers. The Board went into executive session at 4:20 PM. The board emerged from executive session at 4:48 p.m. with all members present. Chairman Manross indicated that the matter for which the executive session was convened will be continued. Vice-Chairman Commissioner Troy will research the matter further, with the assistance of board members Beth Knezevich and Tony Zampedro.

i) SCHEDULED OF FUTURE MEETINGS

The following dates are posted:

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

Third Quarter – Thursday, October 1, 2015 @ 3:00 p.m.

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

Annual Meeting – Friday, March 18, 2016 @ 2:30 p.m.

First Quarter – Friday, March 18, 2016 @ 3:00 p.m.

Motion to adjourn by Commissioner Troy and seconded by Commissioner Moran. Time 4:52 p.m.

Motion: Troy

Second: Moran

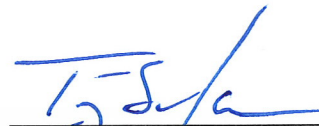
AYES: ALL

NAYS: NONE

ABSTENTIONS: NONE

APPROVED: _____

10/8/15



TIMOTHY S. MANROSS, Chairman

The undersigned Clerk certified that the foregoing is a true and correct transcription of the minutes of the meeting held July 30, 2015, of the Board of Directors of the Lake County Land Reutilization Corporation showing the adoption of the Minutes above set forth.

Dated: _____

10.8.15



LINDA S. FREDEBAUGH, Clerk