

The Board of Directors of the Lake County Land Reutilization Corporation (the “Board of Directors”) met in session on the 18th day of December, 2015 at 3:00 p.m, in the 5th Floor Conference Room of the Lake County Administration Center with the following Directors present:

**GABE CICONETTI
LORRAINE M. FENDE
TIMOTHY S. MANROSS**

**JUDY MORAN
DANIEL P. TROY**

Lorraine Fende moved to approve the minutes of the Thursday, October 8, 2015 meeting and Daniel P. Troy seconded the motion.

AYES: ALL

NAYS: NONE

ASBSTENTION: KNEZEVICH

**Lake County Land Reutilization Corporation
3rd Quarter Meeting
Thursday, October 8, 2015 @ 3:00 p.m.
5th Floor Conference Room
Lake County Administration Building**

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

ROLL CALL: The following were 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**

It is noted that the Executive Director, John Rogers will be absent today due to a scheduling conflict that arose as a result of rescheduling the 3rd Quarterly meeting.

2. **MOTION TO APPROVE THE MINUTES OF THE JULY 30, 2015 2nd QUARTER MEETING.**

Motion: Chafer
AYES: 8

Second: Zampetro
NAYS: 0

ABSTENTIONS:

Chairman Manross stated that today's quarterly report was prepared and circulated by Mr. Rogers in anticipation of this meeting and his absence. The Chair will review and paraphrase this report during today's meeting.

3. OLD BUSINESS

a) LAND BANK LEASE WITH THE COUNTY

Currently the Land Bank is on a month-to-month lease with the County. As previously mentioned, the County had indicated that they would likely be terminating our lease due to needed space on the 5th Floor. The Land Bank has received a letter notifying us that the lease is in fact being terminated. The Land Bank is expected to vacate the premises by the end of October. A copy of the letter was provided the Board.

Mr. Roger's preference is to stay in the downtown Painesville area as the Land Bank work involves all of the following:

- Auditor's Office
- Clerk's Office
- Courts
- Prosecutor's Office
- Recorder's Office
- Treasurer's Office

Also, Mr. Lyons's office, Conway Title (who frequently does Land Bank title work), the Western Reserve Development Corporation and Linda's residence are all located here. Finally, Painesville is centrally located in the county and it is in fact the county seat – and we are after all the, "Lake County Land Bank." Mr. Rogers has been in discussion with other local property owners and should have a decision soon as to where LCLRC will be located by the next meeting.

Commissioner Troy commented that the main headquarters of the Land Bank had to be moved due to space requirements of the County, but that the board meetings can continue to be held at any location in Lake County as required by the Board.

b) STATE AUDIT RESULTS

A copy of the Auditors Report was mailed to all the Board members earlier this month for their review. Mr. Rogers proudly has noted that our audit went very well. The LCLRC's financial reporting practices are in accordance with Generally Accepted Accounting Principles (GAAP) and are exemplary. A copy of the Ohio Auditor of State Award was distributed to the Board.

Mr. Rogers assured us that a lot of time and effort was spent, in large measure by Linda, responding to and meeting the requests of the Auditor's Staff Accountants. Our next formal State audit will be in two years.

c) PAINESVILLE TOWNSHIP NEIGHBORHOOD PARK

The park is finished. Friday, it was inspected by Mr. Rogers, Mike Manary and Gabe Cicconetti of Painesville Township along with Ms. Joyce Bond, the engineer overseeing the project at CT. Mr. Rogers reported that aside from the grass growth - it is an impressive little facility. Additional seed may be added as weather permits. Mr. Rogers has visited the site on several occasions, and the neighbors have mentioned how much they appreciate the improvement. One asked why we didn't include a water fountain for the kids. (Mr. Rogers told her that once Painesville Township took ownership, they could consider that additional improvement). Also the school system has designated the park as a bus stop.

Final payments are yet to be authorized as there are a couple of unexpected items with the foundation and electrical work that need to be resolved. Mr. Rogers reported we are very close to our original estimates. Final figures will be available at the next Board meeting.

There will be a grand opening event at the site on Saturday, October 17th, tentatively between 11:00 a.m. and 1:00 p.m. Mr. Rogers would like for all Board members to be able to attend. There will be a press release inviting the media. The township will be sending invites out to the neighbors. Hot dogs, chips and beverages will be provided.

Mr. Lyons is drafting a new deed transferring title to the township which will be hand delivered as part of the ceremony at the event. Mr. Rogers advised the township to notify their insurance carrier as we will be terminating our insurance once the transfer is complete.

Again, it is hoped that all the Board members can stop by this wonderful new park and see what has been accomplished. It is truly one of the nicest properties in the area!

d) OHIO HOUSING FINANCE AGENCY'S - NIP PROGRAM

Mr. Rogers was pleased to report that the Land Bank has successfully met the NIP Program's requirement of 20 homes owned and mortgaged by September 30th. We achieved that goal and now expect to acquire at least one more this month. Our grant allocation, which is for \$500,000.00, was subject to a possible re-distribution had we not met our quota.

The estimates used when applying for the grant were based on the demolition costs associated with our participation in the Attorney General's Moving Ohio Forward Demolition Program. You may recall that we spent on average \$18,152 per home. That average, when incorporated into the NIP grant application equated to funding the demolition of 27.5 homes.

Our costs to date for the 13 homes under contract amount to \$178,440 for the demolition expenses. Ten have been completely razed and the other three will be taken down shortly. The remaining properties either have bids under review or we are awaiting asbestos reports before securing bids.

It should be noted that the Land Bank's actual costs have been less than originally estimated, averaging approximately \$14,062.24 per home, and an available balance of \$ 317,191 remains. This amount should be more than enough to pay for any remaining demolitions and possibly

leaving some money to spare. At this point the Land Bank is not aware of any additional homes in the foreclosure pipeline that will meet the NIP programs criteria. Commissioner Troy asked if we will be able to keep the remaining dollars for other demolitions. This question will be put to Mr. Rogers upon his return to the next meeting.

e) COMMUNITY DEMOLITION PROGRAM

Our original budget for the Community Demolition Program (demolitions handled and paid for by the LCLRC on behalf of Lake County Communities), was just under \$250,000. Area officials at the time reported having identified 26 homes to be condemned for which they would enlist our aid. To date we have received a total of 11 resolutions from Eastlake, Madison, Painesville and Wickliffe. Of the 11, three have been pulled by the communities, four are under contract and the remaining four are awaiting asbestos sampling.

The four under contract thus far came in just under \$50,000. All things being equal, the eight homes combined should not exceed \$150,000. Mr. Rogers is in the process of reaching out to the officials to encourage them to move forward with any condemnations so that we can take them down this year.

An e-mail was received from Painesville Township expressing concern that the Health Department will not be able to continue participating in the condemnation of blighted properties due to serious budget cuts at the Department. Mr. Rogers reminded the township that Fire Chief's within the communities may also condemn a building. A sample condemnation letter from the Concord Fire Department was forwarded to the township for review. Mr. Rogers will continue to work with each community on other possible upcoming demolitions.

Chairman Manross expressed his interest in this situation. Fairport Harbor also, has difficulty getting their local firemen to condemn buildings. He believes this is an ongoing issue and that all local governments will have to address this with their fire departments in the future. Commissioner Troy stated that even though the Lake County Health Department (LCHD) is not part of the county government, all parties are interested in preserving the quality of life here in Lake County, and that we need to see all the halted services back as soon as possible. LCHD budget plans will be revealed at a later date as they work out their financial issues.

Discussion followed concerning Lake County's learning curve on administering condemnations. Commissioner Troy suggested that the Board ask Mr. Rogers how other counties are fast-tracking house condemnations to get the worst of the houses demolished as quickly and as efficiently as possible for the safety and good health of our neighborhoods.

NEW BUSINESS

a) LAND BANK PROPERTIES UPDATE

There have not been any significant changes to date regarding the properties in our possession. Presently the Land Bank has title to 68 properties. Of those, we have clear title to only 9 of them. As mentioned, we are in the process of requesting that the Court vacate the forfeitures that were

made to the Land Bank, then transfer them to the Auditor's Land Bank. If and when that occurs, we will then petition the Auditor for the properties and we will be given an Auditors Deed, prepared by the Prosecutor's Office that indicates we have clear title. (A sample of an Auditor's Deed was given each board member.)

To date we have filed motions for all properties awarded during September and October of 2014. These motions have to be filed within a year of the Court's Forfeiture Decision. We will continue to prepare and file the remainder as quickly as possible. As of today, Judge Collins and Judge O'Donnell have not made a ruling on our motions. Mr. Rogers advised that this is because of the required time that is allotted for any responses in opposition – which are unlikely.

All but six of the properties are or will be vacant lots. Of the six - three are under renovation and three will be evaluated when we have clear title.

The owner of one of the vacant parcels, located on 300th St. in Wickliffe, is interested in possibly donating the property to the Land Bank. Our MOF Program demolished the two houses on this parcel in October of 2013. The owner, who lives in California, purchased the property for a few thousand dollars, before the demolition liens were certified to the tax duplicate. He said that with the liens in place the property isn't worth his efforts. Mr. Rogers is looking into the matter.

Finally, Wells Fargo is in the process of donating a home to us in North Willoughby that will become an NIP home for demolition. We expect transfer of title between now and the end of the month.

b) RENOVATION PROGRAM – (RENOVATION SHEET PROVIDED)

1) 668 NORTH STATE STREET – PAINESVILLE

As previously mentioned at the last board meeting, the Western Reserve Development Corporation will be overseeing the renovation of this home on our behalf. We have agreements with two companies to move forward, one with **ABV Contractors** for \$17,500 to do the drain tile work around the perimeter of the house weather permitting. The other contractor, **ARW General Contracting** will be doing the balance of the renovation, and is scheduled to be on site in two weeks to begin work.

The only issue for this home that is not yet resolved - is the rear yard drainage/flooding. Until the drain tile work is underway, we won't know what the sanitary and or storm sewer situation is as they are old systems. A number of factors need to be determined before we can decide how best to eliminate the flooding.

The \$17,500 and the flood work will be our responsibility. This will meet our required match component for this project. The remainder of the work will be funded with monies awarded to WRDC. These funds have to be used or they will be lost, which is why we were able to obtain them for this renovation.

2) 352 CLARMONT RD – WILLOWICK

Mr. Rogers have been in contact with Bill Martin and Paul Miller at WRDC. They have provided us with a preliminary estimate of \$81,700 for the work to be done. This amount does not include the \$6,600 spent for the mold remediation. WRCD executed an acknowledgement of the scope of the work and they are in the process of obtaining and reviewing the bids for this home. Once this is done, the Land Bank will likely be entering into agreements and moving forward with this home's renovation. Last week, with the help of Pillar Construction, we were finally able to have the abandoned vehicle removed from the property. Mr. Rogers hopes that this project will be progressing within the next two weeks.

3) 1835 CRANEING AVE – WICKLIFFE

Because of the need for a structural engineer on this project, CT Consultants will be overseeing the renovation of this home. Again, the scope of the work has been reviewed and agreed upon. Bids for the work were received by CT from two contractors Monday of this week. The bids are being reviewed and a recommendation will be made hopefully by tomorrow, and agreements executed next week.

One of the expenses Mr. Rogers had not anticipated when the 2015 budget was generated was lead abatement. This home of the three renovations has a large amount; the cost will be around \$10,000 for abatement. Even with this additional expense, the sum total of the projects are anticipated to be under our original budget.

Commissioner Troy asked if the auditor's evaluation will include the money spent, considering all the money the Land Bank will put into this home.

4) 265 NORTH STATE STREET – PAINESVILLE

This is the commercial building across from St. Mary's Church (State Credit). After discussing the matter with Mr. Lyons, we are holding back on any renovation work pending the legal process of clearing titles. The Land Bank has filed a motion to vacate on this property; and hopefully it will be one of the first properties the Court grants. The roof has been cleared of all debris and vegetation in anticipation of the new construction in early winter.

FINANCIALS (Balance Sheet & Profit & Loss Sheets provided)

a) The Land Bank has not received our 2nd half DTAC distribution yet. We expect it soon and anticipate about \$345,000. This is higher than what has been given in years past, and we believe the difference is due to tax lien sales conducted by the Treasurer's office.

b) Our Revenue and Expense statement indicates a negative net revenue in the amount of \$13,938.92. It should be noted that we have paid out monies for NIP work done to date. These expenditures are reimbursable from the OHFA. We expect to be receiving \$102,083.95 for the

work done thus far. However, we cannot submit a reimbursement request until we have all documentation and receipts as we are only allowed to submit one request per property.

Had these funds been received, our Net Revenue amount for the year would actually be a positive \$88,145.03.

a) SCHEDULED OF FUTURE MEETINGS

The following dates are posted:

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.

Second Quarter – Friday, June 24, 2016 @ 3:00 p.m.

Third Quarter – Friday, September 23, 2016 @ 3:00 p.m.

Motion to adjourn by Commissioner Troy and seconded by Commissioner Moran. Time 3:22 p.m.

Motion: Troy

Second: Moran

AYES: ALL

NAYS: NONE

ABSTENTIONS: NONE

APPROVED: 12/18/15

12/18/15
TIMOTHY S. MANROSS, Chairman

The undersigned Clerk certified that the foregoing is a true and correct transcription of the minutes of the meeting held October 8, 2015, of the Board of Directors of the Lake County Land Reutilization Corporation showing the adoption of the Minutes above set forth.

Dated: 12.18.15

Linda S. Fredebaugh
LINDA S. FREDEBAUGH, Clerk