

The Board of Directors of the Lake County Land Reutilization Corporation (the "Board of Directors") met in session on the 1st day of April, 2016 at 3:47 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
BLAIR HAMILTON**

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

Gabe Cicconetti moved to approve the minutes of the Friday, December 18, 2015 meeting and Lorraine Fende seconded the motion.

AYES: ALL

NAYS: NONE

ASBSTENTIONS: ROSE

Lake County Land Reutilization Corporation

4th Quarter Meeting

Friday, December 18, 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 3:08 p.m.

ROLL CALL: The following were present:

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

**JUDY MORAN
DANIEL P. TROY**

- 2. MOTION TO APPROVE THE MINUTES OF THE OCTOBER 8, 2015 3rd QUARTER MEETING.**

Motion: Fende

Second: Troy

AYES: 5

NAYS: 0

ABSTENTIONS:

- 3. OLD BUSINESS**

a) LAND BANK NEW LOCATION

As previously discussed the Land Bank was asked to relocate their offices effective October 31, 2015. (See letter dated September 9, 2015 from County Commissioners). Mr. Rogers reviewed several options and chose space at 8 N State St. in Painesville City. We are now located on the

second floor, in Suite 215, located at the end of the hall. Mr. Dan Smith, of Consolidated Investment Corporation has leased this space to the Land Bank effective October 29, 2015 on a month to month basis. Our previous lease expense was \$392.71/month. Our new rate will be \$450/month. There are no utility expenses and parking is free and readily available at this site. Mr. Smith has graciously included furniture at no additional charge. We expect to incur an additional \$80/month cost for the ATT phone line use at the new building.

Mr. Roger's preference was to stay in the downtown Painesville area in close proximity to all county offices, title companies and legal counsel. The services of these businesses are needed frequently and we will be within walking distance of all the aforementioned with this move.

The Land Bank chose to continue with the County Telecommunications and Information Technologies services for both our phone and internet. However, it has taken a month to get all equipment up and running. The move from the County building created a very long distance for our wireless internet efficiency in addition to the installation of a new (not yet fully integrated) county phone system. There is no fax installed to date and flow of data has been very slow. We are looking into alternative equipment and back-ups to make Linda's work flow faster. Mr. Rogers invited all Board Members to visit our office at any time.

Until further notice, we will continue to hold Board meetings in the County's 5th Floor conference room.

b) PAINESVILLE TOWNSHIP NEIGHBORHOOD PARK

A ribbon cutting ceremony was held on Saturday, October 17, 2015, at the now completed new Jack Crislip Park. Local officials invited include the fire department, township trustees, sheriff and Metro park staff. Several LCLRC board members and their families attended along with adults and children from the surrounding neighborhood. The Esterles and the Crislip family, including many aunts and uncles joined with Jeannette Crislip for the ribbon cutting ceremony. Hot dogs, chips and beverages were provided on what turned out to be a lovely sunny day.

The original estimate for the construction of the park was \$161,196.00. The final figures for the complete construction and greening were \$163,923.61. The additional cost was within 5.5% - the expected over/under for this project. This project included the donation of two parcels of land from the Esterles, \$27,000 in funding from CDBG, \$1000 from the Allstate Foundation and \$3000 from the Painesville Community Improvement Corporation. With the Land Bank's addition of \$131,923.00, Mr. Rogers stated that the LCLRC successfully provided a significant improvement to the area both for the Township and the neighborhood with the value of the improvement approximating \$175,000. The Land Bank encourages all Board members to drive by the neighborhood and view the new facility. The property deed for the two parcels was handed over to the township during the ribbon cutting ceremony.

Gabe Cicconetti commented that with the addition of the park, the picnic shelter has become the local school's bus stop as it provides protection for the children during inclement weather. Commissioner Troy asked for a review as to how this park came to be. Mr. Rogers explained that the two contiguous vacant lots were a gift from a retired couple. When we learned of the gift, Mr.

Rogers looked to Western Reserve Community Development to see if they were interested in building a home on the property. When Sabrina Waites indicated they were not interested, Mr. Rogers developed the idea of a park. The neighborhood was deplete of any local playground equipment or park benches. With this - the idea was born and is a reality today.

c) OHIO HOUSING FINANCE AGENCY'S - NIP PROGRAM

The Land Bank achieved the goal of obtaining ownership of 20 houses qualifying us for our NIP allocation of \$500,000.00. We have demolished ten houses to date and have 13 more under contract. We will spend an expected \$425,604.65 for the 23 homes. The NIP program will reimburse up to a maximum of \$25,000 for each demolition. Four of the demolitions will exceed the \$25,000/max per home. We are averaging approximately \$18,500.00 per home to date. We are aware of additional properties that if acquired should bring us to about \$450,000 of the \$500,000 available. All demolition work must be completed by June 30, 2017 to allow time for the final submission deadline of October 31, 2017. The Land Bank should be able to spend its full allocation as new demolitions come forward.

d) COMMUNITY DEMOLITION PROGRAM

Mr. Rogers reported at the last meeting that communities had originally identified 26 homes to be condemned of which the Land Bank would then demolish. We will take down six houses by the first of the year. Our original estimate for this cooperative community demolition program was \$350,000. We will likely spend approximately \$150,000 for this work. In summary for the year, the Land Bank will have taken down the final four MOF homes, 13 NIP homes and six community demolition homes spending approximately \$460,000 by year's end.

Commissioner Troy asked if the community leaders are aware of how to move forward and legally identify blighted homes and then bring them to the Land Bank in an efficient manner. Mr. Rogers responded by stating that it is a never ending battle to get the communities active in this process. He plans like to reach out to all the communities at the beginning of the year and to again remind them of the steps required. And, that this is a free source of revenue for demolition of abandoned and blighted houses in their neighborhoods.

A typical scenario was a recent call from Madison Village about a house severally damaged by a fire. The property owner does not have any insurance on the property and is not living there. The Village would like the Land Bank to demolish the structure. Mr. Roger's had two suggestions. One was just to demolish and lien the property, which the owner was willing to accept. However, if any lien exceeds the value of the property, a second choice would be to have the home owner donate the property to the Land Bank and we could then use NIP funds to demolish it. This will requires a title search on the part of the Land Bank to be sure there are no applicable liens on the property. We will advise the Board of the results at the next meeting.

e) LAND BANK PROPERTIES UPDATE

We have listed on the Auditor's Website to date 92 parcels of land. 68 of those parcels are from 53 foreclosure cases. It was decided that in the case of all 53 foreclosures, a Motion to Vacate

(MTV) process had to be developed by the Land Bank to rid the properties of all potential liens still attached to the foreclosure cases. The Land Bank has processed 53 MTVs since September of this year and as of this past week our properties are now being returned to the Land Bank free and clear of encumbrances. Mr. Rogers expects to have all clear title properties back in our hands if not by the end of January, certainly by the end of the 1st quarter.

In review, the Land Bank owns eight properties through donation: a property donation by Lake Health, four properties to be returned to the County and three properties donated by Wells Fargo that are/will all be demolished. Each of these included a \$7,500.00 donation to assist in the demolition.

Commissioner Troy asked, now that we own these parcels, how will we begin to disperse the properties back to the public to begin collecting tax revenue. Mr. Rogers explained that the values of each property are first gathered - based on the Auditor's evaluation followed by an independent market evaluation done by our own board member Mac Chafer. Mr. Chafer has generously volunteered to assist the Land Bank with each of these evaluations at no cost. The Land Bank will make all efforts to sell the properties at market value. Side yard splits will also be offered when applicable. The Land Bank has been compiling names and phone numbers of prospective buyers over the past year. All potential buyers will be contacted when the property deeds have been transferred to the Land Bank free and clear.

Mr. Rogers added that our website which is now under construction, will have a section exclusively dedicated to Land Bank properties for sale. This will be the most valuable tool we can have in getting the public aware of what parcels are available. This section will be updated regularly with the addition of new properties. We are following the Cuyahoga Land Bank's website format. Discussion followed on various parcels of interest. Commissioner Moran asked of the 91 parcels, how many were vacant lots and how many had structures. Mr. Rogers explained that eleven properties had homes to be either rehabbed or demolished. All others are vacant lots.

Commissioner Troy asked why it is taking so long for the 53 properties to be reclaimed by the Land Bank. Mr. Rogers explained that there is a lengthy process involving legal procedures and periods of time afforded by the Courts with each of the various steps. And because of the recent Attorney General's opinion, we believe we do not hold clear title to the specific properties already forfeited to us. After much discussion between Mr. Rogers, our legal counsel, James Lyons, and the prosecutor's office, the best means to clear title was a procedure requiring filing a Motion to Vacate (MTV) for each of the property court cases currently in our possession.

When the Land Bank files a MTV, all interested parties have to be notified, and the Court must wait 30 days from date of service for any objections – although none are anticipated. Once the Court's decisions are vacated, it is as if we never owned the properties in the first place. The Court will then reissue the notices to the communities, schools, and the Land Bank inquiring of our interest in the parcels. A ten day waiting period is in effect for any of the three to ask for the properties back.

The next step is for the prosecuting attorney to ask the court to forfeit the property to the County's Land Bank (State of Ohio). The Court then waits another 30 days to see if anyone objects to the

motion; upon which the Court will rule whether or not to forfeit the property. The Clerk is required to send a notice of this final appealable order to all of the parties and the Court is required to wait another 30 days before issuing its decree. Once the Land Bank sees that the property is listed with the State of Ohio, we then obtain a certified copy of the Courts final order and immediately petition the Auditor for the property. After another 7-10 business days the title us executed and recorded with the Recorder's Office; overall a very lengthy process.

Questions were asked if there was any way to circumvent this process or at least look for expedition. Mr. Rogers responded explaining that with an In Rem foreclosure the law states that the Treasurer and Prosecutor's Office may choose to foreclose by means of the Board of Revision. However, the Prosecutor's office has previously indicated a preference not to use that method. Presently, the time frame from the day a property becomes delinquent, the legal process takes about two years till we may be offered that property, if it becomes available.

Commissioner Moran asked if the Land Bank had seen any slowdown in the Health Departments property reviewing process due to the lack of funding and reduction of staff. Mr. Rogers did not believe we are seeing any significant time delays up to this point.

a) RENOVATION PROGRAM

1. 668 NORTH ST CLAIR STREET – PAINESVILLE

The 668 North St Clair Street property is about 65% complete. An added bathroom downstairs, carpet and paint have yet to be done. Mr. Rogers will give a complete report at the next meeting.

2. 352 CLARMONT RD – WILLOWICK

Mr. Rogers reported that an environmental report must be published in the News-Herald and then the report will be mailed to HUD in Columbus for review. Upon receipt of the approval - the Land Bank can move forward with an agreement with Western Reserve Community Development (WRCD) who will then begin renovation of this home. Mr. Rogers is still in negotiations with WRCD as to the final agreed upon price for renovation. Prices have stretched from start of \$129,598 to \$114,000 (\$17,000 for management and overhead).

3. 1835 CRANEING AVE – WICKLIFFE

The price for renovation on the Craneing property came in at approximately \$130,000 , of which asbestos remediation was \$10,000 and the basement rebuild (walls bowed) cost was \$40,000. We have an inquiry from the next door neighbor's asking to buy the property if demolished and rebuilt. This was their parent's home originally. The CDBG money outlined for this home can then be used on another house in Lake County. So, because of the extensive cost to remodel, Mr. Rogers has chosen to demolish vs remodel using NIP funds. The Land Bank already owns this property.

4. FINANCIALS (Balance Sheet & Profit & Loss Sheets provided)

a) NIP PROGRAM

The Land Bank has not submitted any requests for Neighborhood Initiative Program (NIP) reimbursements to date because it was Mr. Rogers understanding that there would be a percentage of court costs assessed on all properties we had previously acquired. Those costs would be due in February when taxes come due. NIP rules state that only one reimbursement request may be submitted for each house. We would not have been reimbursed for those expenses, as we would not have paid them yet. Mr. Rogers was just informed that the County has changed its mind. There will be no charges assessed. Thus, we will now be moving forward with the reimbursement requests as soon as possible.

Mr. Rogers reported that recent news media reports and Sen. Brown's office have indicated that more monies may be available to Land Banks such as the LCLRC. He will report more at the next meeting. Commissioner Troy asked if the Land Bank would provide a sheet of information about each of the funding programs available to the Land Bank, like the MOF and NIP programs. Mr. Rogers said we would be happy to comply and that this information will also be posted in the future to our website.

B) NEW STATE LEGISLATION TO BE FORTHCOMING

HOUSE BILL 340 – AMENDMENT TO CLARIFY TWO ISSUES

- 1) Foreclosure fees – how to clarify what fees county land banks must pay. Based on the Attorney General's opinion, the LCLRC would have to pay the costs of the city land banks as well as our own.
- 2) The House of Representatives is also looking into whether we can apply for some of the moneys to be used for abandoned gas stations.

C) NEW RULING ABOUT WATER PERMITS AT LAKE COUNTY UTILITIES DEPARTMENT

Mr. Rogers stated that the Land Bank demolition teams are having issues with water permits at the Lake County Dept. of Utilities. Previously only a sewer permit was required. Now the Dept. is stating that water permits are required and they have begun billing the Land Bank for the sewer and water services long after the demolitions. Commissioner Troy suggested that the Land Bank talk to Randy Roethlisberger, Gary Fedak, or Denis Yurkovich. Mr. Rogers will update the board on the outcome of the issue at the next meeting after he meets with the Department.

5. NEW BUSINESS

Commissioner Troy asked about information he had received from the Land Bank Seminar from Zak Space, a former Congressman and now employee of Vorys, Sater, Seymour and Pease LLP. Mr. Rogers has met with Mr. Space on two occasions and anticipates another visit to give a broader

perspective of Ohio Land Bank needs. The law firm in Columbus was hired by the Western Reserve Land Conservancy through Land Bank donations to find new revenue streams from Capital Funds. Discussion followed. Mr. Rogers will update us as information is made available.

6) SCHEDULE OF FUTURE MEETINGS

The following dates are posted:

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.

Fourth Quarter – Friday, December 16, 2015 @ 3:00 p.m.

Motion to adjourn by Gabe Cicconetti and seconded by Mac Chafer. Time 3:54 p.m.

Motion: Cicconetti

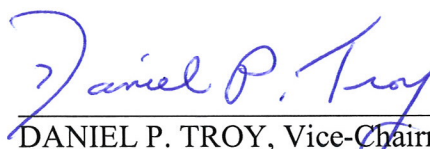
Second: Chafer

AYES: ALL

NAYS: 0

ABSTENTIONS: ROSE

APPROVED: 4.1.16


DANIEL P. TROY, Vice-Chairman

The undersigned Clerk certified that the foregoing is a true and correct transcription of the minutes of the meeting held December 18, 2015, of the Board of Directors of the Lake County Land Reutilization Corporation showing the adoption of the Minutes above set forth.

Dated: 4.1.16


LINDA S. FREDEBAUGH, Clerk