

T The Board of Directors of the Lake County Land Reutilization Corporation (the "Board of Directors") met in session on the 11th day of July, 2016 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 CICCONE
LORRAINE M. FENDE
BETH A. KNEZEVICH**

**TIMOTHY S. MANROSS
JUDY MORAN
ANDY ROSE
DANIEL P. TROY**

Andy Rose moved to approve the minutes of the Friday, April 1, 2016 meeting and Lorraine Fende seconded the motion.

AYES: ALL

NAYS: NONE

ASBESTENTION: MANROSS

**LAKE COUNTY LAND REUTILIZATION CORPORATION
1st QUARTER MEETING
Friday, April 1, 2016 @ 3:30 p.m.
5th Floor Conference Room
Lake County Administration Building**

- 1. CALL TO ORDER:** Daniel P. Troy, Vice-Chairman called the meeting to order at 3:47 p.m.

ROLL CALL: There was no change to the roll call as the Annual Meeting was held prior to this meeting.

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

**JUDY MORAN
ANDY ROSE
(for Anthony J. Zampetro)
DANIEL P. TROY**

2. RESIGNATION OF ANTHONY J. ZAMPEDRO

Mr. Rogers reported receiving two letters from the City of Mentor of which he read aloud. The first was a letter of resignation letter from Anthony J. Zampetro, and the second, was a letter designating Andrew Rose to represent the City of Mentor. Vice-Chairman Troy stated that from this date forward the representative from the largest municipality on the LCLRC Board will be Andrew Rose.

**3. RESOLUTION 2016-69 RE-APPOINTING J. BLAIR HAMILTON TO THE
LCLRC BOARD FOR A THREE YEAR TERM BEGINNING JANUARY 1, 2016
AND ENDING DECEMBER 31, 2019.**

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

Motion: Moran
AYES: 3

Second: Fende
NAYS: 0

ABSTENTIONS: 0

4. RESOLUTION 2016-70 RE-APPOINTING BETH A. KNEZEVICH TO THE LCLRC BOARD FOR A THREE YEAR TERM BEGINNING JANUARY 1, 2016 AND ENDING DECEMBER 31, 2019.

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

Motion: Moran
AYES: 3

Second: Fende
NAYS: 0

ABSTENTIONS: 0

5. MOTION TO APPROVE THE MINUTES OF THE DECEMBER 18, 2015 MEETING

Motion: Cicconetti Second: Fende
AYES: 6 NAYS: 0 ABSTENTIONS: CHAFER, HAMILTON, KNEZEVICH, ROSE

6. RESOLUTION 2016-71 RE-APPOINTING JAMES M. LYONS AS LEGAL COUNSEL FOR THE LCLRC FOR A TWO YEAR TERM BEGINNING JANUARY 1, 2016 AND ENDING DECEMBER 31, 2017.

Motion: Moran
AYES: 8

Second: Fende
NAYS: 0

ABSTENTIONS: 0

7. RESOLUTION 2016-72 RE-APPOINTING DOUGLAS L. HEISER OF HEISER & ASSOCIATES AS ACCOUNTANT FOR THE LCLRC FOR A TWO YEAR TERM BEGINNING JANUARY 1, 2016 AND ENDING DECEMBER 31, 2017.

Motion: Moran
AYES: 8

Second: Fende
NAYS: 0

ABSTENTIONS: 0

8. RESOLUTION 2016-73 RE-APPOINTING JOHN M. ROGERS AS EXECUTIVE DIRECTOR FOR THE LCLRC, AFFIRMING HIS CONTRACT AND RE-AFFIRMING HIS COMPENSATION

Mr. Rogers's annual contract is provided for the Boards review. His term as outlined is prepared as being effective March 1, 2016 through February 28, 2017. Compensation is to continue at the ongoing rate of \$60/hour but with a maximum yearly allowance being changed from 1000 hours to 1200 hours. While Mr. Rogers was compensated for 1000 hours in 2015, he actually worked 1039.75 hours, the difference being uncompensated.

Without objection, a decision to stay consideration of Resolution 2016-73 was made with consideration being delayed till the matter could be considered later during executive session. The Resolution maintained its place on the agenda.

9. RESOLUTION 2016-74 RESCINDING RESOLUTION NO. 2015-57 LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARADOUS CONDITION OF BUILDINGS OR ABATING NUISANCE FOR 509 SECOND ST, FAIRPORT HARBOR

This action is the result of the assessment of the unreimbursed costs from home repairs at 509 Second St, Fairport Harbor, to the tax duplicate on or about April 30, 2015. The law states that it is not effective as a lien against this real estate as held by the current owner/buyer because the property was purchased after the date the safety and abatement expenses were incurred, and prior to the date that the assessment was entered on the tax duplicate. The Land Bank had previously sent a letter to JP Morgan Chase Bank the then owner of the property. With the rescinding of this lien, all charges including penalties and interest will be removed from this property.

Motion: Chafer

Second: Rose

AYES: 8

NAYS: 0

ABSTENTIONS: 0

10. MOTION TO APPROVE THE FOLLOWING RESOLUTIONS IN TOTAL, LEVYING LIENS TO RECOVER DEMOLITION RELATED EXPENSES

RESOLUTION NO. 2016-75

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 34A010I000320 (390 E 332nd St, Eastlake City)

RESOLUTION NO. 2016-76

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 15C0280000200 (364 W Jackson St, Painesville City)

RESOLUTION NO. 2016-77

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 15D016A000520 (512 Fairlawn Ave, Painesville City)

RESOLUTION NO. 2016-78

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 15D016B000130 (175 Ridgelawn Ave., Painesville City)

RESOLUTION NO. 2016-79

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE

Permanent Parcel Number 29B003M030520 (1798 Eldon Dr., Wickliffe City)

Mr. Rogers reviewed each lien with the Board prior to the Board's voting on the matter.

Motion: Rose

Second: Hamilton

AYES: 8

NAYS: NONE

ABSTENTIONS: NONE

11. OLD BUSINESS

a) NIP NEIGHBORHOOD INITIATIVE PROGRAM UPDATE

Having previously discussed the following at the Annual Meeting earlier in the day, Mr. Rogers moved to the next subject. The following is a summary of the information presented at the annual meeting earlier. It is placed here as a matter of record. Mr. Rogers proceeded to the next subject.

There are currently 27 houses in the NIP Program. After all 27 houses are demolished and reimbursements have been received, Mr. Rogers opined that based on current estimates, the LCLRC could receive \$15,000.00 in excess of the \$500,000.00 grant we originally obtained at the Program's inception.

Mr. Rogers advised that it is his understanding that the Ohio Housing Finance Agency (OHFA) will receive an additional \$93,000,000 from the Federal Government for continuation of the NIP Program. He also believes the Federal Government is reviewing OHFA's application for another \$250 million. The LCLRC is not sure what if any additional funding will be awarded.

b) 2016 UPCOMING COMMUNITY DEMOLITION PROGRAM

Mr. Rogers reported that there are 25 residential structures identified by communities as being blighted and likely to be demolished this summer or fall. Commissioner Troy asked if the paperwork is being handled by the communities for the 25 houses. Mr. Rogers reinforced that with all community tear-downs, the onus is on the city or township to follow all legal steps in preparing to demolish a home. We act only as their agent through a resolution passed by the community when all pre-demolition paperwork has been completed. Once we are in receipt of the resolution, we will obtain the asbestos assessments as required and then obtain bids for demolition. Once all costs have been determined and paid, the LCLRC will certify expenses to

the Auditor for placement as liens on the tax duplicates for future recovery.

c) 2016 UPCOMING COOPERATIVE COMMUNITY PROJECTS

- 1) The Painesville Senior Center, 85 N Park Place Painesville City**
- 2) The City of Painesville Parking Garage, 66 S St Clair St**
- 3) The JFK Center, 33505 Curtis Blvd., Eastlake**

Mr. Rogers suggested, and the Board agreed, to discussing the aforementioned projects later during the budgetary considerations.

4) 352 Clarmont Rd, Willowick

Mr. Rogers explained that the overall estimates on this house are estimated to date to be around \$95,000 after completion. Money to complete this project will consist of LCLRC funds, HOME funds and CDBG funds. ABV Contractors have already completed the drain tile work on the outside of the home. Commissioner Troy expressed concerns over spending upwards of \$135,000 on a house in a neighborhood with properties much less than that in the immediate neighborhood. Would it not be better to spend money on our other underdeveloped properties?

Discussion followed as to why Mr. Rogers felt this house needed to be saved. If demolished, the vacant lot would be maintained by the land bank till disposal. Our average demolition costs to date on average exceed \$18,000 per structure. This approach returns a renovated home back into the market and once in the hands of resident home owners, returns property tax dollars back to the community and other taxing entities. The current Lake County Auditors estimated market value for this house is similar in the amount the LCLRC will spend renovation the building.

As an aside, the house located at 1385 Craneing Rd., in Wickliffe was a home which also was being considered for renovation. However the bid estimates indicated that the cost of repairing the foundation alone exceeded \$45,000.00. With this in mind, Mr. Rogers decided the cost to renovate was far too high and chose to demolish with NIP funds.

5) 668 N St Clair St, Painesville City

This property is nearing its final stages of completion. Estimated LCLRC expenditures will be approximately \$31,000.00 on this house. The balance of funding will come from the Western Reserve Community Development (WRCDC). Repairs have included a roof replacement, new deck, drain tile replacement around the perimeter of house, the addition of a water pump, rear yard drain tile, a new deck and cement drive. The garage has been re-sided, a new full bathroom added on the first floor, walls painted, rooms carpeted, a new heating and cooling system and new appliances. Mr. Rogers will be contacting the Cuyahoga Land Bank about their procedures used to sell rehabilitated houses in Cleveland. This home will be sold to

a low to moderate income family as part of the CDBG and HOME fund rules.

6) 265 N State St, Painesville City

This commercial building has been shelled and cleared of all partitions and flooring. At one time this building housed a Studebaker Dealership with both a showroom and a service department. The only money spent by LCLRC has been for the shredding of financial documents, disposal of the electronics and the building's cleanout (the roof was caving in). No other work has been done, but the replacement of the roof is included in the this year's budget, as it has been included in the past.

Mr. Rogers advised there is a community group that has expressed interest in creating an economic incubator to be housed in this facility. He has met with representatives from both the group and the United States Department of Agriculture to discuss this opportunity. The community group would be applying for grant funds in an amount of \$150,000 with the LCLRC's support. The Department of Agriculture believes this location would be ideal for this proposal. Mr. Rogers also met with a chief executive of Parker Hannifin who expressed a willingness to support this project. The Board will be advised at the next meeting as to any further steps taken regarding this property.

Andy Rose asked if this was a non-conforming building requiring a review by the Painesville City Zoning Board. Mr. Rogers stated this property is a commercial lot and based on his discussions with the City of Painesville, should qualify for this application.

Mr. Rogers briefly explained the process for readying the Land Bank owned properties for sale. Mac Chafer has been assisting us with market evaluations on most of the properties that have prospective buyers. The Land Bank will use this information along with the Auditor's property evaluation to present to the buyer. To date, inquiries have been handled on a first come first serve basis. When queried by Mr. Cicconetti about what happens to the profits from these sales, Mr. Rogers reaffirmed that all money received from purchases will be returned to the coffers for demolitions, renovations and community development.

d) LAND BANK OWNED PROPERTY OVERVIEW

Mr. Rogers stated that after receipt of title on the 683 Argonne Dr., Painesville property, the Land Bank will have clear title to 76 of 77 properties. 27 of these properties were NIP homes. Mr. Rogers clarified that until the Land Bank has received reimbursements from OHFA for the demolitions, we will not be returning the four County properties back to the County. Also, there are certain criteria specified by OHFA that must be followed prior to any transfer, otherwise the LCLRC runs the risk of having to pay OHFA back for funds received.

1) Euclid-Chardon Rd (Pleasant Valley Rd), Willoughby Hills

Mr. Rogers has been in conversation with Mr. Paul Palagyi, Executive Director of Lake Metroparks. Mr. Rogers plans to donate this parcel to the Lake Metroparks as it is surrounded with land owned by the Metroparks. Of note on the adjacent parcel is a bald

eagle's nest.

2) Skinner Ave, Painesville City

Mr. Rogers has been in conversation with Doug Lewis of the City of Painesville about donating this property to the City of Painesville and creating a land conservation easement with the Metroparks. This would ensure its retention in a natural state. The parcel is situated between a condominium development, on the southwest, and abuts land owned by the City of Painesville, on the northeast. The City's parcel includes Grand River shoreline and is located diagonally across from a Metroparks facility. Painesville has advised that much of the parcel may be wetlands and non-buildable.

3) Eastlake Properties (9 parcels)

Lake-Geauga Habitat for Humanity has been contacted about several buildable properties in the City of Eastlake. We are awaiting a decision as to where they might be placing their new home - and if they are at all interested in any of these parcels. Mr. Rogers will advise as soon as he has been notified by Lake-Geauga.

4) 417 Liberty St, Painesville City

Western Reserve Community Development has been approached by the Land Bank to see if they are interested in acquiring this property. It is currently in the State Auditor's Land Bank. If agreed upon the Land Bank would accept the property and in turn donate the property to Western Reserve to improve and/or maintain. There is an opportunity for the Land Bank to trade the administration fees on the Clarmont property for the donation of the 417 Liberty St property to WRCDC. Such an agreement would further the efforts of both parties and reduce our costs overall.

5) N State St/N St Clair Ave

The City of Painesville's Economic Development Office asked the Land Bank to consider acquiring six parcels of land to assist the City and a business owner with an economic development proposal under consideration. The Concord Equipment Corporation, located directly across from this property, is interested in expanding its facility. Painesville City was able to obtain a grant for an environmental assessment of this property to identify what if any environmental concerns may exist. Ultimately, should this project succeed, it is expected that the City of Painesville will see some job growth and additional tax revenue to both the City and County over the coming years.

Mr. Rogers advised that the Land Bank has one more "Motion to Vacate" that is being researched before filing with the Court. This, along with the transfer of three more pending properties would then complete all the applications having been filed with the Court. We continue to work on our website and once up and running – we will have information on both our activities and properties including those available for acquisition. Information will include the Auditor's valuations, market values, demolition expenses, etc. This information is always available to the Board at any time.

e) LCLRC BUDGET OVERVIEW

Mr. Rogers presented the budget for the 2016 calendar year. Our carry forward balance was \$662,109.99. The DTAC funding amount for the 1st Half of 2015, payable in 2016, has not been finalized. Lake County Treasurer Loraine Fende stated that the tax lien sale in January will probably bring around \$350,000.00. In 2015 the Land Bank budgeted \$615,000.00 for DTAC funds, but due to the tax lien sale resulted in the LCLRC receiving \$823,000.00. This year we are budgeting slightly higher at \$625,000. Mr. Rogers reviewed the various line items including bank interest, property sales, and rental expenses, utilities, NIP reimbursements, grants and endowments. Our total projected revenue for 2016 is estimated to be \$2,520,509.99. All expenditure line items were reviewed in detail and approximate a total of \$2,440,731.76.

Discussion began on the Cooperative Collaborations listed in the budget. Mr. Rogers explained that the new projects proposed this year include the Painesville City Garage demolition, with our share of the project at \$294,500, the Lake County Senior Center demolition, with our share at \$171,875.00, a Grand River improvement allocation towards the Merrick-Hutchison Park of \$200,000.00 and the costs to demolish the former Eastlake JFK Community Center at \$100,000.00. These four projects will round out all requests. Mr. Rogers reiterated that the mission of land banks is not only to eliminate the blight in neighborhoods, but to find unique and appropriate property uses that benefit communities and its citizens. Revitalizing vacant land is an integral part in helping to make our neighborhoods become better places to live.

Also included in the budget is a proposal for the LCLRC to purchase of the property at 47 S State St., in Painesville. This building was formerly the Nixon Funeral Home that was moved from its original location to the parcel south of the Joughin Hardware parking lot. Frequently referred to as the Gage House, the renovated building has been vacant since its physical move in 2007. It has been offered at public auction multiple times with no success.

If this recommendation is approved by the Board, the building would become the Land Bank's permanent headquarters. Mr. Rogers has been in contact with the present owner on several occasions during the past year discussing this opportunity. He believes the LCLRC can obtain the building for approximately \$265,000. The building would not only provide space for growth, but the second floor has two small residential units that would be available to rent. The units could be offered i.e. to Lake Erie College students or other young professionals with rents for each unit ranging between \$600 and \$800/month. Mr. Rogers advised that if mortgaged for \$265,000.00 at a current market rate of about 4% over 30 years, the mortgage payment would be \$814.00/month. The proposal would be to purchase the building outright. If purchased, the difference between what we are paying in rent (\$450.00/mo.) and the rental income of between \$14,400 and \$19,200 would generate a net revenue before other expenses of between \$9,000 and \$13,800 per year. The use of funds would generate an additional positive cash flow and we would own the building outright. And, if the need arose at a later date, the LCLRC could sell the building to recoup its initial financial investment. Discussion followed.

The Chair entertained a motion to approve the 2016 budget excluding, for the time being, the appropriations proposed for the acquisition of the Gage House, the sharing of the expenses in the demolition of the Lake County Senior Center and the sharing in funding of any improvements to Merrick-Hutchison Park in Grand River. The Board decided to continue discussion of these

items at a later date.

Motion: Rose

Second: Cicconetti

AYES: 8

NAYS: NONE

ABSTENTIONS: NONE

f) The Chair asked the Board to revisit the earlier discussion on RESOLUTION 2016-73 re-appointing John M. Rogers as Executive Director of the LCLRC, affirming his contract and re-affirming his compensation. The Chair reviewed that at a previous Board meeting last year, it was decided that an ad-hoc committee would be formed to review and make recommendations regarding Mr. Rogers's compensation. As the committee was unable to meet, Vice-Chair Troy revised the make-up of the committee assigning the five key Board members to include the two Commissioners, the Treasurer and both the Township and Municipal members. There will be a meeting scheduled before the next 2nd Quarterly Board meeting and the committee's findings will be presented to the Board for consideration at that time. The consensus of the Board was that Mr. Rogers can continue operating under the terms of his previous contract which specified 1000 hours, retroactive to March 1, of this year.

A request for a motion to lay Resolution 2016-73 on the table till the next meeting was made.

Motion: Rose

Second: Cicconetti

AYES: 8

NAYS: NONE

ABSTENTIONS: NONE

g) NEW BUSINESS

CONFLICT OF INTEREST/GENERAL ETHICS FORMS TO BE COMPLETED BEFORE LEAVING THE MEETING.

A request has been made to review and execute the Conflict of Interest and General Ethics forms for our files. Mr. Rogers advised that it has been about three years since the LCLRC's original formation and a number of members have been replaced. While all new members are given these forms to review and sign, it is a good idea to have these documents reviewed on a regular basis consistent with their membership terms.

h) SCHEDULED OF FUTURE MEETINGS

The following dates are posted:

Second Quarter – Monday, June 13, 2016 @ 3:00 p.m.

Third Quarter – Monday, September 26, 2016 @ 3:00 p.m.

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 @ 3:00 p.m.

With no further business Vice-Chairman Troy asked for a motion to adjourn.

Motion: Chafer

Second: Knezevich

AYES: ALL

NAYS: NONE

ABSTENTIONS: NONE

The meeting was adjourned at 5:05 p.m. by unanimous vote.

APPROVED: 7/11/16

TJS/Manross
TIMOTHY S. MANROSS, Chair

The undersigned Clerk certified that the foregoing is a true and correct transcription of the minutes of the meeting held April 1, 2016, of the Board of Directors of the Lake County Land Reutilization Corporation showing the adoption of the Minutes above set forth.

Dated: 7.11.16

Linda S. Fredebaugh
LINDA S. FREDEBAUGH, Clerk