

The Board of Directors of the Lake County Land Reutilization Corporation met in session on the 26th day of February, 2018 at 3:30 p.m. at 8 N State St, KeyBank Building (Lower Level), Painesville OH 44077 with the following members present:

**MAC CHAFER
GABE CICCONE
JERRY CIRINO
LORRAINE FENDE
J. BLAIR HAMILTON**

**BETH KNEZEVICH
TIMOTHY S. MANROSS
ANDY ROSE
DANIEL P. TROY**

Andy Rose moved to approve the minutes of the Monday, December 18th, 2017 meeting and Commissioner Troy seconded the motion.

AYES: 8 NAYS: 0 ABSTENTIONS: 1

**LAKE COUNTY LAND REUTILIZATION CORPORATION
4th QUARTER MEETING**

Monday, December 18th, 2017 @ 3:00 p.m.

8 N State St, KeyBank Building (Lower Level), Painesville OH 44077

- 1. CALL TO ORDER:** Daniel P. Troy, Vice-Chair called the meeting to order at 3:07 p.m.
ROLL CALL:

**MAC CHAFER
GABE CICCONE
JERRY CIRINO
(REPRESENTED BY JASON BOYD)
LORRAINE FENDE**

**J. BLAIR HAMILTON
TIMOTHY S. MANROSS
ANDY ROSE
DANIEL P. TROY**

- 2. A MOTION TO APPROVE THE MINUTES OF THE 3rd QUARTER MEETING
HELD SEPTEMBER 25th, 2017.**

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

- 3. RESOLUTION NO. 2017 – 90**

**A MOTION AMENDING SECTION 3.1.4 OF THE CODE OF REGULATIONS,
EXTENDING THE TERM FOR APPOINTED DIRECTORS FROM TWO YEARS
TO THREE YEARS.**

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

4. RESOLUTION NO. 2017 – 91

RESOLUTION AUTHORIZING THE RE-APPOINTMENT OF TIMOTHY S. MANROSS, DIRECTOR, TO A TERM CONCLUDING ON DECEMBER 31, 2020.

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

A motion to re-appoint Timothy S. Manross as Chairman of the Board for a one year term was put before the Board.

Motion: Troy		Second: Hamilton
AYES: 7	NAYS: 0	ABSTENTIONS: 0

6. RESOLUTION NO. 2017 – 92

RESOLUTION AMENDING SECTION 8.2 OF THE CODE OF REGULATIONS, MODIFYING WHEN THE BUDGET SHALL BE PRESENTED AND CONSIDERED BY THE BOARD OF DIRECTORS.

Motion: Boyd		Second: Rose
AYES: 8	NAYS: 0	ABSTENTIONS: 0

OLD BUSINESS

7. LCLRC PROPERTY UPDATE - RESIDENTIAL

The Land Bank currently holds title to 129 properties; 27 of which were acquired since our last meeting. Pending a scheduled sale at the end of November, we reviewed the auditors list of 49 properties. Expedited lien searches were applied to those parcels of interest to the Land Bank. We acquired 25 of the 49 parcels before they were auctioned off by the Auditor.

The Land Bank currently owns 36 NIP properties with residential structures that have been or will be demolished. As you are aware, the Land Bank must own these properties for a period of three years; at which point they will be offered on our website for sale or transfer.

- 5 have clear titles,
- 10 have cloudy titles and
- 11 have title searches ordered

Of the other remaining properties

- 41 have clear title
- 16 have cloudy title and
- 37 have title searches ordered

Of the aforementioned Non-NIP properties we have 17 interested buyers.

7. LCLRC PROPERTY UPDATE - COMMERCIAL

• 1991 Hubbard Road Gas Station - Madison Twp

The OHIO EPA advised that they have selected a contractor, Brownfield Restoration Group (BRG) who began to implement the work for a Phase I investigation and a geophysical survey on November 2, 2017. BRG's subcontractor has completed the geophysical survey. In an effort to identify the locations of any tanks below ground, the survey scanned the surface with various sensing devices into the subsurface. The results and final report are pending. The Land Bank learned that there are five tanks located on the premises. Two are gasoline tanks, one is kerosene, one is diesel and the last is oil waste. BRG will submit the draft Phase I and geophysical survey results by the end of December to the Ohio EPA. If there are any ground contaminates found, the Land Bank will be eligible for the Ohio Gas Station Clean-up Fund up to \$100,000 in grants for the removal of such contamination. If any additional work is required caused by contaminates around the perimeter of the property, we may apply for additional grant monies that are available, up to \$500,000.

• 265 North State St, Painesville City

The two (2) underground storage tanks (USTs) at 265 N State Street in Painesville, Ohio were closed in place on December 7, 2017. The closure activities were carried out in accordance with Bureau of Underground Storage Tank Regulation (BUSTR) rules by a Certified Tank Installer. Closure activities were observed by a Senior Environmental Professional from Partners, a BUSTR Certified Underground Storage Tank Inspector (CUSTI), and Painesville Fire Safety Inspector Terry Sopko. The tanks were exposed, cut open, cleaned, filled with cement, and buried in place. Partners is currently in the process of preparing a UST Closure in Place Report Form for submittal to the Lake County Land Reutilization Corporation and BUSTR. The cost of the Phase I and II analysis was paid for by the City of Painesville with grant monies they received. The Land Bank is responsible for the cost of the Closure in Place which has been estimated to cost less than \$30,000.

• 33 Stage Ave, Painesville City

The 33 Stage Avenue Phase I, Phase II, and Hazardous Materials Assessment (HMA) are all completed and will be paid for by the City of Painesville. Again, these funds are grants monies received by the City. It has been determined that there is no risk to human health on the property for commercial or industrial use. If the land use at the property were to change to residential or recreational land use, the report recommends that the results be re-evaluated. The HMA report details the analysis findings for asbestos and lead based paint. Recommendations for removal and/or disposal prior to demolition were recently forwarded to Cathy Bieterman, Community Development for City of Painesville for her review.

8. NIP PROGRAM

To date the Land Bank has demolished six homes (one of which was a drug house – 161 Jefferson St.) Eleven more structures are in progress. We have received \$95,633 in NIP Funds for three of the six homes. We anticipate an additional \$350,000 at potentially \$25,000 per structure in NIP reimbursement funds in the future.

This last quarter, the OHFA agency responsible for oversight of the NIP program analyzed our progress to date. Of the 48 land banks state-wide participating in this program, seven counties had funds re-allocated to other land banks. Our Land Bank was not one of them. Our second round of funds remain in effect - \$750,000. This money must be used by mid-December 2018.

We were proud to learn from Ms. Swisher the program's director that we were one of the top ranked land banks; being 13th of 44.

Former St. Mary Magdalene property donated to LCLRC

- **460 E 321st St - Rectory,**
- **32301 Willowick Dr - Convent, Willowick**

Mr. Rogers reported that the Land Bank now holds title to the two parcels formerly located at Mt. Mary Magdalene Church in Willowick. These two buildings that have been vacant for many years and in a state of disrepair. Once the buildings are demolished, the LCLRC has been advised that each demolition will be able to seek an NIP reimbursement for \$25,000 each. Asbestos analysis has been ordered. Once the project is completed, the parcel on E 321st St. will be suitable for subdivision into two separate residential parcels - similar to adjacent properties. The parcel located on Willowick Dr. will be maintained for later strategic economic development. Mr. Rogers explained that the estimate provided by CT Consultants is at \$175,000. Our cost would be \$125,000 after the \$50,000 reimbursement. He asked that the Board keep in mind the potential harnessing of funds when these parcels become available for sale. Based on the Auditor's valuation, when sold, Land Bank estimates on the high end suggest a possible \$50,000 profit, and a loss of \$10,000 on the low end.

Commissioner Troy asked how we arrive at our demolition costs. Mr. Rogers explained that once we acquire a property, CT Consultants, the engineers who oversee our demolition program, are notified to begin the demolition process. Periodically, we ask that a quick estimate be provided by CT, which is the basis for the figures stated.

The first real step involves CT ordering an asbestos analysis with HzW - an environmental concern. An on-site visit is scheduled to obtain samples of materials throughout the building/s. Those samples are then taken to lab for analysis. This analysis provides CT with a pretty thorough definition of where and the amounts of asbestos that must be abated.

Once that information is made available, contractors that have been pre-approved are contacted and advised that the projects scope of work is now available if they are interested and that the LCLRC

will be entertaining bids on a prescribed date.

In nearly all cases, bids received to date have been below or close to the estimates for each house. Further, unlike other land bank demolitions, all of our demolitions include the complete removal of all foundation materials, followed by clean back-filling, seeding and straw. Of note is that some land banks are now having to return to old demolitions to remove the foundation materials left behind.

9. COMMUNITY RESOLUTION DEMOLITIONS

We have received five of the thirteen anticipated resolutions identified as possible demolitions at the beginning of the year. Asbestos surveys have been ordered.

10. COLLABORATIVE COMMUNITY PROJECTS UPDATE

• Senior Center/Buildings and Grounds demolitions – Lake County Government

All of the demolition work has been completed. We have invoices and proof of payment required in order to reimburse the County for our share of the demolitions costs. Once the County receives the invoices for the asbestos abatement, we will reimburse the County for the agreed upon amount of \$171,875.

• Coe Office Building – Lake County Development and Port Authority

Agreements for the asbestos and demolition contractors have been signed. Abatement and demolition will begin at the first of the year. Mr. Rantala has asked that we consider the possibility of a greater share of assistance, as they expect costs to increase over and above the original amount. He will notify us of any change as they continue to survey the building. Discussion followed.

• Out-Building Demolitions – Crossroads

The Crossroads demolition is complete. The Land Bank's contribution to this project was originally approved by the Board for \$20,000 - with the understanding that Crossroads would use a CDBG of \$15,200.00 for the balance. Crossroads has advised us that there were two additional change orders, in the amounts of \$2,700.00 and \$6,515.85, bringing the project total cost to \$38,510.85. Mr. Rogers stated that Commissioner Troy had inquired about the possibility of the Land Bank funding the entire project, thereby freeing up the CDBG funds for other eligible projects in the County. Mr. Rogers pointed out the following:

- Crossroad's is a non-profit
- they help over 1300 families a year
- 60% of their revenues come from Medicaid and Medicare
- 40% comes from private insurers and other sources
- No one who comes to Crossroads is turned away because of an inability to pay
- last year's expenses exceeded revenues by \$100,000
- the land on which these structures were located is not exempt from property taxes

Additionally, Mike Matoney, Executive Director of Crossroads had also added that the only other reserves available to them were the result of a gift of land made by a May Haden. The property had been sold providing Crossroads with a “rainy day fund”. Mr. Matoney had relayed that Crossroads had spent approximately \$100,000 more of its funds than it had received in the last year. Also of note was that effective Jan 1st changes with government reimbursements that originally occurred within 10 days of submittals will now occur between 30 and 60 days after submission, making cash flow much more complicated.

Commissioner Troy spoke to his concern that CDBG funds may be much harder to attain due to the political climate of today; that he believed this was a good idea to have the Land Bank help attain Crossroad’s goal. Mr. Rogers referred to our mission statement reinforcing that our contributions and participation in projects like these are well within the parameters of our Land Bank’s operations.

Mr. Rogers asked the Board for a motion to approve an increase in the reimbursement to the Crossroads for the entire amount of \$38,510.85.

Upon a motion, the Board approved the request.

Motion: Troy		Second: Rose
AYES: 8	NAYS: 0	ABSTENTIONS: 0

NEW BUSINESS

11. NEW HOMES TO NON-PROFIT ORGANIZATIONS

- **557 E 305th St, Willowick**

Mark Rantala, Executive Director of the County Development and Port Authority spoke to Mr. Rogers at the beginning of the year regarding a program called “Millennial House Project – The Better Flip” (information disbursed to Board prior to meeting). The Port Authority has been working with the Auburn Career Center Students and hoped to create a “pilot project” that would renovate a western area Lake County home. The purpose is to market Lake County homes in such a way as to show Millennials what can be done with solid and affordable houses here in Lake County.

The LCLRC recently acquired a home located at 557 E 305th St. Mr. Rogers showed the home to Rantala and stated that this property meets all the necessary criteria and would be perfect for the “Better Flip” project. The Port Authority has asked if the LCLRC would be willing to transfer title to them, and they in turn, would fund upwards of \$100,000 to \$130,000 to renovate the home. A documentary is planned and would be filmed during the process to explain the layout/design and remodeling of the structure; thereby educating prospective buyers to look to an outer-ring suburb like Willowick as an attractive place to live. There would be a three month open house for touring. Once placed on the market, whether by auction or traditional sale, any proceeds exceeding expenditures, would be returned or possibly shared with the Land Bank for future projects.

Mr. Rogers asked for a motion to transfer this property. Discussion followed.

A motion was made to transfer to the property to the Port Authority with the caveat that the LCLRC is marketed as a co-sponsor; that any proceeds in excess of costs be split equally between the LCLRC and the Port Authority; that there be at least three months of open houses on this site; and that the Board members have access for inspection during the renovation process. The Board would also ask that they receive a timely invitation to participate in the Grand Opening once completed, with a non-binding recommendation that the house be auctioned.

Motion: Rose
AYES: 8 **NAYS: 0** **ABSTENTIONS: 0**
Second: Chafer

• **29735 Green Dr, Willowick OH**

Mr. Rogers has been in conversation with Donnal Heckelmoser, Executive Director of the Western Reserve Community Development Corporation on the purchase of this home. Mr Heckelmoser has suggested considering two options as follows:

WRCDC purchase the home for \$5,000 and then invest approximately \$115,000 in the renovation, or

WRCDC oversee the renovation of the home for a nominal administrative fee. HOME and/or CDBG funds would be procured for use (with income restrictions). The Land Bank would handle the renovation and then sell the property upon completion. This would effectively be identical to what was done with the home at 352 Clarmont Rd, last year – house was sold for \$132,000 by the Land Bank. Mr. Heckelmoser suggested that homes in the area are selling quite well and realistically in the region of \$150,000. Discussion followed on the inherent limitations created with the use of HOME or CDBG funds on any given renovation project.

Mr. Rogers asked for a motion to transfer the property. Discussion followed.

A motion was made to sell the property to the WRCDC with the caveat that the sale price be \$5,000 and when the house is sold, any proceeds in excess of costs excluding the \$5,000 be split equally between the WRCDC and the LCLRC.

Upon a motion, the Board approved the request.

Motion: Rose
AYES: 8 **NAYS: 0** **ABSTENTIONS: 0**
Second: Fende

- **772 Oak St, Painesville OH**

Mr. Rogers stated that he has been having discussions with Melanie Blasko, Director of Lake Geauga Recovery Centers, about the possibility of acquiring title to four parcels of land contiguous to its existing residential treatment centers on Oak Street in Painesville.

The non-profit organization has plans to add another home expanding their substance abuse treatment facility. It is their belief that a collaborative project with the LCLRC places them in a better position for a \$500,000 grant they are seeking from the State of Ohio which is designed to assist substance abuse health care facilities.

Discussion followed. Mac Chafer and Lorraine Fende believe the Land Bank should ask for at least some of the \$12,354.80 to cover the demolition of the home at 760 Oak St. Mr. Chafer commented that after working with this organization over the years, that (LGRC) has on hand appropriate funding to cover at least some of this cost. Further, this property will not create any property tax revenue if transferred to a not for profit.

On the reverse, it was stated that to gain access to Ohio State grant funding such as this \$500,000; a free donation of land from another non-profit may be well received by the grant program. After further discussion Mr. Rogers asked for a motion to transfer the parcels to Lake Geauga Recovery Centers.

A motion was made to donate the property with the caveat that the LCLRC be marketed as being part and parcel to this project; and the Board receive a timely invitation to participate in the Grand Opening of the new facility once completed.

Motion: Troy

Second: Cicconetti

AYES: 6

NAYS: 2

ABSTENTIONS: 0

12. PUBLIC SECTION

The Chair opened the meeting to the public.

John Muzik, 45 Coventry Dr, Painesville Twp – appreciated all the active conversation that went before the Board at this meeting; would like to know – of the 10% penalties and interest, where did the original 5% go before the Land Bank was in existence? Mr. Rogers will verify this information for him.

Arzella Melnyk, Kirtland City – thanked Mr. Rogers for spending time presenting the December 8th, 2017 Power-Point Presentation on the Land Bank; asked if calls are being dealt with while Mr. Rogers is in Columbus; would to know why a gentleman in Painesville has not had his questions answered about the 265 N State St. property; and was glad to see there are more than one opinion on subjects before this Board.

The Board having no further business to discuss, moved to adjourn the meeting at 5:07 pm.

Motion: Rose
AYES: 8
Second: Chafer
NAYS: 0
ABSTENTIONS: 0

14) SCHEDULED OF FUTURE MEETINGS

The following dates are posted:

First Annual Meeting – Monday, March 26, 2018 @ 3:00 p.m

First Quarter – Monday, March 26, 2018 @ 3:30 p.m.

Second Quarter – Monday, June 24, 2018 @ 3:00 PM

Third Quarter – Monday, September 24, 2018 @ 3:00 p.m.

Fourth Quarter – Monday, December 17, 2018 @ 3:00 p.m.

APPROVED: MARCH 26, 2018


TIMOTHY MANROSS, Chairman

The undersigned Clerk certified that the foregoing is a true and correct transcription of the minutes of the meeting held December 18th, 2017 of the Board of Directors of the Lake County Land Reutilization Corporation showing the adoption of the Minutes above set forth.

DATED: MARCH 26, 2018


LINDA S. FREDEBAUGH, Clerk