

The Board of Directors of the Lake County Land Reutilization Corporation met in session on the 17th day of September, 2018 at 3:00 at 8 N State St, KeyBank Building (Lower Level), Painesville OH 44077-3955 with the following members present:

MAC CHAFER
(Mike Manary for)
GABE CICCONE
JERRY C. CIRINO

LORRAINE FENDE
TIMOTHY S. MANROSS
DANIAL P. TROY

Commissioner Troy moved to approve the minutes of the Monday, June 25th, 2018 meeting and Lorraine Fende seconded the motion.

AYES: 6 NAYS: 0 ASBSTENTIONS: 0

LAKE COUNTY LAND REUTILIZATION CORPORATION
2nd QUARTER MEETING
Monday, June 25th, 2018 @ 3:00 p.m.
8 N State St, KeyBank Building (Lower Level), Painesville OH 44077-3955

- 1. CALL TO ORDER:** Timothy S. Manross, Chairman called the meeting to order at 3:05 p.m.
ROLL CALL:

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

BETH A. KNEZEVICH
TIMOTHY S. MANROSS
KENNETH FILIPIAK
DANIEL P. TROY

- 2. MOTION TO APPROVE THE ANNUAL MEETING MINUTES HELD MARCH 26th, 2018. (Four members arrived later)**

Motion: Chafer Second: Cicconetti
AYES: 5 NAYS: 0 ABSTENTIONS: 0

- 3. MOTION TO APPROVE THE MINUTES OF THE 1ST QUARTER MEETING HELD MARCH 26th, 2018. (Four members arrived later)**

Motion: Chafer Second: Cicconetti
AYES: 5 NAYS: 0 ABSTENTIONS: 0

4. Mr. Rogers took a moment to congratulate both Mac Chafer and Jim Lyons, both in attendance on the occasion of their birthdays today, and a moment of silence was taken for the Mentor Police Officer Matthew Mazany - killed early last Sunday morning.

5. LAKE COUNTY SOIL & WATER ACQUISITION

Mr. Rogers has been in discussion with the Department of Justice (DOJ) involving a parcel of land off of Blackbrook Rd adjacent to the Land Bank's parcel at Callendar Rd. The Osborne family owns property located at 220 Blackbrook Rd adjacent to ours. The DOJ is requesting that we consider taking a portion of the Osborne property to be joined with ours with both being given to the Lake County Soil & Water Conservation District for conservation purposes. Other than discussion, no further action was taken at this time.

6. MENTOR MARSH PROJECT

Mr. Rogers asked for a modification to the meeting's agenda previously emailed to the Board, moving the Mentor Marsh Project discussion to the beginning of the meeting. Motion carried.

Motion: Fende

Second: Cicconetti

AYES: 5

NAYS: 0

ABSTENTIONS: 0

On the matter before us, Mr. Rogers has been in contact with Mr. Craig Butler, Director of the Ohio EPA about land owned by an Osborne Estate. Currently this land is the subject to litigation as a result of salt contamination that has been leaching into the Mentor Marsh since 1966. Within a few years thereafter, most of the native trees and marsh plants had been overtaken by an invasive perennial called Phragmite. This invasive grass is a large reed variety found in wetlands with temperate weather conditions. The plant is tolerant of elevated levels of salt water. The dense growth is highly flammable causing periodic bog fires in the Mentor Marsh, creating a frequent and significant concern for public safety by the City of Mentor, the Cleveland Museum of Natural History (owner of adjacent parcels) and the State of Ohio. Attempts by the Osborne's to reduce the salt saturation over the years have been deemed unsuccessful.

It is the desire of the litigants to resolve this matter, by removing remove the salt contamination as quickly as possible. The intent is to restore the marsh to its original condition. The Army Corp of Engineers dredges the Fairport Harbor basin every one to two years. By combining the efforts of the harbor dredging and the salt remediation project, it is believed the dredged materials could be used to replace the contaminated excavations. We would be taking care of the national harbors as well as cleaning up our historic landmark, the Mentor Marsh. This synergy between the marsh and our harbors might offer additional funding opportunities for the marsh project. The settlement terms being contemplated would require the removal of all salt, fly ash and lime kiln dust found on the land involved which would then be disposed of at an undetermined location.

Both the OHIO EPA and the Attorney General's Office are working on an agreement, subject to the Land Bank and Court's approval. This would entail the LCLRC taking title of the land for purposes of the restoration.

The agreement between the LCLRC and the State of Ohio would provide access to the Ohio EPA for the remediation of the contaminants without liability to the Land Bank. The possibility of Lake County

waiving its tipping fees associated with the tonnage during this abatement was discussed. Any agreement would be negotiated with the County at a later date.

Discussion with Mr. James Lyons, legal counsel for the Land Bank resulted in the retention of outside Counsel through Squire Patton Boggs as a third party attorney. The environmental lawyer assigned to this matter is Allen A. Kacenjar, who has been and will continue to be involved in all negotiations on behalf of the Land Bank, the EPA and the AG's Office.

The Osborne estate, as the defendant, has agreed to pay a figure amounting to \$10,600,000 to the EPA which the State will earmark for the clean-up of the Mentor Marsh site. It was stated that this amount will pay for the removal of the salt fill. Funding gaps, exist and are estimated to be \$6,000,000 which will be the responsibility of the EPA and/or the State of Ohio. Several sources for these funds exist including the US EPA-The Great Lakes National Program Office (GLNPO).

A responsible party found to be at fault is generally not eligible to obtain grant money. Thus, it is critical for the Land Bank to be a part of this project. Land banks are unique in their statutory treatment including a liability protection that is not normally a consideration for other potential entities. Because of this, the EPA is of the opinion that the Land Bank would be of tremendous help holding this property while it continues to fill the funding gaps. Upon the completion of this project and in its restored natural state, the property would then be transferred the Cleveland Museum of Natural History who would act as a conservator. If the EPA and Ohio during this five year period are unable to complete the clean-up process, the Land Bank will be given the opportunity to transfer the property to the Ohio Department of Natural Resources.

The defendants have also agreed to pay all fees associated with the retention of the Land Bank for legal services provided by Squires Patton Boggs, in addition to a Phase I Environmental Analysis and a Post-Acquisition Continuing Obligation Plan. The EPA believes the clean-up activities will be approximately two years with a maximum period of five years.

The environmental attorney fees are approximately \$40,000 and have been deposited by the Osborne defendants with the Squires Patton Boggs office.

Today's meeting is for informational purposes only. The litigant's settlement is expected to be approved by the Court in October. In the meantime a draft agreement between the Land Bank and the Ohio EPA will be drawn up for our consideration and participation. The EPA will continue their Phase I assessment and continue to prepare the agreement.

Individuals in attendance included the following:

Ellie Ewing and Janean Weber, Attorneys from the Office of Ohio's Attorney General

Kurt Princic, Ohio EPA Northeast District Office

Todd Anderson, Esq., Ohio EPA Chief Legal Counsel

Bill Fischbein, Esq., Ohio EPA Surface Water Legal Counsel

Allen Kacenjar, Esq. Squires Patton Boggs Law Firm – retained by the Land Bank

Kenneth Filipiak, Mentor City Manager

Richard Hennig, Esq., Mentor's Law Director

James Lyons, Esq., LCLRC Legal Counsel

After a lengthy discussion, Lorraine Fende made a motion requesting that a court reporter be hired by the Land Bank to prepare a transcription of today's discussions involving the topic of the Mentor Marsh. If necessary, a special meeting of the Board may be requested by Mr. Rogers before the 3rd Quarterly meeting, scheduled on September 17, 2018, to review and/or approve the Boards participation in this project. A transcription will be prepared before the meeting.

Motion: Fende

AYES: 9

NAYS: 0

Second: Cirino

ABSTENTIONS: 0

Chairman Manross thanked the EPA and all attorneys involved for their participation.

7. BETTER FLIP PROGRAM -557 E 305th St, Willowick

Mark Rantala, Executive Director to the Lake County Port and Economic Development Corp. was asked to speak on behalf of the Port Authority's Better Flip program. He reported of a recent segment on National Public Radio regarding the project, broadcast on the 5th of June, followed by the ceremonious demo-breaking held at the 305th St home on June 8th. A number of LCLRC board members were present in addition to Mayor John Barbish of Wickliffe, Mayor Dennis Morley of Eastlake, Mayor Robert Fiala of Willoughby and other officials. A link to the PBS news cast was provided via email to all Board members after the event.

The LCLRC experienced some difficulty during the process of the title transfer due to the Point-of-Sale inspection requirements by the City of Willowick. After some confusion, smoke detectors were temporarily installed to satisfy the Fire Department's inspection and provide compliance with the City's zoning codes. They were then removed for the remodeling of the home, after which they will be reinstalled. An additional \$1,000 was necessary for sewer dye tests on the water and sewer lines located between the home and the tie-ins at the street. It was determined that the Port Authority will be responsible for the work necessary to separate the two lines. Some exasperation was expressed regarding the City's rules as being both unnecessary and expensive - given the intent of the project; as there will be no one living in the home for the next several months during the renovation process. All fees and inspections will have to be done again, when the new owners take occupancy.

Mr. Rantala stated that a large sign marketing this project will be placed in the front yard of 557 later this week to inform the public of the combined efforts of both the Port Authority and the Land Bank. Better Flip will have a website with videos of all segments of the renovation explaining how the program works. Within 3-4 months upon completion, there will be several walk through open houses and finally an auction for a new owner. The Better Flip Program is intended to show that the 1950's style homes in this these neighborhoods can be converted into homes that are updated, beautiful and attractive to the younger millennials as opposed to the severity of leaving an empty space on the street, due to a demolition and the lack of opportunity to rebuild due to updated zoning codes.

Mr. Rantala explained the reconfiguration of the interior adding an addition off the back of the house

resulting in a three bedroom, two bath floor plan. Mac Chafer asked if the house would be a “smart home” as that is what the millennials look for. Mr. Rantala stated there will be smart wiring of the thermostat and updated USB outlets throughout. He describes this project as something between *Bob Vila’s This Old House* and *HGTV’s Fixer-Upper*. And that when the millennials see the new creation in an old space, they will be encouraged to buy in the Willowick neighborhood keeping the community vibrant and populated.

As co-sponsors of this project the LCLRC Board will be asked to attend news events during the remodeling process. Mr. Rantala thanked the Board for our participation.

8. DEMOLITION OF COE MANUFACTURING OFFICE BUILDING

Mr. Rantala went on to review the history of the Coe Building stating that the then City owned property was given to the Port Authority who in turn received a grant from Clean Ohio funding of \$1.2 million. \$800,000 was immediately used to remove environmental items 16 feet down on the back of the office building property. The building was then reviewed with hopes of adapting it for use by the Lake County General Health District, but the cost of renovation was expected to exceed the value of the property. The other five buildings (office building not included) were reviewed for environmental issues and cleared. Burgess and Niple, the consulting engineers on the project were granted a *covenant not to sue* to industrial housing clean up only. Presently three of the five industrial buildings are occupied employing 40 workers and creating tax revenue for both the city and school district. The last L-Shaped building is expected to be sold within the next 90 days. The Port Authority has now exceeded the requirement of 31 employees from the Clean Ohio grant.

Mr. Rantala is here today to speak to his revised request for funding assistance on the demolition of the Coe Office Building. He explained that the LCLRC Board’s approval the Budget for the fiscal year 2017 at \$60,000 or 50%, was an estimate given to the Land Bank based on the anticipated renovation and NOT the demolition of the building.

Original estimates for the work were approximately \$98,000. Unfortunately, once the demolition process began, additional asbestos material was discovered. Mr. Rantala reinforced that they too, had questioned the large increase in cost, but the costs were affirmed by the engineering firm as being valid and appropriate. He is requesting additional support to help offset these additional costs. The additional expenses, amounting to \$157,279 will result in a total cost for the project amounting to \$255,279. The 50% share being requested from LCLRC is now \$127,640.

This figure includes the original \$60,000 budgeted and the additional amount being requested of \$67,640. Lorraine Fende asked what the end use of the property would be after demolition. Mr. Rantala answered that once the north end parcel currently leased under a two-year contract by Great Lakes Construction Company completes the railroad trestle, there will be approximately three acres of green space with a value of about \$40,000/acre for development as a new industrial building site.

Discussion followed as to the safety of the cliff and the drop-off at the back of the office building property line. Mr. Cicconetti suggested that any potential buyer of this site must consider the possible erosion of this area. Mr. Rantala does not believe this is an issue explaining he is not an engineer and that there would potentially be a street building with a 10,000 – 30,000 sq. ft. building.

There is some concern that the Land Bank is not getting any return on the money invested in the improvement of commercial properties if and when they will be sold, and that a possible return of half of

the \$67,640 should be considered. Mr. Cicconetti believes that maybe in the future, when the Land Bank provides sizable funding for a large demolition that will ultimately become a thriving new business earning new tax dollars, that the Land Bank might consider negotiations with the community for reimbursement of a portion of the grant money.

A motion was put before the Board for the approval of the additional amount of \$67,640 for a total of \$127,640 or one-half of the total cost of \$255,279 for the Coe building demolition.

Motion: Cirino

AYES: 8

NAYS: 1

Second: Manross

ABSTENTIONS: 0

Mr. Rogers asked that the next three resolutions put before the Board, be authorized for payment with the amounts be filled in at a later date and recorded immediately, as our next scheduled board meeting is not until September 17th. There was a previous incident where our lien was posted after the sale of the property negating the ability to collect our costs on demolition. Mr. Lyons, our legal counsel has reviewed and approved this change in procedure to help protect the Land Bank's opportunity to collect the lien revenue.

9. RESOLUTION 2018-96

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE; Permanent Parcel Number 34A013B000230, (523 Campers Dr., Eastlake) (Date Demolished – 4/17/2018)

Motion: Cirino

AYES: 9

NAYS: 0

Second: Fende

ABSTENTIONS: 0

10. RESOLUTION 2018-97

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE; Permanent Parcel Number 15C011A000040, (32 Frederic St., Painesville City) (Date Demolished – 4/13/2018)

Motion: Fende

AYES: 9

NAYS: 0

Second: Cirino

ABSTENTIONS: 0

11. RESOLUTION 2018-98

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE; Permanent Parcel Number 15B018A000030, (330 E Main St., Painesville City) (Date Demolished – 5/2/2018)

Motion: Fende

AYES: 9

NAYS: 0

Second: Cirino

ABSTENTIONS: 0

OLD BUSINESS

12. LAND BANK PROPERTIES UPDATE

The Land Bank has received no new properties since the last meeting, and we have transferred six parcels since. The title to the home on 557 E 305th St, Willowick is being transferred today.

The four parcels for Lake-Geauga Recovery Centers have not yet been transferred. While there is the three year NIP year requirement prior to release, there is a caveat that allows the opportunity for early release. For this release to be approved by the Ohio Housing Finance Agency, the property owner is required to show the initiation of the construction process within one year of transfer, or the Land Bank runs the risk of returning funds received as a result of any demolition activity. We have been given permission to transfer title early, but Mr. Rogers is awaiting confirmation from Lake-Geauga of their ability to meet OHFA's one year construction initiation requirement.

13. NIP PROGRAM UPDATE

Our NIP grant requires that 50 homes be torn down to meet our commitment. The Land Bank presently owns 44 NIP structures. We have demolished 39 of those 44. We have one under contract and are awaiting bids for the remaining four. Our NIP allocation between the two grants was \$1,250,000. We anticipate NIP reimbursements for the work to demolish to be approximately \$812,000.

To avoid a partial reallocation of our award, the Land Bank needs to acquire title to another six forfeited houses to be demolished and paid for by October 31th. While we can request up to \$25,000 per home, our demolition costs are averaging \$19,405. We will be close.

14. 265 N STATE ST PROPERTY

Mr. Cicconetti brought to the attention of the potential buyer of the 265 N State St building has shown some political notes to their mission via an email he had received. He questions whether we as the Land Bank should be involved in the sale of the building having this information. Commissioner Cirino stated he had discussed the email with the potential buyer and was told they have nothing to do with the organization that put the email out. Mr. Rogers went on to say we are not at a point of discussion on the sale of the said property to anyone until the additional supplemental chemical sampling has been completed. He then read a statement from Cathy Bieterman, Painesville Economic Development outlining the dates of samplings and our agreement to pay the additional \$200.00 fee. Discussion followed.

NEW BUSINESS

15. 1991 HUBBARD RD – MADISON BEVERAGE/GAS STATION

We continue to wait on the Ohio EPA. We understand there is one more piece of correspondence we will be receiving before we are awarded the EPA's Gas Station Clean-up funds between \$100,000 and \$500,000 as needed.

16. LAKE-GEAUGA HABITAT FOR HUMANITY

Bill Meyer has asked the Land Bank if we would be willing to reverse the Lake-Geauga Habitat for Humanity acquisition of the former three parcel lot located at 73 Riverside Dr. in Painesville Township. Lake-Geauga had planned to build a home for a couple who apparently ended their marriage and are no longer interested.

In the meantime, to help facilitate the building of another home, the City of Mentor-on-the-Lake would like to donate the parcel of land at 7395 Primrose Dr., which was the first home the Land Bank demolished under the MOF Demolition Program. The Land Bank will take title from the City and then transfer it to Habitat for Humanity.

Habitat has identified a family willing to acquire the home once it is completed. Our agreement will be to purchase the Riverside parcel back at the original \$18,000 selling price. These funds will then be used to help Habitat for Humanity with the homes construction. Unless there is opposition from the Board it is Mr. Roger's intent to move forward on this transaction. Mr. Meyer's has agreed that if necessary, Habitat for Humanity will incur any charges associated with the transfers. Mr. Rogers asked for a formal motion.

Motion: Cicconetti	Second: Fende	
AYES: 9	NAYS: 0	ABSTENTIONS: 0

17. CAPTAIN'S ADVERTISING

Mr. Rogers has been asked for the last two years if the Land Bank would be interested in placing an advertisement on their Jumbotron. It is the opinion of the Board that this is not something of which we would be interested.

18. LAND BANKS HAVING STATE REPRESENTATION

At the Spring 2018 Land Bank Networking Meeting held on May 30th a proposal was presented to the representatives of the 53 land banks throughout Ohio asking that we consider the creation of a statewide organization to represent all Ohio land banks. The fee structure they proposed was based on the various dollar amounts of funding received by the land banks from DTAC. Tentative fee structures as outlined need to be finalized. The fees that we would pay based on the matrix outlined are estimated to be \$10,000. Those amounts have yet to be agreed upon. Mr. Rogers and a number of other land bank representatives advised that any amount would be subject to the approval of our Boards during the budgetary process. Discussion followed.

19. PERRY VILLAGE PROPERTIES TO DEMOLITION

The Land Bank has received two resolutions from Perry Villages Mayor Stevens asking us to take down two buildings on their behalf. After reviewing the request it would appear that the two buildings may be actually owned by the school with one formerly used by the Village. This needs to be determined before we can move forward with a 50% contribution. Both buildings are simple garage like structures. Mr. Rogers has attempted to reach Mayor Stevens who he believes may be unavailable for the interim. Mr. Rogers spoke with Jim Jessic, the Village Council President and advised him that the Land Bank would discuss the request with the Board, but that historically we share 50% of the building's demolition costs

with the taxing entity.

20. 29735 GREEN RD, WILLOWICK – RENOVATION

Commission Troy asked what is being done with this property, as it is an ugly site. Mr. Rogers stated that the Land Bank is looking into having the home renovated, and that he believes it can be saved for about \$125,000. Estimates are being worked on now. Discussion followed.

VISITOR DISCUSSION

Mr. John Muzic expressed his opinion that the 265 N State St should be demolished and that the Land Bank should do their due diligence. He does not understand why this property is not on the website.

The Board having no further business to discuss, asked for a motion to adjourn.

Motion: Cicconetti	Second: Cirino
AYES: 9	NAYS: 0
	ABSTENTIONS: 0

MEETING ADJOURNED at 5:21 p.m.

21) SCHEDULE OF FUTURE MEETINGS

The following dates are posted:

Third Quarter – Monday, September 17, 2018 @ 3:00 p.m.

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

First Annual Meeting – Monday, March 25, 2019 @ 3:00 p.m.

First Quarter – Monday, March 25, 2019 @ 3:30 p.m.

Second Quarter – Monday, June 24, 2019 @ 3:00 PM

APPROVED: X SEPTEMBER 17, 2018

X 
TIMOTHY S. MANROSS, Chairman

The undersigned Clerk certified that the foregoing is a true and correct transcription of the minutes of the meeting held June 25, 2018 of the Board of Directors of the Lake County Land Reutilization Corporation showing the adoption of the Minutes above set forth.

DATED: SEPTEMBER 17, 2018


LINDA S. FREDEBAUGH, Clerk