

The Board of Directors of the Lake County Land Reutilization Corporation (the "Board of Directors") met in session on the **24th day of June, 2019 at 3:00 p.m.**, 8 N State St. Painesville City (KeyBank Building) Lower Level with the following Directors present:

**GABE CICONETTI
JERRY CIRINO
JACK CORNACHIO**

**LORRAINE FENDE
KENNETH FILIPIAK
JEFFREY SHIBLEY**

Commissioner moved to approve the minutes of the Monday, March 25th, 2019 meeting and Lorraine Fende seconded the motion.

AYES: 5

NAYS: 0

ASBSTENTIONS: 1

**LAKE COUNTY LAND REUTILIZATION CORPORATION
1st QUARTER MEETING**

Monday, March 25th, 2019 @ 3:30 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 3:30 p.m.

ROLL CALL:

**MAC CHAFER
(MIKE MANARY FOR)
GABE CICONETTI
JERRY CIRINO
JACK CORNACHIO**

**LORRAINE M. FENDE
KENNETH FILIPIAK
TIMOTHY S MANROSS
JEFFREY SHIBLEY
RON YOUNG**

- 2. MOTION TO APPROVE THE MINUTES OF THE 4th QUARTER MEETING HELD
DECEMBER 17th, 2018.**

Motion: Cirino

Second: Fende

AYES: 3

NAYS: 0

ABSTENTIONS: 6

(Note: The "Ayes" reflect three of the five board members attending the December 2018 quarterly meeting)

3. RESOLUTION 2019-110

A RESOLUTION CONFIRMING THE RE-APPOINTMENT OF JOHN M. ROGERS AS EXECUTIVE DIRECTOR FOR THE LAKE COUNTY LAND REUTILIZATION CORPORATION, AFFIRMING HIS CONTRACT AND DETERMINING HIS COMPENSATION

Motion: Cirino

Second: Filipiak

AYES: 9

NAYS: 0

ABSTENTIONS: 0

4. RESOLUTION 2019-111

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE: **PP# 34B025C000620 (179 Courtland Blvd, Eastlake)**

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

5. RESOLUTION 2019-112

A RESOLUTION LEVYING LIENS FOR EXPENSES INCURRED TO RECOVER THE TOTAL COST OF CORRECTING HAZARDOUS CONDITION OF BUILDINGS OR ABATING NUISANCE: **PP# 34A002D000070 (33585 Morris Ave, Eastlake)**

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

Mr. Rogers advised that the two above resolutions are before the Board this quarter because at the completion of these demolitions, the liens must be filed immediately to protect the Land Bank's interests. He reminded members that there is always a possibility a property owner will sell the parcel/s during or immediately after the demolition, but before the lien for the expenses has been filed, thereby preventing the land bank from recovering its costs for the demolition.

6. RESOLUTION 2019-113

A RESOLUTION RECOGNIZING THE BROAD DUTY TO AFFIRMATIVELY FURTHER
FAIR HOUSING AND TO RECOGNIZE THE MONTH OF APRIL 2019 AS FAIR HOUSING
MONTH IN LAKE COUNTY, OHIO

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

7. RESOLUTION 2019-114

A RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR OF THE LAKE COUNTY LAND REUTILIZATION CORPORATION TO SUBMIT GRANT REQUESTS TO THE LAKE COUNTY COMMISSIONERS FOR COMMUNITY DEVELOPMENT BLOCK GRANT AND/OR HOME FUNDS.

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

OLD BUSINESS

8. LCLRC PROPERTY UPDATE

Mr. Rogers reported that the Land Bank holds title to 154 properties as of today, with 90 parcels listed, or in the process of being listed for sale on our website with an estimated market value of \$1,120,230. 47 of these parcels are NIP's which have date of sale limitations of 3 years from the filing of the open ended mortgages from OHFA for the reimbursements we receive from the program. Of the 47 properties, 20 will become available for sale during this calendar year. There are 37 other parcels that have cloudy title which have to be resolved in court through a *quiet title action* prior to sale. Mr. Rogers reviewed the NIP program and the In Rem Foreclosure Process for the new Board members.

To date the Land Bank has disposed of 49 parcels of land either by way of sale or transfer.

- Of these, in 2018, we transferred 21 parcels
- Sales to date have amounted to \$634,622
- The Land Bank has netted \$596,710.54 from those sales
- Four purchases are pending and another 16 parcels have interested parties

Ron Young asked about anticipated sales of Land Bank properties. Mr. Rogers then reviewed the history of LCLRC sales and projections. Discussion followed.

8. NIP NEIGHBORHOOD INITIATIVE PROGRAM – Success story for LCLRC

The Land Bank awarded \$1,250,000 under this program to demolish 50 residential structures in targeted areas. To date we have acquired and demolished 54 houses for a total cost to the Land Bank of \$1,114,660.89, an average of \$20,641.87 per structure.

The amount that we have been reimbursed by OHFA to date is \$981,597.70. Thus, the net cost to the Land bank to tear down these structures is **\$133,063.19 (an average of \$2,464.13 per structure)**. When these properties are sold or transferred, the land bank should recover that amount and or more.

SUMMARY – The Land Bank has basically leveraged \$133,000 to accomplish in excess of \$1.1 million dollars of demo activity with the NIP program.

At the start of this year, we had an eligible balance of \$388,763.75 available from OHFA. Reimbursements from the first of 2019 total \$108,233.20, leaving an unused balance of \$280,513.55. We must spend this money by the end of 2019. Averaging \$20,641.87/demolition – we will need to acquire and demolish at least 13 more houses by year end.

As of today LCLRC will take title to two homes. One home is contiguous to the Willoughby Eastlake Library's Willowick branch property in Willowick which is to be purchased by the library. The Library

plans to donate the home to LCLRC so that we can demolish the structure with the understanding that sometime in the near future, after three years, the land bank will transfer title to the library system.

The Land Bank continues to review foreclosures on an ongoing basis. There are at least 34 houses subject to In Rem Foreclosures that could be NIP eligible in Lake County. A report is due to OHFA April 15th as to our demolition status. The review analyses our ability to maintain our allocation, but without enough qualifying houses, we may lose our unused funds to other more needy counties.

9. MENTOR MARSH PROJECT

Mr. Rogers first reviewed the essence of the Mentor Marsh Project for all the new Board members. To date the Land Bank has not received title to the combined 65 acre parcels subject to the litigation issue between the State, Mentor and the Osborne Estate.

Mr. Rogers advised that he had requested a title search be conducted prior to transfer of property. The search identified outstanding liens that required resolution and removal. In his discussion with Grant Keating, of Dworken and Bernstein, and the attorney representing the Osborne Estate both parties involved in this matter, Mr. Rogers learned it was a question of obtaining signatures from all family members in order to file a release of lien. Once the releases have been filed and recorded we will receive title. Commissioner Cirino reinforced that the Land Bank will be held harmless of anything involving the clean-up efforts and that within 2 – 5 years based on completion, the property will be transferred to the Cleveland Natural History Museum, who now owns most of the protected marsh area.

Both the Lake County Soil and Water District and the Natural History Museum have asked to be given access to the property to continue their research. When the Land Bank receives clear title, access agreements will likely be prepared and signed by all parties involved.

The \$10.6 million dollars to be used in the remediation of the site agreed upon by the parties has been deposited with the State. The attorney for the OHIO EPA, has advised us that in his opinion an additional \$1,000,000 may be allocated for this project.

10. 1991 HUBBARD ROAD – Old Gas Station

Mr. Rogers reviewed the history of the Delno gas station to date. The Land Bank was informed that a number of “*wet wells*” were installed on the property to monitor water contamination. Test results will be conducted on a quarterly basis. Once the results are shown to be consistently clear of any contamination, we will be able to place the property on the market.

To date LCLRC has spent \$126,435.43 on this project. It is our belief that there remains another \$12,000 in forthcoming invoices. All of these dollars will be reimbursed under the grant we obtained through the State’s Abandoned Gas Station Cleanup Program. Grading and seeding has not been completed to date. Additionally, there remains some minor work to repair the sidewalks and the aprons on the property. This work is not reimbursable from the State and will be undertaken at our costs. This work may be eligible for CDBG funds and will be explored further.

11. COMMUNITY DEMOLITIONS/NUISANCE ABATEMENTS

This year the Land Bank has torn down four houses at the request of Communities with another two planned. Asbestos analysis for these last two were returned to our engineer Friday and bid specifications are being prepared for RFQ's now.

In addition to these six properties, the Land Bank is budgeting for a total of \$789,000 for the year's Community Demolition program. As in the past, whether these demolitions will become a reality, are dependent upon the communities completing the condemnation process. Each entity must notify all parties involved and resolutions must be passed by the communities authorizing the LCLRC to demolish the houses on their behalf. The costs for these tear downs would then be certified to the tax duplicate in the same manner as the resolutions the Board passed a few moments ago.

Questions were asked about prevailing wages and contractor bidding requirements. Mr. Rogers informed the Board that all Demolition contractors are required to be approved and registered with CT Consultants prior to receiving invitations to bid on competitive bid projects. Because the Land Bank is not a government agency it is not required to follow bidding procedures similar to that of the County or a municipality. Mr. Rogers stated that it is however, in the Land Bank's best interest as a 501(c)(3) to solicit contractor interest for consideration. LCLRC advertises periodically in the News-Herald inviting contractors to submit applications in order to be a qualified bidder.

12. 2019 BUDGET (Copies provided to all Board Members)

The 2019 budget as proposed was provided to the Board and reviewed in its entirety. Total revenues expected from all sources are estimated to be approximate 1.4 million dollars for the year. Our average revenue the last five years was approximately \$1.18 million. Last year's expenses amounted to approximately \$1.73 Million. To date sales of land bank properties has generated \$596,710.54 in revenues. Also provided to the Board, as is done with each meeting, are the Financial Statements including the Balance Sheet, and the statement of Revenues and Expenditures through the end of the prior month or February.

Commissioner Cirino commented that he believed that the number of foreclosures has consistently declined over the past couple of years; asking for affirmation from Ms. Fende. Lorraine answered yes, but that part of the decline in DTAC funding has been due to her efforts to remind those that are late to please try and keep current; thus the delinquency rate is declining. Discussion followed.

Mr. Rogers continued to review of all line items. After a complete review, the Chair motioned for approval of the 2018 Budget.

Motion: Fende
AYES: 9

NAYS: 0

Second: Cirino
ABSTENTIONS: 0

NEW BUSINESS

13. YMCA FUNDING REQUEST

The West End YMCA will be building a new facility on the end of the Willoughby High School campus now under construction. Once completed they will be demolishing their existing facility.

Overall, the Y's capital program for this development requires \$10 million dollars. To date they have raised upwards of \$8 million dollars. The LCLRC has been asked if it would be willing to share in the costs associated with the demolition of the existing YMCA building. The request is for \$500,000. Mr. Rogers believes the Land Bank could afford the \$500,000 but since there are no new funding sources on the horizon, he suggested that a \$250,000 share would be more affordable. Mr. Rogers stated that this type of project would certainly fall within the parameters of the Land Bank's mission and is well within our authority as a 501(c)(3) organization.

The discussion that followed emphasized that the new complex, by virtue of being exempt property, would not generate any property tax revenue for the County and as such implied that land bank funds would be better used on projects that would result in generating property tax revenue. The discussion concluded with no formal action being taken on the proposal.

14. 265 NORTH STATE ST PROPERTY

Mr. Rogers briefed the new Board members on the history of this building since we obtained it in December of 2015. LCLRC's first interested party was the Lake County Council on Aging - Meals on Wheels, found to be not viable. Second was the Painesville Senior Center; again not found to be viable. At that point, after hearing about HOLA or the Hispanic organization of Lake and Ashtabula, Mr. Rogers asked about the possibility of the buildings use to create a community kitchen for the commercial preparation of foods to be sold in the market place. The facility would offer an open kitchen resource for food entrepreneurs to rent equipment to make their foodstuffs. Their further intent is to create an educational/community center for English/Spanish speaking classes, job related counseling for those in need of employment, and additionally create a viable heritage center not unlike the Croatian Hall or others in Lake County.

HOLA, with a letter of support from Mr. Rogers, applied to the U. S. Department of Agricultural and received a grant in excess of \$200,000 to be used for the development of this facility. While the suggestion was to donate the property to HOLA and fund the replacement of the roof, Mr. Rogers advised that it has been repeatedly made clear that should the project come to fruition, HOLA would have to show the LCLRC Board that it was financially able to see through to the overall project's completion. Mr. Rogers subsequently applied for CDBG funding to help with the construction of ADA compliant restrooms and HVAC needs, but the grant application was denied by the County. As many as 15 letters of support have been received by the Land Bank in support of this idea, including Painesville City.

The discovery of two underground storage tanks on the property postponed any further action until the environmental remediation could be completed to the satisfaction of the State. With the work now completed the property is now able to be sold or transferred.

Recently, Mr. John Rampe of Torque Transmission located in Fairport Harbor had contacted Mr. Rogers about the possibility of addressing the Board at today's meeting regarding this proposal. Others presenting included Valerie Huffman, Non-Profit Consultant, Allison Wallace of the Greater Cleveland Neighborhood Centers Association (GCNCA) and David Potts, Studio Director for DS Architecture. Mr. Potts was responsible for the renderings of the renovation project that had been circulated to board members in the past. A presentation was then made to the Board on behalf of HOLA.

Valerie Huffman defined the underlying principles of this facility, including the proposed kitchen incubator that would foster entrepreneurship, allow small businesses to grow while providing workforce training for restaurant employment opportunities. It would provide income for overhead facility operational costs and create employment opportunities within. The center's proposed classroom facility would provide adult education, tutoring for youth and workforce development through local manufacturing trades. All of this builds bridges within the community. After more than a decade of vacancy, the HOLA center will now increase property values and attract commerce.

David Potts addressed the conceptual imagery of the new facility (packet provided to all Board members two weeks prior to meeting). This project coincides with DS Architecture's core values and mission. DS's task was to put the pieces together of a multi-faceted community center creating a cultural design aesthetically pleasing. The plan is for DS to continue to work with HOLA's contractors to keep the project on track. They believe this project is what land banks are intended for in terms of economic development by taking a building that has been sitting vacant and turning it into a vibrant space. This truly serves the community. It would not only create the incubator kitchen that is proposed, but would add a small retail café, classrooms and office space, creating a great mixed use facility. The space available could also offer banquet opportunities subject to the approval of the City.

Mac Chafer asked if this was modeled after other incubator sites. David responded that while other community kitchens exist in Ohio, DS has designed this space in accordance with HOLA's vision. Jack Cornachio asked about parking concerns. John Rampe responded that they have an agreement with St. Mary's Catholic Church across the street which has ample open parking and would be available when needed although subject to availability based on the Church's needs. Historically, St. Mary's has had long standing parking agreements accommodating prior tenants of this building. Chairman Manross believes that the parking issue is being handled by the Painesville City Planning Commission. There are six incubators in Ohio including Cincinnati, Columbus Youngstown and two in Cleveland with a third

coming in the Flats. Chairman Manross believes that this information came from Cathy Bieterman of Painesville City.

Commissioner Young asked if this kitchen would have certified kitchen training. Mr. Rampe said that what is being discussed and developed at present is that it would enable area residents to make their food products available commercially. The foremost purpose is to create and incentivize micro-businesses for the Mexican community in terms of food preparation, and make it an educational facility incorporating culinary training competent food servers, waiters and waitresses. Commissioner Young asked if this will be open to all people – even those who are not Hispanic. Mr. Rampe replied absolutely - that this is intended to be a community center for all. Right now it is being set up as a Mexican/American center because of the immediate need, but it will be open to all who want to participate and will be advertised as such.

Valerie Huffman stated that they are working with Hawken School now on a cooperative effort for students to earn credits through presenting learning programs at this venue. It is this kind of bridging building that HOLA is developing. This incubator will not only bring money to Painesville, but to Lake County. The kitchen vendors would be buying fresh produce from the farmers markets across the county, and purchasing specialty herbs and spices brought in from local stores. Many county farms and businesses will reap increased profits from this community kitchen. The opening of this facility will not only create economic opportunities for many without, but would help to create a community inclusiveness because the center would be open to everyone in Painesville.

Chairman Manross advised that he had spoken to a woman in Fairport that is unable to sell her baked goods made in her kitchen because the Ohio Cottage Laws prevent it. He believes this kitchen as proposed, would be the perfect solution to her problem.

Commissioner Cirino asked if HOLA had prepared a completed a full business plan for the proposal that the Board could review. The executive summary as presented Mr. Cirino felt was deficient and not a business plan. Commissioner Cirino asked what part the City of Painesville is contributing to this enterprise. He suggested that if there is a compelling enough economic story here, why hasn't the City of Painesville and the Lake County Port Authority assisted in the financial plans for this project. Valerie stated that the City is continually working with HOLA on this project through Planning and Development and through the Community Development's Cathy Bieterman who is on the Capital Campaign committee. She continued to say that the business summary before you today was redacted from their business plan. It is the chicken or the egg, where without the security of a building it is very difficult to bring supporters to the table. With title to the building, they can then move forward with soliciting promises of additional funding support.

Commissioner Cirino asked why this concept couldn't be placed out in Concord at the Auburn Career Center where kitchen facilities already exist. Allison Wallace spoke stating that HOLA is working with Auburn, but the biggest drawback is accessibility and lack of transportation. Mr. Rampe stated inclusivity is a part of this proposed concept, but much like the Croatian Center in Eastlake or the Hungarian Club in Fairport, both of which are open for public use, this center would similarly meet the needs of the local Mexican-American community while also open to the public. Why Painesville? Mr. Rampe suggested that this is a perfect location. The Mexican-American population in Lake County is 5% of the County's population. Here in Painesville, 29.1% of the City's population is Mexican-American with 52% of the students going to Painesville City Schools. It is only logical that the placement of a facility like this should be close to the heaviest population center of the County to allow easy access including the ability to walk to the center.

Allison, serving as Veronica Dahlberg's fiscal sponsor, also spoke in support. She stated that they have procured grants of \$50,000 from the Cleveland Foundation with the possibility of an additional \$50,000 available later. \$30,000 has been offered from the Gund Foundation. The GCNCA would be responsible for HOLA's fiscal oversight until they attain their 501(C) (3) non-profit status. Their bank account today has \$270,000. Last year they raised over \$550,000 with expenses of less than \$200,000. They are now finalizing their proposed operational budgets for 2019 and 2020 as well as a pro forma – so HOLA will have all the necessary financials available for the Boards review. Gund and Cleveland foundations both want it made clear that HOLA must have the appropriate space confirmed first before they will commit. Ms. Wallace, has worked on other Cleveland Community Projects for over 30 years and knows of the wonderful results firsthand, emphasizing that when all ethnicities participate it becomes a more inclusive community. She further advised they have focused on economic impact, workforce development and educational programs by reaching out to the Catholic Church, Catholic Charities, New Directions and Cross Roads. She stated that even Lakeland Community College has been involved in a number of programs with HOLA to make sure that they are attracting more of the Hispanic population.

Lorraine Fende asked to see an agreement on paper for the parking arrangement with St. Mary's Church across the street. She also wants to see the pro forma for this project. Jeff Shibley asked about insurance and how expensive that might be. Chairman Manross suggested that the Board in all due respect to HOLA for an answer, please forward their questions in writing to be forwarded to HOLA. That we as a Board will give HOLA an answer at the next quarterly meeting in June. The Board was in agreement.

17. CHAIRMAN OF THE BOARD RECOGNIZES VISITORS

Arzella Melnyk of Kirtland stated that she thinks that the drawing shows 1/6 or 1/8 of the building is the kitchen, therefore too much attention to community projects and education. She thinks it might be better if walls were built to keep the germs from the public getting into the food stuff being made. This could become a health issue. She stated she is also concerned about the insurance. She is offended that while attending a HOLA meeting – she was accused of being a white supremacist by someone in the

audience. She doesn't think this facility will be for all.

The Board having no further business to discuss, Chairman Manross made a motion to adjourn.

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

MEETING ADJOURNED at 5:09 p.m.

18. SCHEDULE OF QUARTERLY BOARD MEETINGS

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

Third Quarter – Monday, September 23, 2019 @ 3:00 PM

Fourth Quarter – Monday, December 16, 2019 @ 3:00 PM

Annual Meeting – Monday, March 23, 2020 @ 3:00 PM

First Quarter – Monday, March 23, 2020 @ 3:00 PM

APPROVED: JUNE 24, 2019


GABE CICCONE, Vice - Chairman

The undersigned Clerk certified that the foregoing is a true and correct transcription of the minutes of the meeting held March 25, 2019 of the Board of Directors of the Lake County Land Reutilization Corporation showing the adoption of the Minutes above set forth.

DATED: JUNE 24, 2019


LINDA S. FREDEBAUGH, Clerk