

The Board of Directors of the Lake County Land Reutilization Corporation (the "Board of Directors") met in session on the **19th day of December at 3:00 p.m.**, 8 N State St, Lower Level, Ste 10 meeting with the following Directors present:

**MAC CHAFER**  
**HOLLY BARTONE** FOR  
**GABE CICCONE**  
**JACK CORNACHIO**  
**KENNETH FILIPIAK**

**JOHN HAMERCHECK**  
**TIM MANROSS**  
**JEFF SHIBLEY**  
**MARK TYLER**  
**MICHAEL ZUREN**

Jeff Shibley moved to approve the minutes of the Monday, June 27th, 2022 meeting and Kenneth Filipiak seconded the motion.

**AYES: 9**

**NAYS: 0**

**ASBSTENTION: 0:**

**LAKE COUNTY LAND REUTILIZATION CORPORATION**  
**2nd QUARTER MEETING**

**Monday, June 27th, 2022 @ 3:00 p.m.**

**8 N State St, KeyBank Building (Lower Level), Painesville OH 44077-3955**

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**1. CALL TO ORDER:** Timothy Manross, Chairman called the meeting to order at 3:02 p.m.

**ROLL CALL:**

**MAC CHAFER**  
**GABE CICCONE**  
**JACK CORNACHIO**  
**KENNETH FILIPIAK**  
**JOHN HAMERCHECK**

**TIMOTHY MANROSS**  
**JEFFREY SHIBLEY**  
**MARK TYLER FOR RON YOUNG**  
**MICHAEL ZUREN**

**2. MOTION TO APPROVE THE MINUTES OF THE 2022 ANNUAL MEETING HELD MARCH 28<sup>th</sup>, 2022.**

Motion: Gabe Cicconetti

Second: Mac Chafer

**AYES: 7**

**NAYS: 0**

**ABSTENTIONS: 0**

**3. MOTION TO APPROVE THE MINUTES OF THE 1st QUARTER MEETING HELD MARCH 28<sup>th</sup>, 2022.**

Motion: Gabe Cicconetti

Second: Jeff Shibley

**AYES: 7**

**NAYS: 0**

**ABSTENTIONS: 0**

## **OLD BUSINESS**

### **4. LCLRC PROPERTY UPDATE**

- Mr. Rogers reported that we have acquired two parcels this year to date, noting that there has not been a lot of foreclosure activity since the Covid-10 crisis.
- He also reported several pending property sales; two in Painesville, two in Wickliffe, two in Madison and the two Rectory parcels that we have been working on for several months.
- A Land Bank sign placed on the 1991 Hubbard Rd (old gas station) property has brought several interested parties to the table. One in particular is a realtor from out of town with an interested buyer. We will continue working with the realtor.
- The commercial parcel at 720 Mentor Ave, Painesville City will be listed with a commercial realtor that Mac Chafer recommended. A contract has not yet been signed by the agent.

### **5. MENTOR MARSH**

The rehab of the Mentor Marsh has begun. Mr. Rogers noted that if you are near the Rt. 44 and Lakeshore Blvd exchange, you will see that ODOT has removed a swath of trees to create a new truck path for the removal of the salt trailings. There is to be a ribbon cutting event in the near future.

### **6. ODOT NORTH RIDGE ROAD EXPANSION**

The Ohio Department of Transportation is preparing an expansion of the North Ridge Rd (Rte 20) starting at the Rt. 2 exchange and going east. Four of our N Perry Village properties are contiguous to each other on the north side and will need easements to comply ODOT's goal. It was decided that the price of the easements offered to the Land Bank was not enough to cover our cost of insurance and maintenance on these parcels while the road work expansion is underway. We had just received lien releases from the NIP program and were preparing to sell the parcels, although, Mayor Ed Klco has asked us to hold off for a period of time for possible economic development. Mr. Rogers has suggested a price of around \$1000/each parcel. The Land Bank continues negotiations on the easement.

### **7. ODOD's Demolition and Revitalization Program**

Mr. Rogers spoke with Mike Frazier last week on the Ohio's Department of Development (ODOD) specifically for the Demolition and Revitalization Grant. The State have yet to make an announcement on the \$500,000 grant to each of the Ohio Land Banks. A decision is forthcoming within the next two to three weeks. Mr. Frazier said that all the \$150 million that was allotted has already been requested. The Land Bank's original request to ODOD was approximately \$1,516,700.00. While we will receive the original \$500,000, the other

dollars being allocated to us remains to be seen.

Mr. Rogers explained that a letter (copied to Board) was sent to all communities that had requested demolitions of residential and/or commercial buildings. He explained that if a property was to be removed, that the community must provide us with a formal resolution *rescinding the original resolution*.

He also explained that the Leroy School demolition has not yet been sent out for bid as the community has asked that an analysis or feasibility study be done to see if any of the building might be saved. Once we know which way this will go then we will be in a better position to prepare and award a demolition contract.

### **8. ODOD's Brownfield Remediation Program**

The ODOD Brownfield Remediation Program was introduced along with the Demolition and Revitalization Program. The Demolition program was originally allocated \$150 million with \$500,000 for each county land bank. The Brownfield program had upwards of \$300 million of which \$1 million was allocated to each county. While the County itself is working on projects it submitted, we currently do not have any projects under consideration that would meet the State's criteria. We believe that the Cities of Painesville and Mentor and Fairport Harbor applied directly to the State and received some funding from this allotment.

### **9. Gibb's Property 120 Johnnycake Ridge Rd - Demolition**

Gabe asked if anything more had been done on the Gibbs property. John explained that when the Township's new administrator has settled in, that the trustees need to create a Resolution condemning the property and appointing the Land Bank to level the building.

### **10. Computer Equipment**

John stated that the Land Bank will be purchasing three new computers with the necessary accessories for Linda and John. A new employee is expected to be hired at a later date having access to the third computer. We will be purchasing this equipment through the County IT Department. The equipment should be in place by September or October of this year.

### **11. Commissioners working with the Townships on property condemnations**

John discussed with the Board that he hopes that the County Commissioners and the Township Trustees can sit down and find a way to ease the burden of condemnation of structures from the township Fire Departments. Townships do not have building departments per se, nor do they necessarily have the means to condemn blighted properties on their own. The Health Department and or the local fire Department are in a position to condemn structures, but that assistance is limited.

### **12. Leroy School 13613 Painesville Warren Rd, Leroy Demolition**

Commissioner Hamercheck addressed the Board on the news that there are questions as to what and how much of the school should be demolished. There have been previous discussions with trustees as to whether the newer portion of the structure should be saved which would include the installation of a new roof. Questions centered around the costs of a full demolition versus a partial, and the economic feasibility of saving a portion of the building for future use.

The Commissioner stated that he believes there are community funds available for the “new construction” of portions of the building after the demolition, such as ADA upgrade compliance for bathrooms, etc. He also stated that there are moneys that can be found to make room for the fire department, a community center for town hall meetings and a playground. Additionally, there is already in place a fully functional package plant for maintaining the sewage and a functional water well.

A decision was made to postpone the project pending a review of the school grounds with all parties involved to determine what options may exist before moving forward with the demolition process. Furthermore, the LCLRC has not yet received a formal approval for this project from the ODOD. If funds are approved, the contractor must comply with “prevailing wage” guidelines. More to follow.

## **15. OUTSIDE ORGANIZATIONS – Enrollment**

Mr. Rogers announced that we are now members of the three Lake County Chambers of Commerce. Mr. Rogers has already attended two of those meetings. He is also invited to speak to the Willoughby Rotary Club luncheon in July where he will discuss the Land Bank, its activities to date and what might lie ahead.

Thirdly, we have been offered a table at the Resource Fair – *“Re-Entry Coalition”*, August 9<sup>th</sup>, 2022 at Crossroads Agency here in Painesville City. This will include over 21 agencies. Mike Zuren who is heading up this effort said that this is a great time for anyone who needs help, i.e. Life Line, Legal Aid, etc. Attendees will learn about many of these lifesaving services available to those who are most disadvantaged. Mike mentioned that Commissioner Hamercheck has been instrumental in finding dollars for a program called “Save the Dream”. This tax bill assistance program helps people who might have lost their jobs during Covid-19 and were unable to pay their fair share.

Mr. Rogers also, has enrolled the Land Bank with the Township Association, stating that it has been a number of years since he has been involved. This gives the Land Bank an opportunity to update the Association on the mission and future activities of the Land Bank, while offering time to learn about the needs of the Township.

## **CONTINUING BUSINESS**

### **16. LAND TRUST CREATION**

At our 2<sup>nd</sup> Quarter June of 2020 meeting Mr. Rogers requested seed money of \$500,000 together with 4-5 vacant parcels which would be donated by the Land Bank for the development of a Land Trust. He is now revising that number due to inflation, and requests \$600,000 and the parcels of land. He stated this money does not have to be gifted all at once. Mr. Rogers intends to spend time with the COCIC/Franklin County Land Bank gathering information on how they created their initial start-up plans and the execution of such a new idea as a Land Trust.

At our 2<sup>nd</sup> Quarter June of 2021 ZOOM meeting, Ms. Hope Paxton offered a guideline presentation on how Land Trusts can be a successful tool helping to redevelop these vacant parcels, creating wealth for prospective homeowners while strengthening surrounding property values.

Mr. Rogers believes we have two viable properties for new homes in both Fairport and Eastlake. He proposed that we start off slowly - no more than one to two houses the first year to measure our success and iron out any issues that might arise.

He indicated that he has held conversations with the Painesville Community Investment Corporation (PCIC) to discuss a possible joint operation or partnership. He stated that Huntington Bank in Columbus is one of the COCIC's cooperative financial institutions. Huntington Bank here in Lake County might agree to the work with us in a similar fashion. Mr. Rogers asked if we might move forward with a motion to accept this opportunity.

**Discussion followed.**

Ken Filipiak stated that he remembered that the Land Bank was to put together a draft proposal "White Paper", a background report with guidance as to what they will be voting on. This would include a summary or chronical of what we are creating, what the structures are and will look like, budget for the project/s, and what the Board actions would involve. Gabe agreed that it would be prudent to do this beforehand – before an actual vote by the Board.

John then explained a refresher on the subject of Land Trusts. The Trust owns the land; the house would be either built or renovated on that land. Then a potential property owner applies for a regular conventional loan on ONLY the house.

Land Trusts fit the market of those between low income and the average qualified buyer. Many young individuals do not have the necessary funds for a conventional mortgage and down payment on new homes. The Land Trust in effect would be a silent partner in the transactions to purchase a home, as we would retain the interest in the land while the homeowner acquires the structure through financing with a conventional mortgage; which in turn allows the homeowner to build up equity interest. Technically, the homeowner is creating wealth through equity as opposed to throwing away money on rent.

The Land Trust would also be sharing in that equity while keeping the home and property intact for future buyers when the house is once again sold. Mr. Rogers pointed out that we annually support the mission of Fair Housing by returning property to productive use and placing the parcels back on the tax duplicate.

Mike asked if there are specific banks that we know of that would be interested in this type of mortgage? John said that Huntington Bank in Columbus has had a working relationship with the Columbus Land Trust, financing many of those transactions since that program's inception.

Jeff asked if there was any point where we sell both the house and the land together. John said we could do that, but that defeats the purpose of the Trust.

In response to Jeff's questioning pertaining to property taxes, Mr. Rogers stated that taxes on both the land and the house are paid by the home owner. The Land Trust pays nothing. However, the home owner can deduct the cost of the property taxes on their tax return.

Gabe asked what happens if the bank forecloses on the house? The Land Trust owns the land and built the house. If taxes or mortgage payments are not being made the Land Trust has the ability to move in and protect its interest in the property. A right of first refusal would be included in the agreement between the Land Bank and the homeowner ensuring we maintain control over the property. Insurance would be the responsibility of the homeowner, but we could examine additional insurance with respect to the Land Bank.

Tim reminded everyone that all these questions were in the packet given to all Board members at the June 28<sup>th</sup> Second Quarter meeting in 2021. It was suggested that the Land Bank send out new copies of that packet.

As for the creation of the trust? John would develop all the required documents as he did for the Land Bank.

Discussion followed reinforcing that the Trust owns the land, and the Bank/Buyer would own the house. There was some consternation about why would a bank want this kind of mortgage. John said both Huntington and Erie bank might be good prospects for this kind of transaction as proven by the Columbus COCIC.

How is the equity split out between landowner and homeowner?

Gabe asked, "What do we see as a big benefit of this type of home buying?"

- Allows the homeowner to buy in a decent neighborhood – affordable housing
- Create wealth within the homeowner and the family through equity instead of renting
- Land Trust is developing otherwise unused parcels of land with homes, built by the Trust, thus making them more saleable. All of this in an attempt to get properties back on the tax duplicate.

John again suggested that we take an incremental approach with one to two houses a year. He is asking for initial seed moneys to start the program. Discussion followed. Gabe felt that he would not be interested in this concept.

Ken asked if the Board (in the interest of fair housing) is really representing fair housing interests. Who would make up the Board? All felt that they want to hear from Hope Paxton, again. More discussion followed.

Gabe asked if maybe the Board should be first organized and then ask for the funding? Who, what and how?

Ken suggested that most of the concerns are about the structure of the Board. That he might agree to approve some seed money to have this program reviewed with input from paid professionals. Gabe agreed. John said he would reach out to Ms. Paxton and prepare paperwork for the Board to again, review.

A motion to adjourn by Ken Filipiak.

Motion: Ken Filipiak

Second: Commissioner Hamercheck

AYES: 8

NAYS: 0

ABSTENTIONS: 0

**ADJOURNED at 3:55 p.m.**

## **SCHEDULE OF QUARTERLY BOARD MEETINGS**

Third Quarter – Monday, September 26, 2022 @ 3:00 PM

Fourth Quarter – Monday, December 19, 2022 @ 3:00 PM

*Annual Meeting* – Monday, March 27, 2023 @ 3:00 PM

First Quarter – Monday, March 27, 2023 @ 3:30 PM

Second Quarter - Monday, June 26, 2023 @ 3:00 PM

APPROVED: DEC 19<sup>TH</sup>, 2022

  
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TIM MANROSS, Chairman

DATED: DEC 19<sup>TH</sup>, 2022

  
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LINDA S. FREDEBAUGH, Clerk

The undersigned Clerk certified that the foregoing is a true and correct transcription of the minutes of the meeting held June 27th, 2022 of the Board of Directors of the Lake County Land Reutilization Corporation showing the adoption of the Minutes above set forth.