

APPROVED MARCH 3, 2008
THE INGHAM COUNTY LAND BANK
FAST TRACK AUTHORITY

January 7, 2008
Minutes

Members Present: Eric Schertzing, Comm. Rebecca Bahar-Cook, Comm. Dale Copedge, and Comm. Debbie DeLeon

Members Absent: Curtis Hertel

Others Present: Tim Perrone, Becky Jo Farrington, Diane Wing, Mark Fineout, Jim Lint, John Peckham, Joseph Bonsall, Dawn Van Halst and Sue Pigg

The meeting was called to order by Chairperson Schertzing at 5:36 p.m. in the Personnel Conference Room of the Human Services Building, 5303 S. Cedar, Lansing, Michigan.

Approval of the December 3, 2007 Minutes

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. DELEON, TO APPROVE THE DECEMBER 3 MINUTES AS SUBMITTED. MOTION CARRIED UNANIMOUSLY.

Additions to the Agenda

4. Email Correspondence – Mildred Crothers

MOVED BY COMM. DELEON, SUPPORTED BY COMM. BAHAR-COOK, TO APPROVE THE AGENDA AS AMENDED. MOTION CARRIED UNANIMOUSLY. Absent: Comm. Hertel

Limited Public Comment

Ms. Farrington commented on agenda item 1a. She stated she reviewed the proposal and does not believe it includes the willingness of Martin Properties to address environmental concerns. The property is located in a drainage district. Ms. Farrington suggested the Land Bank Authority work with the Drain Commissioner, the City of Lansing and the State Department Environmental Quality.

Ms. Wing stated she is reaffirming the Neighborhood Association's support of the Martin Properties' proposal. The proposed structure will assist in beautifying the area.

Mr. **Laporte**, Authentic Properties, stated he submitted a proposal and invested a significant amount of money in due diligence. He urged the Land Bank Authority to reject the Martin Properties' proposal and to consider the Authentic Properties' proposal.

Mr. Fineout, Silver Dollar, stated the Authentic Properties' proposal is a better fit with the neighborhood than the Martin Properties' proposal.

1. Property Maintenance, Renovation & Development
 - a. Legal Update on 3411 E. Michigan Avenue

Mr. Perrone updated the Authority on the case involving the Silver Dollar. We have filed a motion for summary judgment. The Judge has yet to rule on this motion. He then stated the Land Bank can move forward with this property.

- b. Resolution to Authorize the Chairman to Accept the Offer to Purchase from Martin Development for the Property Located at 3411 E. Michigan, Lansing

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. DELEON, TO APPROVE THE RESOLUTION TO AUTHORIZE THE CHAIRMAN TO ACCEPT THE OFFER TO PURCHASE FROM MARTIN DEVELOPMENT FOR THE PROPERTY LOCATED AT 3411 E. MICHIGAN AVENUE.

Comm. Bahar-Cook stated the Review Committee conducted a second review of the proposal. The Review Committee made the recommendation to contract with **Authentic Properties**. Comm. Bahar-Cook then stated she has struggled with this issue. The Authentic Properties' purchase offer fell through. She further stated she feels very uncomfortable when the government steps in and undoes what the residents have done without the government. Comm. Bahar-Cook stated her heart says the property should go to Authentic Properties **because of the prior purchase agreement**; therefore, she will vote against this Resolution.

Comm. DeLeon stated she supports Comm. Bahar-Cook's comments. She stated this issue has bothered her for a long time. There was a purchase offer on the property initially. We should not interfere with what the market is trying to do. Comm. DeLeon stated she will vote against the Resolution also. This process is new to all of us. The process should have taken the initial purchase agreement into consideration.

MOTION FAILED with Chairperson Schertzing voting YES. Nays: DeLeon, Bahar-Cook, Copedge voting NO.

MOVED BY COMM. BHARCOOK SUPPORTED BY COMM. DELEON, TO AWARD THE PROPERTY TO AUTHENTIC PROPERTIES.

Chairperson Schertzing stated the Authority should have a resolution before it votes on the above motion. Mr. Perrone explained that in previous discussions, it was determined that if this Resolution failed, the matter would be remanded to the Review Committee with additional directions. Comm. Bahar-Cook stated her support of the Authentic Properties' proposal.

- c. Property Update

Ms. Ruttan informed the Authority that 601 Pine should actually be 601 Maple in the Property Update. She then reviewed the Update and stated that renovations came to a halt during the holidays.

- d. General Legal Update – Counsel

Mr. Perrone stated the Oak Tree property remains in the Court of Appeals. We are waiting for a hearing date. This case will probably take one year to resolve. The County has filed a motion for summary judgment in the Tetouf matter.

Chairperson Schertzing stated there was a witness when Mr. Tetouf was served with a notice.

2. Contracts and Bills

- a. Accounts Payable Approval – December

MOVED BY COMM. DELEON, SUPPORTED BY COMM. COPELGE, TO APPROVE THE ACCOUNTS PAYABLE FOR DECEMBER 2006. MOTION CARRIED UNANIMOUSLY.

b. Monthly Statement – November

The Statement was received and placed on file.

3. Items from the Chairman and Executive Director

a. Good Neighbor Program (DHUD)

Ms. Ruttan stated the Land Bank will have seven proposals by Friday. Six of the seven properties have been approved. Seventeen properties have been closed. Two of those properties are scheduled for demolition, those two plus an additional 10 properties are brown field eligible. Seven properties are ready for renovation and should be completed by the end of March. Comm. Bahar-Cook asked for the cost of the renovations. Ms. Ruttan stated the costs will range from \$10,000 to \$30,000 per home.

Chairperson Schertzing stated he will meet with HUD in Detroit to discuss the auditing of the properties soon.

The Authority held a discussion about helping homeowners to avoid foreclosure.

b. Capacity Building

Chairperson Schertzing stated the Land Bank is reaching out to other organizations to assist with the volume of houses the Land Bank has received.

Comm. Copedge asked if the lower SEV's will impact the Land Bank. Chairperson Schertzing stated there will not be much growth in SEV's over the next few years.

c. Franklin Street Community Housing Corporation

Chairperson Schertzing stated the Franklin Street Community Housing Corporation purchased a few HUD homes and placed them with the Land Bank. The Land Bank can do up to 10 of these homes.

d. Sales Strategy

Ms. Ruttan stated she feels it's necessary for the Land Bank to develop a strategy to sell the homes. The office has been working to circulate the Land Bank name and the quality of its homes. Ms. Ruttan distributed a flier that she developed which identifies the mission of the Land Bank and why people should purchase Land Bank homes. The flier will be included in folders which will be specific to each home for sale. Chairperson Schertzing stated the folder will also contain information regarding the appropriate neighborhood associations.

Comm. Copedge asked if the Land Bank can market the homes as energy efficient homes. Chairperson Schertzing stated the homes will have energy ratings. The new home on Jolly has a 5+ star rating. He then explained that Energy Star ratings are usually conducted on larger homes.

The Authority held a general discussion regarding additional incentives for people to purchase Land Bank homes.

4. Email Correspondence – Mildred Crothers

Ms. Crother's correspondence was received and placed on file.

Announcements

Bahar-Cook informed the Authority that Comm. Hertel is on his annual birthday trip to Las Vegas.

Ms. Ruttan introduced Dawn Van Halst to the Authority. Ms. Van Halst is a full-time employee who is being shared with the Brownfield Economic Development Corporation. She will be housed in the Land Bank Office.

Ms. Pigg updated the Committee on Brownfield financing issues. She then thanked the Authority for allowing her to participate in the Silver Dollar property discussions. She commended the Land Bank for being very careful during those discussions. This was a very good process. Ms. Pigg further stated she continues to be highly impressed with the Land Bank's work with the City of Lansing. Ms. Pigg particularly thanked Ms. Ruttan. She also welcomed Ms. Van Halst to the Land Bank.

Public Comment

Ms. Wing spoke about the Silver Dollar property. She stated Comms. Bahar-Cook and DeLeon's should recuse themselves from further deliberation regarding this property. Ms. Wing then read from the Land Bank's policies and procedures as they related to this matter. She stated awarding property on the basis of a prior, private agreement is a bad precedent for the Land Bank.

The meeting adjourned at 6:48 p.m.

Respectfully submitted,

Debra Neff