

APPROVED 3/7/11

**INGHAM COUNTY LAND BANK
FAST TRACK AUTHORITY**

ANNUAL MEETING

February 7, 2011
Minutes

Members Present: Eric Schertzing, Comm. Bahar-Cook, Comm. Nolan and Comm. McGrain

Members Excused: Comm. DeLeon

Others Present: Mary Ruttan, Tim Perrone, Joe Bonsall, Dawn Van Halst, Bruce Johnston, Shanda Wrozek, Tim Fischer, Dorothy Boone

The Annual Meeting was called to order by Chairperson Schertzing at 5:03 p.m. in Conference Room D & E of the Human Services Building, 5303 S. Cedar, Lansing.

Approval of the December 6, 2010 Minutes

MOVED BY COMM.NOLAN, SUPPORTED BY COMM. BAHAR-COOK TO APPROVE THE DECEMBER 6, 2010 MINUTES AS SUBMITTED. MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon

Additions to the Agenda:

Comm. Nolan requested a discussion of "standard language" for all commercial property purchase agreements be added to the agenda. Chairperson Schertzing stated item could be included under existing agenda items 4 or 6a.

Limited Public Comment: None

1. Election of Officers

Chairperson Schertzing stated the County Treasurer shall serve as the chairperson pursuant to Section 4 of the Intergovernmental Agreement. The election of a vice-chairperson is optional. The offices of secretary and treasurer are required by the Intergovernmental Agreement.

1b. Vice-Chairperson (Optional)

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. MCGRAIN TO ELECT COMM. NOLAN TO THE OFFICE OF VICE-CHAIRPERSON. MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon.

1c. Secretary

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. NOLAN TO ELECT COMM. MCGRAIN TO THE OFFICE OF SECRETARY. MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon.

1d. Treasurer

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. MCGRAIN TO ELECT COMM. BAHAR-COOK TO THE OFFICE OF TREASURER. MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon.

2. Conflict of Interest

Executive Director Ruttan stated article three, subsection 3.6 of the Bylaws of the Ingham County Land Bank Fast Track Authority requires each director to annually acknowledge in writing that they have read and agreed to abide by the section. Acknowledgment forms were distributed to the directors for signature and placed on file.

Comm. Bahr-Cook asked if board member's financial statements are required to be placed on file with the Land Bank office. Chairperson Schertzing stated it is not required, but that he places his campaign finance report on file with the Land Bank in order to disclose any possible financial conflicts.

Comm. McGrain stated he will place his campaign finance report on file at the Land Bank office. He also stated he will have many possible conflicts because of his employment with the Community Economic Development Association of Michigan. He stated Alan Hooper, a known developer in the Community, is the spouse of his Executive Director.

3. Fair Housing Resolution

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. BAHAR-COOK TO APPROVE THE FAIR HOUSING RESOLUTION.

Comm. Bahar-Cook requested the resolution be amended to use the same language as the County's Fair Housing policy as it relates to protected classes. Tim Perrone stated the County policy includes two additional classes not required under federal or state law: Sexual orientation and gender identity.

MOTION, AS AMENDED, CARRIED UNANIMOUSLY. Absent: Comm. DeLeon.

4. Resolution to Authorize the Chairperson to Negotiate and Execute Purchase Agreement on Mason Project

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. BAHAR-COOK TO AUTHORIZE THE CHAIRPERSON TO NEGOTIATE AND EXECUTE A PURCHASE AGREEMENT ON THE MASON PROJECT.

Comm. Nolan asked for clarification of the term “development agreement.” Ms. Ruttan explained that a development agreement, which comes after a purchase offer, is a negotiated document establishing the responsibilities of all parties and sets a timeline for a project. Chairperson Schertzing stated the need for standard language preserving a property’s taxable status for any period necessary to satisfy anticipated tax capture obligations. Comm. Bahar-Cook expressed her apprehension regarding the Land Bank not having a set standard for when it does or does not require a development agreement on commercial sales and her belief that it has led to a lack of consistency in the decision-making process. Comm. Nolan expressed her belief that a requirement for any development to begin within twenty-four months of transfer or the property would revert back to the Land Bank should be standard in all commercial transactions. Comm. Bahar-Cook stated her belief that the board has an interest in controlling the ultimate use of a property, such as not allowing strip clubs or adult movie theaters. Ms. Ruttan stated those concerns are more appropriately handled through a buy/sell agreement. Additionally, those concerns would be addressed through local zoning and approval processes. Comm. McGrain expressed the desire to see some kind of “vision statement” from any prospective developer. He also inquired whether the Land Bank would have any legal recourse to enforce such restrictions. Mr. Perrone stated restrictions can be included in a deed or land contract which would cause the property to revert to the Land Bank if violated, including the forfeiture of any equity in the property. Mr. Schertzing stated his belief that any restrictions put in place by the Land Bank will pale in comparison to local zoning and ordinances. Chairperson Schertzing asked what guidelines staff has been attempting to operate under. Ms Ruttan stated staff has generally attempted to negotiate development agreements and asking the board to grant exceptions for certain situations such as 1621 E Michigan Ave. Comm. Bahar-Cook restated her belief the board is not following its existing policies and procedures. Chairperson Schertzing stated the Land Bank needs to be careful to not make its policies so cumbersome as to dissuade buyers from looking at its properties.

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. NOLAN TO FORM A SUB-COMMITTEE OF INTERESTED BOARD MEMBERS AND STAFF TO RE-EVALUATE THE LAND BANK’S POLICIES AND PROCEDURES GOVERNING COMMERCIAL SALES.

Tim Fischer discussed his preliminary vision for the project. Bruce Johnston, Executive Director of the Ingham County Housing Commission, stated his organization had MSHDA funding available to assist with the renovation of the housing units on the upper floors. He also stated the availability of those funds would expire at the end of the year.

COMM. BAHAR-COOK WITHDREW HER MOTION TO FORM A SUB-COMMITTEE OF INTERESTED BOARD MEMBERS AND STAFF TO RE-EVALUATE THE LAND BANK'S POLICIES AND PROCEDURES GOVERNING COMMERCIAL SALES.

Comm. McGrain disclosed his working relationship with Jamie Shriner-Hooper and Alan Hooper who is listed as a possible environmental consultant for the project. He also disclosed his working relationship to MSHDA and Tim Fisher, who works for the Michigan Environmental Council. Chairperson Schertzing disclosed that Mr. Hooper has done environmental consulting work for the Land Bank through TriTerra and that Mr. Hooper and his wife have previously contributed to his campaign. Comm. Bahar-Cook stated she was uncomfortable voting on this motion until the Land Bank has re-evaluated its existing policies and procedures. Comm. McGrain and Comm. Nolan both stated they were comfortable enough to vote on the motion currently on the table.

MOTION CARRIED.

Yeas: Chairperson Schertzing, Comm. Nolan, Comm. McGrain

Nays: None

Abstaining: Comm. Bahar-Cook

Absent: Comm. DeLeon

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. NOLAN TO FORM A SUB-COMMITTEE OF INTERESTED BOARD MEMBERS AND STAFF TO RE-EVALUATE THE LAND BANK'S POLICIES AND PROCEDURES GOVERNING COMMERCIAL SALES.

Comm. Bahar-Cook requested copies of the current relevant policies and procedures be provided at the meeting. It was decided the Sub-Committee would meet at 2:00 pm, February 11, 2011 at 422 Adams Street, Lansing, Michigan 48906.

MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon.

5. Annual Report

5a. Year to Date Activity

Chairperson Schertzing stated the Land Bank has had five closings already this year, with two more scheduled for the end of the week. We have pending offers on two additional houses. Ms. Ruttan stated the Land Bank has already sold nine units in the condo project.

5b. 2010 Activity

Ms. Ruttan stated the documentation included in the meeting packet details all projects started and/or completed in calendar year 2010.

6. Property Maintenance, Renovation & Development

6a. Commercial Property Update

Chairperson Schertzing stated the sales of 3411 E Michigan Avenue and 934 Clark Street have closed. Negotiations for 1146 S Washington continue to progress. The buyer for 1300 Keystone has obtained new financing and we should be able to progress with closing. He stated Scott Gillespie continues to perform his due diligence on 1621 E Michigan. Pat Gillespie has obtained a letter of commitment from a tenant for his development at 3411 E Michigan.

6b. Demolition/Deconstruction

Chairperson Schertzing stated the schedule for the upcoming round of NSP2 demolitions and deconstructions is included in the packet. Approximately sixty demolitions will take place in the first half of 2011 between NSP1 and NSP2. The economic and societal benefit of performing renovations in excess of the value of a structure was discussed.

6c. NSP1 Update

Chairperson Schertzing stated NSP1 is winding down. Many renovations will be completed in the near future, along with several rounds of demolitions still to be scheduled.

6d. NPS2 Update

Chairperson Schertzing stated NSP2 is really starting to pick up speed. The first NSP2 open house will occur March 3rd at 1525 Hull Court from 4-6 pm. Ms. Ruttan stated 1515 Hull Ct will also be open to show what properties look like before renovations are completed. Chairperson Schertzing stated NSP2 staff had moved into their new offices at the Empowerment Center located at 600 W Maple Street on the School for the Blind site.

6e. General Legal Update

Mr. Perrone stated two land contract forfeiture proceedings were scheduled for February. Chairperson Schertzing stated we are now requiring more significant down payments on all future land contracts.

7. Accounts Payable

7a. Accounts payable approval – December 2010

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. BAHAR-COOK TO APPROVE THE ACCOUNTS PAYABLE FOR DECEMBER 2010. MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon

7b. Accounts payable approval – January 2011

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. BAHAR-COOK TO APPROVE THE ACCOUNTS PAYABLE FOR JANUARY 2011. MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon

Comm. McGrain inquired about more detailed financial practices. Ms. Ruttan stated the Land Bank utilizes fund accounting and provides financial statements to the board.

Comm. Bahar-Cook requested a vendor list be provided at the next board meeting.

8. Items from the Chairman or Executive Director
- 8a. Land Bank/Treasury Employees Informational Memo

Chairperson Schertzing stated a memo was included in the packet explaining the functional reorganization within the Treasurer's Office, pursuant to recommendations from Human Resources, and its impact on Land Bank staff and expenses. Ms. Ruttan stated these additional costs were included in the 2011 Budget approved at the last board meeting. Comm. Nolan inquired what impact this change would have on the County General Fund. Chairperson Schertzing stated the positions are funded by the Land Bank, Brownfield Authority and Delinquent Tax Revolving Fund and would not impact the General Fund.

Announcements: Comm. McGrain stated Restoration Works will be having open houses in the near future at 1501 & 1512 E Kalamazoo. Chairperson Schertzing stated the Urban Land Institute Conference is scheduled for March 23rd. Ms. Ruttan reminded the board that the Land Bank Conference will be held June 5-7 in Detroit. Chairperson Schertzing stated the Land Bank had a new Americorps Member to assist with the Garden Program and community outreach.

Limited Public Comment: None

The meeting adjourned at 6:41 p.m.

Respectfully submitted,

Joseph Bonsall