

APPROVED 5/2/11

**INGHAM COUNTY LAND BANK
FAST TRACK AUTHORITY**

March 7, 2011
Minutes

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

Members Excused: None

Others Present: Mary Ruttan, Tim Perrone, Joe Bonsall, Dawn Van Halst, Art Sinclair

The meeting was called to order by Chairperson Schertzing at 5:09 p.m. in Conference Room D & E of the Human Services Building, 5303 S. Cedar, Lansing.

Approval of the February 7, 2011 Minutes

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. BAHAR-COOK TO APPROVE THE FEBRUARY 7, 2011 MINUTES AS SUBMITTED. MOTION CARRIED UNANIMOUSLY.

Additions to the Agenda:

Chairperson Schertzing stated a letter drafted by the Authority's legal counsel would be included under agenda item 3c.

Limited Public Comment: None

1. Resolution to Rescind #07-002 Section B-Administrative Rule-Commercial Property

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. NOLAN TO RESCIND RESOLUTION #07-002 SECTION B-ADMINISTRATIVE RULES-COMMERCIAL PROPERTY.

Executive Director Ruttan explained the resolution is the background of how the existing Administrative Rule was developed and how it has been applied by staff. She stated time and experience have shown the section in question to be ineffective. Comm. McGrain stated the sub-committee, which met in February to discuss commercial sales policy and strategy recommended this change. Comm. Nolan apologized for being

unable to attend the sub-committee meeting and inquired who had been in attendance. Executive Director Ruttan stated meeting was attended by herself, Chairperson Schertzing, Tim Perrone, Comm. McGrain, and Joe Bonsall.

MOTION CARRIED UNANIMOUSLY.

2. Resolution to Amend #06-002 Section 6-Commercial Land Priorities, Policies and Procedures

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. MCGRAIN TO AMEND RESOLUTION #06-002 SECTION 6- COMMERCIAL LAND PRIORITIES, POLICIES AND PROCEDURES.

Executive Director Ruttan stated the resolution would add a new section to the Authority's existing Priorities, Policies and Procedures. The section was developed from discussions at the February board meeting and the sub-committee meeting where it was decided the board's concerns could be addressed through a standardized deed restriction included in all commercial transfers. Comm. McGrain asked about legal consequences that might stem from utilizing such restrictions. Mr. Perrone stated that as seller, the Land Bank can contract for whatever terms it wishes. Comm. Nolan asked how the documents were developed. Mr. Perrone stated the new language to be included in commercial property purchase agreements and deed restrictions was based upon standard deed restrictions and defined legal terms. Comm. McGrain asked if the deed restrictions would last in perpetuity. Mr. Perrone stated they would.

MOTION CARRIED UNANIMOUSLY.

3. Property Maintenance, Renovation & Development

3a. Commercial Property Update

Chairperson Schertzing stated the sale of 934 Clark St had closed. Negotiations continue on the sale of the old Ramon's Restaurant on S Washington Ave. Negotiations have been impacted by the uncertainty of what will happen with various tax credits at the state level. 1300 Keystone continues to be held up by purchaser's lender. Negotiations continue for the old Shopping Guide property on Ash St in Mason. Chairperson Schertzing informed the board he expected this year's commercial property-tax foreclosure numbers to be higher than in previous years. Executive Director Ruttan stated due diligence continues on the 1621 E Michigan Ave property. Comm. Bahar-Cook requested a list of all our commercial properties be included in the packet at the May meeting.

3b. Demolition/Deconstruction

Executive Director Ruttan stated we are waiting for the frost laws to be lifted before our next round of demolitions can begin. Comm. Nolan asked about notification to neighbors. Executive Director Ruttan explained the process. Comm. McGrain asked for a separate list of planned demolitions to be provided to the board. Comm. Nolan requested the list be sorted by zip code.

3c. NSP1 Update

Chairperson Schertzing stated the NSP1 project tracking report was included in the packet. Comm. DeLeon asked if Cristo Rey was doing any work under NSP1. Chairperson Schertzing stated all work done under NSP1 and NSP2 was required to be performed under a general contractor. Cristo Rey is not, to the best of our knowledge, a general contractor. Ms. Ruttan stated the attorney letter added to the agenda was a privileged communication. The letter expresses our attorney's opinion regarding the need to use a realtor when selling more than five (5) properties in a 12-month period. She would like the board's permission to share the letter with MSHDA. Executive Director Ruttan stated no complaints have been made against the Land Bank, but concerns have been expressed to MSHDA by realtor groups and she would like MSHDA to have a written copy of our opinion on the issue.

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. MCGRAIN TO WAIVE PRIVILEGE AND SHARE THE LEGAL OPINION WITH MSHDA. MOTION CARRIED UNANIMOUSLY.

3d. NPS2 Update

Chairperson Schertzing provided an overview of the information in the packet. Executive Director Ruttan stated the Ingham County Land Bank has spent 42% of all NSP2 money expended in Michigan, so we are on track to meet our spending requirements. She also stated we recently completed a HUD monitoring for NSP2 which went very well. Comm. Nolan asked about the difference between demolition and deconstruction. Chairperson Schertzing stated deconstructed homes are taken down more carefully with as much material as possible being diverted from landfills.

3e. General Legal Update

Mr. Perrone stated two land contract forfeiture proceedings took place in February. Chairperson Schertzing stated we are now requiring more significant down payments on all future land contracts and enhanced financial counseling to help avoid these situations. A discussion of land contract sales took place.

4. June 6 Land Bank Board Meeting and Land Bank Conference

Chairperson Schertzing stated the June 6 Board meeting will coincide with the Michigan Land Bank Conference. He asked if the board would like to re-schedule for a different time later in the month. After discussion, it was decided to re-schedule the June board meeting for 5:00pm on June 13, 2011 in the board room of the Neighborhood Empowerment Center located at 600 W Maple St, Lansing, MI 48906. Chairperson Schertzing stated information about the conference including the agenda was in the board packet.

5. Vendor List

Executive Director Ruttan stated a list of vendors was included in the board packet. This information was requested at the February meeting. Comm. McGrain asked how contractors were selected. Executive Director Ruttan explained our processes.

6. Contractor Donations to Local Neighborhood Associations

Chairperson Schertzing stated this item was in response to Comm. Bahar-Cook's statement that Capital Fund had a program which asked contractors to make donations to local neighborhood groups where projects were being undertaken. Executive Director Ruttan stated she had spoken to Capital Fund and they were unaware of such a program, but had made similar donations themselves. She stated she had discussed the idea with some of our contractors who stated their profit margins were so slim that they would have to raise prices in order to do so. She also indicated the belief that such action would be prohibited for any of our programs utilizing federal funds. Comm. McGrain stated that perhaps we should simply "encourage" such action from our contractors. Chairperson Schertzing stated one program resources may be requested from our partners is the One Church One Family program where there will be a need for greater post-sale support.

7. Accounts Payable

7a. Accounts payable approval – February 2011

Comm. DeLeon inquired about insurance on our properties. Executive Director Ruttan stated our structures are insured under the County's umbrella policy and we pay a rider fee. Comm. McGrain asked about errors and omissions coverage for board members and staff. Executive Director Ruttan stated she, as a contract employee, had received permission from the Controller to be included under the County's policy. Full-time staff members are employees of the County. Contract staff members are covered under a separate worker's compensation policy. She will inquire with Financial Services to make sure board members are covered for their Land Bank activities.

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. NOLAN TO APPROVE THE ACCOUNTS PAYABLE FOR FEBRUARY 2011. MOTION CARRIED UNANIMOUSLY.

7b. Monthly Statement – January 2011

The January 2011 monthly financial statement was received and placed on file.

8. Items from the Chairman or Executive Director

8a. Bike Share Program

Chairperson Schertzing stated groups involved in the Bike Share Program have applied for several grants. He also stated he had sent an email about an online survey for the program. Approximately 400 people have already participated in the survey.

8b. School for the Blind

Chairperson Schertzing stated the Lansing Housing Commission currently owns three buildings on the School for the Blind site which they may need to sell in the near future. The Land Bank may have the opportunity to acquire these properties for about \$140,000 to include in our overall development of the site. Comm. DeLeon asked if we had received any input from the neighborhood. She indicated her continued belief that the Land Bank needs to do more to engage the neighbors in that community to get them to understand what the Land Bank is doing and how we are a benefit. Chairperson Schertzing stated he would hold a neighborhood meeting on March 29th at 7:00pm at the Neighborhood Empowerment Center.

Announcements:

Comm. Nolan wanted to thank staff for their great work on the house at 1525 Hull Ct and a successful open house.

Chairperson Schertzing stated the Land Bank would be conducting a media blitz in advance of its Home Showcase scheduled for April 14-16.

Limited Public Comment:

Art Sinclair informed the board he was the owner of Stone Printing, located at 136 E Main St, Lansing and adjacent to the former Deluxe Inn site. He requested to be informed when the project is next scheduled to be included on the agenda.

The meeting adjourned at 6:54 p.m.

Respectfully submitted,

Joseph Bonsall