

Approved 05/07/2012

**INGHAM COUNTY LAND BANK
FAST TRACK AUTHORITY**

April 9, 2012
Minutes

Members Present: Eric Schertzing, Comm. Nolan and Comm. McGrain; Comm. DeLeon

Members Absent: Comm. Bahar-Cook

Others Present: Mary Ruttan, Tim Perrone, Joe Bonsall, Dawn Van Halst, Melissa Lott, Chris Kolbe, Jamie McAloon-Lampman, Louise Gradwohl, Justin Sheehan, Stella Okechukwu, Cecilia Emfru

The meeting was called to order by Chairperson Schertzing at 5:02 p.m. Conference Room D & E of the Human Services Building, 5303 S. Cedar, Lansing.

Approval of the March 5, 2012 Minutes

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. NOLAN, TO APPROVE THE MARCH 5, 2012 MINUTES. MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon, Comm. Bahar-Cook

Additions to the Agenda: The following items were added to the agenda:

5a. Ingham County EDC

Limited Public Comment:

Chairperson Schertzing introduced Stella Okechukwu and provided background information on the board's previous decision to authorize a cash sale of 2211 Beal to her. Ms. Okechukwu updated the board on her extensive efforts and difficulties in obtaining conventional financing for the sale. She asked the board to consider allowing her to purchase the property on land contract terms.

Comm. DeLeon arrived at 5:07 p.m.

Comm. McGrain asked what the terms of the land contract would be. Executive Director Ruttan stated our standard terms call for a minimum 10% down payment, 7% interest, and a three year balloon payment. Ms. Okechukwu stated she has already paid \$1,000.00 towards her down payment and can come up with an additional \$1,500.00.

Executive Director Ruttan stressed to the board that they were on a potentially slippery slope in granting so much additional time to an individual who failed to perform under the terms of the County Treasurer's auction. Under the terms of the Treasurer's sale, Ms. Okechukwu was to have completed the transaction before September 25, 2011. The Treasurer granted her additional time until December 31, 2011 to complete the sale at which point he transferred the property to the Land Bank. This body then granted Ms. Okechukwu until April 6, 2012 to finalize the sale. Executive Director Ruttan stated there was concern the board was creating a dangerous precedent which could undermine the terms of future Treasurer auctions.

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. NOLAN, TO GRANT A 60-DAY EXTENSION OF TIME FOR MS. OKECHUKWU TO BE EVALUATED BY THE CENTER FOR FINANCIAL HEALTH AND, IF DEEMED A SUITABLE RISK, TO COMPLETE SALE OF THE PROPERTY LOCATED AT 2211 BEAL, LANSING, MI FOR THE AUCTION TERMS ON LAND CONTRACT WITH A MINIMUM OF \$2,500.00 DOWN PAYMENT, 7% INTEREST AND A 3-YEAR BALLOON. MOTION CARRIED UNANIMOUSLY. Absent: Comm. Bahar-Cook

Comm. DeLeon stressed this was a one-time exception, based upon extenuating circumstances.

1. Community Projects Update

Chairperson Schertzing introduced Jamie McAloon-Lampman from Ingham County Animal Control. Ms. McAloon-Lampman presented a proposal to lease 826 W Saginaw from the Land Bank as discussed at the March meeting. Comm. DeLeon asked if the volunteer staffing planned for the project would conflict with any union contracts. Ms. McAloon-Lampman stated the work planned for the volunteers is not under any existing union contract; this is a totally new concept. Chairperson Schertzing asked where the money for renovations would come from. Ms. McAloon-Lampman stated the funds would be raised entirely from public donations.

MOVED BY COMM. DELEON, SUPPORTED BY COMM. MCGRAIN, TO APPROVE LEASING 826 W SAGINAW, LANSING TO INGHAM COUNTY ANIMAL CONTROL FOR THREE YEARS AT THE RENTAL RATE OF \$1.00 PER YEAR. MOTION CARRIED UNANIMOUSLY. Absent: Comm. Bahar-Cook

Justin Sheehan from Michigan Community Resources and Louise Gradwohl from Old Town Commercial Association presented an overview of their Nuisance Abatement Pilot Program. They suggested the potential to partner with the Land Bank to assist in gaining standing to file nuisance abatement actions. Comm. Nolan asked what authority the Land Bank has that private citizens do not. Mr. Sheehan stated the authority derives from the land bank statute. Tim Perrone, attorney for the Land Bank, stated he did not believe the land bank statute affords the Land Bank with any special standing in regards to nuisance filings. Any resident of the county can bring a public nuisance action in circuit court. Having the Land Bank included as a party to the action doesn't really add

anything. Comm. DeLeon asked how City of Lansing Code Enforcement fits into this process. Mr. Sheehan stated the City has not expressed interest in partnering at this time. Comm. McGrain asked if the focus of the program would be on residential or commercial properties. Ms. Gradwohl stated the process would primarily focus on residential property.

Melissa Lott presented historical data on Land Bank parcels utilized for garden space highlighting that approximately 10% of the Land Bank's current inventory will be used for gardens this year. Ms. Lott also stated the Land Bank has received a donation of approximately 37,000 paver bricks which will be used for making gardens more handicap accessible. Ms. Lott also distributed copies of several articles about the Garden Program that were published recently.

6f. General Legal Update – Counsel

General Legal update was discussed out of order to allow Mr. Perrone to attend to another meeting. Mr. Perrone updated the board on the bankruptcy filing by one of our land contract purchasers. He stated settlement payments have been received from 2 of the 4 vendors concerning the demolition soil issue. The remaining two vendors will be barred from future contracts with the Land Bank and referred to the federal government for debarment. Mr. Perrone stated two construction liens have been filed against Kincaid Henry for the property at 934 Clark St. Kincaid Henry, through their subsidiary RKH Investments, purchased the property from the Land Bank on land contract terms. It is our position that these liens could be considered a breach of the land contract. A third vendor, who is contemplating filing a construction lien came forward last week and indicated that Kincaid Henry is claiming they can't pay because they are waiting on a payment from the Land Bank. Mr. Perrone stated he had confirmed with Land Bank staff that there are no outstanding invoices from Kincaid Henry and that they are not entitled to any additional brownfield reimbursements. Comm. Nolan asked what options were available to the Land Bank. Mr. Perrone stated we could proceed with a land contract forfeiture proceeding but that he recommends having a discussion with the purchasers prior to that. Comm. McGrain suggested allowing thirty days to try and resolve things amicably or the board will take action at the May meeting.

2. Resolution to Amend 2012 Budget

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. MCGRAIN TO APPROVE THE RESOLUTION AMENDING THE 2012 BUDGET AND REQUESTING FUNDING FROM INGHAM COUNTY.

Executive Director Ruttan presented the proposed amendment to the 2012 budget. She stated the main change was the request for an additional \$150,000 in funding from Ingham County's delinquent tax foreclosure fund. She stated this would represent totaling funding of \$400,000 from the delinquent tax foreclosure fund when combined with the \$250,000 already budgeted. This funding will cover fiscal years 2012, 2013 and 2014. These monies will be used to address some staffing issues related to the

maintenance of tax foreclosures and acquisitions. The budget is also amended to show the cost of the strategic planning process and to account for the loss of specific tax revenue that will be returned to the Lansing EDC. Comm. DeLeon requested the final whereas be amended to state "Whereas, Ingham County has provided funding from the delinquent tax foreclosure fund to cover the costs of increased foreclosures." Comm. Nolan asked if we are requesting \$150,000 per year or over three years. Executive Director Ruttan stated the request is intended to be \$150,000 per year for three years. Comm. Nolan requested the therefore clause of the resolution be amended to clarify that. Executive Director Ruttan stated the need for staffing and maintenance will not go away when the federal resources expire. Additionally, the number of tax foreclosures continues to rise. Comm. McGrain asked what the balance of the delinquent tax foreclosure fund is. Chairperson Schertzing stated it was approximately \$7 million at year end. Comm. DeLeon asked for staff to provide information regarding the amount of tax revenue generated by Land Bank sales over the past three years to help explain the value of the Land Bank to other County Commissioners. Executive Director Ruttan reminded the board that mid-year budget amendments are best estimates and actual revenues and expenses are shown on the final, year-end budget.

MOTION, AS AMENDED, CARRIED UNANIMOUSLY. Absent: Comm. Bahar-Cook

3. Resolution to Apply and Accept Grant from Federal Home Loan Bank

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. NOLAN, TO APPROVE THE RESOLUTION TO APPLY AND ACCEPT AN AFFORDABLE HOUSING PROGRAM GRANT FROM THE FEDERAL HOME LOAN BANK.

Comm. DeLeon asked how much the grant was for. Chairperson Schertzing stated the grant could be worth \$250,000-\$500,000, if awarded. Comm. McGrain asked if the board needed to approve the grant application. Executive Director Ruttan stated the board was being asked to approve and accept the application in one resolution because the timeframe required for acceptance and how it may fit with meeting schedules is unknown. Comm. McGrain asked what the focus of the grant application would be. Executive Director Ruttan stated the focus would be primarily on single-family rehabs and a small number of strategic demolitions.

MOTION CARRIED UNANIMOUSLY. Absent: Comm. Bahar-Cook

4. Commercial Property Auction

Chairperson Schertzing updated the board on staff discussions regarding the possibility of using an auction process to dispose of commercial property. He stated any auctions would be conducted by the same auctioneer who handles the Treasurer's tax foreclosure auctions. Executive Director Ruttan stated this was being presented for board awareness. Staff is trying to be diverse in its disposition strategies. The Board will need to give formal approval when we receive a formal proposal from the auctioneer.

5. Strategic Action Plan Implementation

Executive Director Ruttan informed the board that staff had a session with PPA on process mapping. The revised dashboard included in the meeting packet came out of that session. She also stated the board will need to work on developing succession plans for Board members, Chair and Executive Director.

5a. Ingham County EDC

Comm. Nolan wished to discuss the roll of the Ingham County EDC considering all the changes that have happened at LEAP in recent months. Perhaps the County would be interested in combining the Ingham County EDC with LEAP. Chairperson Schertzing said such a move might be beneficial to increase cross-jurisdictional cooperation and discussion. Comm. DeLeon stated she felt it was premature for the Land Bank to discuss this issue until it is considered by the Ingham County EDC board.

6. Property Maintenance, Renovation & Development

6a. Residential Property Update

Chairperson Schertzing stated we had twelve closings in the first quarter with two additional closings already scheduled for April. Chris Kolbe stated we currently have sixteen pending sales, including four condos.

6b. Commercial Property Update

Chairperson Schertzing stated the Land Bank would be preparing a letter of support for Pat Gillespie's variance request for his proposed building at 3411 E Michigan. He stated he will be having a meeting later this week to discuss a possible offer for the warehouse on Keystone.

6c. PROP Update

Mr. Kolbe stated the PROP Program has been placed somewhat on the back burner with the large number of renovations that have come on the market. We are in the process of re-evaluating properties for inclusion in the program. Mr. Kolbe also stated there has been very little public interest in the program thus far.

6d. Garden Program

Chairperson Schertzing stated this item was discussed under the Community Projects Update.

6e. Vacant Lot Update

Chairperson Schertzing stated Habitat for Humanity will be building four single-family homes on the vacant property on Wayne Street it purchased from the Land Bank. Executive Director Ruttan stated we are still waiting on MSHDA for final approval on a vacant lot disposition strategy.

7. Accounts Payable & Monthly Statement

7a. Accounts Payable Approval – March 2012

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. NOLAN TO APPROVE THE ACCOUNTS PAYABLE FOR MARCH 2012. MOTION CARRIED UNANIMOUSLY.

7b. Monthly Statement – February 2012

The February 2012 monthly financial statement was received and placed on file.

8. Chairman & Executive Director Comments

8a. Home Showcase April 21 & April 22

Executive Director Ruttan reminded the board that the Land Bank's spring Home Showcase will be held on April 21st and 22nd. Approximately 20 homes will be included. She stated it would be appreciated if board members would check their calendars and be willing to volunteer to staff a home.

Announcements: None

Limited Public Comment: None

The meeting adjourned at 7:13 p.m.

Respectfully submitted,

Joseph Bonsall