

Approved 7/9/12

**INGHAM COUNTY LAND BANK
FAST TRACK AUTHORITY**

June 4, 2012
Minutes

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

Members Absent: Comm. DeLeon

Others Present: Mary Ruttan, Tim Perrone, Joe Bonsall, Dawn Van Halst, Sandy Gower, Pat Gillespie, Ryan Kincaid, Bob Sheehan

The meeting was called to order by Chairperson Schertzing at 5:00 p.m. Conference Room D & E of the Human Services Building, 5303 S. Cedar, Lansing.

Approval of the May 7, 2012 Minutes

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. MCGRAIN, TO APPROVE THE MAY 7, 2012 MINUTES. MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon, Comm. Bahar-Cook

Additions to the Agenda: None

Limited Public Comment: None

1. Community Projects Update

Chairperson Schertzing introduced Pat Gillespie to update the board on progress at the former Silver Dollar Saloon site.

Comm. Bahar-Cook arrived at 5:03 p.m.

Mr. Gillespie stated the mixed-use building planned for the site will be marketed as being in the "Midtown District." This is similar to the branding of his "Stadium District" development across from the Lugnuts in downtown Lansing. He stated he has secured a fifteen year letter of intent from PNC Bank to occupy the majority of first floor commercial space. Necessary height and set-back variances have been approved by the City of Lansing. Mr. Gillespie stated he has had discussions with the owners of the

adjacent property to the east concerning the possibility of a continuous street façade. He expects the property to be valued at approximately \$5.5 million when complete. Comm. Nolan asked if the property would be included in the proposed Montgomery Drainage District project. Mr. Gillespie stated he had been in discussions with the Ingham County Drain Commissioner about the possibility of water storage on either the site or the property adjacent to the north. Mr. Gillespie also approached the board regarding his interest in acquiring the former Mobile gas station located at 600 E Michigan Ave, Lansing. He proposed a 4,500-5,000 sq. ft., 3-4 story building comprised of 30-40 apartments. He stated adequate parking for the building already exists on his lot across Larch Street. Details of the transaction still need to be negotiated. Comm. McGrain asked if there would be apartments on the first floor. Mr. Gillespie stated there would. He elaborated that there is a lack of demand for additional first floor commercial space in downtown Lansing and that he would be unable to get enough rent for a new mixed-use building to be feasible on the site. Comm. McGrain asked how long the project was expected to take if a sale goes forward. Mr. Gillespie stated a definitive answer would depend on the result of an environmental assessment, but that he would hope to break ground in twelve months.

Chairperson Schertzing introduced Ryan Kincaid and Bob Sheehan, Executive Director of Clinton-Eaton-Ingham Community Mental Health to discuss their partnership on the Ash St. property in Mason. Mr. Kincaid stated the partnership would renovate the oldest existing commercial building in the City of Mason with 12 residential units on the upper levels and CMH office space on the ground floor. Mr. Sheehan stated his group serves approximately 10,000 residents of Clinton, Eaton, and Ingham Counties. A lack of benevolent landlords has caused his group to consider managing its own rentals. This new office would allow CMH to combine two existing Mason office locations. He stated the downtown location is ideal because of its walkability and the availability of public transportation. CMH expects the rents generated from the residential units will cover their acquisition costs. It is hoped this project will be a model for other future downtown CMH projects. Comm. McGrain asked if CMH would be occupying the entire first floor commercial space. Mr. Sheehan replied in the affirmative. Comm. Nolan asked if all the residential units would have subsidized rent. Mr. Sheehan replied the units would be offered to the public on a first-come-first-served basis with 51% of the units set aside for low- to moderate-income tenants. Executive Director Ruttan inquired about the projects anticipated time frame. Mr. Kincaid stated they would be ready to start construction in the fall. Executive Director Ruttan stated the Land Bank has an existing offer to purchase from Mr. Kincaid's group. She asked if they were still intending to purchase the building from the Land Bank. Mr. Kincaid stated his company would purchase the building, perform the renovations, and then transfer the property to CMH. Comm. Nolan asked who would be maintaining the rental units. Mr. Sheehan stated a management company would be utilized to insure separate services for CMH clients. Comm. Nolan asked Mr. Kincaid how his company was progressing in its efforts to resolve the liens placed on 934 Clark Street. Mr. Kincaid replied the attorneys for the parties were working towards a resolution. Comm. McGrain asked if they planned on utilizing tax increment financing. Mr. Kincaid stated that option would be dependant upon the tax status of the property; CMH is a tax exempt entity so there may not be any available

capture. Mr. Sheehan stated they are seeking a determination of whether or not the upper floor rentals constitute a “core function” of CMH. If not, the upper floors would be taxable. Comm. Bahar-Cook asked what the taxable value of the completed project is expected to be. Chairperson Schertzing stated that was unknown at this time. The CMH offices will be tax exempt, but he believes the MSHDA funds used to help renovate the residential units require that portion of the building to be taxable. Comm. Bahar-Cook requested the resolution authorizing the Chairperson to execute an offer to purchase with RKH Investments, LLC for the Ash Street properties be included in the July meeting.

2. Resolution to Amend the 2012 Budget

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. MCGRAIN, TO ADOPT THE RESOLUTION AMENDING THE 2012 BUDGET.

Executive Director Ruttan presented the proposed budget amendment to the board. She stated the primary changes were due to a decrease in expected commercial property sales and difficulty in obtaining approval from the City of Lansing for proposed HOME renovation projects. Comm. Nolan requested the final clause of the resolution be modified to state: “Therefore Be It Resolved, that the Authority approves the mid-year revenue reduction of \$1,726,000 and expense reduction of \$898,800 for a net 2012 budget reduction of \$827,200 per the attached proposed amended budget.” Comm. McGrain noted the Media/Public Relations line item was being doubled. Executive Director Ruttan stated that was due to a continuation of our successful print ad campaign. She also stated a portion of those costs can be charged to the NSP programs. Comm. McGrain asked about the increase to the bank fee line item. Joe Bonsall stated there was an issue with PNC assessing fees to our multiple bank accounts individually, rather than as a collective group. He stated the issue has been corrected and the accounts are now being charged appropriately.

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

3. Property Maintenance, Renovation & Development

3a. Residential Property Update

Chairperson Schertzing stated the property dashboard was included in the meeting packet. Comm. Nolan requested sixteen copies of a mid-year re-cap version be available at the July meeting for distribution to the entire Board of County Commissioners.

3b. Commercial Property Update

Executive Director Ruttan updated the board on the commercial property auction scheduled for July 11th and 13th. She stated an addendum to the auction rules will be added to include all Land Bank policies and restrictions for commercial sales.

3c. PROP Update

Chairperson Schertzing stated there was no activity to report.

3d. Garden Program

Chairperson Schertzing stated the new Webster Farm on Hughes Rd is really progressing with 87 separate garden plots being established. Garden Program Coordinator Melissa Lott will begin her maternity leave on Friday, June 8th.

3e. Vacant Lot Update

Executive Director Ruttan stated we should have a vacant land appraiser in place by the July meeting.

3f. General Legal Update – Counsel

Tim Perrone reported there had been no new developments regarding the Clark St lien issue since the last board meeting. He stated a new bankruptcy filing has been made by a land contract vendee. Mr. Perrone will contact their attorney to determine if they plan to continue with the land contract. Executive Director Ruttan handed out a copy of a letter received from Grace at Home. Mr. Perrone stated Grace at Home wishes to take the Land Bank to arbitration over disputed change orders concerning renovation work done on a Land Bank property. He further stated there is no bonafide dispute as a mutually agreed upon change order has been paid. Comm. McGrain asked if the contractor was previously familiar with the change order process. Executive Director Ruttan stated they had gone through the process on a previous job. Mr. Perrone stated arbitration is not an available option under the terms of the construction contract.

4. Accounts Payable & Monthly Statement

4a. Accounts Payable Approval – May 2012

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. BAHAR-COOK TO APPROVE THE ACCOUNTS PAYABLE FOR MAY 2012. MOTION CARRIED UNANIMOUSLY.

4b. Monthly Statement – April 2012

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

5. Chairman & Executive Director Comments

Chairperson Schertzing distributed copies of a recent Detroit Free Press article concerning state-wide NSP2 spending. He stated Northwest Initiative and Eagle Vision Ministries have been contracted to conduct lawn maintenance for the new 2012 tax foreclosures. He also stated the Land Bank would be holding open houses for some of

its for sale properties on July 15th. Comm. Nolan inquired about the status of the Executive Director search. Chairperson Schertzing replied that he has been working with Human Resources to create a new job description.

Announcements: None

Limited Public Comment: None

The meeting adjourned at 6:25 p.m.

Respectfully submitted,

Joseph Bonsall