

APPROVED July 11, 2011

**INGHAM COUNTY LAND BANK
FAST TRACK AUTHORITY**

June 13, 2011
Minutes

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

Members Excused: Eric Schertzing

Others Present: Mary Ruttan, Tim Perrone, Joe Bonsall, Dorothy Boone, Roxanne Case, Nicole Armbruster, Ryan Kincaid

The meeting was called to order by Vice-Chairperson Nolan at 5:07 p.m. in the Board Room of the Neighborhood Empowerment Center, 600 W Maple, Lansing.

Approval of the May 2, 2011 Minutes

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. BAHAR-COOK TO APPROVE THE MAY 2, 2011 MINUTES AS SUBMITTED. MOTION CARRIED UNANIMOUSLY.

Additions to the Agenda:

The following items were added to the agenda:

- 6d. Review of Proposed Re-Development of 112 E Main St, Lansing
- 8b. Email Correspondence from Comm. Bahar-Cook

Limited Public Comment:

Nicole Armbruster from the Lansing Board of Education addressed the board concerning Northwest Elementary School. Ms. Armbruster stated the school has been vacant for seven years and has become a blight on the surrounding neighborhood. She stated a possible developer for the site has been identified and the School Board wonders if the Land Bank might be interested in acquiring the property. Comm. Nolan asked who the developer was. Ms. Armbruster stated talks were still preliminary and she couldn't say at this time. Comm. Bahar-Cook asked what the details of a Land Bank acquisition might look like. Ms. Armbruster stated terms would be negotiable. Tim Perrone asked if the acquisition would be of just the building or the surrounding green space as well. Ms. Armbruster stated acquisition would be on the entire parcel. Comm. Bahar-Cook asked what advantages would come from Land Bank involvement. Ms.

Armbruster stated it would be a win-win situation: the School Board would get the property off its books and the Land Bank would gain the 5/50 tax capture on any subsequent development. Executive Director Ruttan stated any purchase would have to go through the standard commercial property acquisition process.

Comm. DeLeon arrived at 5:13pm.

Comm. Nolan stated Ms. Armbruster was also an employee of the Michigan Land Bank and asked that she address how the State has handled selling its vacant parcels. Ms. Armbruster stated the Michigan Land Bank's situation was much different than in Ingham County. They had to spend a significant amount of time identify their inventory and then focused on marketing properties to adjacent owners and non-profits.

1. Resolution Requesting the Purchase of 2011 Tax Foreclosures

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. MCGRAIN TO REQUEST INGHAM COUNTY TO PURCHASE CERTAIN 2011 TAX FORECLOSURES.

Comm. Bahar-Cook asked the list attached to the resolution be amended to include 1208 Wolf Ct, East Lansing (33-20-01-12-112-018), which was a late foreclosure on June 10, 2011.

Executive Director Ruttan stated the parcel list attached to the resolution contained all the 2011 tax-foreclosures. She stated parcels were still being evaluated for eligibility in various programs. A significant number of properties will be purchased under the NSP2 program, a select few will be purchased for Land Bank projects and the majority will go to public auction. She stated it was also expected that a number of parcels would be purchased by local governmental units under their right of first refusal. Comm. McGrain requested a final list showing the end use of the various parcels be presented at the July meeting. Comm. DeLeon asked about the time and location of the auction. Executive Director Ruttan stated the auction would be held at the Lansing Center on July 27 at 10:00am.

MOTION, AS AMENDED, CARRIED UNANIMOUSLY.

2. Resolution to Authorize the Property Rehab & Ownership Program

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. MCGRAIN TO AUTHORIZE THE PROPERTY REHAB & OWNERSHIP PROGRAM.

Comm. Bahar-Cook asked if there were low income requirements for the program. Executive Director Ruttan stated there were not; participants will need some financial capacity to complete the program requirements. Comm. Bahar-Cook requested the seventh paragraph of the resolution be amended to read "WHEREAS, the program has established Administrative Program Guidelines that may need to be modified by staff

from time to time with such changes being disclosed to the Board.” Comm. Nolan asked if there was a term placed on a participant’s occupancy of the home. Ms. Ruttan stated the owner occupancy requirement runs with the land for twenty years. A participant may sell the home at any time, but the subsequent purchaser must also be an owner-occupant. Mr. Perrone stated that because the Owner-Occupancy Covenant is recorded with the Register of Deeds, a title company would insist on owner-occupancy being included on any title commitment issued at a subsequent sale. Comm. Bahar-Cook requested the word “may” be changed to “will” in the final bullet point of the Program Guidelines. Comm. McGrain asked if all members were comfortable with the price reductions and the idea the reduced price is worth it to see the home renovated, the neighborhood stabilized and the property back on the tax rolls. Executive Director Ruttan stated it is anticipated the Land Bank will still generate a surplus on the homes included in the program, even at the reduced sale price.

MOTION CARRIED UNANIMOUSLY.

3. Resolution to Authorize Chairman to Negotiate and Execute Purchase Agreement on Mason Project

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

Executive Director Ruttan introduced Ryan Kincaid, President of RKH Investments, LLC. Comm. McGrain asked what happened to the previously interested party. Mr. Kincaid stated the Fisher’s did not have the financial capacity to pursue the project on their own, but it is hoped they will be a tenant in the new project. Mr. Kincaid passed out a narrative of his company’s proposed development consisting of approximately ten loft-style apartments and commercial space on the ground floor. He stated his company has already begun consulting with the City of Mason and the Ingham County Brownfield Authority about the project, with the City expressing interest in improving the alley. He stated several proposed tenants have been identified and financing is in place. Comm. McGrain asked how many retail spaces would be included. Mr. Kincaid responded there would be one or two spaces occupied by a restaurant, law firm, niche retailer or business incubator. Comm. McGrain asked if the Fisher’s were going to be a tenant. Mr. Kincaid stated it was a possibility depending on extensive analysis of their long-term success feasibility. Comm. Bahar-Cook asked if a liquor license would be needed for the project. Mr. Kincaid replied it was not a make or break issue for the project; they are not looking to compete with existing businesses. Comm. McGrain asked what happened with the Fisher deal. Executive Director Ruttan stated that negotiations over the amount of down payment and rate of interest stalled without any agreement being reached. Comm. McGrain asked if it would be appropriate to withdraw the previous resolution authorizing negotiations with the Fishers. Mr. Perrone stated that could be done, but the Fishers have no legal interest in the property either way. Comm. McGrain asked that we obtain a letter from the Fishers withdrawing their offer to purchase.

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. BAHAR-COOK TO AMEND THE RESOLUTION TO STATE: "THEREFORE BE IT ALSO RESOLVED, THAT INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY RESOLUTION #11-002 IS HEREBY RESCINDED."

YEAS: Bahar-Cook, DeLeon, Nolan

NAYS: McGrain

MOTION CARRIED

MOTION TO AUTHORIZE THE CHAIRMAN TO NEGOTIATE AND EXECUTE A PURCHASE AGREEMENT ON THE MASON PROJECT CARRIED UNANIMOUSLY.

4. Resolution to Establish a Position to Sell or Lease Vacant Parcels (Discussion Only)

Comm. Nolan introduced her draft resolution concerning the disposition of vacant parcels. She stated the issue was for discussion only, with an action item to follow at the July meeting. Comm. Bahar-Cook suggested language allowing for an adopt-a-lot program be added to the "therefore" section of the resolution. Comm. Nolan stated we should be careful to not encumber the resolution with too much detail. Comm. Bahar-Cook stated the need for consistency between the resolution and any marketing materials. Dorothy Boone conducted a brief presentation on the City of Lansing's proposed new Master Plan. Comm. Nolan requested a more detailed presentation be offered at the July board meeting.

5. OCOF – One Church One Family

Executive Director Ruttan stated OCOF is in the process of re-organizing. Pat Baines-Lake from the Lansing Housing Commission has replaced Bob Johnson on their board. The Ingham County Housing Commission has resigned as management company. Arthur Potter has resigned his position as Executive Director. Mary Ruttan plans to resign from the board in July because of a conflict of interest with her duties as Executive Director of the Land Bank. She stated the Land Bank board will need to nominate someone to take her place. OCOF now owns five homes, with families placed in two. Six more houses should be available for purchase by OCOF in the near future. She also stated that closing sales with the Michigan State Housing Development Authority has been an issue. Comm. Bahar-Cook asked Ms. Boone to provide the City's perspective. Ms. Boone stated she believes OCOF has suffered from a lack of dedicated staff. She also stated OCOF is seeking out technical assistance. Comm. Bahar-Cook asked if Land Bank staff sees an expansion of the program. Executive Director Ruttan stated the potential for OCOF is nearly unlimited, especially with the availability of NSP funds. Comm. Bahar-Cook asked what other funding sources might be available for OCOF. Ms. Boone stated in other communities funding for programs of this type typically come through the local community mental health agency.

6. Property Maintenance, Renovation & Development

6c. General Legal Update

Mr. Perrone apologized for having to leave the meeting early and requested he be allowed to present his legal update out of order. He stated the two land contract forfeitures were completed with the Land Bank re-taking possession of 1706 Elizabeth and 1125 N Chestnut. He stated there were no other legal matters pending.

6a. NSP1 Update
Vacant Parcel Sales (For Discussion Only)

Executive Director Ruttan stated the initial funding for NSP1 is winding down, but program income will keep things going for some time. She also stated we have finally received guidance from HUD regarding the sale of vacant NSP properties. If project expenses total \$25,000 or less, the demolition is deemed to have satisfied all federal objectives and we can do whatever we wish with the property. Staff is developing an application process for the purchase/transfer of vacant NSP parcels.

6b. NSP2 Update

Executive Director Ruttan stated a letter from MSHDA was included in the board packet for reference. Comm. McGrain asked if we expect to meet the September 30th goal. Executive Director Ruttan stated HUD is requiring 50% of funds must be expended by February 2012; the September date is a MSHDA goal. She further stated we expect to meet the requirements.

6d. Review of Proposed Re-Development of 112 E Main St, Lansing

Mr. Kincaid stated he had been approached by an end-user wishing to re-locate to the site. He stated he could not state who due to the preliminary nature of discussions. The anticipated redevelopment would be a \$10-15 million mixed-use, mid-rise structure consisting of 100-110 residential units and 70-80,000 sq ft of commercial space. Comm. Bahar-Cook asked if the board was being presented the information for discussion only, or if action was being requested. Mr. Kincaid stated he would like action to be taken today as he would like to begin negotiations in next couple of weeks. Executive Director Ruttan stated we should have an appraisal before the July board meeting. Comm. DeLeon asked if the proposed end-user would be moving into the City limits. Mr. Kincaid replied in the affirmative. Comm. McGrain asked if they would be utilizing the entire commercial space. Mr. Kincaid replied in the affirmative. Comm. Bahar-Cook expressed reservations about taking action without more specific details. Mr. Kincaid stated time is of the essence, and that they are asking for a price range, subject to an appraisal and development agreement. Executive Director Ruttan stated the board could authorize the Chairman to negotiate a purchase agreement, but require the agreement be brought back to the board for execution. She asked how many jobs were

expected to be created through the project. Mr. Kincaid stated the project would bring 150-200 jobs to the City.

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. DELEON TO AUTHORIZE THE CHAIRMAN TO NEGOTIATE, BUT NOT EXECUTE A PURCHASE AGREEMENT WITH RKH INVESTMENTS, LLC FOR 112 E MAIN, LANSING. MOTION CARRIED UNANIMOUSLY.

7. Accounts Payable & Monthly Statement
- 7a. Accounts payable approval – May 2011

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

- 7b. Monthly Statement – April 2011

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

8. Items from the Chairman or Executive Director
- 8a. Marketing Campaign – “Sell 25 Homes in 100 Days”

Executive Director Ruttan stated the program is a partnership with MSHDA with Pace & Partners handling the public relations elements. Comm. McGrain asked why we were using Pace & Partners instead of Rizzi Designs. Executive Director Ruttan stated the program is for NSP2 and Pace & Partners has a contract with MSHDA for NSP2 work. The cost of the program will be split between MSHDA and the Land Bank. Ms. Ruttan stated a press conference has been scheduled for 10:30am on July 7, 2011 at 5219 Hughes Rd, Lansing.

- 8b. Email Correspondence from Comm. Bahar-Cook

In the interest of time, Comm. Bahar-Cook requested her item be held until the July meeting.

Announcements:

Executive Director Ruttan reminded all present that a press conference introducing the PROP program was scheduled for 10:30am on June 27, 2011 at 532 Emily, Lansing.

The Land Bank Board will meet July 11, 2011 at 5:00pm in the Human Services Building.

Limited Public Comment: None

The meeting adjourned at 6:55 p.m.

Respectfully submitted,

Joseph Bonsall