

Approved 2/6/12

**INGHAM COUNTY LAND BANK
FAST TRACK AUTHORITY**

December 5, 2011
Minutes

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

Members Absent: Comm. DeLeon

Others Present: Mary Ruttan, Tim Perrone, Joe Bonsall, Sandy Gower, Paul Joseph, Dawn-Marie Joseph

The meeting was called to order by Chairperson Schertzing at 5:06 p.m. Conference Room D & E of the Human Services Building, 5303 S. Cedar, Lansing.

Approval of the November 7, 2011 Minutes

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. MCGRAIN, TO APPROVE THE NOVEMBER 7, 2011 MINUTES.

Comm. McGrain requested the words "or low-income development" be added to the end of the first paragraph on page two. He also requested section four of the minutes be changed to clarify that a CHDO would be an independent non-profit and not "under the umbrella" of the Land Bank.

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

Additions to the Agenda: None

Limited Public Comment: None

1. Resolution to Authorize Chairman to Negotiate and Execute Purchase Agreement on 122 W. Grand river, Williamston

Chairperson Schertzing noted the Josephs were not yet in attendance and suggested the item be held until their arrival.

2. Resolution to Approve the Employee Paid Time Off/Leave Policy

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. NOLAN, TO ADOPT THE RESOLUTION APPROVING THE EMPLOYEE PAID TIME OFF/LEAVE POLICY.

Comm. Nolan inquired as to the source of the language used in the resolution. Executive Director Ruttan stated the language was taken from the agreement between Ingham County and the ICEA Union and the Management Employees. Executive Director Ruttan stated the policy would apply to the Property Maintenance Coordinator, Property Sales Coordinator, Garden Program Coordinator, and Receptionist positions.

MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon

3. Priorities, Policies and Procedures

3a. Residential Land Transfers

Executive Director Ruttan stated the documents were presented for review and discussion. Comm. McGrain asked if section 9, requiring a narrative description of future use was necessary for residential properties. Executive Director Ruttan stated these Priorities, Policies and Procedures are intended to guide staff when approached by the public about properties not actively listed for sale by the Land Bank and in those cases, intended future/end use is a factor in the process. A discussion of how the City of Lansing Master Plan interacts was undertaken without action.

3b. Attorney General Cox Opinion #7255

Chairperson Schertzing stated the opinion relates to the Wayne County Land Bank's Turbo Program.

4. The ReBuilding Exchange, Chicago

4a. Other Deconstruction Opportunities

Chairperson Schertzing presented a partnership proposal from the ReBuilding Exchange, Chicago. ReBuilding Exchange is a non-profit building material reuse organization that obtains its materials from sustainable deconstruction projects. They propose to partner with the Land Bank to deconstruct approximately five homes per month and transport those materials to their Chicago location for resale. Chairperson Schertzing stated the proposal intends to match our supply of materials with their demand for them. We have had difficulty doing deconstruction in any real volume because it is more expensive than demolition and there are only a handful of contractors in the area with any experience. He stated another issue of concern was exporting materials not just outside of the immediate area, but out of the state. Comm. Bahar-Cook stated that would be preferable to seeing all the materials go into a landfill. Comm. McGrain inquired if there was an in-state option for this type of activity. Chairperson Schertzing stated there are a few in Detroit and Saginaw but they have relied primarily on prison re-entry programs to subsidize the labor costs.

5. Property Maintenance, Renovation & Development

5a. Property Update

Chairperson Schertzing stated information was included in the packet concerning NSP2 rehab projects. He stated the Land Bank has already closed on 35 home sales for the year, including a woman from St Johns who recently purchased our home at 1609 N Genesee in Lansing. Executive Director Ruttan stated the Land Bank has met the 50% expenditure requirement for NSP2.

5b. 1621 E Michigan Avenue

Chairperson Schertzing distributed an email from Ken Szmusiak of Lansing EDC and stated he had requested Mr. Szmusiak to be in attendance. The City approved a brownfield plan for the property, but did not factor in the Land Bank's 5/50 tax capture. The City is requesting the Land Bank give up/return its capture. Comm. Nolan asked how much money we would be giving back. Chairperson Schertzing stated it would be approximately \$15,000/year. Chairperson Schertzing stated he had mentioned this issue to the City several times before their plan was finalized. Comm. McGrain asked how a mistake like this happens. Chairperson Schertzing stated this is the first time this issue has come up in the City. Comm. McGrain asked if staff had plans for the money. Executive Director Ruttan stated the expected capture was included in budget. Comm. McGrain stated the board should not take any action until the City EDC can be in attendance to discuss the situation in more detail.

5c. CHDO Update

Chairperson Schertzing stated a meeting with MSHDA would be held in the coming week to discuss the issue and a possible tri-county aspect. Comm. Nolan asked why a county-wide option would not be preferable. Chairperson Schertzing responded by stating a tri-county component might work well with other regional entities such as Tri-County Regional Planning and LEAP. Further, the issues that impact Lansing and Ingham County don't stop at Waverly Rd and Sheridan Rd. We need a mechanism to be able to cross those boundaries. Also, a tri-county entity would be able to bring in more resources to the region. That being said, it may turn out that politics make such an entity impractical; we are merely in the discussion phase. Comm. Nolan asked when the issue might come back to the board. Chairperson Schertzing responded it would likely come back before the board in February.

5d. General Legal Update – Counsel

Mr. Perrone informed the board all requested documents have been provided in the Maiz civil rights case and we are awaiting the investigator's decision. The Land Bank has received notice of a bankruptcy filing by one of our land contract buyers. The bankruptcy stems from a car loan and the party has indicated their intent to satisfy the

terms of the land contract. The two land contract forfeiture cases continue in their redemption period, with both purchasers expressing intent to redeem. The soil issue is still pending.

6. Community Development
- 6a. Community Outreach – Lunch-N-Learn

Chairperson Schertzing stated Kimberly Whitfield would be hosting a lunch meeting on January 11th at the Neighborhood Empowerment Center and has invited the neighborhood associations to send representatives. All board members are welcome to attend.

- 6b. Tri-County Regional Planning Sustainable Communities Planning Grant

Chairperson Schertzing stated the grant application, which included Land Bank activities as matching funds, was successful.

1. Resolution to Authorize Chairman to Negotiate and Execute Purchase Agreement on 122 W. Grand River, Williamston

Chairperson Schertzing introduced Paul and Dawn-Marie Joseph and invited them to share their proposal with the board. Mr. Joseph presented the board with information regarding their other existing business ventures in Williamston. Comm. Nolan commented that she had recently had a wonderful dinner at Gracie's Place, which is also owned by the Josephs. He stated his belief that one thing downtown Williamston is lacking is a neighborhood bar and the availability of three liquor licenses. Mrs. Joseph stated their proposed bar/pub would employ approximately 10-12 people. Comm. McGrain asked what the experience with Land Bank staff had been like. Mrs. Joseph stated she had experienced difficulty obtaining a form and having Executive Director Ruttan return her phone calls. Comm. McGrain asked if the Josephs had been aware of the appraised value of the property when they made their \$20,000 offer. Mrs. Joseph stated they were aware of the amount, but did not have a copy of the full appraisal.

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. MCGRAIN, TO APPROVE THE RESOLUTION TO AUTHORIZE THE CHAIRMAN TO NEGOTIATE AND EXECUTE PURCHASE AGREEMENT ON 122 W. GRAND RIVER, WILLIAMSTON.

Chairperson Schertzing stated policy calls for the sales prices to be within 70% of appraised value. Comm. Bahar-Cook inquired what expenses the Land Bank had in the property. Chairperson Schertzing stated the purchase price was approximately \$15,000, plus current year taxes around \$6,000, plus \$1,800 for the appraisal.

MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon

6c. Fund 202 – Dollar Home Program – 2012 Projections

Executive Director Ruttan provided an overview of the information in the packet. She stressed revenues generated by the Dollar Home Program must be utilized for some public purpose or another home renovation.

6d. Capital Community Bike Share Program – Martinez Consulting Group Contract Chairperson Schertzing informed the board the focus of the group has transitioned to finding corporate partners and finding ways to dovetail the program with the HUD Sustainable Communities Planning Grant. He also stated the contract with Martinez Consulting Group is being extended another two months. Comm. Nolan inquired how long we would wait for other funding sources to materialize. Chairperson Schertzing stated a couple of months; through the first quarter of 2012.

6e. December 8th, Holiday Event – 934 Clark St

Chairperson Schertzing reminded the board to keep this item on their calendars; remarks are scheduled for 5:00pm. The building has already been covered in the LSJ and Community News. Additional media coverage is expected.

Comm. Nolan requested an update on PROP and the Sidelot Program. Executive Director Ruttan stated finding interested parties who also have the necessary capital continues to be an issue for PROP. Joseph Bonsall stated the Land Bank has a purchase offer for a vacant sidelot on Clifford and has an interested party for vacant land on Rheamount.

7. Accounts Payable & Monthly Statement

7a. Accounts Payable Approval – November 2011

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. BAHAR-COOK TO APPROVE THE ACCOUNTS PAYABLE FOR NOVEMBER 2011.

Comm. McGrain disclosed that he works for CEDAM.

MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon

7b. Monthly Statement – October 2011

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

Announcements:

Executive Director Ruttan responded to Mrs. Joseph's allegation that she was unable to obtain information from Land Bank staff. The form Mrs. Joseph requested was a

standard real estate form that should be familiar to anyone as experienced in real estate development as the Josephs. In a typical transaction, this form is provided by the purchaser, not the seller. Staff only provides those materials in situations such as the Sidelot Program when we deal with inexperienced buyers who would be expected to have difficulty providing the form themselves. Executive Director Ruttan further stated she had had numerous communications, both via telephone and email with the Josephs concerning their proposal.

Comm. Bahar-Cook thanked Comm. DeLeon for offering to give up her seat so that Comm. Bahar-Cook could remain on the board for another term.

Limited Public Comment:

Sandy Gower, Economic Development Coordinator for Ingham County, updated the board on the Ash St project in Mason. She stated a brownfield plan is being developed and is expected to be completed by the end of the year. This plan will be suitable for any developer the Land Bank chooses to work with.

The meeting adjourned at 6:26 p.m.

Respectfully submitted,

Joseph Bonsall