

INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY

Minutes of the April 2, 2018 Regular Board Meeting

Attendance

Members present: Treasurer Schertzing and Commissioners Crenshaw, Grebner, Louney and Nolan (arrived 4:40 pm)
Members excused: None.
Others present: Executive Director Jeanna Paluzzi, Tim Perrone, Jessica Lamson,

Minutes

1. Call to order

Chairman Schertzing called the meeting to order at 4:07 pm in conference rooms D&E of the Human Services building, 5303 South Cedar, Lansing.

2. Approval of minutes

MOVED BY GREBNER, SUPPORTED BY CRENSHAW, TO APPROVE THE MARCH 5, 2017 REGULAR BOARD MEETING MINUTES.

Alan Fox was added to the list of attendees.

MOTION PASSED UNANIMOUSLY.

3. Amendments to the agenda

There were no amendments.

4. Limited public comment

There were no comments.

5. Brief presentation from Urban Systems re: status of due diligence at 112 Malcolm X

No representative attended the meeting, so Executive Director Paluzzi provided an update. Urban Systems met the deadline for each of its due diligence activities to be met within 120 days of executing its purchase agreement for the former Deluxe Inn site. The team is actively pursuing completion of the next set of activities scheduled in the purchase agreement. Paluzzi provided approval for some streambank vegetation removal to better determine the condition of the seawall for its MDEQ permit application.

6. Policy

A. Transfers intended for commercial use – on May agenda (an information point only)

7. Resolutions

A. Extend date of Superintendent's House closing

Commissioner Crenshaw indicated that he will be voting no, since there is nothing in writing to change the closing date from April 16 to July 31. Commissioner Grebner said an oral agreement is void, and the property should still be up for sale. Executive Director Paluzzi indicated that property marketing does not stop until a purchase agreement is executed. Chair Schertzing acknowledged MMRS Executive Director Jessica Lamson. Lamson said that its 1991 acquisition of their program's existing location similarly required a rezoning. Lamson said that the process likely requires a Planning Commission hearing. Grebner asked that staff ensure that the property remains listed, but not pending sale.

MOVED BY GREBNER AND SECONDED BY SCHERTZING A MOTION TO EMPOWER EXECUTIVE DIRECTOR AND BOARD CHAIR TO ACCEPT A VALID AND BINDING OFFER FROM MMRS FOR \$230,000 AS IS ON OR BEFORE JULY 31, 2018 NOT CONTINGENT UPON A REZONING. FURTHER, THE STAFF IS DIRECTED TO MARKET THE PROPERTY.

AYES: GREBNER, SCHERTZING

NAYS: CRENSHAW, LOUNEY

Commissioner Nolan arrived at the meeting.

MOVED BY GREBNER, SECONDED BY SCHERTZING, TO RECONSIDER THE ITEM AT 7A.

AYES: GREBNER, NOLAN, SCHERTZING

NAYS: CRENSHAW, LOUNEY

Grebner recapped the discussion. Crenshaw said MMRS missed the closing deadline and has to obtain a rezoning. The closing date change request is only verbal. Louney wants to wait until a rezoning is approved. Schertzing indicated that does not usually happen beforehand. Grebner said a purchase agreement is usually contingent on a rezoning.

NOLAN OFFERED A FRIENDLY AMENDMENT, ADDING THE WORD "AGGRESSIVELY" TO MARKET THE PROPERTY. GREBNER AND SCHERTZING ACCEPTED THE AMENDMENT.

AYES: GREBNER, NOLAN, SCHERTZING

NAYS: CRENSHAW, LOUNEY

B. Transfer vacant W Malcolm X Street to Granite Countertops

C. Transfer 4501 S MLK Jr. Blvd to MLK Plaza LLC

MOVED BY GREBNER AND SECONDED BY LOUNEY TO APPROVE THE

RESOLUTIONS AS WRITTEN. MOTION PASSED UNANIMOUSLY.

D. Transfer 2725 Northwest to Mikey 23 Foundation

MOTION BY GREBNER, SECONDED BY CRENSHAW TO APPROVE THE RESOLUTION.

Paluzzi said in the interest of full disclosure that Mikey 23 Foundation is led by Mike McKissic's family and McKissic Construction is one of the Land Bank's competitively selected general contractors. Mikey 23 was established in his son's memory to provide disadvantaged youth opportunities to learn construction trades, currently experiencing shortages in trained workers. Schertzing said this property has a \$55,000 SEV, a generous gift to a nonprofit. It was placed in the bundle so that the Land Bank would benefit from its sale, rather than likely selling at auction for \$40,000. Nolan says that she signed a lot of checks payable to McKissic Construction, so this feels like a conflict of interest. Crenshaw asked if any costs have been incurred. Paluzzi said only lawn and snow.

MOTION BY NOLAN, SECONDED BY CRENSHAW TO TABLE THE MOTION TO APPROVE UNTIL STAFF PROVIDES A SUMMARY OF INVOICES PAID OVER THE LAST THREE YEARS AND THE FOUNDATION HAS PROVIDED COPIES OF 501(C)3 PAPERWORK AND ANNUAL REPORTS.

MOTION APPROVED UNANIMOUSLY.

E. Transfer properties to Capital Area Housing Partnership

MOTION BY GREBNER, SECONDED BY NOLAN TO APPROVE RESOLUTION.

Schertzing indicated that the SEVs on these properties were very high, and they were not offered to other organizations.

Crenshaw asked for an allocation of the total sales price to each of the three parcels. Nolan said the 2017 foreclosures had no chance to be sold on the open market. The Land Bank benefits if the properties are sold profitably. She would be happy to let the 1806 vacant lot go. She suggested telling CAHP that if the improved properties have not sold by the end of summer, then they can buy them.

NOLAN OFFERED AN AMENDMENT SECONDED BY CRENSHAW TO DELETE THE ALLEN AND DEERFIELD PROPERTIES FROM THE RESOLUTION.

AMENDMENT PASSED UNANIMOUSLY.

AMENDED RESOLUTION PASSED UNANIMOUSLY.

F. Authorize contract for roof repair by LJ Trumble Builders

MOVED BY GREBNER AND SECONDED BY CRENSHAW.

Crenshaw asked for project history. Paluzzi described the investment to date in the building, the mold issue generated by a leaky roof, and the evolution of roof design to minimize the money drain.

MOTION PASSED.

AYES: GREBNER, LOUNEY, SCHERTZING

NAYS: CRENSHAW, NOLAN

Louney suggested contacting the County Facilities director regarding other facilities that might be available over time.

8. Program reports

A. Current inventory profile

B. Improved property sales pipeline

C. Rentals

Executive Director Paluzzi reviewed the new program report formats and content.

9. Financials

A. Discuss opportunity for County assistance in amortizing PNC Bank lines of credit – Commissioner Nolan

Nolan indicated she has a one year extension on her tenure with the Land Bank Board. She has been concerned from day 1 about the balances on the lines of credit. She convened a meeting with County Finance Director Jill Rhode, Treasurer Scherzing, Land Bank Director Paluzzi that Controller Dolehanty was unable to attend. She requested an additional \$300,000 in annual appropriations to pay off debt, while the Land Bank continues to pay it down too. Schertzing added that the additional \$300,000 is proposed to be appropriated for the next five years until MIRS hits, when it can be reevaluated. Grebner asked about the interest rate. Nolan asked Schertzing to bring information about county interest rates.

B. Ratify Accounts Payable: February 2018

MOTION BY CRENSHAW, SECONDED BY GREBNER TO RECEIVE THE FEBRUARY 2018 ACCOUNTS PAYABLE. MOTION PASSED UNANIMOUSLY.

C. Receive Statement of Revenue and Expense: February 2018

MOTION BY GREBNER, SECONDED BY LOUNEY TO RECEIVE THE FEBRUARY 2018 STATEMENTS. MOTION PASSED UNANIMOUSLY.

10. Legal counsel report

Tim Perrone indicated that he met with Paluzzi to review the status of land contracts. Two are moving in to forfeiture notices.

Perrone said his firm is awaiting a response from the union attorney for the two former Treasurer's Office/Land Bank employees for over a month. Their status is still laid off.

11. Reports

A. Executive Director

Paluzzi referred to her written report and indicated that the investment in outside accounting professionals is working out well.

Crenshaw asked Paluzzi two questions related to the potential sale of the Superintendent's House at 1141 N. Pine to Mid-Michigan Recovery Services for its men's residential treatment program. At a meeting at the charter school on the School for the Blind campus, she had said that a county commissioner is a program graduate. Crenshaw asked Paluzzi why she said that. Paluzzi said her remark, and other examples of clients who successfully completed the program, was designed to deflect one of his constituent's likening a MMRS client who undergoes the extensive application process to be accepted into the treatment program, to a day laborer who works in your yard and asks to use your bathroom, but actually unlocks windows and doors to enter your home at night and do "you know what." The constituent had also likened MMRS program management to poor experiences in a homeless shelter decades earlier. Crenshaw indicated that Paluzzi's comment insulted all elected officials. Crenshaw also asked Paluzzi why she forwarded to Board members his Facebook post of a link to the Land Bank meeting agenda to the Walnut Neighborhood Organization's FB page. Paluzzi responded that she has kept the Board apprised of social media traffic since misinformation and slander began to be shared with the neighborhood on Monday before Christmas.

B. Board Chairman

Schertzing indicated that this year's foreclosures totals about 140 properties, but there is still a 60 day extension available yet.

12. Limited public comment

There was no public comment.

13. Adjournment

The meeting adjourned at 6:10 pm.