

INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY

Minutes of the November 19, 2018 Regular Board Meeting

Attendance

Members present: Treasurer Schertzing and Commissioners Crenshaw, Grebner, and Nolan
Members excused: N/A
Others present: Executive Director Jeanna Paluzzi; Tim Perrone, Max Boortz, Barbara Kowalk, Laura DeLind

Minutes

1. Call to order

Schertzing called the meeting to order at 4:05 pm in Health and Human Services Building conference rooms D+E, 5303 South Cedar Street, Lansing.

2. Approved minutes

A. September 17, 2018 Regular Board meeting

NOLAN MOVED, SECONDED BY CRENSHAW, APPROVAL OF THE MINUTES AS WRITTEN.

Crenshaw asked about additional staff to take meeting minutes. Paluzzi indicated that Linda will be joining future meetings, but could not join this meeting as this week was negotiated off as a condition of hire. There is also a new voice recorder being tested today, as the County Clerk does not allow its recording equipment to be used without a Clerk staff operating it.

MOTION APPROVED UNANIMOUSLY.

3. Amendments to the agenda

There were no amendments.

4. Limited public comment

Schertzing recognized Max Boortz and Barbara Kowalk, representing the partnership that bought the commercial property at 414 Baker, Lansing. Boortz indicated that while he has architectural drawings in place and materials stockpiled, he can't accomplish the project by the purchase's reverter clause date. Paluzzi clarified that the December 15 reverter date applies to just the roof, not the entire project. Boortz indicated that the roof decay has structurally compromised the load-bearing wall integrity. Crenshaw asked if a 90 day extension is enough time to complete the roof. Boortz said 6 months was more realistic.

GREBNER MOVED, CRENSHAW SECONDED, MOVED EXTENDING THE REVERTER CLAUSE BY 90 DAYS AND DIRECTING STAFF TO VISUALLY CHECK PROGRESS ON

THE PROJECT AT 90 DAYS, AND AUTHORIZES THE EXECUTIVE DIRECTOR TO GRANT AN ADDITIONAL 90 DAY EXTENSION IF SUBSTANTIAL PROGRESS HAD BEEN MADE.

MOTION APPROVED UNANIMOUSLY.

5. Board functions

A. No quorum for Dec. 3

The Board agreed to reschedule the December meeting to the 17th at 4 pm.

B. County appointments effective Jan 2019

Paluzzi distributed a chart that identifies board membership since inception. She indicated that she is setting up orientation meetings with the new members before their first meeting in January.

C. Draft 2019 Board meeting schedule

The Board reviewed the proposed schedule in the packet. Crenshaw said meeting after 4 pm would provide more opportunity for public comment. Paluzzi indicated a move to the Land Bank office provides a more readily-found meeting location for visitors and access to office files and computer projection. Paluzzi said she will be consulting with Becky Bennett and new Board members before the next meeting.

6. Staffing

Paluzzi provided Board members with hard copy of resumes for the new hires filling the Finance and Administration Manager and Real Estate Specialist positions.

7. Financials

A. Note: 2019 budget at next meeting noted

B. Review IRS FUTA payment issues

Paluzzi indicated that attorney Tim Perrone, Finance & Admin Mgr Linda Weber and she spoke with the IRS to make progress in resolving IRS concerns regarding FUTA (Federal Unemployment Tax Act) tax payments. Evidently in 2010 the Land Bank started making FUTA payments, but the Land Bank, as a local government authority, is exempt from FUTA. However, since the Land Bank paid the taxes annually, the IRS began to expect them. When the expected amounts were not remitted, the IRS started charges fines, fees, and penalties. The IRS rep gave us a list of tasks to complete to clean up our standing. Due to statute of limitations, the Land Bank will not be able to recoup about \$25,000 in early year payments, but the IRS will wipe out penalties and reimburse about \$1400 from the last three years.

Grebner said this is more grounds to regularize the Land Bank into the County. Paluzzi indicated that county staff made the IRS payments and let the IRS notices languish, but Land Bank staff are resolving the issue.

GREBNER MOVED, NOLAN SECONDED, REQUESTING A PROPOSAL BY JULY 1 FROM THE EXECUTIVE DIRECTOR TO REGULARIZE THE LAND BANK INTO COUNTY

ORGANIZATION.

C. Paychex 401(k) administrator

Paluzzi indicated that Paychex will not discuss 401(k) plan administration without an updated authorization on file.

CRENSHAW MOVED, GREBNER SECONDED, A CHANGE IN PLAN ADMINISTRATOR FROM FORMER EMPLOYEE JOSEPH BONSALL TO EXECUTIVE DIRECTOR JEANNA PALUZZI.

MOTION APPROVED UNANIMOUSLY.

8. Legal counsel

A. 1733 W Holmes

Perrone indicated that he responded in writing to a cease and desist demand regarding the Land Bank's imminent sale of the vacant lot at 1733 West Holmes. The other adjacent neighbor mistakenly felt he had the right to purchase at least half the lot as a side lot; however, the lot size and pricing warrant a market rate sale without side lot sale restrictions on redevelopment.

B. Research exemptions against code compliance fines

Paluzzi requested counsel review of enabling legislation to determine whether Land Banks were exempt from code compliance fines.

C. Weatherhill condo

Grebner asked for an update of his friendly addition to the list of counsel review at the last meeting. Perrone indicated he had followed up by email following the meeting. Schertzing indicated he would contact the condo law expert at Clark Hill.

9. Updates and discussions

A. BWL tree services

Paluzzi indicated her phone messages to date have been unanswered.

B. Consideration due from nonprofits for purchases not related to affordable housing

Schertzing recognized Laura DeLind from the Lansing Urban Farm Project. DeLind indicated that LUFPP leases eight garden lots and rents the house at 653 S Hayford. She indicated that the Land Bank loaned LUFPP \$5000 and that the \$125/month rent was to repay that loan, now repaid many times over. DeLind and her partner have invested personal funds into rehabbing the house, and have not been reimbursed by LUFPP yet. The house is in turn rented to the LUFPP farm manager for a subsidized \$350. Most recently it has been rented to the farm market coordinator. They are conducting a national search for a new farm manager. Schertzing indicated he is on the LUFPP board. Grebner asked about the house value. Schertzing said possibly about \$30K in the floodplain. Paluzzi suggested that the Board defer decision about the rental until it had discussed related policy issues. Nolan publicly thanked DeLind for all that she does in the urban ag community.

Paluzzi indicated there are established policies regarding sales to nonprofits for affordable housing. On this agenda are potential sales to nonprofits for other than affordable housing.

2. 653 S Hayford to residential renter Lansing Urban Farm Project

Paluzzi provided more background. There is no record of a \$5000 loan to LUFPP, but rather \$4000 donation for a hoop house next door. A concern is major findings from rental inspections current and past. Current rental inspection violations contribute to fire hazards. Paluzzi had asked LUFPP to inspect before the Code site visit to ensure compliance, but LUFPP members were too busy. Grebner and Crenshaw both indicated a strong preference to get out of complicated rental agreements. A land contract is not an option. It is in the floodplain, so we should consider a reverter clauses on both the house and adjacent garden properties.

GREBNER MOVED, CRENSHAW SECONDED, AUTHORIZING THE EXECUTIVE DIRECTOR TO NEGOTIATE THE SALE OF 653 S HAYFORD AND ADJACENT VACANT LAND(S) TO LUFPP WITH APPROPRIATE REVERTER CLAUSES.

MOTION APPROVED UNANIMOUSLY. SCHERTZING ABSTAINED.

1. 1715 E Kalamazoo to commercial renter Lansing Bike Coop

CRENSHAW MOVED, NOLAN SECONDED, LISTING 1715 E KALAMAZOO AT MARKET RATE.

Paluzzi confirmed the Bike Co-op is a 501(c)3. The Bike Co-op is welcome to buy it at market rate, and can stay until sold. We provided the co-op incubator space, but it does not obligate us to sell it at less than market price.

MOTION APPROVED UNANIMOUSLY.

Paluzzi said this topic tie-bars to an interesting conversation at the Michigan Association of Land Banks leadership summit. By definition, any property acquired by a Land Bank by definition is a brownfield. Consider then that the Land Bank become a Brownfield Redevelopment Authority.

C. Superintendent's House

Paluzzi reviewed information provided in meeting packet and asked for Board feedback. Crenshaw indicated that he favored the Land Bank moving in to provide neighborhood stability and requested checking in with the City about the amount of grant funds available. Nolan indicated her preference trying to sell at a reduced price first, then try auctioning it, then at last resort move in. Nolan asked about the Neighborhood Empowerment Center; Paluzzi indicated that Capital Area Housing Partnership bought it. Grebner said that the Land Bank has already sunk enough money into the property and does not want to spend anymore. He said find somebody who wants it, and sell for what we can get. Paluzzi said staff will be meeting with the assigned broker shortly to come up with a plan. Schertzing indicated that Dave Sheets

bought Teen Challenge at auction.

D. 900 Baker dilemma

Paluzzi reviewed the memo provided in the Board packet. Crenshaw left at 6 pm. The Board indicated a desire to drop rock across the entire Donora side of the lot.

10. Reports

A. Executive Director provided in the Board packet.

B. Board Chairman provided no additional comments.

11. Limited public comment

There was no public comment.

12. Adjournment

The meeting adjourned at 6:10 pm.

Respectfully submitted,
Jeanna M. Paluzzi