

JULY 20, 2020 REGULAR MEETING

Ingham County Land Bank Zoom Meeting

Join Zoom Meeting

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By Phone: 1 929 205 6099 US (New York)

Meeting ID: 815 6406 2402

Password: 029708

July 20, 2020 – 4:30 p.m.

CALL TO ORDER

Chairperson Schertzing called the July 20, 2020 Regular Meeting of the Ingham County Land Bank to order at 4:30 p.m. in a Zoom meeting.

Members Present: Schertzing, Grebner, Crenshaw, Slaughter, Frischman

Members Absent: none

Others Present: Tim Perrone, David Burns, Alan Fox, Roxanne Case, Dillon Rush of LEAP, Steve Purchase of H-Inc, Johno Norian and Nicholas Maloof of NXT Commercial, Morgan Doherty and Jasmine of Capital United Land Trust

APPROVAL OF THE MINUTES

COMMISSIONER GREBNER MOVED TO APPROVE. COMMISSIONER CRENSHAW SUPPORTED THE MOTION. THE MOTION TO APPROVE THE MINUTES CARRIED UNANIMOUSLY. MINUTES OF JUNE 15, 2020 STAND AS IS.

ADDITIONS TO THE AGENDA

- Correction of Nicholas Maloof's first name on the Agenda.
- 2.C. Resolution to Authorize the sale of the 3 Vacant Lots at (1119 and 1210) W Ottawa and (220) Westmoreland to Westview Capital LLC (Blue Sheet)
- 3.E. Discussion topic by Chairperson Schertzing on new tax foreclosure ruling.
- 3.F. Discussion topic by Chairperson Schertzing on BIPOC organization.

LIMITED PUBLIC COMMENT

- Steve Purchase of H-Inc gave a presentation of the proposed development in the Oak Park neighborhood, north of Saginaw. H-inc is the owner and developer of the Prudden St and Motor Wheel development, and is interested in developing the area between East Park Terrace & Pennsylvania and May St & Saginaw St.
- Johno Norian and Nicholas Maloof of NXT Commercial gave a presentation of the proposed development at 1506 N Grand River Ave (former bottling plant). They are interested in developing a 6-7 story building with approximately 184 units including a restaurant, fitness center, brewery, and kayak launch on the water front.

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1. Commercial

A. Sale Status report

Commissioner Crenshaw asked for an update on the former Pleasant Grove School at 2130 W Holmes Rd. David Burns stated that Ferguson Development recently facilitated a meeting and outlined a list of tasks and responsibilities to move the project forward. Mr. Burns stated that he forwarded a contact person from the Poor Peoples Campaign to Ferguson Development.

B. Resolution to Authorize the Sale of 4 properties at 1506 N Grand River Avenue to NXT Commercial Real Estate Service LLC

COMMISSIONER CRENSHAW MOVED TO APPROVE. COMMISSIONER SLAUGHTER SUPPORTED. THE MOTION CARRIED UNANIMOUSLY.

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Adopted July 20, 2020
Agenda item #1.B.

INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY

RESOLUTION TO AUTHORIZE THE SALE OF 1506 N GRAND RIVER AVENUE, N CAPITOL AVENUE (#33-01-01-09-176-062), (1611) N CAPITOL AVE (#33-01-01-09-176-073), AND (1617) N CAPITOL AVE (#33-01-01-09-176-082), LANSING, TO NXT COMMERCIAL REAL ESTATE SERVICES, LLC

RESOLUTION 20-07

WHEREAS, the Land Bank Fast Track Act, 2003 PA 258, being MCL 124.751 *et seq.*, ("the Act") establishes the State Land Bank Fast Track Authority; and

WHEREAS, the Act allows a foreclosing governmental unit, such as the Ingham County Treasurer, to enter into an intergovernmental agreement with the State Land Bank Fast Track Authority providing for the exercise of the powers, duties, functions, and responsibilities of an authority under the Act, and for the creation of a County Land Bank Fast Track Authority (the "Authority") to exercise those functions; and

WHEREAS, the Ingham County Treasurer, with Ingham County Board of Commissioners approval, has entered into such an intergovernmental agreement under the Act; and established the Ingham County Land Bank Fast Track Authority (the "Land Bank") in 2005; and

WHEREAS, the Ingham County Land Bank Fast Track Authority has policies, procedures and administrative rules regarding the disposition of commercial property which require board approval ;

WHEREAS, the Land Bank received title to the commercial improved property at 1506 N Grand River Ave, Lansing (#33-01-01-09-177-003) in 2017, through local unit rejection; and

WHEREAS, the Land Bank received title to the residential vacant property at N Capitol Avenue (#33-01-01-09-176-062), in 2014, through local unit rejection; and

WHEREAS, the Land Bank received title to the residential improved properties at (1611) N Capitol Ave (#33-01-01-09-176-073), and (1617) N Capitol Ave (#33-01-01-09-176-082) in 2008, through local unit rejection, and subsequently demolished the blighted structures with Land Bank general funds; and

WHEREAS, Ingham County Land Bank partnered with Michigan Economic Development Corporation and the City of Lansing to complete a Request for Proposal for development of the former bottling plant at 1506 N Grand River Avenue, along with the 3 vacant lots. Proposals were received and NXT Commercial Real Estate Services LLC was chosen, by a task force consisting of members from the City of Lansing, MEDC, LEAP, and the Land Bank, to develop the property; and

WHEREAS, NXT Commercial Real Estate Services LLC would like to purchase the properties for a sale price of \$100,000 with the intent to demolish the current dilapidated former bottling plant structure and construct a 6-7 story mixed-use commercial apartment project. The proposal includes a restaurant, coffee shop, and/or office space along with waterfront kayak access. Construction anticipated to start near spring 2021, with completion estimated in fall 2022. There is a possible second phase with an additional residential component on the 3 vacant lots after construction of the mixed-use building; and

THEREFORE, BE IT RESOLVED, the Land Bank authorizes its Chairperson or Executive Director to negotiate and execute the transaction of these parcels to NXT Commercial Real Estate Services LLC for the total rate of \$100,000 plus closing costs.

FURTHER, BE IT RESOLVED, property conveyances shall contain a deed restriction clause prohibiting the property's use of any sexually oriented business as defined by law, medical marijuana business or dispensary, or casino.

AYE: Scherzting, Grebner, Crenshaw, Frischman, Slaughter NAY: None Approved 7/20/2020

THE MOTION CARRIED UNANIMOUSLY.

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- C. Resolution to Authorize a Reimbursement Agreement with Ingham County Brownfield Development Authority for Remediation of (112) E Malcolm X (former Deluxe Inn site)

COMMISSIONER CRENSHAW MOVED TO APPROVE. COMMISSIONER SLAUGHTER SUPPORTED. THE MOTION CARRIED UNANIMOUSLY.

INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY

**RESOLUTION TO AUTHORIZE A REIMBURSEMENT AGREEMENT WITH
INGHAM COUNTY BROWNFIELD DEVELOPMENT AUTHORITY FOR
REMEDICATION OF (112) E MALCOLM X STREET, LANSING**

RESOLUTION 20-08

WHEREAS, the Land Bank Fast Track Act, 2003 PA 258, being MCL 124.751 *et seq.*, (the Act) establishes the State Land Bank Fast Track Authority; and

WHEREAS, the Act allows a foreclosing governmental unit to enter into an intergovernmental agreement with the State Land Bank Fast Track Authority providing for the exercise of the powers, duties, functions, and responsibilities of an authority under the Act, and for the creation of a County Land Bank Fast Track Authority (the "Land Bank") to exercise those functions; and

WHEREAS, the Ingham County Treasurer, with Ingham County Board of Commissioners approval, has entered into such an intergovernmental agreement under the Act; and established the Ingham County Land Bank Fast Track Authority (the "Land Bank") in 2005; and

WHEREAS, the Ingham County Land Bank Board of Directors has approved the sale of the property at (112) E Malcolm X, Lansing, (#33-01- 01-21-203-003) to Reo Town Holdings with the intent to construct a hotel or possibly a mixed commercial apartment project per Resolution # 20-05; and

WHEREAS, the Ingham County Brownfield Development Authority has approved funds of \$157,953 to be used to complete further environmental cleanup required. The environmental remediation will be completed by PM Environmental Inc and paid through the Ingham County Land Bank. The Ingham County Brownfield Development Authority will reimburse the Land Bank for eligible activities up to the maximum amount of \$157,953. Any further remediation needed will be paid by Reo Town Holdings; and

THEREFORE BE IT RESOLVED, that the Land Bank agrees to enter into a Brownfield Reimbursement Agreement to complete the required remediation by PM Environmental Inc.

AYE: Scherzting, Grebner, Crenshaw, Frischman, Slaughter

NAY: None

Approved 7/20/2020

THE MOTION CARRIED UNANIMOUSLY.

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Dillon Rush of LEAP stated that this is a Brownfield Authority Agreement to complete the environmental cleanup of the former Deluxe Inn site. Chairperson Schertzing stated that it was some of the remaining Brownfield funds that can be distributed to this project.

2. Residential

- A. List of Properties - Sold & In Progress, May 2020
- B. Resolution to Authorize the Sale of 4 properties at (1010-1012) Bensch & (1032-1036) McCullough to Eastside Community Action Center

COMMISSIONER CRENSHAW MOVED TO APPROVE. COMMISSIONER SLAUGHTER SUPPORTED. THE MOTION CARRIED UNANIMOUSLY.

INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY

**RESOLUTION TO AUTHORIZE SALE OF FOUR (4) VACANT PARCELS ON (1010-1012) BENSCH
AND (1032-1036) MCCULLOUGH, LANSING TO EASTSIDE COMMUNITY ACTION CENTER**

RESOLUTION 20-09

WHEREAS, the Land Bank Fast Track Act, 2003 PA 258, being MCL 124.751 *et seq.*, ("the Act") establishes the State Land Bank Fast Track Authority; and

WHEREAS, the Act allows a foreclosing governmental unit, such as the Ingham County Treasurer, to enter into an intergovernmental agreement with the State Land Bank Fast Track Authority providing for the exercise of the powers, duties, functions, and responsibilities of an authority under the Act, and for the creation of a County Land Bank Fast Track Authority (the "Authority") to exercise those functions; and

WHEREAS, the Ingham County Treasurer, with Ingham County Board of Commissioners approval, has entered into such an intergovernmental agreement under the Act; and established the Ingham County Land Bank Fast Track Authority (the "Land Bank") in 2005; and

WHEREAS, the Ingham County Land Bank Fast Track Authority (the "Land Bank"), in its Priorities, Policies, and Procedures document, indicates in Section 7.B.2. that sale of three (3) or more properties to the same buyer within a twelve month period must be approved by the Land Bank Board; and

WHEREAS, the Land Bank received title to the residential improved property at (1010) Bensch St, Lansing (# 33-01-01-22-205-231) in 2012, through local unit rejection and subsequently demolished the blighted structure with federal Hardest Hit Funds monies in fall 2015; and

WHEREAS, the Land Bank received title to the residential improved property at (1012) Bensch St, Lansing (# 33-01-01-22-205-222) in 2012, through local unit rejection and subsequently demolished the blighted structure with Community Development Block Grant (CDBG) monies in spring 2014; and

WHEREAS, the Land Bank received title to the residential improved property at (1032) McCullough St, Lansing (# 33-01-01-22-207-151) in 2011, and subsequently demolished the blighted structure with federal Neighborhood Stabilization Program 2 (NSP2) monies in summer 2012; and

WHEREAS, the Land Bank purchased the residential improved property at (1036) McCullough St, Lansing (# 33-01-01-22-207-141) in 2009, and subsequently demolished the blighted structure with federal Neighborhood Stabilization Program 1 (NSP1) monies in spring 2010; and

WHEREAS, Eastside Community Action Center would like to purchase the four (4) parcels, with the intent to construction new single-family affordable housing. ECAC is planning to complete the new construction with City of Lansing funding along with their own funds. ECAC has a homeownership program that grooms income-qualified individuals and families towards successful homeownership, and part of that program is placing them in houses developed with donations and volunteer labor; and

THEREFORE, BE IT RESOLVED, the Land Bank authorizes its Chairperson or Executive Director to negotiate and execute the transaction of these four (4) parcels to Eastside Community Action Center for the market rate of \$1000 for each Bensch St properties, \$2000 for (1032) McCullough St, and \$860 for (1036) McCullough St, plus closing costs. Total market rate equals \$4860.00.

FURTHER, BE IT RESOLVED, property conveyances shall contain a deed restriction clause prohibiting the property's use of any sexually oriented business as defined by law, medical marijuana business or dispensary, or casino.

AYE: Scherzting, Grebner, Crenshaw, Frischman, Slaughter

NAY: None

Approved 7/20/2020

THE MOTION CARRIED UNANIMOUSLY.

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Director Case stated that Eastside Community Action Center would like to purchase these properties to construction single-family homes. ECACs is applying for City of Lansing funds to help with the costs of building. ECAC is a good steward in the Potter Walsh neighborhood, and this is a good cause to stand behind.

- C. Resolution to Authorize the sale of the 3 Vacant Lots at (1119 and 1210) W Ottawa and (220) Westmoreland to Westview Capital LLC (Blue Sheet)

COMMISSIONER CRENSHAW MOVED TO APPROVE. COMMISSIONER SLAUGHTER SUPPORTED. THE MOTION CARRIED UNANIMOUSLY.

INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY

**RESOLUTION TO AUTHORIZE SALE OF THREE (3) VACANT PARCELS ON (1119 AND 1210) W
OTTAWA ST AND (220) WESTMORELAND AVE, LANSING TO WESTVIEW CAPITAL LLC**

RESOLUTION 20-10

WHEREAS, the Land Bank Fast Track Act, 2003 PA 258, being MCL 124.751 *et seq.*, (“the Act”) establishes the State Land Bank Fast Track Authority; and

WHEREAS, the Act allows a foreclosing governmental unit, such as the Ingham County Treasurer, to enter into an intergovernmental agreement with the State Land Bank Fast Track Authority providing for the exercise of the powers, duties, functions, and responsibilities of an authority under the Act, and for the creation of a County Land Bank Fast Track Authority (the “Authority”) to exercise those functions; and

WHEREAS, the Ingham County Treasurer, with Ingham County Board of Commissioners approval, has entered into such an intergovernmental agreement under the Act; and established the Ingham County Land Bank Fast Track Authority (the "Land Bank") in 2005; and

WHEREAS, the Ingham County Land Bank Fast Track Authority (the "Land Bank"), in its Priorities, Policies, and Procedures document, indicates in Section 7.B.2. that sale of three (3) or more properties to the same buyer within a twelve month period must be approved by the Land Bank Board; and

WHEREAS, no member of the Land Bank Board of Directors nor Land Bank staff has disclosed any direct or indirect personal or financial interest in this matter, and the Land Bank management is unaware of any such conflict of interest.

WHEREAS, the Land Bank purchased the residential improved property at (1119) W Ottawa St, Lansing (# 33-01-01-17-260-271) in 2015, and subsequently demolished the blighted structure with Hardest Hit Funds in winter 2016; and

WHEREAS, the Land Bank received title to the residential improved property at (1210) W Ottawa St, Lansing (# 33-01-01-17-258-121) in 2016 through local unit rejection, and subsequently demolished the blighted structure with Hardest Hit Funds in winter 2017; and

WHEREAS, the Land Bank received title to the residential improved property at (220) Westmoreland Ave, Lansing (# 33-01-01-17-257-021) in 2012 through local unit rejection, and subsequently demolished the blighted structure with Hardest Hit Funds in fall 2015; and

WHEREAS, Westview Capital, LLC (of Allen Edwin homes) would like to purchase the three (3) parcels, with the intent to construct new single-family houses to help grow the City. Their plans are to build colonial urban houses, with construction starting this fall 2020; and

THEREFORE, BE IT RESOLVED, the Land Bank authorizes its Chairperson or Executive Director to negotiate and execute the transaction of these three (3) parcels to Westview Capital LLC for the market rate of \$2300 for each Ottawa St property, and \$1400 for (220) Westmoreland Ave, plus closing costs. Total market rate equals \$6000.00.

FURTHER, BE IT RESOLVED, property conveyances shall contain a deed restriction clause prohibiting the property’s use of any sexually oriented business as defined by law, medical marijuana business or dispensary, or casino .

AYE: Scherzting, Grebner, Crenshaw, Frischman, Slaughter NAY: None Approved as amended 7/20/2020

THE MOTION CARRIED UNANIMOUSLY AS AMENDED.

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Director Case stated that Westview Capital is a division of Allen Edwin, and is planning to build 3 single-family homes that will match the existing neighborhood. Chairperson Schertzing stated that Allen Edwin has built subdivisions all over Michigan, in DeWitt, Kalamazoo, and in Lansing. They built the East Village neighborhood off Saginaw St. Discussion ensued. Commissioner Grebner put forth a motion to include Conflict of Interest statement(s) into resolutions for the Board of Directors and Land Bank staff. Legal Counsel Tim Perrone would help with the boilerplate language so that it can be included in all resolutions, starting with this resolution for Westview Capital. Commissioner Crenshaw supported the motion.

3. Administration

A. Accounts Payable – May 2020

AP has been received, accepted, and on file.

B. Budget updated, 2nd quarter

Director Case stated the budget for the first 6 months is steady. There is concern about the Property Sales for the year, due to the virus and the changing world. We hope to catch up, but unsure if that will be the case. We are watching our expenses. Chairperson Schertzing asked if there will be an amended budget. Director Case stated that it will be prepared for the August meeting.

C. Communication from Executive Director

Audit - it was emailed out last month. No questions or comments.

401(k) - working with MERS to help us transfer out of a 401k and into a 457 or a 401a. I believe it will be cheaper and better for staff in the long run.

Demolitions start back up this Thursday from the Covid delay. We've got 8 more to go in this round. We're applying for more CDBG funds from the City of Lansing for another set of demolitions from the 2019 foreclosures. There's 10-12 in that batch, and we're hoping to take them down this fall/winter.

D. Legal

Tim Perrone stated that the courts are still waiting on a new hearing date for the land contract forfeiture. Mr. Perrone also stated that he reviewed information provided by the MMRMA on the injury that took place at 1026 S Grand Ave, Lansing.

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E. Discussion topic by Chairperson Schertzing on new tax foreclosure ruling

Chairperson Schertzing explained that the new tax foreclosure ruling was voted on by the Michigan Supreme Court and it basically, requires any excess of proceeds from the sale of a property to be returned to the former owner who lost the property in the foreclosure process. How many retroactive years this will go back is unknown. There are many details to be ironed out; more information forthcoming.

F. Discussion topic by Chairperson Schertzing on BIPOC organization.

Chairperson Schertzing explained that the conversation started about urban agriculture and moved into urban food production with value added as a job training component with a housing focus on skilled trades. BIPOC has requested, as a matter of equity, a pipeline of tax foreclosures for job training and housing programs.

4. Limited public comment

Morgan Doherty, 423 N Francis Ave, Lansing, and Jasmine Hardy, 1412 Meadow Rue St, East Lansing, of Capital United Land Trust, introduced themselves. They are interested in protecting land to support sustainable urban agriculture, helping minority and marginalized groups for urban farming and growing fresh produce within the City of Lansing.

5. Adjournment

Chairperson Schertzing adjourned the meeting at 5:53pm.