

APPROVED 6/4/12

**INGHAM COUNTY LAND BANK  
FAST TRACK AUTHORITY**

May 7, 2012  
Minutes

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

Members Absent: Comm. DeLeon

Others Present: Mary Ruttan, Tim Perrone, Joe Bonsall, Sandy Gower, Ann Rauschar

The meeting was called to order by Chairperson Schertzing at 5:02 p.m. Conference Room D & E of the Human Services Building, 5303 S. Cedar, Lansing.

Approval of the April 2, 2012 Minutes

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. NOLAN, TO APPROVE THE APRIL 2, 2012 MINUTES.

Comm. McGrain noted that agenda item 3 in the minutes did not show a recorded vote. Comm. Nolan requested that agenda item 2 be clarified to state the request for an additional \$150,000 in funding from Ingham County's delinquent tax foreclosure fund would represent total funding of \$400,000 from the delinquent tax foreclosure fund when combined with the \$250,000 already budgeted and that the funding would cover fiscal years 2012, 2013 and 2014.

MOTION, AS AMENDED, CARRIED UNANIMOUSLY. Absent: Comm. DeLeon, Comm. Bahar-Cook

Additions to the Agenda: None

Limited Public Comment: None

1. Community Projects Update

Chairperson Schertzing introduced Ann Rauschar, Program Director for the Greater Lansing Food Bank's Garden Project. Ms. Rauschar distributed a handout to the board

and presented some highlights of the Garden Project. She stated the project currently has 12 gardens on 49 Land Bank parcels. These gardens are a part of the Garden Project's goal of increasing food sustainability in the area.

Comm. Bahar-Cook arrived at 5:13 p.m.

Ms. Rauschar stated some key opportunities made available through the project are market gardening, long-term land agreements, and incubator farms. She informed the board there would be a Garden Project tour on July 25<sup>th</sup> at 5:30 p.m. Chairperson Schertzing expressed his belief this is a good use of the Land Bank's vacant inventory while we are waiting for disposition rules from MSHDA.

## 2. Resolution to Purchase Tax Foreclosed Parcels

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. MCGRAIN, TO ADOPT THE RESOLUTION REQUESTING THE PURCHASE OF CERTAIN TAX FORECLOSED PARCELS BY INGHAM COUNTY FOR TRANSFER TO THE LAND BANK.

Comm. Nolan asked how the number of foreclosures compared to prior years. Chairperson Schertzing stated foreclosures were significantly higher this year; up 10-15% even if you don't include the vacant condominium lots in Leslie. He said there were more and better structures and more owner-occupied structures than in the past. Comm. McGrain asked how the numbers compared to other counties. Chairperson Schertzing stated Saginaw County's numbers were down this year. However, most counties saw significant increases over prior years. Comm. Bahar-Cook asked about out-county properties. Chairperson Schertzing stated there were several parcels which may be of interest to the Land Preservation Board. Executive Director Ruttan stated there are some good candidates for rental properties in this year's group of foreclosures. Chairperson Schertzing stated he has had meetings with Community Mental Health where they have identified the lack of quality, affordable rentals suitable for families as an area of need. Comm. Nolan inquired about renting to current occupants. Chairperson Schertzing said it is very difficult to do inspections and repairs to occupied units. He also stressed the potential of awarding bad behavior in the case of renting back to former owners. Comm. Bahar-Cook asked what happens if people refuse to leave. Chairperson Schertzing stated the Treasurer's Office works hard to give people the time they need to move, but if they refuse to leave the Treasurer evicts them through the District Court process and, if necessary, the Sheriff will remove them from the property. Executive Director Ruttan stated a more concrete list of acquisitions will be presented to the board in July, but timing necessitated action at the May meeting.

MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon

## 3. Resolution to Approve Sale of 1300 Keystone, Lansing

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. BAHAR-COOK, TO ADOPT THE RESOLUTION AUTHORIZING THE CHAIRMAN TO NEGOTIATE AND EXECUTE THE BUY SELL AGREEMENT FOR 1300 KEYSTONE, LANSING.

Chairperson Schertzing stated the buyer is interested in the property for the packaging and shipping of tea products. They have expressed an intention to invest at least \$200,000 into the building and create 10-12 new jobs, with as many as 30-40 new jobs possible in the future.

MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon

4. Resolution to Enter Into Rental Property Management Agreement

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. MCGRAIN, TO ADOPT THE RESOLUTION TO ENTER INTO A RENTAL PROPERTY MANAGEMENT AGREEMENT WITH THE INGHAM COUNTY HOUSING COMMISSION.

Executive Director Ruttan stated the board had previously passed the appropriate rental housing guidelines and that this agreement will formalize the relationship with the Housing Commission. Comm. Bahar-Cook asked if the 10% management fee was standard for the industry. Executive Director Ruttan stated the industry standard is 18-20%.

MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon

5. Resolution to Accept Auction Proposal and Approve Sale

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. BAHAR-COOK, TO ADOPT THE RESOLUTION TO ACCEPT THE MARKETING PROPOSAL FROM BIPPUS USA AND THE SALE OF CERTAIN COMMERCIAL PROPERTIES AT PUBLIC AUCTION.

Executive Director Ruttan stated the full proposal was included in the meeting packet. She stated the Land Bank has tried to use various marketing and sales strategies for commercial properties with little success. She presented an overview of the properties to be included in the auction and introduced John Bippus from Bippus USA. Mr. Bippus presented an overview of his background, as well as the auction process and the various strategies that may be employed. Comm. McGrain asked about the inclusion of 122 W Grand River in Williamston. Executive Director Ruttan stated the property is currently listed for sale with Mr. Bippus' brokerage company and that if no offers are received it will be included in the auction. Comm. McGrain expressed concern about the amount of control given up with the auction process. What happens if someone buys the property and doesn't do anything with it? Chairperson Schertzing stated there are ways to control that: minimum bid price, auction structure, reverter clauses, etc. Comm. Bahar-Cook stated this may be a good way to get these properties back on the tax rolls. Comm. McGrain expressed concern about some 2011 foreclosures being included in the auction and his fear that we were not giving the market time to deal with these

properties. Executive Director Ruttan stated there has been little serious interest shown in 1715 E Kalamazoo and 122 W Grand River has been actively marketed for over six months without success. Comm. Nolan stated she thought the auction was a great idea and was glad to see staff coming up with new and creative ways to get these properties back onto the tax rolls. Comm. Bahar-Cook asked if our standard use restrictions could be included in the auction terms. Mr. Bippus stated they could.

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. BAHAR-COOK, TO REMOVE 122 W GRAND RIVER AND 1715 E KALAMAZOO FROM THE AUCTION LIST. MOTION CARRIED. Aye: Bahar-Cook, McGrain, Schertzing; Nay: Nolan; Absent: DeLeon

MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon

6. Property Maintenance, Renovation & Development

6a. Residential Property Update

Chairperson Schertzing stated the dashboard was included in the packet. Comm. Nolan requested gardens and rentals be added to the dashboard. Chairperson Schertzing stated three closing were held in week prior, bringing the yearly total to 17, with 18 pending sales.

6b. Commercial Property Update

Chairperson Schertzing stated Community Mental Health has expressed interest in the Ash St properties in Mason. No serious talks have taken place.

6c. PROP Update

Chairperson Schertzing stated there was no activity to report.

6d. Garden Program

Chairperson Schertzing stated this was covered somewhat under agenda item 1. Land has been cleared at the new Webster Farm on Hughes Rd and it is progressing nicely.

6e. Vacant Lot Update

Executive Director Ruttan stated we have accepted an offer for two vacant lots on Rheamount in north Lansing.

6f. General Legal Update – Counsel

Tim Perrone informed the Board the land contract purchaser going through bankruptcy had decided to give the property back to the Land Bank. Joe Bonsall stated the purchaser would be signing the property back to the Land Bank on May 11<sup>th</sup>. Mr.

Perrone stated he had received a letter from the attorney for Kincaid Henry stating their position that the liens are not a breach of the land contract terms and that they are prepared to fully comply with the indemnification requirements of the land contract.

7. Accounts Payable & Monthly Statement

7a. Accounts Payable Approval – April 2012

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. NOLAN TO APPROVE THE ACCOUNTS PAYABLE FOR APRIL 2012. MOTION CARRIED UNANIMOUSLY.

7b. Monthly Statement – March 2012

The March 2012 monthly financial statement was received and placed on file.

8. Chairman & Executive Director Comments

8a. Home Showcase April 21 & April 22 - Update

Chairperson Schertzing stated several hundred people attended the Home Showcase and we have received two offers as a direct result.

Executive Director Ruttan stated we would be adding a temporary administrative assistant to help with the additional calls and paperwork relating to the increased sales activity. She stated we will also be adding a part-time maintenance person.

Announcements:

Chairperson Schertzing stated there would be an informational meeting about the former Silver Dollar site at 10:00 a.m. on May 21<sup>st</sup> at Friendship Manor.

Comm. Nolan asked when and where this year's Land Bank conference would be held. Chairperson Schertzing said the conference will be held October 14-16 in Kalamazoo.

Limited Public Comment: None

The meeting adjourned at 6:21 p.m.

Respectfully submitted,

Joseph Bonsall