

Approved July 2, 2007

THE INGHAM COUNTY LAND BANK FAST TRACK AUTHORITY

Minutes of Monday, June 4, 2007

Members Present: Chair Eric Schertzing, Comm. Rebecca Bahar-Cook, Comm. Dale Copedge,
Comm. Debbie DeLeon, Comm. Curtis Hertel, Jr.

Members Absent: None

Others Present: Comm. Marc Thomas, Timothy Perrone, Mary Ruttan, Dorothy
Boone, Bruce Johnston, Brian Anderson, Jim Linton,
Mary Harding and Tamara Swihart

The meeting was called to order by Chair Schertzing at 5:36 p.m. in Personnel Conference Rooms D&E of the Human Services Building at 5303 S. Cedar Street in Lansing, Michigan.

Approval of Minutes of April 20, 2007:

Chair Schertzing noted that on Page 8, 3c., preceding Resolution #07-004, a period should be deleted.

At the end of that heading of the Resolution, Chair Schertzing said the decimal preceding .55 basis points would need to be removed.

MOVED BY R. BAHAR-COOK, SUPPORTED BY C. HERTEL, JR., TO APPROVE THE MINUTES OF APRIL 20, 2007 WITH AMENDMENTS.

MOTION PASSED UNANIMOUSLY.

Absent: DeLeon

Approval of Minutes of May 7, 2007:

Reference was made to Page 5, under Contracts and Bills, 2.b, General Legal Update –Counsel, Line 3 at the end of the motion made by Comm. C. Hertel, Jr., it should read **55 basis points**.

Comm. R. Bahar-Cook referred to Page 5, under Contracts and Bills, 2.c Accounts Payable. Check No. 1295 and Check No. 1296 were both for the same amount and that was to be corrected.

MOVED BY R. BAHAR-COOK, SUPPORTED BY C. HERTEL, JR., TO APPROVE THE MINUTES OF MAY 7, WITH AMENDMENTS.

MOTION PASSED UNANIMOUSLY.

Absent: DeLeon

Additions to the Agenda: None.

Limited Public Comment: None.

1. Property Maintenance, Renovation & Development:

- a. Update on Masonic Lodge Purchase and Resolution to Award Appraisal Bid
(To be included as a late item as bids would be due on June 1, 2007)

M. Ruttan reported that a meeting was held on May 15, 2007 with members of the Masonic Lodge and the City of Lansing through Economic Development. In addition to the seven Masonic Lodge members, including Comm. Copedge, others attending included M. Ruttan, E. Schertzing, Brian Anderson from Economic Development and Sue Stachowiak from the Permits Department. The meeting was concerned with contamination issues relative to Action Auto. Lodge members indicated they believed contamination had spread from Action Auto to their building. The Lodge was interested in selling their building and moving to another location. B. Anderson described the relocation services that would be available to them from the City of Lansing. There had been an extensive discussion regarding the appraisal of the building. The Lodge had wanted Mr. Charles Walker to do the appraisal. The Land Bank had their own appraiser--the Oetzel-Hartman Group. The City of Lansing had recommended a third appraiser. The Land Bank had subsequently sent out a Request for Proposal (RFP) for the cost of the appraisal which was to be returned by June 1, 2007. A quote was received from the Oetzel-Hartman Group. Mr. Walker had sent a letter stating that he would not be submitting a proposal since he had already been engaged by the Masonic Lodge to perform the appraisal. His appraisal would cover the value of the property free and clear of contamination. M. Ruttan presented a resolution to the Land Bank requesting authority to negotiate for the purchase of the Masonic Lodge and to sign the letter of consent from the Oetzel-Hartman Group for them to perform the appraisal. C. Walker's appraisal cost would be \$2,400.00 and the Oetzel-Hartman Group had bid \$2,500.00. The appraisal desired would need to be based on both a clean site and a dirty site. Further talks were suggested.

MOVED BY R. BAHAR-COOK, SUPPORTED BY COMM. D. COPELGE, TO TABLE THE APPRAISAL ISSUE UNTIL THE JULY 2, 2007 MEETING.

MOTION PASSED UNANIMOUSLY.

Absent: DeLeon

b. Property Update

M. Ruttan said that they had thought that 922 Pennsylvania had been sold, but the potential buyer's credit score was not high enough. The potential purchasers had wanted the Land Bank to hold off until the end of summer, but the offer was withdrawn on the advice of the realtors.

Regarding 727 N. Seymour, the Land Bank plans included building new construction on the lot. The City of Lansing and the Lansing Coalition had some plans referred to as "renaissance" with regard to properties around the City. Chair Schertzing said he had made some changes to them and the alternate design of the house plans was made available to those at the meeting. On Thursday the Land Bank would be holding a "*Neighborhood Meet-and-Greet*" at the Sheldon residence at 726 North Seymour at 4:00 p.m. Several neighbors had been invited and had expressed interest.

M. Ruttan highlighted the property at West Jolly Road, noting new construction was being planned for there for a ranch house consisting of four bedrooms, 2 bathrooms and an attached garage. The newly constructed homes would be "*Energy Star*" homes.

Until the Brownfield Plan would kick in, M. Ruttan stated that they would remain in a holding pattern with the rest of the parcels. She added that internal renovations were continuing at the Cahill address.

c. General Legal Update – Counsel

Counselor T. Perrone announced that there were three matters pending:

First, regarding the Oak Tree properties, it was said to be on appeal at the Court of Appeals. The Court of Appeals was said to have discontinued its fast track for summary disposition cases and was back on the slow track. There was an oral argument pending for the appellant and T. Perrone was waiting for that to be scheduled. He said that this all dealt with properties that had been acquired last year for the County and by the County for the Land Bank.

The second matter dealt with the Silver dollar with Larry Fowler and his cross-complaint. Those pleadings were being completed and answers were coming from the former owners of the Silver Dollar, the Josab Corporation. They were denying that they owed L. Fowler any money on their mortgage. T. Perrone said they would wait to see how it all played out. L. Fowler had been suggesting that they should get the property back or be sold so that he could be paid out of the proceeds. T. Perrone said he would continue with motions to dismiss when the time was right.

Third, he recalled that there had been a lawsuit by Mr. Titov regarding 1706 Elizabeth in Lansing. That case had been dismissed because he had filed in Circuit Court. He had refiled in the Court of Claims saying he had mistakenly named the Land Bank as a party. He is dismissing the Land Bank but he is suing to defend on behalf of the County and the treasurer. The issue there was lack of notice and Mr. Titov still wanting money, suggesting the property was worth \$110,000.00 (ONE HUNDRED TEN THOUSAND DOLLARS). T. Perrone said he would prepare and move to dismiss on the grounds that notice had been received. T. Perrone said he had provided Mr. Titov's attorney with a picture of that house with the notice on the front door. Resolving the matter would depend on how Judge Collette received the information.

(Comm. D. DeLeon entered at 5:55 p.m.)

T. Perrone added that it would be awhile since they had not yet accepted service of that lawsuit. His understanding was that the property had been sold. He said that the treasurer faced potential exposure to a money judgment of the case.

T. Perrone said that there were three pending cases that dealt with Land Bank properties.

2. Contracts & Bills:

a. Accounts Payable Approval – May and April Corrections

M. Ruttan said she had put the April correction as the first Item--\$125.00 instead of \$1,000.00-plus.

Chair Schertzing commented on new house construction, emphasizing its importance.

MOVED BY R. BAHAR-COOK, SUPPORTED BY C. HERTEL, JR., TO APPROVE THE BILLS.

MOTION PASSED UNANIMOUSLY.

Absent: None.

b. Monthly Statement

Chair Schertzing pointed out that the monthly statement information was in their packet.

c. Amended and Restated Resolutions to Authorize Borrowing

(i.) and (ii). Chair Schertzing had met with Attorney Paul Wyzgoski and said they had made a few modifications in the resolutions to authorize borrowing. The conclusion was THREE

MILLION DOLLARS (\$3,000,000.00) on National City Bank and ONE MILLION DOLLARS (\$1,000,000.00) on Capitol National Bank.

MOVED BY C. HERTEL, JR., SUPPORTED BY R. BAHAR-COOK, THAT 2. c. (i) AND (ii) WOULD BE THE NEW RESOLUTIONS AS AMENDED.

MOTION PASSED UNANIMOUSLY.

Absent: None.

3. Items Tabled at May 7, 2007 Meeting:

a. Evaluation Committee

MOVED BY C. HERTEL, JR., SUPPORTED BY R. BAHAR-COOK, TO UNTABLE THE ORIGINAL COMMERCIAL PROPERTY RFP REVIEW COMMITTEE SELECTION DISCUSSION.

MOTION PASSED UNANIMOUSLY.

Absent: None.

Various Board members shared their viewpoints regarding the Evaluation Committee representation. M. Ruttan said she felt it would be beneficial to the Board members to have the opportunity to be a part of the process of evaluating a proposal. She shared a concern that doing so might be viewed as a conflict of interest because that individual would also be a voting member of the Land Bank Board. She indicated that she would like a motion designating who should be on the Evaluation Committee, not just for the Michigan Avenue property, but for all commercial properties.

Comm. C. Hertel, Jr. said that he saw having one person represent the Board in the process as a benefit. He suggested that the individual should be appointed by the mayor or the township supervisor. There was discussion.

Comm. Bahar-Cook preferred a rotating member.

Comm. M. Thomas pointed out that in strictly viewing the "*Ethics Policy*," it would indicate that membership should be left only to staff. He also noted that that in some instances of reviewing property that there would be times when leaving it only to staff might not necessarily be the best choice.

T. Perrone said it was not a personal issue because it could rotate and they would be dealing with only one commercial ranking at a time. He added that it did involve someone voting on their own recommendation, but that would only be one vote on a 5-member committee.

MOVED BY COMM. C. HERTEL, JR., SUPPORTED BY COMM. R. BAHAR-COOK, THAT THE APPOINTMENT TO THE RFP REVIEW COMMITTEE BE MADE BY A REPRESENTATIVE OF THE LOCAL JURISDICTION, i.e., MAYOR, TOWNSHIP SUPERVISOR, VILLAGE PRESIDENT.

MOTION PASSED UNANIMOUSLY.

Absent: None.

There was discussion about including a neighborhood association member as a representative on the Evaluation Committee and how to proceed with selection. M. Ruttan clarified that their function would be

the same as the other four representatives on the Evaluation Committee. They would be provided with an evaluation form consisting of approximately 15 different sets of criteria to which, after they would have read the proposal, they would assign a point value as to how well the proposal addressed the issue in question. They would represent another voice with another interest. Comm. D. Copedge was not sure about including a neighborhood association member on the Evaluation Committee.

Comm. Hertel, Jr. felt that they should make the applications available soon so that the Board could hold interviews at their next meeting.

Citizen Dorothy Boone shared how their own Citizen's Advisory Committee had selected the person who would represent the neighborhood on a property. She liked the idea of going 300 feet around the property and informing residents that someone should be selected and allowing that circle of neighbors to make that selection.

M. Ruttan, D. Boone and Sue Pigg had met together regarding a redevelopment evaluation. They had worked on 15 points of criteria based on their proposal and worked up point values for those. At the next meeting M. Ruttan planned to bring the resultant evaluation sheet forward as a resolution for Land Bank approval.

Comm. Copedge asked whether the review meetings would be open to the public. T. Perrone explained that it was a staff function. As an advisory committee only, the staff would be making a recommendation but that would not be eliminating any proposal from Land Bank review. The proposal would just be coming with a recommendation of ranking and evaluation. There was further discussion.

MOVED BY COMM. C. HERTEL, JR., SUPPORTED BY COMM. R. BAHAR-COOK, THAT A MEMBER OF THE PUBLIC BE CHOSEN BY THE BOARD OF COMMISSIONERS, SUPPORTED BY THE LAND BANK.

There was a discussion defining the size of neighborhoods. Each jurisdiction was said to have its own definition and it was suggested by Comm. DeLeon that the Land Bank defer back to those individual neighborhood definitions. She further suggested that the member of the public come from within the locale of the property to be reviewed. Comm. M. Thomas preferred they stay flexible but manage to imply close proximity. The application/questionnaire was discussed.

MOVED BY COMM. C. HERTEL, JR., SUPPORTED BY COMM. R. BAHAR-COOK, THAT A MEMBER OF THE PUBLIC BE CHOSEN BY THE LAND BANK WITHIN THE VICINITY.

MOTION PASSED UNANIMOUSLY.

Absent: None.

MOVED BY COMM. D. DeLEON, SUPPORTED BY COMM. R. BAHAR-COOK, TO UNTABLE THE MAY 7, 2007 MOTION TO TABLE THE DISCUSSION UNDER 3.d REGARDING A ROTATING RFP REVIEW COMMITTEE MEMBER.

There was discussion.

MOVED BY COMM. C. HERTEL, JR., SUPPORTED BY COMM. R. BAHAR-COOK, THAT A ROTATING MEMBER OF THE BOARD BE SELECTED BY THE LAND BANK.

MOTION PASSED UNANIMOUSLY.

Absent: None.

ALL AMENDMENTS REGARDING THE RFP REVIEW COMMITTEE MEMBER SELECTION PASSED UNANIMOUSLY.

Absent: None.

- b. Reschedule August 6, 2007 Regular Board Meeting

MOVED BY COMM. D. DeLEON, SUPPORTED BY COMM. R. BAHAR-COOK, TO UNTABLE THE RESCHEDULING OF THE AUGUST 6, 2007 REGULAR BOARD MEETING.

MOTION PASSED UNANIMOUSLY.

Absent: None.

M. Ruttan announced that the proposals for the East Michigan property were due back on August 1, 2007. With an anticipated four or five proposals to evaluate, she did not feel there would be adequate time between August 1, 2007 and the regular Land Bank Board meeting scheduled for August 6, 2007 to allow the committees to evaluate the proposals, convene for discussion and have the proposals ready for presentation to the Land Bank. August 23, 2007 was selected as the alternate August meeting date.

MOVED BY COMM. R. BAHAR-COOK, SUPPORTED BY COMM. C. HERTEL, JR., TO MEET ON AUGUST 23, 2007 AT 5:30 RATHER THAN AUGUST 6, 2007.

MOTION PASSED UNANIMOUSLY.

Absent: None.

4. Items From Executive Director:

- a. Land Bank Brownfield Plan Update

M. Ruttan directed members to the blue covers containing the final plan. Two properties had been added-- 922 N Pennsylvania, which had not been sold, and 145 East Barnes which was still occupied. It was estimated that by the time of this approval that 135 East Barnes would be vacant. The property at 149 Spartan had been sold and had been deleted. The Taylor Street property had been deleted because the foreclosure had been cancelled. The 1017 South Holmes property was deleted because it was a rental.

Chair Schertzing explained that the process this would go through required the agreement of all of the local jurisdictions allowing the Land Bank to enter parcels into the Brownfield Plan. The City of Lansing Brownfield Authority would be making that recommendation to the Lansing City Council the following day. Chair Schertzing and S. Pigg would be working out a schedule for July and August to work on the other nine units of government.

- b. 3411 E. Michigan Avenue Update

M. Ruttan reported that they had inspected the property on May 16, 2007. Four developers walked through bringing several others with them—the Vahakis Group, Krause Properties, The Blue Gardenia and DTN Management Company. The Blue Gardenia had requested and received a second inspection. The expectation was to have four or five proposals, but to date everything remained in a holding pattern. Additional walk-throughs would be arranged by request, but would have to be done by flashlight.

Announcements: None.

Limited Public Comment – 3 Minutes Per Person:

Comm. Copedge urged that Board members be present at the start of meetings and that all action items be presented early in the meetings, giving everyone the opportunity to vote. He suggested that items requiring extensive discussion be placed further down on the agenda.

Adjournment:

**MOVED BY C. HERTEL, JR., SUPPORTED BY D. DeLEON, TO ADJOURN THE MEETING.
MOTION PASSED UNANIMOUSLY.**

Absent: None.

The meeting was adjourned at 6:50 p.m.

Respectfully Submitted,

Tamara Swihart (Recorder)