

**INGHAM COUNTY LAND BANK  
FAST TRACK AUTHORITY**

July 9, 2012  
Minutes

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

Members Absent: None

Others Present: Mary Ruttan, Tim Perrone, Joe Bonsall, Sandy Gower, Dan Van Acker

The meeting was called to order by Chairperson Schertzing at 5:00 p.m. Conference Room D & E of the Human Services Building, 5303 S. Cedar, Lansing.

Approval of the June 4, 2012 Minutes

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. MCGRAIN, TO APPROVE THE JUNE 4, 2012 MINUTES. MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon

Additions to the Agenda: None

Limited Public Comment: None

1. Community Projects Update

Chairperson Schertzing stated no one was scheduled to address the board about a community project. He asked the board to recommend to staff any groups they would like to hear from.

2. Resolution to Authorize & Execute the Option to Purchase for 600 E Michigan, Lansing

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. BAHAR-COOK, TO ADOPT THE RESOLUTION TO AUTHORIZE & EXECUTE THE OPTION TO PURCHASE FOR 600 E MICHIGAN, LANSING.

Executive Director Ruttan reminded the board that Pat Gillespie had made a presentation on this property at the last meeting. This is an Option to Purchase Agreement for the same project and price and the roles of both parties. Comm. Nolan felt the option fee was too generous and that a right of first refusal would be more appropriate than the option to purchase. Chairperson Schertzing stated the option fee amounts to 1.5% of the purchase price and was not out of line with industry standards. He also stated the purchase option provides the sight control necessary for a buyer to negotiate other aspects of the project in good faith, which you do not get with a right of first refusal. Comm. Bahar-Cook asked which party's idea it was to have the option to purchase. Executive Director Ruttan stated it was our idea. Comm. Bahar-Cook stated she would prefer to see a shorter period for the option and then a longer right of first refusal period. Chairperson Schertzing stated the longer option period allows time for the developer to do all the necessary governmental processes at the local level. Comm. Nolan requested the additional 6 month extension be removed. Comms. McGrain and Bahar-Cook agree. Comm. Nolan noted the Land Bank would still be liable for the physical structure. Chairperson Schertzing stated staff is exploring options for removing the above ground structure and leaving the underground infrastructure for the future developer to handle. Comm. McGrain inquired if title insurance and survey work were typically seller costs? Executive Director Ruttan stated they were.

MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon

4. Resolution to Authorize & Execute the Offer to Purchase for 1300 Keystone, Lansing

Comm. Bahar-Cook requested agenda item 4 be taken up next to accommodate Mr. Van Acker's presence.

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. NOLAN, TO ADOPT THE RESOLUTION TO AUTHORIZE & EXECUTE THE OFFER TO PURCHASE FOR 1300 KEYSTONE, LANSING.

Chairperson Schertzing introduced Dan Van Acker from DJV Properties, LLC. Mr. Van Acker distributed a handout highlighting his business experience to the board and provided background on his company. He stated he was presenting a full-price, cash offer and that he was prepared to close within seven days. Comm. McGrain asked if Mr. Van Acker had a tenant in mind. Mr. Van Acker responded that he specializes in providing incubatory space for new business startups and that he has three interested parties. Comm. McGrain inquired if Mr. Van Acker and his company were current of their property taxes. Mr. Van Acker responded in the affirmative. Chairperson Schertzing asked Mr. Van Acker for an estimate of the taxable value when the project was completed. Mr. Van Acker expects the taxable value to be approximately twice the purchase price.

MOTION CARRIED UNANIMOUSLY. Absent: Comm. DeLeon

3. Resolution Approving the Agreement of Payment of Debt Services and Authorizing the Chairperson and Secretary to Execute the Agreement

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. NOLAN, TO ADOPT THE RESOLUTION APPROVING THE AGREEMENT OF PAYMENT OF DEBT SERVICES AND AUTHORIZING THE CHAIRPERSON AND SECRETARY TO EXECUTE THE AGREEMENT.

Chairperson Schertzing stated this is a companion resolution to one passed by the Brownfield Authority. The resolution allows the Land Bank to recoup the debt payments advanced on behalf of the Brownfield Authority. Comm. Bahar-Cook asked when we expect there to be a surplus allowing for payments to the Land Bank.

Comm. DeLeon arrived at 5:35 p.m.

Chairperson Schertzing stated a surplus was expected in 2014.

MOTION CARRIED UNANIMOUSLY.

5. 2012 Tax Foreclosure List

Chairperson Schertzing stated the Land Bank is purchasing eleven properties for NSP2. The County Treasurer will be holding open houses on select auction properties next week. The auction is scheduled for July 24<sup>th</sup>. Additionally, discussions have taken place with the City of Leslie and LEAP for possible development of the Race Street parcels.

6. Property Maintenance, Renovation & Development

6a. Residential Property Update

Chairperson Schertzing stated the Dashboard was included in the meeting packet. This year's 31<sup>st</sup> closing is scheduled for July 10.

6b. Commercial Property Update

Chairperson Schertzing stated this was covered in items 2 and 4. Additionally, Art Attack will be held on the DeLuxe Inn site on September 8<sup>th</sup>.

6c. PROP Update

Chairperson Schertzing stated PROP continues to be evaluated. There are currently 3 properties in the program and 400 S Fairview is going to be added. He stated Chris Kolbe has a showing scheduled for tomorrow.

6d. Garden Program

Chairperson Schertzing said the Garden Program is praying for rain. The new Webster Farm currently has 95 individual plots, including one tended by the buyer of our new construction on Hughes Rd.

6e. Vacant Lot Update

Chairperson Schertzing stated Jasper Priest was coming up with a marketing plan for the non-NSP vacant parcels. Executive Director Ruttan informed the board she would be attending a HUD training session later in the week where she plans to ask about the disposition of vacant NSP2 parcels.

6f. General Legal Update – Counsel

Tim Perrone informed the board that Stacy Lynch intends to reaffirm her land contract. A bankruptcy creditors meeting will be held in the near future. He stated a settlement offer has been made between RKH and Platinum Drywall. RKH will indemnify the Land Bank, as necessary, pursuant to the land contract. Mr. Perrone stated another letter has been received from Grace at Home. He and staff will be meeting next week to discuss how to proceed, though he feels the facts of the dispute remain unchanged. Comm. McGrain requested that vendor recruitment be presented at a future board meeting.

7. Accounts Payable & Monthly Statement

7a. Accounts Payable Approval – June 2012

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

4b. Monthly Statement – May 2012

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

8. 2011 Audit

MOVED BY COMM. MCGRAIN, SUPPORTED BY COMM. BAHAR-COOK TO ACCEPT THE 2011 AUDIT.

Comm. Nolan asked if the Land Bank has always used Rehmann Robson for its audits. Executive Director Ruttan stated we have. Comm. Nolan asked if the Land Bank goes out for bids on audit services. Chairperson Schertzing stated the Land Bank, as a component part of the county, utilizes the same vendor selected under County procurement.

MOTION CARRIED UNANIMOUSLY.

9. Chairman & Executive Director Comments

Executive Director Ruttan stated the Land Bank would be hosting a series of Open Houses on July 14<sup>th</sup>. Jasper Priest has distributed flyers throughout the neighborhoods in preparation.

Announcements: None

Limited Public Comment:

Sandy Gower updated the board on the outcome of the Tri-County's unsuccessful EPA grant application.

The meeting adjourned at 6:15 p.m.

Respectfully submitted,

Joseph Bonsall