

**INGHAM COUNTY LAND BANK
FAST TRACK AUTHORITY**

November 1, 2010
Minutes

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

Members Absent: None

Others Present: Mary Ruttan, Tim Perrone, Joe Bonsall, Scott Gillespie

The meeting was called to order by Chairperson Schertzing at 5:08 p.m. in Conference Room D & E of the Human Services Building, 5303 S. Cedar, Lansing.

Approval of the October 4, 2010 Minutes

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. DELEON TO APPROVE THE OCTOBER 4, 2010 MINUTES AS SUBMITTED. MOTION CARRIED UNANIMOUSLY. Absent: Comm. Nolan and Comm. Copedge

Additions to the Agenda: None

Limited Public Comment: None

1. Resolution to Amend the 2010 Budget and Approve 2011 Budget

Executive Director Mary Ruttan presented the 2010 Amended Budget, highlighting NSP1 sale and NSP2 revenues, as well as NSP2 and YouthBuild expenses. Comm. Bahar-Cook asked if NSP1 included administrative revenues. Ms. Ruttan explained we were not eligible to receive administrative revenues for the program because we are classified as the "Developer" for purposes of the grant.

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. DELEON TO APPROVE THE AMENDED 2010 BUDGET AS SUBMITTED. MOTION CARRIED UNANIMOUSLY. Absent: Comm. Nolan and Comm. Copedge

Ms. Ruttan also presented the Proposed 2011 Budget. She stated the renovation sales figure included twelve Land Bank homes and fifteen condos at Eden Glen/Miller Park. The Budget includes no new constructions under Land Bank. All 2011 new construction projects are expected to be completed with NSP1 funds. Ms. Ruttan stated estimated

sales revenue from side-lots is less than previous years because we are still waiting for guidance on disposition strategies for side-lots in the NSP programs.

Comm. Copedge and Comm. Nolan arrived at 5:19 p.m.

Comm. De Leon asked what the disposition concerns were. Ms. Ruttan stated the city is concerned about reserving land for future in-fill developments. Comm. Nolan asked how the City of Lansing's new snow policy would impact us. Chairperson Schertzing stated our existing policies already comply with the new ordinance. Chairperson Schertzing also discussed issues encountered with the YouthBuild program.

MOVED BY COMM. COPEdge, SUPPORTED BY COMM. BAHAR-COOK TO APPROVE THE 2011 BUDGET AS SUBMITTED. MOTION CARRIED UNANIMOUSLY.

2. Resolution to Authorize the Sale of Commercial Property at 1621 E. Michigan, Lansing, MI

Chairperson Schertzing informed the board this was an "as is" sale of a contaminated parcel. He stated the property in question is a former gas station that was a 2010 tax-foreclosure the Land Bank acquired through the rejection process. He introduced Scott Gillespie to explain his offer. Mr. Gillespie stated he is the owner of the adjacent property which is currently leased by Michigan State University. Mr. Gillespie presented a preliminary elevation and floor plan showing a three-story building with 2,000 sq. ft of commercial space on the first floor and fourteen loft apartments above. Comm. Nolan asked where, specifically, the parcel is located. Mr. Gillespie stated the property is located on the north-west corner of Michigan and Marshall, across from the KFC. Chairperson Schertzing stated the offer to purchase has Mr. Gillespie's group assume the cost of all necessary environmental clean-up. Comm. Nolan asked if Brownfield funding would be involved. Ms. Ruttan stated the parcel is not currently in any Brownfield Plan. Chairperson Schertzing asked what the anticipated total investment would be. Mr. Gillespie stated the anticipated investment is 1.3 – 1.4 million. Comm. Copedge asked if an estimate of environmental clean-up costs was available. Mr. Gillespie stated the anticipated cost would be \$125,000 - \$150,000. Comm. Nolan requested the 4th "Whereas" of the resolution be amended to include the size of the lot. Comm. Nolan asked how the sales price was determined. Mr. Gillespie stated the property has value only as a negative land. Ms. Ruttan stated our policies state we must try to recover our costs associated with the property. Comm. Nolan asked if the documents had been reviewed by counsel. Ms. Ruttan stated the resolution presented to the board already contains language stating any approval is contingent upon review of our attorney. Comm. De Leon inquired about parking for the property. Mr. Gillespie stated he currently owns the parking lot behind this property which has adequate space for the anticipated building. Comm. Copedge asked if Mr. Gillespie had a anticipated timeline for the project. Mr. Gillespie stated he hoped to begin construction of the new building in the summer of 2011. Comm. Bahar-Cook requested the 1st "Therefore" be amended to allow the Chairperson to negotiate up to \$5,000. Comm. Nolan requested

language be added to state the purchaser will assume the costs of all environmental clean-up.

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. DELEON TO HOLD OVER THE AMENDED RESOLUTION UNTIL THE NEXT REGULARLY SCHEDULED MEETING ON DECEMBER 6, 2010. MOTION CARRIED UNANIMOUSLY.

3. Property Maintenance, Renovation and Development

3a. NSP1 Update

Chairperson Schertzing stated we have sold two NSP1 homes and are currently renovating another 12. We will be having an Open House at 3205 Ronald from 5-6 pm on November 9th.

3b. NSP2 Update

Chairperson Schertzing stated NSP2 has begun writing renovation specifications for several homes.

3c. General Property Update

Comm. De Leon asked if we had done anything to combat the perceived difficulty of homeowners trying to sell their properties when the Land Bank also has houses on the market. Chairperson Schertzing stated he is planning/scheduling community meetings this winter in each of the four City of Lansing Wards. Comm. Nolan stated she had been approached by a contractor in her district with concerns about the high standards the Land Bank uses for its renovations, specifically in terms of energy efficiency. Comm. Copedge stated he felt it was things like that which increased the long-term affordability of our homes for the purchaser. Comm. Bahar-Cook stated she felt our standards were appropriate and in the best interests of the community.

3d. Commercial Property Update

Chairperson Schertzing informed the board that, pursuant to our policies, mailings had been sent to adjacent property owners regarding proposed re-developments on Clark Street and Michigan Avenue. The Keystone sale continues to be pending. We have received a few calls from interested parties regarding 112 E. Main.

3e. General Legal Update

Tim Perrone stated there was nothing new to report regarding legal matters from last month's update.

Comm. Copedge departed at 6:15 p.m.

4. Accounts Payable and Monthly Statement
- 4a. Accounts Payable Approval – September 2010

MOVED BY COMM. DELEON, SUPPORTED BY COMM. BAHAR-COOK TO APPROVE THE ACCOUNTS PAYABLE FOR SEPTEMBER 2010. MOTION CARRIED UNANIMOUSLY.

- 3b. Monthly Financial Statement – September 2010

The September 2010 monthly financial statement was received and placed on file.

5. Items from the Chairman or Executive Director
- 5a. Commercial Property Public Notification

Chairperson Schertzing stated this issue was covered in the commercial property update.

Chairperson Schertzing stated an investor had expressed interest regarding 922 N Pennsylvania which was a repossessed land contract. He asked if the board had any interest in entertaining such an offer. The board reaffirmed its strong desire to not sell any of its structures for use as investment properties.

Announcements: Comm. Bahar-Cook urged all present to exercise their civic duty and vote November 2nd.

Limited Public Comment: None

The meeting adjourned at 6:21 p.m.

Respectfully submitted,

Joseph Bonsall