

Approved February 7, 2011

**INGHAM COUNTY LAND BANK
FAST TRACK AUTHORITY**

December 6, 2010
Minutes

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

Members Excused: Comm. Nolan

Others Present: Mary Ruttan, Tim Perrone, Joe Bonsall, Dorothy Boone, Scott Gillespie, Rachel Michaud, Jan St. Clair, Art St. Clair, Comm. McGrain

The meeting was called to order by Chairperson Schertzing at 5:22 p.m. in Conference Room D & E of the Human Services Building, 5303 S. Cedar, Lansing.

Approval of the November 1, 2010 Minutes

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. DELEON TO APPROVE THE NOVEMBER 1, 2010 MINUTES AS SUBMITTED. MOTION CARRIED UNANIMOUSLY. Absent: Comm. Nolan and Comm. Copedge

Additions to the Agenda: None

Limited Public Comment: None

1. 2011 Meeting Schedule

Comm. Bahar-Cook reminded the board the April 4 date would coincide with spring break. It was decided to remove the April 4, 2011 meeting from the schedule.

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. DELEON TO APPROVE THE 2011 MEETING SCHEDULE AS AMENDED. MOTION CARRIED UNANIMOUSLY. Absent: Comm. Nolan and Comm. Copedge

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

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. DELEON TO APPROVE THE RESOLUTION TO AUTHORIZE SALE OF COMMERCIAL PROPERTY AT 1621 E. MICHIGAN, LANSING MI.

Chairperson Schertzing stated this item first came before the board at its October meeting. Comm. DeLeon asked how local preference and prevailing wage factored into the sale.

Comm. Copedge arrived at 5:25 p.m.

Comm. Bahar-Cook asked if a development agreement was included or if the land was being sold "as is". Chairperson Schertzing stated the land was being sold "as is." The developer has a rough concept, as shown at the October meeting, which will be refined through the City of Lansing's approval processes. Tim Perrone stated the document being presented was a purchase agreement and included no language, one way or the other, regarding the selection or compensation of vendors for any future development. Comm. Copedge requested Comm. DeLeon clarify her previous question. Comm. DeLeon withdrew her question. Scott Gillespie updated the board on the preliminary steps he had taken since the October meeting. Comm. Copedge asked if Mr. Gillespie was planning on seeking brownfield funding for the project through the City of Lansing. Mr. Gillespie stated he was planning to do so and had had discussions with the City, but the formal process could not begin until after a purchase agreement was in place.

MOTION CARRIED UNANIMOUSLY.

3. Resolution to Authorize the Sale of Commercial Property at 3411 E. Michigan, Lansing, MI

Chairperson Schertzing stated the resolution involved the sale of the former Silver Dollar Saloon site "as is" for an amount not less than \$400,000.

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. DELEON TO APPROVE THE RESOLUTION TO AUTHORIZE SALE OF COMMERCIAL PROPERTY AT 3411 E. MICHIGAN, LANSING MI.

Comm. DeLeon expressed her belief that, given Ingham County's existing policies concerning prevailing wage and local preference, the Land Bank should seek to include similar language in its commercial land transfers. She felt this was especially important when property was being transferred at reduced pricing, or when a development agreement was negotiated. Chairperson Schertzing reminded the board of this property's importance to the funding of one of the County's Brownfield plans and the impact continued delays in re-development have had on the plan's ability to meet its financial obligations. Additionally, he informed the board a larger nearby parcel with more Michigan Avenue frontage recently sold for \$315,000. Staff reached this sales price based upon the expenses incurred, including demolition of the former structure. Comm. Copedge asked how much the Land Bank had invested into the property.

Executive Director Ruttan stated the Land Bank has invested approximately \$403,000 in the site. Chairperson Schertzing introduced Rachel Michaud to give a presentation of the proposed development. Ms. Michaud presented a two-story building with commercial space on the ground level with the ability to offer either office or residential space on the second floor. Chairperson Schertzing asked if a three-story structure had been considered. Ms. Michaud replied that any development would have to fit within the confines of the site, including sufficient parking. Comm. Bahar-Cook asked what the anticipated time-frame was. Ms. Michaud replied the time necessary for completion would depend on the amount of time needed to obtain all necessary municipal approvals and the availability of construction financing. Comm. Bahar-Cook asked why a development agreement was not being included. Chairperson Schertzing stated difficulties with past agreements were a factor as well as the need to get the property back on the tax rolls. Ms. Ruttan stated this agreement provides protection for the Land Bank. Construction must begin within twenty-four months or the property will revert back to the Land Bank and any monies paid towards the transfer would be forfeited. Comm. Copedge asked about interest on the purchase price. Ms. Ruttan stated interest would be between five and seven percent. Comm. DeLeon asked if including language regarding local preference and prevailing wage would be a hindrance. Ms. Michaud stated they always prefer to use local labor, but prevailing wage can be an issue that prevents a project from happening. However, she stated they are willing to discuss the issue as part of the negotiation of the purchase agreement. After discussion, it was decided to amend the resolution to direct the Chairperson to include a discussion of local vendor preference and prevailing wage, using existing Ingham County policies as a guide, in the negotiation of the purchase agreement. Comm. Bahar-Cook requested a resolution be presented to the board in 2011 to clarify the issue and provide guidance for future purchase agreements.

MOTION, AS AMENDED CARRIED UNANIMOUSLY.

4. Authorization to Solicit and Select Financing for the Eden Glen Project

Chairperson Schertzing stated the financing would allow for funding of the on-going renovations at the condo project. It is anticipated any financing would be backed solely by the value of the properties themselves. Chairperson Schertzing requested the resolution be amended to allow only the solicitation of financing proposals with final selection being approved by the board at a later time.

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. DELEON TO AUTHORIZE THE CHAIRPERSON TO SOLICIT FINANCING FOR THE EDEN GLEN PROJECT. MOTION CARRIED UNANIMOUSLY.

5. Authorization to sell 1800 Indiana, Lansing, MI to the City of Lansing

Chairperson Schertzing informed the board the property in question was a vacant residential parcel adjacent to a City of Lansing park. Ms. Ruttan stated board approval is required because the transfer is outside the usual disposition for residential property.

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. COPEGE TO AUTHORIZE THE SALE OF 1800 INDIANA TO THE CITY OF LANSING. MOTION CARRIED UNANIMOUSLY.

6. Property Maintenance, Renovation and Development

Items 6a – 6d were removed from the agenda in the interest of time.

6e. General Legal Update

Mr. Perrone informed the board the acquisition of the property on South Hayford in Lansing had been finalized.

7. Accounts Payable and Monthly Statement

7a. Accounts Payable Approval – October 2010

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

7b. Accounts Payable Approval – November 2010

MOVED BY COMM. COPEGE, SUPPORTED BY COMM. DELEON TO APPROVE THE ACCOUNTS PAYABLE FOR NOVEMBER 2010. MOTION CARRIED UNANIMOUSLY.

7c. Monthly Financial Statement – October 2010

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

Announcements:

Chairperson Schertzing stated a holiday open house would be held on December 7 from 4:00-7:00 p.m. at 5219 Hughes Road in Lansing.

Comm. Copedge stated he had received an email from Rina Risper stating she felt the response to her FOIA request was lacking. Ms. Ruttan stated Ms. Risper had requested information concerning both the sale of 1141 N Pine and the Land Bank's professional relationship with Rizzi Design. Joe Bonsall, FOIA Coordinator for the Land Bank, stated Ms. Risper had received copies of all relevant documents in the Land Bank's possession, including the appraisal of the property, the purchase agreement and land contract, the original proposal from Rizzi Design and service contract.

Comm. Bahar-Cook thanked out-going board member and Treasurer Comm. Copedge for his service.

Limited Public Comment:

Art Sinclair informed the board he was the owner of Stone Printing, located adjacent to its property at 112 E Main. He stated he felt the Land Bank's appraisal of the site was low and that he would be obtaining his own, independent appraisal in the next few days.

The meeting adjourned at 6:34 p.m.

Respectfully submitted,

Joseph Bonsall