

MEETING MINUTES

Portage County Land Reutilization Corporation

Reed Memorial Library - Jenkins Room

October 18, 2022 at 10:00 am

Call to Order and Attendance

Meeting was called to order at 10:00 am by Chairman Brad Cromes

Roll Call – Jeannette H. Jones

Board Members Present – Brad Cromes, Sue Fields, Sabrina Christian-Bennett

Board Members Absent – Bridget Susel, Anthony Badalamenti

Also Present – Dan Morganti, Jeannette H. Jones, Chad Murdock, Teresa Steinlechner, John C. Zizka, John B. Kovacich

Approval of Official Meeting Minutes

The quarterly meeting minutes from August 10, 2022 were presented. A motion was made by Sabrina Christian-Bennett to approve the minutes of August 10, 2022. Sue Fields seconded the motion. Motion carried with 3 yeas. Brad Cromes asked that a signature line be added to officially sign the minutes.

Fiscal Report

Dan Morganti reviewed the financial statements for the third quarter of 2022. Total revenues for the quarter were \$72,306.01. Total expenses were \$75,739.55. The total net income for the quarter was negative \$3,433.54. Also included are the balance sheet, cash receipts and cash disbursements journals and fixed asset register. Sue Fields made a motion to accept the financial report. Sabrina Christian-Bennett seconded the motion. Motion carried with 3 yeas.

Dan Morganti presented a 2023 preliminary budget to start the fiscal year on January 1, 2023. A few adjustments are anticipated. As has been done previously we will plan to update the budget at the January meeting. Some line items are difficult to project given the nature of working with distressed properties and the associated unknowns. Dan Morganti summarized that the DTAC revenue projection is \$315,000 for the year, based upon the 5-year running average. The two rehab line items are projections based upon owning three houses that are potential rehabs. We have been inside one of these properties, but anticipate to know more regarding rehab feasibility by the end of the year. The two ODOT grant funded revenue line items are expected to depend on any remaining expenditures or revenue generated at end of this year. Both the interest line items are expected to increase based on the current interest rates. Another new construction loan is anticipated to be issued soon. There is not an agreement in place as of yet. On the expense side, the two ODOT grant line items will be modified as needed based upon end of year expenditures in 2022. The current office lease is through end of calendar year 2022. We don't have a new lease document from the County. It will be developed once they determine the updated qualified allocation plan. Sabrina Christian-Bennett asked about the Land Bank's desire to remain in our current office. Dan Morganti noted that we like our current space, but it is getting a little tight. Possibly we could discuss future office space needs at an upcoming work session. Many of the other expense projections are based on previous expenditures. The IT line item projection

is a little behind the initially budgeted figure mostly related to software expenditures that will be incurred in the last quarter of the year and the PPS software having a restructured fee model based upon county population that results in a lower yearly operating cost. We will be possibly looking at a new telephone system next year. Brad Cromes noted it was a good possibility that the DTAC collection amount may be higher next year given market conditions. Brad Cromes noted the remaining balances in the grant lines from ODOD and asked if there is any expected new money that may be available? Sabrina Christian-Bennett noted she had not heard about anything additional. Dan Morganti explained he understood that the overall ODOD grant request exceeded amount of funding available; he does not foresee any additional funding being available as of now. Initially Dan Morganti was hoping to see that there would be some flexibility with the grant funds; being able to switch properties or add new addresses to the request, but it doesn't appear as though that will be an option at this time.

Brad Cromes asked if we will utilize the demolition funding stream. Dan Morganti explained the site cost and clean up line item is for demolition of properties the land bank owns that are not grant funded. For example, initially targeted rehabs that are not viable and need to be demolished. The ODOD line has not had expenditures to this point this year, but we anticipate that as the program gets underway. Brad Cromes asked if we have a pipeline of properties for the ODOD funding. Dan Morganti indicated we do have a pipeline of properties to be funded under the program. It still remains to be seen if there is \$500,000 of pipeline until the bidding takes place and pricing comes in. Sabrina Christian-Bennett made a motion to adopt preliminary budget for 2023 as presented. Sue Fields seconded the motion. Motion carried with 3 yeas.

Policy Report

The packet includes a draft resolution #2022-01, which is an update to the Rules and Regulations. The Land Bank had been operating under the understanding that the Land Bank is not an agent of the county. Dan Morganti determined recently when seeking to execute a deed-in-lieu of foreclosure process that in 2012-2013 resolutions were passed by the Commissioners that designed the Land Bank its agent, which is necessary to complete a deed-in-lieu process. Being able to undertake deed in lieu of foreclosures will give us more flexibly and another avenue for acquisition outside of traditional tax foreclosure. Our auditor has treated us as such based upon the Board make-up. Dan does not see this as large change in our operations, but a necessary update to our Rules and Regulations. Brad Cromes asked if Chad Murdock had anything to add on to that. Chad Murdock indicated that the Board has modeled itself as a quasi-public entity since its start. Sabrina Christian-Bennett made a motion to adopt the Resolution. Sue Fields seconded the motion. Motion carried with 3 yeas.

Two considerations here are to use the Land Bank as a tool to get these properties into a state of forfeiture. To use the Land Bank's contract to foreclose on the properties through the Treasurer and Prosecutor's Office to get them to a sale. Potentially there could a buyer at sale, otherwise, the property would be forfeited to the State of Ohio per the Ohio Revised Code. Our intent would be to get them to that status to open up site access for additional grant opportunities, or to do site assessments, things of that nature. This is by no means a commitment to own the property, both of these properties have significant liabilities associated with them and I don't think the Land Bank is at a point where we can, or would want to take these on as far as ownership goes, but we can be a tool to get these properties to the next step and assist the City and Township in these situations. Sabrina Christian-Bennett indicated her understanding was the City of Ravenna had secured funding to demolish the property by the County's offices, the owner was deceased, and the heirs didn't want anything to do with it. Dan Morganti said that was his understanding as well, partly, the property is owned by a defunct company whose owner is deceased and heirs to do not have any interest in the property. The city had a

MOU with a contractor to demolish and salvage the materials at the property, and they are attempting to get them to complete the job. Brad Cromes indicated there was never an agreement with a third-party entity, or the existing ownership related to the underlying tax issues, which will still burden the property regardless of condition. Brad thinks it makes sense to pursue it now. The issues aren't going away. The City's experience with the contractor is novel and has not gone the way they anticipated. Dan indicated the Land Bank is the only entity to assist the city with this and we would not be committing to ownership. Any determination on ownership would be down the line based upon many factors, and would need to come back through the Board. Sabrina asked about previous EPA involved. Dan indicated there was federal EPA involvement in 2018-2019 where a number of containers of what were deemed to be hazardous materials were removed from the property. There are going to be environmental concerns, and the goal with forfeiture would be able to assess this and at least it would be a known quantity at that point and decisions can be made as to next steps. Brad asked about asbestos and lead abatement once the structure is down and procedures with soil cleanup. Dan indicated that further studies would be needed to determine that, at this point I wouldn't want to commit the Land Bank as the entity to undertake the assessment that would determine that, we assist the City with forfeiture, and they could be the one to undertake the assessment to determine this. Brad Cromes noted asbestos is an airborne problem for the most part, but it needs to be remediated if it's in the materials. John Kovacich indicated that once the building is down, or in the process, after the fact it is considered RACM, then you must follow the guidelines for air quality and air monitoring. They must sample the air and soil at different depths and test the soil to determine if there's build up in the ground. They must work together with EPA, and its expensive. Brad agrees with Dan that this is not something that the Land Bank necessarily takes on, but thinking about the end game of this. John Kovacich said there are Brownfield grants to assist with the cleanup as long as you are not the one who created the problem. Dan stated any action beyond the forfeiture process we've discussed will need to come back through the board. There are many liabilities associated with this property, I don't think the Land Bank is in a position, or would want to take it on. Our role would be assisting the city with this first step, removing the tax lien, which may make it more marketable, and opening it up for grant opportunities and things of that nature. Brad asked if we have a sense of the clean-up costs and Dan indicated that the city has obtained estimates to clean up the existing debris on the site, not including the remaining building that is now half burned, that range from \$315,000-\$365,000 for debris clean up only. If we decided we want to proceed in this way, prior to doing that, Dan would have a higher level of comfort in having an MOU that specifically outlines the Land Bank's involvement. We want to avoid the perception, or reality, that this is a Land Bank property, but also do what we can to help facilitate its reuse.

The second property being considered is owned by an entity called State Route 5 Sand & Gravel. It was previously a sand and gravel surface mining operation. It is 65-acre property that was previously operating under existing non-conforming use and it has now reverted back to residential zoning. ODNR has involvement, a judgment for the reclamation costs needed at the property. This adds another level of complexity that would need to be addressed. Dan has had an initial conversation with their attorney about it. It was estimated in 2020 that it would cost \$343,500 for reclamation of property. In all likelihood that cost has probably increased.

Brad Cromes asked for motion to pursue these properties through the legal process without ownership and that an MOU, or similar agreement, will outline the Land Bank's involvement in the process on the front end. Sue Fields made the motion as mentioned and Sabrina Christian-Bennett seconded. Motion carried with 3 yeas.

Legislative & Ohio Land Bank Association Report

The next Network meeting is next week on October 27th in Mansfield. Dan Morganti invited any Board members who would like to attend. Dan Morganti and Brad Cromes are registered. The OLBA is in the process of hiring an Executive Director, which is good news as it has been relying heavily on member organizations. A positive step for the association as a whole. Brad Cromes asked if Dan Morganti if there was any update on the omnibus land bank bill and do we anticipate it moving to approval. Dan Morganti has not heard anything new recently. An update is likely at next week's meeting.

Other Business

Executive Director performance review. Board voted electronically in August. Sabrina Christian-Bennett made a motion to memorialize the electronic vote approving the Performance Review for Dan Morganti. Sue Fields seconded the motion. Motion carried with 3 yeas.

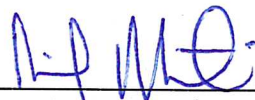
Dan Morganti has been meeting with a group of McElrath residents. These residents are involved in the McElrath Improvement Corp. We have discussed a concern about residents outside the neighborhood who want to purchase land. This group would like to see these opportunities be made available first to existing residents and people who have lived in the community for a long period of time. Dan Morganti has been working with them to address this issue they've raised and do that in a way that aligns with our current policy to ensure we are applying policy evenly across the board. One way this could be possible is through our Vacant Lot Disposition Program and selling property for a Realtor's opinion of value, so for market value to private owners who are existing residents. This approach follows adopted policy, but is a little somewhat different than what we've done in the past, particularly with lots that have been assembled and consolidated into buildable sized from a zoning perspective. These transactions may be brought to the Board for approval because this approach is different. Dan Morganti will be visiting the Unibuilt facility in November. This is a modular home manufacturer in the Dayton area. Dan wants to find out more info about cost efficiencies of factory-built housing and the quality of the homes. This is exploratory in nature at this point, but it could be something to supplement our existing new construction revolving loan program. The visit is penciled in for November 9th, but that could be moved, if needed for others to attend. Brad noted it's been a long-standing conversation with MIC and the McElrath Community, to the extent they are comfortable with our process and also, it's complaint with our disposition policies it's a big win for us. Good work on that.

Brad Cromes noted the next work session is December 20th at 10am via Zoom and in-person in room 134 of the County Administration Building. Brad asked for a motion to approve the 2023 Meeting Schedule. Sabrina Christian-Bennett made a motion to approve the 2023 Meeting Schedule for work sessions and quarterly board meetings. Sue Fields seconded the motion. Motion carried with 3 yeas. The next quarterly board meeting will be January 17, 2023 at 10am. This will also serve as the annual meeting where officers will be elected.

Brad Cromes asked for motion to adjourn. Sabrina Christian-Bennett made a motion to adjourn. Sue Fields Seconded the motion. Motion carried with 3 yeas.



Chairman, Brad Cromes



Executive Director/Secretary, Dan Morganti