

MEETING MINUTES

Portage County Land Reutilization Corporation

Reed Memorial Library – Jenkins Room

April 18, 2023 at 10:00 am

Meeting was called to order at 10:01 by Chairman Brad Cromes

Roll Call – Jeannette H. Jones

Board Members Present: Brad Cromes, Sabrina Christian-Bennett, Mike Tinlin, Bridget Susel

Board Members Absent: Sue Fields

Also Present: Dan Morganti, Jeannette H. Jones, Christine Moravec, Matt Kelly, Chad Murdock

Quarterly Land Bank Meeting

Approval of the Minutes

The quarterly Meeting Minutes from January 17, 2023 were presented. A motion to accept the Minutes was made by Mike Tinlin and seconded by Sabrina Christian-Bennett. Motion carried with 4 yeas.

Fiscal Report

Dan Morganti provided the fiscal report for the first quarter ending March 31. He explained the net income loss was related to the demolition program and that the Land Bank has incurred expenses that have not yet been reimbursed. The Land Bank received an anonymous donation of \$500 through Vanguard Charitable for unrestricted use. Dan Morganti thanked the donor and noted the funds will be used to further our mission. Brad Cromes noted that property inventory is lower than it has historically been. Dan Morganti explained the inventory peaked at over 100 tax parcels a few years ago. The current number of 25 parcels is likely in the range of what will be typical moving forward. We are now acquiring and disposing properties more quickly. The previously higher figures were primarily based on the NIP 3-year hold requirement. Brad Cromes suggested we develop an in/out report for our future reporting. Sabrina Christian-Bennett made a motion to accept the fiscal report and Mike Tinlin seconded the motion. Motion carried with 4 yeas.

Dan Morganti reviewed the 2022 Basic Financial Statements completed by Julian and Grube. This report is based on figures reported in our 2022 end of year financials. In summary, there was a net position and a fund balance increase. This report is due to the Auditor of State by April 30th and it is the basis for our audit. Sabrina Christian-Bennett made a motion to accept the Basic Financial Statements as presented and authorize to file with the state. Mike Tinlin seconded the motion. Motion carried with 4 yeas.

Dan Morganti stated he secured a new office location and signed the lease agreement based on the Board's electronic vote. He asked the Board to affirm the unanimous approval through electronic vote that was taken on March 28th. The Land Bank will be moving to 149 N. Prospect St, Suite 5, Ravenna, OH

44226 during the first week of May. Bridget Susel made the motion to accept the lease and associated budget revision. Mike Tinlin seconded the motion. Motion carried with 4 yeas.

The Land Bank-Prosecutor agreement is an extension of our existing foreclosure agreement with the Treasurer and Prosecutor. This agreement remains unchanged. Some changes were made in 2020 and have not been changed since that time. This agreement allows for the pursuit of 24 cases, and up to 36 foreclosures. The cost is roughly \$1,300 per case. The Prosecutor's Office has verbally indicated they are good with this agreement. The funding for this is already approved in the budget; however, as we've done in the past, we are seeking the board's authorization to move forward for another year. Discussion about the prosecutor staff assigned to these cases; costs, and previous foreclosure work volume. Sabrina Christian-Bennett made a motion to approve the agreement. Mike Tinlin seconded the motion. Brad Cromes abstained as a party to the contract. Motion carried with 3 yeas.

Policy Report

Disposition of 336 Silver Meadows, Kent. Dan Morganti explained that this property was for sale on the open market, and under contract to a buyer, when the buyer became a victim of wire fraud. They were convinced to wire funds to a fraudulent person via text message. The buyer filed a police report, a complaint with the Ohio Attorney General's office and filed a recall of the wire transfer with their bank in an attempt to re-coup the funds. They were not able to do so. This agreement would sell them the property for the cost that Land bank has invested in the property which is \$4,091. These costs include foreclosure, court cost, maintenance, and selling costs. The following was included as a condition to the sales agreement regarding the purchase price: If within three (3) years of the recording of the deed (a) are not using the Property in accordance with its planned use per the attached Land Bank Addendum in Exhibit B, or the attached City of Kent Zoning Use Certificate in Exhibit C, or (c) sell the Property, then they agree to pay to the Land Bank \$9,909.00, which is the difference between the original purchase price of \$14,000.00 and the purchase price. Since the agenda packet went out the buyer signed the agreement and indicated on the land bank addendum that they planned to build on the property in 5-10 years. We originally knew they wanted to build a house, but now they have further specified this time frame. Our agreement would allow us to re-coup funds within 3 years and their timeframe for building is 5-10 years. Based on this transaction, there is a modification to the Land Bank Addendum, which is utilized in all our open market sales. The first modification allows the Land Bank to use a zoning use certificate, or equivalent, in the sales process, which is a change that Dan Morganti has wanted to make, but its unrelated to this particular transaction. Second, in an effort to not need to sell property again in this way, added is a notice about wire fraud. Sabrina Christian-Bennett noted wire fraud is an issue that is very prevalent right now in the title field. Bridget Susel had questions regarding the Land bank addendum, and she suggested a window of 60 days in lieu of 30 days for more flexibility. Sabrina Christian-Bennett suggested the condition regarding the purchase price should be included on the deed. Chad Murdock noted as it is written it is a contract term that would need to be monitored for 3 years. Sabrina Christian-Bennett prefers it is on the added to be easily tracked if they go to sell and there's not the burden of monitoring it. Dan Morganti agreed we can add the condition to the deed. Brad Cromes suggested considering lengthening the term of the restriction. Bridget Susel supports this being on the Land Bank Board, but is disappointed in the buyer's 5-10 year timeline to build in her role at the City. The Board agreed to modify the agreement to five years and add the restriction to the deed. Brad Cromes asked if we needed Board action to move forward. Dan Morganti stated yes, because it is a unique circumstance that falls outside of our existing policies. Sabrina Christian-Bennett made the

motion to add the restriction to the deed, and if the property is sold within 5-years, the buyer will pay the land bank \$9,909, which is the difference between the original purchase price and the purchase price in this agreement, and Bridget Susel seconded. Motion carried with 4 yeas.

Legislative and OLBA Report

OLBA Annual Conference is coming up at the end of April. Dan Morganti and Brad Cromes to attend. The Ohio Supreme Court decided on a case brought by US Bank against Land Banks in Lucas, Summit, Cuyahoga and Trumbull counties. These were based upon state laws claiming a taking in cases where tax delinquencies did not exceed the Auditor's appraised value and the property was foreclosed upon. The cases were in different district state courts and were consolidated and heard by Ohio Supreme Court who ruled in favor of the land banks. US Bank was given due process; however, they did not respond. There was a lot of support for land banks from various State organizations. Brad Cromes brought up pending federal litigation. Dan Morganti said he is not certain that is still ongoing at this juncture. He is aware of a federal case that is similar in nature out of Michigan where the federal district court decided against a county.

Other Business

The 2022 Annual Report is completed and will be mailed to elected and political officials throughout the county. We will include address change information. Dan Morganti will also email it to agencies and organizations we work with, individuals who have expressed interest, and also include media. The June work session will be at the new address (149 N. Prospect St, Suite 5) on June 20th and the next Quarterly Board meeting will be July 18, 2023 at 10:00 AM at Reed Memorial Library.

Brad Cromes adjourned the meeting at 10:33 am.



Chairman, Brad Cromes



Executive Director/Secretary, Dan Morganti