

**APPROVED JUNE 1, 2009**

**INGHAM COUNTY LAND BANK  
FAST TRACK AUTHORITY**

May 4, 2009  
Minutes

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

Members Absent: Comm. Copedge

Others Present: Mary Ruttan, Joe Bonsall, Tim Perrone and Dorothy Boone

The meeting was called to order by Chairperson Schertzing at 5:34 p.m. in the Personnel Conference Room of the Human Services Building, 5303 S. Cedar, Lansing.

Approval of the March 2, 2009 Minutes

MOVED BY COMM. NOLAN, SUPPORTED BY COMM. BAHAR-COOK, TO APPROVE THE MARCH 2, 2009 MINUTES AS SUBMITTED. MOTION CARRIED UNANIMOUSLY. Absent: Comm. Copedge

Additions to the Agenda

3c. Commercial Property

Limited Public Comment: None

1. Property Maintenance, Renovation and Development
  - a. Resolution to Authorize the Chairman to Proceed with the Negotiations for the Acquisition of the Property Known as the "Deluxe Inn"

MOVED BY COMM. BAHAR-COOK, SUPPORTED BY COMM. NOLAN, TO APPROVE THE RESOLUTION TO AUTHORIZE THE CHAIRMAN TO PROCEED WITH THE NEGOTIATIONS FOR THE ACQUISITION OF THE PROPERTY KNOWN AS THE "DELUXE INN."

Chairperson Schertzing explained the property at 112 E. Main is subject to foreclosure and the redemption period will expire soon. The appraised value of the property is \$400,000. He then said he will meet with the mortgage holder in June. Chairperson Schertzing indicated the appraised value is high for this property.

Comm. Bahar-Cook asked what the Land Bank will do with this property. Chairperson Schertzing stated the property will be demolished. Comm. Bahar-Cook then asked if there are any toxic issues on this property. Chairperson Schertzing stated the structure

was built in the 1970's; therefore, there shouldn't be many environmental concerns associated with this property.

Comm. Bahar-Cook stated she is fine to have Chairperson Schertzing to work with the appraisal amount for this property. The Board discussed this matter further. Chairperson Schertzing explained how this property came to be foreclosed. Mr. Perrone stated the motel business is still in operation in this structure. The appraised value would be lower if the business is closed. He then stated this Board should provide Chairperson Schertzing with a "not to exceed" amount.

Chairperson Schertzing stated this Resolution authorizes the beginning of the negotiations for this property. Comm. Bahar-Cook stated Chairperson Schertzing should move forward on this property with a not to exceed amount of \$400,000.

MOTION CARRIED UNANIMOUSLY. Absent: Comm. Copedge

b. 2008 Annual Reports & State Purposes (mission statement)

Ms. Ruttan stated she took this Board's ideas and suggestions to amend the mission statement. Comm. Nolan said she likes the two-page written report with the attached information.

c. 2009 Tax Foreclosures

Ms. Ruttan said one additional property should be included on this list. Chairperson Schertzing said there are 116 properties on the 2009 Tax Foreclosure list. The Board of Commissioners will vote on a Resolution to acquire these properties in June 2009.

The Board discussed the abbreviations in the foreclosure list. Ms. Ruttan said she would provide a key for the abbreviations in the next report.

Chairperson Schertzing stated auctioning a property is a terrible way to give away land. Properties should run through a more marketable process.

Chairperson Schertzing said another 75 properties may end up on this list soon. The number of structures on this list doubled from last year. Ms. Ruttan said another issue to be looked at regarding this list is the NSP funding program. This program is new this year. She then explained there is a strategy for each parcel on this list.

d. Property Update

Ms. Ruttan said the homes sales are down due to the economy. The Land Bank is working on six properties which are located on the second page of the Property Update.

e. County Funding

Chairperson Schertzing said the County Services Committee will vote on a Resolution for this item. He then said in 2005, it would have been hard to imagine how far the economy and housing markets have fallen. The shared leadership in Ingham County that created the Land Bank gives us a tool to rebuild our community. Chairperson Schertzing said the requests to the Land Bank to assist in the improvements to homes have been overwhelming. The opportunities are greater than perhaps ever, but the burden is great.

The Resolution will authorize a transfer of \$250,000 for each year of 2009, 2010 and 2011 from the Treasurer's Delinquent Tax Revolving Fund and will allow the Treasurer to continue the efforts through the Land Bank. Chairperson Schertzing stated this transfer will relieve some of the stress due to the economy.

Ms. Ruttan said the funds transfer will reduce the costs we have in the properties. An additional staff person is needed to handle the disposition needs for each property.

In response to Comm. Bahar-Cook, Chairperson Schertzing indicated this transfer of funds will help to address up keep and maintenance on the properties.

f. Community Garden Program

Chairperson Schertzing explained a contractor would devote one day per week for the Community Garden Program. He then said he hopes to have parcel numbers on a GIS so everyone knows where the gardens are located. Ms. Ruttan said this Program should be formalized to avoid legal concerns.

g. Baker Donora Extreme Street Makeover

Chairperson Schertzing said the Land Bank will sponsor this Makeover without a financial burden.

h. General Legal Update – Counsel

Mr. Perrone said he is not aware of any pending legal issues regarding the Land Bank at this time.

2. Accounts Payable and Monthly Statement

- a. Accounts Payable Approval – February 2009
- b. Accounts Payable Approval – March 2009

MOVED BY COMM. DELEON, SUPPORTED BHY COMM. BAHAR-COOK, TO APPROVE THE ACCOUNTS PAYABLE FOR FEBRUARY 2009 AND MARCH 2009. MOTION CARRIED UNANIMOUSLY. Absent: Comm. Copedge

c. Monthly Statement – February 2009

Comm. Bahar-Cook asked if there are stimulus funds available for the Land Bank. Chairperson Schertzing said the Land Bank now has NSP dollars, it has a MSHDA grant, and the Ingham County Housing Commission has joined to provide another \$600,000. The Land Bank will apply for additional funds during the next application round. Chairperson Schertzing further stated the Land Bank needs more home sales.

d. Monthly Statement – March 2009

The February 2009 and March 2009 Monthly Statements were received and placed on file.

3. Items from the Chairman and Executive Director

a. RFQ Commercial Broker

Chairperson Schertzing explained the RFQ is for Request for Qualifications for Commercial Brokers. The Land Bank needs a professional Broker to handle its commercial properties. In the past, the Land Bank has used people it has crossed paths with or someone with a long track record for working on commercial properties. The Land Bank should bring in a fourth Broker to work on the NSP program.

Ms. Ruttan said the Land Bank will issue a RFQ for the NSP Realtor. All NSP properties need to be appraised. Chairperson Schertzing clarified the NSP program does not include any commercial properties.

Comm. Nolan asked about the realtor the County uses for commercial properties. She then stated Mr. Terrill could address this issue. Mr. Perrone said the County used the Gentilozzi Real Estate office for a specific property. Comm. Bahar-Cook said staff could research the realtor issue.

Chairperson Schertzing said staff can proceed on this matter and develop selection criteria for a commercial broker. Probably only a handful of brokers will respond to the RFQ.

b. Compliance with Section 3 – Economic Opportunity

Ms. Ruttan said Section 3 is part of the 1968 Housing and Urban Development Act. Section 3 indicates we have to notify anyone in low and very low income level of income job opportunities. The Land Bank will begin this process with any of its NSP funding or other funding programs. This should be a formalized process. Ms. Ruttan said she will bring an addendum to the Land Bank's procurement process to this Board for its review and approval.

c. Commercial Property

Chairperson Schertzing provided copies of information to the Board regarding this issue. He then explained the Land Bank should develop a list of minimums for commercial

properties. The minimums deal with the use of commercial properties and new structures on commercial properties.

Chairperson Schertzing used the Action Auto property as an example during this discussion. He then stated the Board should develop a list of pros and cons for the minimum options and then develop a neutral list. The list should work with a number of different commercial sites. This list would be provided to developers interested in developing Land Bank commercial properties.

Chairperson Schertzing also stated the Land Bank should have a review team to determine if any or all proposals should be submitted to the Land Bank Board.

Comm. Bahar-Cook asked that staff provide this Board with a list of different municipalities that would be interested in the Land Bank's commercial properties.

Announcements: None

Public Comment: None

The meeting adjourned at 7:01 p.m.

Respectfully submitted,

Debra Neff