



## HURON COUNTY LAND REUTILIZATION CORPORATION Meeting Minutes

February 27, 2020

President Shawn Pickworth called the meeting to order at 2:00 PM followed by the Pledge of Allegiance.

Attending: Joe Hintz, Mitch Loughton, Jim Ludban, Shawn Pickworth, Kathleen Schaffer, Dave Weisenberger, Skip Wilde, and Dick Wiles.

Excused: Joe Hintz

HCDC Staff: Carol Knapp and Karmen Ross

Guest: Roland Tkach

A quorum was established.

This morning, the HCLRC Board received email notification of Dave Freitag's decision to resign from the board.

- Motion to accept resignation made by Skip, seconded by Mitch, and passed.

Approval of January 23, 2020 Meeting Minutes – Motion to approve minutes made by Jim, seconded by Dave, and passed.

### Financial Report – Carol

- Balance Sheet now shows properties owned by the land bank as assets.
- Jim asked if the organization needed an audit due to the resignation of Dave who served as Treasurer/Secretary. Since Dave did not prepare the financial reports, an audit is not needed.
- Motion to approve the financial report made by Dick, seconded by Skip, and passed.

### OLD BUSINESS

- Acquired Properties Update – Attachment A
  - 2044 County Line Rd 10 – Attica: need timeline for demolition from end user
  - 57 Townsend St – Greenwich – need timeline for demolition from village
  - 10 Monroe St – Monroeville – Village requested property be donated to them. They are working with Metals for Moms and wanted to provide the space for the organization. The Board decided to stick with their decision to sell the property outright.
  - 52 N Maple St – New London – end user provided timeline for renovation (12 months)
  - 31 N Maple St – New London – end user provided timeline for demolition (6 months)
  - 310 S. Woodbine – Willard – end user provided timeline for renovation (18 months)
  - 327 W Maple St – Willard – end user provided timeline for renovation (12 months)
  - 1 S West Ave – Willard – received two applications to acquire. Since information on the identified end user was never shared with Carol and Karmen, they were not sure how to proceed. This is not a buildable lot so Board advised Carol and Karmen to proceed with application from neighbor for side lot program.
- Property Surveys Update
  - Roland advised that he will provide the deed to 0 Ridge St – Monroeville since the property will go to either the village or Metro Parks (both do not pay real estate taxes).
  - Roland advised that the county engineer's office will not do surveys for properties that have been forfeited to the State. Roland needs to go through a RFP process to have surveys completed. He advised that he would transfer the deeds to HCLRC without a survey with notation that a survey is required prior to the property being sold. HCLRC does not have to go through an RFP process since we prequalify contractors. The cost of the survey could be added to the purchase price of the property. Jim made a motion to have HCLRC receive the deeds, complete the surveys and add the cost of the surveys to the purchase price. Motion was seconded by Skip. Motion passed with one "nay" vote by Mitch. It was noted that sometimes the survey cost more than the determined selling price and it didn't seem fair to buyers.
  - Carol will prepare letters to the auditor for properties that are presently on hold due to need for a survey.

### NEW BUSINESS

- Once a property has been acquired by the landbank, we need to be able to gain access and to secure the building. Jim noted that Willard takes care of securing their properties. The Board approved Carol and Karmen working with a locksmith to change locks as needed. Dave noted that some of the properties are in potentially unsafe areas and asked if we have a procedure established to protect staff and/or locksmith. He suggested having law enforcement accompany locksmith or Land Bank board if needed.
- Disposition of Properties
  - Initially, the board decided to identify end users prior to acquiring properties and then "honoring" that connection by selling the property to that end user. As a new land bank, it seemed like a process that would work. The media graciously published articles about the land bank's acquisition of properties and identified the ten properties acquired in the first round. Those

published articles provided the land bank with much-needed publicity; however, it also led to calls and emails from individuals interested in purchasing the properties. We only posted one Willard property on our website and put signage at the property which resulted in a lot of responses. Pre-identified end user information was never provided to Carol or Karmen so they were unsure who the end user was when contact was made with the office.

- The need for a transparent process for disposition of land bank properties was discussed. It was determined that land bank properties would be posted on the website with applications to acquire properties accepted for 30 days. At the end of 30 days, applications would be reviewed to determine the best end user. If there are no applications received after 30 days, the website posting would continue. Land Bank signs would be posted at the property the same day as the property is posted on the website. This provides equal opportunity for all interested parties to purchase land bank properties. Selling to pre-identified end users exclusively could be viewed as "insider trading" since it does not provide the opportunity for the public to purchase properties.
- Carol and Karmen were authorized to review applications to acquire property and make a determination seeking input from the President or other board members if needed. Carol and Karmen will notify applicants the status of their applications.
- Purchase Agreement(s)/Deed in Escrow Process
  - Board members were provided copies of the straight transfer purchase agreement and draft deed in escrow purchase agreement from the Land Bank Playbook.
  - The straight transfer purchase agreement was previously approved by the Board.
  - With the Deed in Escrow Process, the purchase agreement is much longer and detailed. The draft indicated that earnest money is held in escrow until renovations or demolition are completed on the property and then the property is closed on and deed transferred to the end user. It also showed specific renovation activities, costs, and timelines. The Huron County Land Bank does not want to micromanage the renovations of properties or hold money in escrow for release as each stage of renovation is completed. The Board authorized Carol to prepare a deed in escrow purchase agreement that clearly defines the responsibilities the buyer needs to agree to for the transaction to take place (such as liability insurance, maintaining the property). Once completed, Carol has the board's authorization to have documents reviewed by legal counsel.
- Title Agency Requirements & Fees
  - Due to the active lawsuit relative to Board of Revision foreclosures, title agencies cannot represent land banks for these types of transactions.
  - Since the Huron County Land Bank has acquired properties through judicial foreclosure, the title company can work with us.
  - Foreclosed properties have a judicial title search. Before a deed can be transferred, a full title search is required. There are also costs for title guaranty, written title commitment, and closing costs. The buyer is also responsible for fees to record the deed and conveyance fees.
  - Fees from First American Title are:

Full Title Search	\$190.00
Title Guaranty	\$105.00
Written Title Commitment	\$50.00
Closing Cost	\$380.00
Recording Deed	\$42.00
Conveyance Fee	\$2.00 per 1,000

- Since First American Title has experience working with land banks, the board approved working with this company.
- Purchase agreements state that the buyer pays all fees.
- Land Bank Signs
  - Board members were provided with a signs procedure that will allow Carol and Karmen to keep track of the sign inventory. There is also a sign release form that board members will be asked to use to obtain signs.
  - Jim advised that he has one For Sale sign in Willard.
  - Dick Wiles advised that he has two signs in his garage.
  - Carol and Karmen were authorized to purchase 20 sale pending signs.
  - Carol asked permission to rent storage for land bank signs. It was noted that there may be space at 180 Milan Avenue. Skip said he would check into it and let us know.
- Work Sessions – Shawn suggested that work sessions may be required from time to time to keep land bank activities moving forward. The Board was agreeable to work sessions as needed.
- Properties in Pipeline – The Board reviewed the list of properties that have been forfeited to the State of Ohio to determine what properties they are interested in acquiring. Huron County Auditor Roland Tkach has an auditor's sale scheduled for the end of April and needs confirmation of properties that he will have for the sale so that he can advertise. The Land Bank decided **to acquire**:
  - 989 State Route 250 – New London
  - 29 Grand Avenue – Norwalk
  - 208 Sandusky Street – Plymouth
  - 17 North Kniffin Street – Greenwich
  - 148 Sandusky Street – Plymouth
  - 81 South Main Street – New London
  - 499 State Route 250 - Norwalk
- The Land Bank decided **not to acquire**:
  - 0 Monroe Street – Bellevue
  - 108 Spring Street – Willard
  - 2657 North Street – New Haven
  - 209 North Main Street – Willard
  - 33 Main Street – Greenwich

- 0 Abby Lane – Willard/Holiday Lakes
- 4330 Pleasant Street & 0 Broad Street – Willard
- 27 Tilton Street – Greenwich
- 615 Fink Street - Willard

The Land Bank **PREVIOUSLY** decided **not to acquire:**

- 13 New Street – Greenwich
- 11 Westwind Drive – Norwalk
- 4624 Egypt Road – Norwich Township

Auditor Input

- Roland advised the board to decide if they want a property the day after the 2<sup>nd</sup> sale sheet is published. The board can then advertise the property and put signage to determine interest. Presently, Carol and Karmen do not receive sale sheets. They will ask to receive this information from the sheriff's department via email. This should expedite the acquisition of properties for the land bank.
- OLBA Legal Fees
  - Board members were provided a copy of a letter from OLBA Secretary/Treasurer David Mann regarding the legal fees associated with a lawsuit challenging the constitutionality of the expedited tax foreclosure process (Board of Revision foreclosure). Over \$100,000 has been paid in legal fees by Cuyahoga County Land Bank. The OLBA has committed \$50,000 to this effort since the outcome of the lawsuit impacts all Ohio landbanks. Several landbanks are contributing funds to help with these legal costs.
- OLBA Networking Meeting – March 24, 2020 in Perry County
- HCLRC Business Cards – Karmen prepared business card mockup for board members. The card is “generic” in nature and the board member can write their name and phone numbers on the back. Karmen was asked to proceed with the business cards.
- HCLRC Record Retention Schedule – Carol prepared the HCLRC record retention schedule which was presented at the Huron County Records Commission. The Prosecutor questioned if record retention schedule was even needed by the land bank. If not, the internal document is beneficial. Carol will confer with attorney when they meet.
- Other
  - Dick provided names of surveyors: Nathan Sautter and F.E. Kroka & Associates.

Motion to adjourn made by Dick and seconded by Skip. Meeting adjourned at 3:30 PM.

Respectfully submitted,

Carol A. Knapp  
HCLRC Executive Director

Shawn Pickworth  
President