



CCLBA Board of Directors Meeting Minutes

3:00pm Thursday, October 26, 2017

Calhoun County Building – Marshall
Garden Level Conference Room

1. Call to Order

Brian Wensauer called the meeting of the Calhoun County Land Bank Authority Board to order at 3:08pm in the Garden Level Conference Room of the Calhoun County Building located at 315 West Green Street, Marshall, MI 49068.

Roll Call: Brian Wensauer, Derek King, Lenn Reid, Steve Buller in attendance. Lynn Ward Gray arrived late. Patrick McLean and John Hart were excused.

Staff: Krista Trout-Edwards, Executive Director; Amy Rose Robinson, Property & Project Coordinator; Andrew Freund, VISTA Volunteer; and Jim Dyer, General Counsel.

2. Pledge of Allegiance

Lynn Ward Gray arrived at 3:05pm.

3. Approval of the Agenda

Derek King moved to approve the agenda. Steve Buller seconded, and the motion passed by unanimous voice vote.

4. Citizen Comment

None

5. Consent Agenda

Approval of Land Bank Minutes – June 22, 2017. Meeting

Mr. Buller moved to approve the consent agenda including June 22, 2017 meeting minutes. Mr. King seconded, and the motion passed by unanimous voice vote.

6. Reports:

Executive Director's Report

Krista Trout-Edwards gave highlights of the Executive Director's report.

a. Property Sales

Ms. Trout-Edwards reported an increase in sales, especially houses being sold under the Transform This Home program. She also noted that staff has been working with a local bank to develop a specialized loan product to pair with the TTH program.

b. Property Listing & Rehabilitation

c. Demolition Projects & Grant Updates

Ms. Trout-Edwards indicated 158 demolitions were in process, with 73 complete. She also explained that this grant pays out only after project completion, which makes it difficult for contractors and staff. Ms. Trout-Edwards indicated that additional payments had been received since the report was written.

Ms. Trout-Edwards also indicated that the grant allows for acquisition of blighted, privately owned properties and that that is being pursued. Many of the potential acquisitions are fire damaged homes that were uninsured. She stated that the grant is limited to \$25,000 per project, therein leaving roughly \$2,000 for acquisition.

Mr. King asked to clarify the amount available for acquisition.

Ms. Trout-Edwards clarified the amount, as well as the difficulty associated with not knowing the amount of asbestos in the structure.

Ms. Trout-Edwards announced that the CCLBA Coalition hired SME to facilitate the EPA grant throughout the county.

Ms. Trout-Edwards also stated that the house rehabilitated with HOME dollars (253 N McKinley) was sold the previous week; she also announced that Habitat for Humanity planned a celebration to dedicate the adjacent house on November 12th.

Ms. Trout-Edwards stated that staff attended a close-out event for NSP2. She explained that some projects were held in a "land bank" category, and that those must meet a national objective within a ten year period. MSHDA announced that consortium members could seek a "change of use" to remove "land banked" properties from the program without long-term consequences. There are 600+ projects in this category state-wide, but the CCLBA only has six. She explained the difficulty with the remaining projects and also that projects with more than \$25,000 in invested grant funds would require the grantee to pay back the fair market value of the property to MSHDA. She stated that 163 Calhoun Street and the Glenwood Trace project were both over \$25,000. She will pursue the "change of use" option for both, and seek to budget the buy-back of Glenwood Trace in 2018 if it is economically feasible as it has been difficult to market the property under the program. A "change of use" will also be pursued for the other four sites.

d. Budget Report

Ms. Trout-Edwards presented a revised budget report, and explained that the office is now working more closely with the County's Finance Department due to a staff change in the Treasurer's Office. She stated that a budget amendment would be forthcoming in December to reflect changes that were needed due to the grant and as part of inputting the budget into the county's financial software.

e. Informational Items

i. State Farm Headquarters Project: Ms. Trout-Edwards explained the two grants received to off-set demolition costs, and clarified that the Cronin grant is contingent on having a secured developer in place. She stated the demolition was bid out to get an overall price in order to approach State Farm for the gap funding. Through that process, it was learned that a grading plan would be necessary to better inform the demolition bids; therefore, a RFQ was issued for engineering services. Ms. Trout-Edwards and a representative from Marshall met with folks from Progressive AE in that regard.

j. Michigan Association of Land Bank Summit

i. Funding: Ms. Trout-Edwards provided an overview on the funding idea that the MALB policy committee is proposing. She stated that it would come from an existing fee charged in the second year of the foreclosure process that would be spread over a two year period instead.

Mr. Wensauer added some additional content.

Ms. Gray asked Ms. Trout-Edwards to clarify it.

Ms. Trout-Edwards explained that currently a \$175 fee is charged during forfeiture, and that under the proposal a \$100 of that fee would be charged during delinquency and \$75 would be charged during forfeiture. If a property is redeemed during delinquency, the land bank would receive the \$100. If a property is not redeemed and goes into forfeiture, the Treasurer would receive the \$100. She stated that this is a proposal and that it would need support from everyone to be successful.

Mr. Wensauer mentioned that in counties without land banks that the money would likely go to the State Land Bank and could be used to create new land banks.

Ms. Trout-Edwards added there are smaller communities that still need funds for blight elimination, and have trouble accessing grant funds for a variety of reasons. She stated that if the state land bank received funds through the proposed change, that those funds might be used for grants.

Ms. Gray asked for next steps.

Ms. Trout-Edwards explained that the policy chair for the Michigan Association of Treasurer's is seeking a sponsor for the bill.

- ii. Focus Group: Ms. Trout-Edwards stated that a focus group was recently held for the statewide study, and that it was fairly well attended.
- k. American Colloid: Ms. Trout-Edwards explained that the long-term tenant is interested in purchasing it, but that there are some environmental issues that need attention prior transfer.
- l. Finance/Position: Ms. Trout-Edwards reiterated the change to working more closely with the County's finance office and spoke about the need for a part-time administrative person in the land bank office.
- m. State Treasury Letter: Ms. Trout-Edwards passed out the letter and the draft response. She explained that this was a procedural letter and provided detail as to why this was the case.

Derek King asked about the media communications budget.

Ms. Trout-Edwards stated that she had considered hiring a hybrid part-time person that did some communications and some administration. She asked Mr. King where the county was on their plans.

Mr. King stated that it was in process and that she should follow up with County's Administrator/Controller.

7. Discussion Items

- a. Development Agreement with Cereal City Athletics

Ms. Trout-Edwards provided an update on this project, and recommended a six month extension based on the buyers on-going work with the MEDC. She stated within this extension, the buyer would be responsible for providing updates every other month. She also stated that

the buyers have hired a new attorney to assist with the MEDC component, and that the attorney is with Warner Norcross & Judd; therefore, a conflict of interest waiver was executed.

Ms. Gray asked if the buyers are easy to work with.

Ms. Trout-Edwards confirmed that that was the case.

Mr. King stated that his understanding is that this project is atypical for MEDC and that continues to be an issue, but that the developer is dedicated to working on it.

Ms. Gray asked if they felt that they would break through the MEDC review process.

Mr. King stated that the buyers are trying to get through the triage portion, and that is what Warner Norcross & Judd is working on.

Ms. Trout-Edwards added that they have had the building inspected to create plans.

Ms. Gray asked again if they could find a work around.

Mr. King and Ms. Trout-Edwards agreed that it was possible.

Ms. Trout-Edwards offered to ask the buyers to come and present, and also stated that she would send the board the video that they created.

b. 26 Fremont

Ms. Trout-Edwards stated that there is an on-going issue with historic homes, in that funds are not available to repair them. She stated that this iconic house is in need of a new roof and some foundation repair. A new roof is \$40,000, which is too much for the land bank. Therefore, staff is pursuing critical repairs for part of the roof and part of the foundation, which will cost less than \$6,000. She also mentioned the restoration class idea that staff is exploring with the Michigan Historic Preservation Network, and stated that staff hoped that by doing this they could encourage a conversation around historic homes. She added that it was important to have this discussion.

Ms. Gray asked if this was the one that we were going to rehabilitate?

Ms. Trout-Edwards confirmed, and then explained the block build program.

Mr. Wensauer mentioned the CISD program and the possibility of getting them involved.

Ms. Trout-Edwards clarified that the CISD has worked only with new builds because of the lead and asbestos hazards.

8. New Business

- a. Discuss and Approve entering into a four year contract with Stewart Beauvais & Whipple for annual audits under the sole source procurement section of the Purchasing Policies

Ms. Trout-Edwards provided an overview of the issue, the auditors, and the reason for this request under the sole source procurement section of the Purchasing Policies.

Mr. King asked if General Counsel had approved it.

Mr. Dyer added that he had discussed this with Ms. Trout-Edwards to a great extent and that she could have approved this administratively; however, neither he nor Ms. Trout-Edwards felt comfortable with that since this firm would oversee the audit and financial controls.

Mr. King moved to approve the four year contract with Steward Beauvais & Whipple as presented; Ms. Gray seconded and the motion passed by a unanimous voice vote.

b. Discuss and Approve the CCLBA Cash Handling Policy

Ms. Trout-Edwards provided an overview of this new policy which covers the new change fund, and other changes associated with moving into a new office.

Mr. Buller moved to approve CCLBA Cash Handling Policy as presented; Mr. King seconded and the motion passed by a unanimous voice vote.

9. Accept Report of Accounts Payable

Ms. Gray moved to approve the Report of Accounts Payable as presented; Mr. Buller seconded and the motion passed by a unanimous voice vote.

10. Citizen Comment

None

11. Board Member Comments & Announcements

Ms. Gray asked everyone who lives in Battle Creek to vote on November 7th.

Mr. Buller asked if staff had gotten everything they needed from him on some on-going projects.

Ms. Trout-Edwards stated that she would follow up with staff and get back with him.

Mr. Wensauer mentioned that two employees in the Treasurer's office accepted other jobs, and that his office is creating a new position rather than hiring two new people.

Mr. King stated that he did not have anything, and asked staff to keep up the good work.

Ms. Reid stated that she was very happy to attend the MALB Leadership Summit, and to see the projects in Battle Creek. She said that she has been discussing new opportunities in Albion.

Ms. Gray also added that the City of Battle Creek is doing a survey regarding medical marijuana, and that it is seeking community input.

12. Adjournment

Mr. King moved to adjourn the meeting at 4:05pm; Ms. Gray seconded and the motion passed by unanimous voice vote.

The next meeting is scheduled **December 14, 2017 at 3:00pm in the Garden Level Conference Room** at the Calhoun County Building.