

**JACKSON COUNTY LAND BANK AUTHORITY**  
**MEETING MINUTES**  
**FEBRUARY 16, 2012**

PRESENT: COFFMAN, BUTLER, RICE, KRUSE, DUCKHAM, TAYLOR, WILLIAMS,  
FROUNFELKER, MARTIN, CUNNINGHAM  
VISITORS: MIKE OVERTON, ADAM BROWN, PATRICK BURTCH, LARRY SHAFFER  
ABSENT: JESTER

Meeting called to order by Coffman at 7:31 a.m.

**Public Comment:**

- None.

**Approval of Minutes** The minutes from January 19, 2012 were emailed and presented. **Motion by Duckham,** to approve and accept the minutes from January 19, 2012 as presented, **seconded by Kruse, PASSED.**

**Financials as of January 31, 2012 – Four months ended**

- Coffman emailed and presented the financials as of 01-31-2012.
- Cash on hand \$116,455.73.
- Kruse questioned what the Escrow balance means.

**Motion by Butler,** to accept the financials for 01-31-2012, as presented, **support by Taylor. PASSED.**

**Six month update to Personnel & Finance meeting – February 13, 2012**

- Coffman updated that this report recaps land bank activity from September 2011 to February 2012.
- Duckham inquired about the contractor that did the demolition for 345 W. Morrell.

**Court date 404 E Golf – Pretrial on June 5, 2012 and Trial on July 16, 2012**

- Coffman updated the board.
- Taylor inquired if we could counter sue on this case.

**Property Inventory Sub Committee updates**

- Subcommittee met on Tuesday, February 7<sup>th</sup>, 2012 (Coffman, Kruse, Taylor, Jester)
- **Quiet Title action filed in Circuit Court for 605 Commonwealth, 6532 Coral; and 1227 Greenwood by Lamont Title.**
  - Lamont Title will charge \$650 per parcel, for a total of \$1,950.00
  - Case # 12-337CH – Judge McBain
  - March 20<sup>th</sup> hearing
- **RFQ / RFP for real estate services.** Marv informed Melissa Tee of Jackson Area Realtors on Tuesday, February 7<sup>th</sup> that the land bank is requesting an RFQ for full real estate services for a one year contract with the possibility of 2 one year extensions. Bids accepted till 02/29/2012, bids to be awarded on March 15<sup>th</sup>, 2012.

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- *Recommendation to create a policy regarding selling parcels without a real estate agent or agency. The land bank would disclose and publish with any listing that we will offer 3% to any selling agent for sales of land bank parcels.*
- Discussion about the recommendation.

**Motion by Cunningham**, to take back to the property inventory subcommittee to create language for the policy, to bring back before the full board for final approval, **support by Duckham. PASSED.**

- **RFQ for removal of trailers and structures on parcels in Dorrell trailer park in Leoni Township:** 8712 Koko Lane; 3552 Gaylord; 3560 Gaylord; 3573 Gaylord. Ad ran on Sunday, February 12, 2012. Bids accepted till 02/29/2012, bids to be awarded on March 15<sup>th</sup>, 2012.
  - RFQ ad ran 2-12-2012 in the Salesman
  - Bid packet information sent via email 2-13-2012
  - Coffman obtained a current listing of qualified demolition contractors from the City.
  - Coffman will send bid packet to these contractors.
- **Pre title commitment work on these parcels found the following:**
  - 3544 Sechler
    - Appears to reserve or except out one-half ½ of the mineral rights
    - No oil leases recorded
  - 8712 Koko Lane
    - Appears to reserve or except out one-half ½ of the mineral rights
    - No oil leases recorded
  - 3552 Gaylord
    - Appears to reserve or except out one-half ½ of the mineral rights
    - No oil leases recorded
  - 3560 Gaylord
    - Appears to reserve or except out one-half ½ of the mineral rights
    - No oil leases recorded
  - 3573 Gaylord
    - Appears to reserve or except out one-half ½ of the mineral rights
    - No oil leases recorded
  - 9352 Stetler (Napoleon)
    - Appears to include 100% mineral rights; no recorded instrument indicating mineral rights reserved or excepted out of the legal documents.
    - No oil leases recorded
- Coffman contacted West Bay Exploration about all of these parcels and sent maps of each. They are researching to see if there are any leases and to see if there is potential for new leasing.

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- **UPDATE::: West Bay called back to inform that they do not have any active leases on these parcels nor are they looking to lease in the near future.**
  - Williams asked how close these parcels are to the ongoing oil exploration.
  - Duckham inquired about the lot size for these parcels.
  - We can check in the future if there is any new activity.
- Discussion about the Intergovernmental Agreement with the City and the County. Meeting scheduled with Patrick Burtch on Thursday, February 9<sup>th</sup> @ 2:00 pm.
- No new updates or information regarding the pending offer on 904 Orchard Place to report.
- Job duties for casual part time employee / intern for Land Bank:
- Position could be up to 10 hours a week; \$9.00 to \$10.00 an hour
  - Produce meeting minutes
  - Update property inventory list
  - Update website
  - Check properties owned by land bank
  - Post signs at properties and check
  - Review closing and purchase documents
  - Schedule maintenance and repairs as needed
  - Show properties as needed
  - Communicate with the Realtors and the Board
  - Verify tax capture collected on all sold properties (50% for 5 years)
  - Schedule necessary meetings with parties (i.e. attorneys, title companies, realtors, other land bank committees)
  - Solicit, receive and review bids
  - Attend training seminars
  - Research and prepare grants for the land bank
  - Martin inquired about the internship programs at Spring Arbor University.

#### **Intergovernmental Agreement with the City and the County of Jackson**

- Coffman updated the work and discussions that happened since the last land bank meeting.
- Newer version handed out.
- Discussion about changes made to the first draft language.
- The properties are currently owned by the County. As part of this agreement, the County would transfer the properties to the Land Bank. The Land Bank would be the owner of the properties during the time that it takes to quiet the title. Once the quiet title process is complete, the Land Bank would then transfer the properties to the City.
- Kruse is concerned about the language regarding eliminating all liens and encumbrances on the properties.
- Burtch asked if the quiet title did remove the liens and encumbrances including taxes. The quiet title process does not remove the taxes.
- Discussion about how to handle the taxes on these properties.
- Taylor stated that he will remove the 2010 taxes on all of these properties at the July Board of Review.
- Coffman asked that we focus on the land banks role with regard to this agreement.

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- Coffman updated the board as to the timeline from December 15<sup>th</sup>, 2011 when we first received this document for review, then the land bank had discussions about the agreement, then the City went out and placed condemnation orders on a majority of the parcels in the original agreement.
- The condemnation orders placed on the parcels really will not affect the land bank per se, because the county is the owner of the parcels.
- Coffman further explained that she asked of Burch to have the initial listing of parcels (90) be broken down into groups and then prioritized by those that need immediate attention, those parcels that could be next in line for demolition, those that could be rehabilitated and those that are vacant lots.
- There are 23 vacant lots on the listing. Coffman asked why the land bank would want to incur the costs of quieting the title on 23 vacant lots.
- Coffman expressed that breaking down the list into smaller parts so that it is more manageable and acceptable to both the land bank and the county.
- Martin inquired as to how many of the vacant lots are buildable.
- Duckham inquired if we are required to quiet title on properties. Coffman stated that it is not absolutely necessary to do so, but it makes the property more marketable, and ensures that the future owner of the property can acquire title insurance.
- Butler reminded all that the land bank is merely the vehicle to quiet the title.
- Larry Shaffer spoke indicating that this demolition is not the sole intent of this 5 year project. Larry spoke about how the vacant lots will contribute to the bigger plan of land assembly and a more global approach of zoning parcels within the city.
- Coffman stated that the land bank can partner with the city because we can also bank properties for up to 10 years.
- Burch explained again the proposed process.
- Mike Overton stated that it may not be economically viable to ‘salvage’ and put minimal repairs into these structures.
- Coffman informed that County would be obligated to pay for demolition of four structures per this agreement. Coffman indicated that at least two of these structures has had fire damage. Coffman is in the process of trying to obtain fire records to determine if the County’s insurance may possible pay for the demolition of the structures.
- Larry Shaffer stated that this is a 5 year project. He stated that he wants to establish a long term working relationship with the land bank. This process that we are looking to do with this first batch of parcels probably won’t be the last that the City wants to work with the land bank. It is a work in progress and we are working to perfect the process.
- Williams inquired as to this batch of foreclosures as well as the upcoming batch of foreclosures moving through the system right now. Williams asked about how this process will help alleviate the up front costs and or mitigating the costs to the land bank for quieting title.
- Larry Shaffer stated that he realizes that this current process will not work going forward.
- Williams inquired about utilizing the city attorney’s office to assist with quieting title. Burch stated that it is a conflict of interest to have the city attorney work to quiet title and draft the intergovernmental agreements.
- Taylor reminded the board that the costs for quieting title on the three most recent parcels, we had pre-title commitments with the intent that that title company would eventually handle the closing when the land bank had buyers to sell. This next bunch of properties within this agreement will not be set up the same way – with the pre title commitment work done and with the intent that we would sell to a buyer. This may affect the costs for quieting title.
- Williams in support of the land bank moving forward with the agreement.

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- Mike Overton stated that understanding the “Master Plan” that goes to the big picture vision with this process is very important. He has invited the City to present this at the next study session in March.
- Larry Shaffer stated that he would be happy to present this to the Board of Commissioners in March.
- Frounfelker stated that he would not be opposed to removing the vacant lots from the bundle of proposed properties to keep the costs of quieting title down, but the structural list should go forward.
- Duckham inquired that if the Land bank commits to quieting the title that the City will follow through with the demolition of the structures.
- Larry Shaffer stated that this project is a high priority with the majority of the council and they wish to see this move forward.
- Frounfelker stated that the constituent base is excited about the prospect of removing the blighted structures as well.
- Mike Overton inquired if the City has rolled out this Master Plan to the public. Overton is concerned that the public may have concern if citizens are being impacted by the proposed demolitions in these tracts of neighborhoods.
- Kruse wanted to return back to #3 on the proposed intergovernmental agreement. Kruse wanted clarification about the liens and encumbrances.
- Burch believed that the quiet title process removed the taxes on these properties. Coffman stated that the quiet title process does not remove the delinquent taxes. We will need to revisit this issue and have further discussions regarding the taxes.
- Kruse inquired of Mike Overton that if the land bank moves forward in the agreement and quiets title on these properties that the Board of Commissioners will forgive the \$100,000 loan that the land bank has still on the books for the startup seed money. Overton stated that he has not heard this statement from the Board of Commissioners. Discussion.
- Coffman to call the question.

**Motion by Cunningham**, to partner with the City to quiet the title on the revised listing of parcels, reviewed and agreed upon by the City and the Land Bank, to include that the City will pay for the quiet title on the vacant lots, **support by Williams. PASSED.**

- Duckham inquired about addressing the liens and encumbrances.
- Taylor stated that the taxes will be taken care of through the Boards of Review process in July.
- Larry Shaffer stated that quieting title on the vacant lands is important for future land assembly.
- The property inventory subcommittee will have final review of the listing of properties.
  
- Kruse is concerned about the language regarding the land bank removing the liens and encumbrances on these properties. He wants language to clarify the language to say “the land bank will take care of the outstanding liens and encumbrances that are normally associated with quieting title.” Kruse wants to make sure that the land bank will not be responsible for the taxes and any other assessments.
- Martin is concerned that if we approve the motion on the intergovernmental agreement and move it forward that the land bank is committing and obligating itself to paying the costs associated with quieting title without really having a firm dollar figure for the costs.
- Williams states that he believes that the proposed agreement does not indicate a time frame for the land bank to quiet the titles on the proposed list of properties. Williams does not believe that we are obligating ourselves for the costs of quieting the title if we do not have the dollars to quiet the title.
- Kruse inquired about the costs for maintenance while we are waiting for quieting the title.

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- Larry Shaffer stated that this agreement addresses the “who” and the “what” and that no one in this agreement really has the money to pay for the “what”.

**Motion by Williams**, to move the intergovernmental agreement forward to the County for their approval, per the discussions with the City and the Land Bank, **support by Frounfelker. YEAS—Williams, Rice, Duckham, Cunningham, Taylor, Frounfelker :: NAYS—Martin, Kruse, Butler. PASSED.**

**Other Business**

- None.

**Adjournment**

**Adjourn** at 8:43 a.m. by the call of chair.

**Next meeting is scheduled for Thursday, March 15, 2012 @ 7:30 am, room 101 Jackson County Tower Building.**