

JACKSON COUNTY LAND BANK AUTHORITY
MEETING MINUTES
MARCH 17, 2011

PRESENT: COFFMAN, RICE, MARTIN, JESTER, CUNNINGHAM, DUCKHAM, TAYLOR,
WILLIAMS, FROUNFELKER, BUTLER

VISITORS: Jeff Kruse, Adam Brown

ABSENT: None.

Meeting called to order by Coffman at 7:33 a.m.

Public Comment: None.

Approval of Minutes The minutes from February 17, 2011 were emailed and presented. **Motion by Duckham**, to accept the minutes from February 17, 2011 as presented, **seconded by Rice, PASSED.**

Financials as of 02-28-2011 – five months ended

- Coffman presented the financials as of 2-28-2011.
- Cash on hand \$23,779.85.

Motion by Taylor, to accept the financials for five months ended as of 2-28-2011 as presented, **support by Butler. PASSED.**

Board Resolution passed March 15th to change composition

- Coffman stated that the Board of Commissioners approved the change in board composition at the March 15th meeting.
- The land bank board has 11 members and will keep 11 members.
- Coffman provided the composition prior to the change.
- Coffman stated that the change included Three Commissioners appointed by the Board of Commissioners (from four) and Three Members at Large (from two).
- The number of commissioners is currently correct – Duckham, Williams and Rice.
- Coffman reported that we should make a nomination and recommendation to present to the Board of Commissioners for their approval.
- Jeff Kruse was nominated for the position.
- No other nominations for the Member at Large position.

Motion by Duckham, to recommend, nominate, and appoint Jeff Kruse to the third Member at Large position, **support by Jester. PASSED.**

Offers for Board approval

- Coffman reported that at the last meeting the board approved to list seven properties for sale. We now have five offers to present for approval to the board.
- Coffman reported that the process has been very successful; there has been a lot of activity with these properties; there has been very good communication between the property sub committee and Copp & Co; Marv has been instrumental in facilitating this process; we've learned and tweaked the process as well.
 - **229 W. Biddle** is listed with Copp & Co. for \$4,000. Jester reported that we have full price offer of \$4,000.
 - Martin inquired about the feedback from the public.

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Motion by Taylor, to ratify the property sub committee recommendation and accept the offer of \$4,000 to purchase 229 West Biddle (4-0489), **support by Butler. PASSED.**

- Discussion on motion.
- Martin inquired about costs into this property.
- Coffman reported that this property was one of the first properties acquired by the land bank for \$9,320.19 in December 2006. Not in good shape and has been sitting for some time.
- Jester reported that we are going to have closing costs approximately \$1,400.00 on all five of these properties.
- Kruse expressed concern about the additional costs for closing on the five properties.
- Williams inquired whether or not these offers have been signed. Jester stated that the offers have been signed. Coffman added that we want to ratify these offers by the full board. We want to provide information and good communication and transparency on these offers.
- Duckham inquired about the cost of quieting title on the properties. Coffman reported that it does depend on the total number of parcels in the batch it decreases the cost.
 - 1002 S. Jackson is listed with Copp & Co. for \$5,900. Jester reported that we have an offer for \$5,950. We had several offers on this parcel.
 - Coffman reported that we picked this up through the November 2009 after the foreclosure process. This property came to us with no cost.
 - Cunningham stressed that these sales are a success for the land bank.
 - Frounfelker inquired about who is buying these properties.
 - Jester said investors and a couple are owner occupied.

Motion by Williams, to ratify the property sub committee recommendation and accept the offer of \$5,950.00 to purchase 1002 South Jackson (4-0620), **support by Cunningham. PASSED.**

- 304 Harwood is listed with Copp & Co. for \$9,900. Jester reported that we have a highest and best offer for \$7,000. Jester stated that the house was shown about 25 times.
- Coffman reported that this property was acquired at no cost to the land bank.
- Martin inquired if this might be owner occupied. Jester reported it is a single woman purchasing.

Motion by Taylor, to ratify the property sub committee recommendation and accept the offer of \$7,000 to purchase 304 Harwood (4-1269), **support by Duckham. PASSED.**

- 916 Francis is listed with Copp & Co. for \$4,000. Jester reported that we have an offer for \$3,000.
- Coffman reported that we acquired the property through the foreclosure process in November 2009 at no cost. This three unit would require a lot of rehabilitation.

Motion by Duckham, to ratify the property sub committee recommendation and accept the offer of \$3,000 to purchase 916 Francis (5-0630), **support by Rice. PASSED.**

- 1025 S. Milwaukee is listed with Copp & Co. for \$4,000. Jester reported that we have an offer for \$2,000.

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- Coffman reported that this is a big house, one of the first properties purchased by the land bank in December 2006.
- This will be an owner occupied purchase.
- Kruse stated that we have \$18,701.84 plus closing costs going into this property.
- Duckham asked how we have so much into this property. Coffman gave the history on this parcel.

Motion by Rice, to ratify the property sub committee recommendation and accept the offer of \$2,000 to purchase 1025 South Milwaukee (5-0973), **support by Martin. PASSED.**

- **210 W South** this property is listed on the land bank website for \$10,000.
- Coffman reported that she showed the house to the potential buyer; she offered \$7,000; the sub committee countered at \$9,000; it will be owner occupied; pending quiet title so we cannot close until the April 26th circuit court date.

Motion by Williams, to ratify the property sub committee recommendation and accept the offer of \$9,000 to purchase 210 West South (4-1612), **support by Duckham. PASSED.**

- Kruse stated that after doing the math on all the properties and accounting of all the costs and the accepted offers, we will be lucky to break even on these transactions.
- Kruse stressed that we need to take more care in acquiring properties to control costs so that the land bank can use monies elsewhere in the community and for other projects.
- Coffman stated that we have learned the best way and process to acquire properties for the inventory.

Remaining properties – price adjustment

- Coffman reported that we have two remaining properties listed with Copp & Co.
- 1604 First – currently listed for \$12,900 and 710 Second St – currently listed for \$14,900.
- Coffman recommends that we reduce the asking price on both by \$2,000.
- Jester reported that there is very little activity on these and there are no offers.
- Duckham inquired about the costs into these properties.
- Kruse stated that no costs to purchase but there will be closing costs incurred.

Motion by Duckham, to reduce the list price on 1604 First Street to \$10,900 and reduce the list price on 710 Second Street to \$12,900, **support by Rice. PASSED.**

- Jester stated that now we have ratified these offers, they all wish to close by the end of the month.
- Jester inquired if we could use American Title to close these sales.
- Discussion about title insurance and quieting title.
- Jester suggested that we could go out for bid for the next batch of properties for the closing.
- Jester suggested that we could look to pre title commitments in the future.

Motion by Cunningham, to authorize American Title to handle the closings on these five properties, **support by Butler. PASSED.**

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Motion by Frounfelker, to send out for bid to the title companies for title work for the upcoming batch of properties the land bank will sell for one year, **support by Williams. PASSED.**

- Duckham asked how long the contract with Copp & Co.
- Kruse inquired about the total closing costs that we will incur for these properties. Jester estimated that it will be approximately \$1,445 per parcel.
- Taylor suggested that we need to add these additional costs to the asking price.
- Taylor also suggested setting a threshold if the offer is less than \$5,000 then the buyer is responsible for the title insurance.
- Jester proposed some language changes to the MLS listing providing more guidelines for the realtors.
- Coffman recommends that we take it back to the property sub committee and have them draft up a list of bullet points for suggested language.

Other Business

- Frounfelker reported on a concern brought to him by a property manager, Gae Winn. Ms. Winn is managing a property in which a renter resides who gets section 8 subsidizing. The renter is in danger of losing the house to foreclosure this year. Ms. Winn is inquiring if the land bank can be of assistance in this matter.
- Discussion about the gap in services within the community to solve this problem.
- The difficulty with this situation is that the land bank does not own this property nor does the land bank deal in property management.
- Martin suggested that Ms. Winn check with Herman Hill with the Jackson Housing Commission.
- This problem warrants further discussion.

Adjournment

Adjourned by call of the chair at 8:48 a.m.

Next meeting is scheduled for Thursday, April 21, 2011 @ 7:30 am, room 101 Jackson County Tower Building.