

JACKSON COUNTY LAND BANK AUTHORITY

MEETING MINUTES

APRIL 21, 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 March 17, 2011 were emailed and presented. **Motion by Jester**, to accept the minutes from March 17, 2011 as presented, **seconded by Williams, PASSED.**

Marketing plan – Spring Arbor University - update

- Coffman updated the board on the initial meeting with the class on March 29, 2011.
- Coffman reported that she spent over an hour and a half talking with the class, informing them about the land bank and answered lots of questions from the students.
- Coffman shared some ideas that the students were thinking of such as conducting surveys.
- Coffman stated that the final presentations will be complete the first couple of weeks in May.

Closings:

- Coffman reported that we had five closings at the end of March. A spreadsheet was passed around to show costs and net loss/profit.
- Coffman closed on **304 Harwood** on 3/28/2011.
 - The Land bank acquired this parcel at no cost.
 - Net **profit** \$5,488.58 after closing costs.
 - This was sold to an investor.
- Coffman closed on **1025 S Milwaukee** on 3/28/2011.
 - The Land bank acquired this property for \$18,701.84 in 2006.
 - Net **loss** \$17,854.04 including closing costs.
 - This was sold to a home owner.
- Coffman closed on **229 W Biddle** on 3/29/2011.
 - The Land bank acquired this parcel for \$9,320.19 in 2006.
 - Net **loss** \$6,399.59 including closing costs.
 - This was sold to a home owner.
- Coffman closed on **1002 S Jackson** on 3/29/2011.
 - The Land bank acquired this property at no cost.
 - Net **profit** \$4,465.37 after closing costs.
 - This was sold to a home owner.
- Coffman closed on **916 Francis** on 3/31/2011.
 - The Land bank acquired this property at no cost.
 - Net **profit** \$1,834.20 after closing costs.
 - This was sold to an investor.
- Duckham questioned why the purchase price was so much more. Discussion about how the process and strategy of property acquisition has changed from 2006 to now for the land bank.

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- Butler stated that we have learned from the past and are now applying this right now.
- Martin inquired about how the trial run worked out in the process of listing these properties with the realtor.
- Jester reported that we do need to tweak the process. He is suggesting that we add an addendum to clarify the process for perspective buyers of these houses. Jester indicated that the process required approximately 40 hours of his time to funnel the communications and offers back and forth. The draw back is that our agreement with Copp and Co. is for limited services. Jester recommended that we might want to consider paying Copp and Co. more money to do more with new listings.
- Discussion about how can we can fine tune the process for all involved.
- Jester did state that we did receive about 25 offers total on all the properties.
- Jester recommended that the remaining two parcels at 1604 First and 710 Second St. another \$2,000 each. Right now we have 1604 First listed at \$10,900 and 710 Second St. listed at \$12,900. Duplex's are generally a tougher sell.
- Martin inquired about what our requirement are to make sure that we are being transparent about the realtor process. Discussion from the board.
- Coffman stated that utilizing the MLS to list these properties has proven to be very effective.
- Kruse stated that if we increase the cost for the realtor per parcel that will increase our costs and decrease our profit per parcel.
- Coffman recommended that we forward this to the property inventory sub committee to analyze and formalize a recommendation to bring back to the full board.
- Williams suggested that we bring back George Copp for the next meeting.

Motion by Taylor, to drop the listing price \$2,000 on 1604 First from \$10,900 to 8,900 and drop the listing price \$2,000 on 710 Second Street from \$12,900 to \$10,900, **support by Rice. PASSED.**

Pending Sale - 210 W South – \$9,000

- Coffman updated the board on this negotiated sale. The list price was \$10,000; we accepted the offer of \$9,000. Buyer has deposited \$1,500 earnest money with the treasurer's office.
- We cannot close this sale until after the quiet title process (court date April 26th) is complete and the 21 day appeal period has expired. That puts the closing after May 17th.
- Coffman reported that we acquired this parcel for \$2,100.

Listing of 2011 Foreclosures

- Coffman reported that the treasurer's office foreclosed on 227 parcels; 108 of those were improved. There are 83 improved parcels in the City.
- Coffman stated that the numbers have significantly increased. There are many more houses that the treasurer's office foreclosed on this year.
- Discussion about the economic conditions that led to this. Discussion about the treasurer's office process now after foreclosure.
- Coffman stated that the first auction is scheduled for August 16th, 2011.
- Martin questioned how we want to change our strategy this cycle.
- Coffman reported that the treasurer has to be mindful of letting statute work as intended, offering these properties at auction with the intent to get the highest and best bids for these parcels. This year the

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treasurer sent out notification to all the taxing jurisdictions that this year there may be charge backs that need to be done to make the foreclosure fund whole.

- Coffman stressed that the land bank has to be careful when identifying and wishing to acquire certain properties from the foreclosure cycle.
- Coffman is recommending letting all the parcels go through the first auction then the land bank can look to acquire.
- Kruse inquired about the First Right of Refusal. Coffman explained the process.
- Martin stated that we should partner with the townships and the city to see if we can make the planning process for the disposition of these parcels mutually beneficial for all parties involved.
- Rice reported that there is ongoing conversation that the NSP3 dollars might not be available.
- Kruse questioned when the second auction is. It is September 26th, 2011.
- Kruse cautioned us to make sure that we are very strategic about those properties we wish to acquire.
- Jester asked what the numbers were last year. Coffman stated that we foreclosed on 155 parcels last year.
- Discussion about using the vacant lots and looking into land assembly.

Other Business

- Kruse inquired about an attendance policy. Suggested that we get a policy subcommittee together to create a policy.
- Martin inquired about the land bank conference.
- Frounfelker inquired about property management.
- Martin reported out that Detroit has a pilot program called ROOF. They have worked about an agreement with the mortgage servicers to keep the people in the homes.
- Frounfelker stated that the tenants and renters are the innocent victims in the process.
- Property sub committee will meet Thursday, April 28th @ 9:00 am.

Adjournment

Adjourned by call of the chair at 8:53 a.m.

Next meeting is scheduled for Thursday, May 19, 2011 @ 7:30 am, room 101 Jackson County Tower Building.