

**JACKSON COUNTY LAND BANK AUTHORITY**  
**MEETING MINUTES**  
**JULY 17, 2014**

PRESENT: COFFMAN, KRUSE, ALEXANDER, TAYLOR, FROUNFELKER, DUCKHAM,  
CUNNINGHAM, MARTIN, JESTER, RICE, BRITTAN  
VISITORS: MIKE OVERTON, REUEL CRITES  
ABSENT: NONE.

Meeting called to order by Coffman at 7:30 a.m.

**Public Comment:**

- None.

**Approval of Minutes** The minutes from June 19, 2014 were emailed and presented. **Motion by Brittan**, to approve and accept the minutes from June 19, 2014, **support by Martin, PASSED.**

**Financials – for June 30, 2014 – Nine months ended**

- Cash on hand as of June 30, 2014 is \$193,162.00.
- Coffman stated that this balance does not reflect the transfer and payment of \$30,550.00 for the purchase of the 7 properties.
- Once the transfer and payment is made we will have \$162,612.00.

**Motion by Jester**, to approve and accept the financial statement for June 30, 2014, **support by Cunningham, PASSED.**

**Property Inventory Sub Committee updates**

**Wells Fargo – National Community Stabilization Trust Donation Program**

- Received inquiries for 400 Fourth Street which has a house on it; directly across the street from the foreclosed property that we were considering; on June 10th
- June 11<sup>th</sup> I responded that we would not be interested in the donation. If in the future Wells Fargo was willing to add a cash contribution along with the donation of this property, the land bank would be very interested.
- June 30<sup>th</sup> I received another email from Wells Fargo offering \$7,500 cash contribution at closing for the donation of this property.
- Coffman forwarded information to the subcommittee July 1<sup>st</sup> and scheduled a date and time to meet at the property to inspect the interior of the house.
- July 9<sup>th</sup> we met to inspect the house on 400 Fourth Street to determine whether or not the subcommittee should recommend accepting the donation from Wells Fargo.
- Pictures were taken of the interior of the house. Wells Fargo did do some improvements to the interior and exterior of the house. Sent a request back to Wells Fargo to see if they would be willing to complete work on the electrical system and the plumbing system throughout the house, bringing both up to the city code requirements. The bank denied our request.
- Taylor inquired at the City offices to see if this property is on any of their active lists for inspection. It is registered but it is not on the list for inspection.

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- Duckham stated that if we did accept the donation we could use the cash contribution to demolish the house.
- Coffman responded that this is an option.

**Recommendation of the subcommittee to accept the donation of the parcel 400 Fourth Street (3-0300000) from Wells Fargo Bank with the cash contribution of \$7,500 at the time of closing.**

**Motion by Duckham**, to accept the donation of the property 400 Fourth Street (3-0300000) from Wells Fargo with the cash contribution of \$7,500; and to make this project a priority for the Land Bank; to complete improvements, sell, and return to the tax roll, **support by Cunningham. PASSED.**

- Discussion about what the options are for this property. Demolition was an option that was discussed. Discussion about using the cash contribution to pay for the electrical and plumbing improvements and to pay for a new roof for the house.
- Jester stated that if we make improvements to this house we have to be mindful of doing work that will assist a potential buyer to seek financing if we decide to put on the market and sell it.
- Martin asked if this house could fill the gap of housing in our area.
- Jester estimates that after we clean up and make the improvements as we discussed we could sell the house for \$20k to \$24k.
- Brittan stated that if we are going to vote to demolish this house he will vote no.
- This property already is on the tax roll and we do not need to quiet the title on this property because it is not a tax foreclosure.
- Martin asked why Wells Fargo is getting rid of this property. Jester added that the banks have a threshold when assessing their REO properties and if it falls within those parameters they are offering to donate the properties. It also serves to decrease their inventory.
- Cunningham inquired as to how long we thought it would take to do the improvements to the house and sell it. Discussion.
- Jester stated that we need to get the roof done first. We don't need to quiet the title which would speed the process up. We want to be mindful of the upcoming winter season, we will need to winterize to protect our investment.
- Coffman stated that we have several houses now and by using an economy of scale for example by bidding out roof work on several of these houses it should decrease the total costs rather than if we were to only have one house to replace the roof.
- Duckham wishes to amend the original motion to make this project a priority.
- Discussion about not putting a specific timeline to accomplish the improvements and sell.

#### **Community Action Agency & Habitat for Humanity—502 Hague Street – Summit Township**

- Coffman sent an email to Toby Berry (CAA) and Shelly Hendrik (HH) regarding the information from our last land bank meeting.
- It was decided to wait until after the first tax foreclosure auction to see about acquiring this property for a future project. If the property is still available after the first auction, plans and discussion will resume. Emails were sent to the entire land bank board regarding this issue and decision.

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- Martin asked if CAA and HH are still interested in pursuing this partnership if it does not sell at auction. Coffman confirmed that to be true.
- Duckham inquired about Golf Street. Coffman stated that the Land Bank no longer owns this property. But that HH is finishing the build of the new home.
- Rice states that the neighbors don't really care for the new HH house in the area.
- Alexander asked if we proceed with 502 Hague after the first auction if it does not sell if we will address the property boundary / survey issues. Coffman confirmed that should be a priority.
- We will need to see what happens at the tax foreclosure auction on August 6<sup>th</sup>.

#### Update on Newly Acquired Properties

- Quit Claim deeds have been prepared and recorded transferring ownership from the County Treasurer to the County of Jackson;
- Quit Claim deeds will need to be prepared and recorded transferring ownership from County of Jackson to the Jackson County Land Bank Authority;
- The monies in the amount of \$30,550.00 have been paid to the County from the Land Bank;
- Coffman has contacted LaMont Title about obtaining a quote for the Quiet Title process for these new properties; Here is information that she shared about her new company First American Title and the process:

*“I'm not sure I got a chance to fill you in on some of the terms of my coming over to First American Title but a very significant portion of the agreement was that First American Title would agree to insure tax titles without evidence of actual notice of interested property owners or a quiet title action as long as notice was constitutionally provided.*

*We have found that we are able to insure the vast majority of tax titles under these guidelines – as much as 95% compared to 5% under the old practices.*

*We charge \$250 for a residential commitment (\$350 for commercial) and \$350 for the analysis of the Treasurer notice files. As always, the premium is charged in accordance with the filed rates. Because of this procedure we generally don't need the quiet title litigation. “*

- Coffman has contacted Michael Donovan to inquire about the quiet title process; he recommended that we go the route and process with First American Title. The cost that he quoted me was a not to exceed \$650 per parcel.
- Need to do more research on this recent development regarding First American Title.
- We now have an option with regard to how to handle quiet title or not for these properties.
- Coffman wants to contact Ron Ellison at American Title to talk to him about this recent change and to find out whether or not he would be in support of this.
- Jester stated that all of title companies utilize a select few underwriters. We need to find out what underwriter they would use. The process sounds like First American Title would prepare and process the title commitment and then they would also provide the title insurance when needed.

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- Jester stated that if we use this process and not go through the court quiet title process, we could in effect save costs. If we quiet title through the court process and we go to sell the property we still have to pay for the title insurance.
- Taylor asked if we knew what kind of time frame for this process as compared to the court quiet title process. Coffman will inquire about this as well.
- Kruse was working on obtaining three quotes from companies to remove the existing trailers from the properties in Dorrell trailer park ( 3577 Bellrose and 8743 Jennings).
- Kruse contacted four contract companies – Bailey Excavating, Lester Brothers, Beckwith Excavating and Dullock Excavating -- to obtain quotes for removal of the existing trailers on the properties, to abandon the wells, to concrete slabs, trees, and rubbish and to leave the property in a mowable condition and seeded. All quotes to be submitted to Coffman by July 30<sup>th</sup>, 2014.
- Discussion about capping the wells versus abandoning the wells. Coffman needs to contact the Health department to obtain more information.
- We may need to change this requirement for the quotes with these companies to capping the wells.
- Discussion about the timeline for obtaining the quotes and having the work done. These quotes will be brought forward to the board at the next board meeting for discussion and approval.
- Kruse inquired if we could utilize First American Title for these two properties as to move the project timeline expeditiously. Coffman reported that she asked Michael Donovan the attorney about this situation and whether or not we needed to incur the expense of quieting title and or obtaining title insurance on these two properties because we were planning on removing the trailers and then greenspacing and holding the land. The sticking point with this is that the trailers really are not considered part of the real property, they really are personal property. Coffman needs to do more research to determine what is our best course of action with these two properties and how to best deal with the trailers.
- Jester inquired about the status of tenant at 14086 Curtis Road in Grass Lake. Coffman stated that his final move out date is Friday, July 18<sup>th</sup>. If after this date he has not moved out, then we file the necessary paperwork with the courts to finalize the actual eviction from the premises. Coffman believes that within the next two weeks the process should be complete.
- Subcommittee will be meeting next to create action plans for the 5 remaining houses.

#### **Other Business**

- Duckham asked if there were any properties with oil on them.
- Rice expressed concern about the Habitat for Humanity house on 404 E Golf Street. The neighbors are not pleased with the size of the house that was built there. Discussion.

#### **Adjournment**

Adjourn by the call of the chair at 8:13 a.m.

**Next meeting is scheduled for Thursday, August 21, 2014 @ 7:30 am, room 101 Jackson County Tower Building.**