

**Kent County Land Bank Authority
Board Meeting Minutes
January 30, 2013**

1. Call to Order-Chair Parrish called the meeting to order at 3:00 p.m.
2. Roll Call- All members present.
3. Approval of Agenda-Motion by Brinks, second by Bliss. Motion passed
4. Approval of Minutes, 11/28/2012 Meeting-Motion by Brinks, second by Bliss. Motion passed.
5. Welcome to new Board Member – Audrey Nevins Weiss-Chair Parrish introduced new Board Member Weiss to the Board and attendees at the meeting.
6. Public Comment-. Chair Parrish asked each attendee to introduce themselves to Weiss. In attendance were representatives from non-profit housing organizations, human services, City of Grand Rapids, investors, contractors, media, etc. Alan Kitson, Lee Kitson Builders made comment. He is impressed with the Land Bank. He first heard of land banks 2008- 2009 while attending seminars. He has become a believer, stating that the development of land banks has created a more orderly fashion of returning foreclosed property into productive use. He also noted he would be in favor of the Land Bank taking all of the tax foreclosed properties, sees it as being more strategically beneficial than the auction.

Helen Lehman, E.D. New Development Corp. “echoed” Kitson’s comments. She also announced an invitation to an open house of one of the tax foreclosed properties the KCLBA purchased on behalf of New Development Corp. so the Board could “see the fruits of their labor.”

7. Advisory Council Report – Advisory Council Meeting Agenda for Jan. 16, 2013 was distributed to Board members prior to the meeting. Executive Director Allen announced
 - The replacement of Carlos Sanchez with Veronica Ramirez Garcia from the West Michigan Hispanic Chamber of Commerce.
 - Brian Harrison submitted a letter of resignation.
 - Connie Bohatch, Managing Director of Community Services, City of Grand Rapids was recommended as replacement.
 - The Advisory Council is reviewing the property selection process for 2013 & considering changes for the non-profits. In 2013 the non-profits will need to provide project specifications and proof of financing.
 - Discussed the County Commission reviewing process. The consensus of the Advisory Council was against the County Commission taking over the property selection process feeling the process would “turn political.”
8. Executive Director Report – David Allen presented Year End financial reports to the Board.
 - a. Financials

- i. 2012 Budget vs Actual-Allen noted the KCLBA ended 2012 spending \$8119.55 under budget.
 - ii. 2012 Year End Balance Sheet-Allen noted the Founder's loan had been paid down to \$28,000 and will be paid off once the Pine Vista property is sold in early 2013. He added the sale of the Cass & Dickinson properties would allow pay off of the Huntington Bank Line of Credit.
 - iii. 2012 Year End P&L-David Allen stated there was a 31% gross profit on sales of properties resulting in \$125,000.00 profit at the end of 2012. If the sales to non-profits were omitted from the report, the average profit per property would be \$25,000.
 - iv. December Check Detail-Board member Brinks asked if there were documents to support the payments made by the KCLBA specifically the \$1000.00 payment to Home Repair Services for Americorp. Allen commented there were invoices submitted with each check presented to Chair Parrish for signature. He also noted the KCLBA would be undergoing the first annual audit in February, 2013 and auditors would be given supporting documents for all expenditures.
- b. Year End Review-Executive Director David Allen presented the Board members year end performance reports for the following:
 - i. 2012 Tax Foreclosed Property Report
 - ii. 2012 Sold Properties Report – Construction Contracts/GRAR Impact- A detailed report was presented highlighting amounts awarded including \$2.8 million in construction contracts and real estate commissions total development costs. 16 properties were sold “as is” with development agreements, 17 were sold to non profits, 18 of the 42 were listed on the MLS and \$1 million was paid to GRAR agents in commissions.
 - iii. 2012 Sold Properties Report – All Costs- The report noted the final details of each property transfer (i.e. sold to developer, homeowner, nonprofit, etc.)
 - iv. 2012 KCLBA Economic Impact Overview- Allen stated the final economic impact of the KCLBA on the County of Kent was a total of \$4,525,956.00 based upon taxes paid to the County & local units, construction contracts, real estate commissions, title insurance, surveys, etc.
 - v. 2013 KCLBA Property List- Allen reviewed the list of properties remaining with the KCLBA at the end of 2012. There were 28 carried over to 2013, 5 are empty lots, 3 are scheduled for demolition, 1 has sold but not had closing at the end of 2012. At the end of 2012, 63 projects were completed with a total staff of 3 at the KCLBA. Two properties are currently rentals, with one listed and the other will be sold once the occupants spouse returns from Iraq. One KCLBA owned property located on Grand River Road in Lowell has been cleared. Neighboring property is listed for sale at \$800,000. He stated the Advisory Council recommended not building on the KCLBA property at this time.
- c. Board Action Required:
 - i. Approval of 2013 Budget- Chair Parrish commented he and Exec Director Allen had spent a great deal of time discussing the 2013 Budget and how we would be doing things in 2013, adding setting an all-encompassing budget would be difficult at this time. Allen added the Director of Real Estate Development salary had been moved to Admin Budget to make it more transparent. He also noted big changes in legal fees given the lawsuits of the previous year. He also informed the Board of

the decision by the judge to dismiss the case however the plaintiffs had filed an appeal in the Court of Appeals. He said the defendants would have 8 weeks to file arguments. A line item had been added for Marketing with a budget of \$6000.00 with the plan to disseminate information through social media networks, traditional media and the website.

Allen also informed the Board he had asked the Board Chair to review staff salaries since the line had remained the same as 2012 until reviews are completed. Chair Parrish made a motion to form a subcommittee to be named to review staff salaries based upon comparable non profit salaries. Support by Nevins-Weiss. Motion approved. Board members Bliss and Nevins-Weiss were appointed to the subcommittee to complete salary reviews and benefit packages.

ii. Approval to take ownership of 1515 Madison- David Allen informed the Board of a meeting held at KCLBA attended by Justin Beene, Bethany Services, DA Blodgett and LINC. He introduced Beene, Director of Youth Services to the Board, who was in attendance at the meeting.

- Bethany-Allen explained Bethany had a MI Works contract to employ young adults (aging out youth) in a landscaping company started by Bethany 5 years ago. The company rents space at Home Repair Services and has done work on 2 KCLBA properties located on Naylor St. He stated the company was in need of warehouse and office space with 20,000 square feet of space per floor available at 1515 Madison SE. Allen also noted there would be space available for a youth center on the first floor with housing on the second and third floor. He said Youth Build (Bethany Services) and Habitat for Humanity could do renovations to the property using Department of Labor grants. Allen introduced David deVelder, Director of Real Estate Development and stated deVelder had reviewed environmental information related to the property.
- LINC- Allen presented a letter of support for the project from Jeremy DeRoo, Co-Executive Director of LINC Community Revitalization, Inc. Allen commented LINC has been instrumental in developing the Madison corridor and would lease the building. He stated a developer from Hudsonville wants to develop the property, adding that LINC wants to lease the building while Bethany, Habitat and KCLBA would serve as a conduit with no cost to the KCLBA. Building Bridges and Bethany would maintain the building with a 5 year plan for development. The KCLBA would purchase the property for \$1.00 After Board discussion, the Board requested a plan with financing in place, a letter of support from the City of Grand Rapids and letters of intent from all participating agencies. Allen agreed to present the plan to the Board at the next KCLBA Board meeting.

9. Open discussion- Nevins-Weiss asked if there was a deadline for the employee pay subcommittee. Chair Parrish said he would hope for the results by the February 27 meeting or March meeting at the latest.

Board member Brinks asked when the Board Retreat would be scheduled. She announced she will be running for Mayor of Kentwood and would like to get the retreat on her schedule as soon as possible. Allen stated the Board retreat would be scheduled in early March.

Board member Bliss announced she would be running for re-election on the City of Grand Rapids Board of Commission.

10. Adjournment- Meeting adjourned at 4:15 p.m.

Next Meeting

February 27, 2013, 3:00 p.m.

Training Room, 2nd floor

Kent County Administration Building