

Kent County Land Bank Authority
Board Meeting Minutes
August 22, 2012

1. Call to Order- Meeting called to order at 3:05 p.m. by Board Treasurer George Meek
2. Roll Call- Members present- Rosalynn Bliss, Sharon Brinks, George Meek, Stanley Ponstein. Members absent-Ken Parrish, Board Chair.
3. Approval of Agenda- Motion to approve agenda Bliss, second by Brinks. Motion passed.
4. Approval of Minutes, 06/27/2012 Meeting- Motion to approve June 27, 2012 meeting minutes Brinks, second by Bliss. Motion passed.
5. Public Comment- Al Calderon on Veteran's Administration Resident Board commented "his question was answered by David Allen prior to meeting regarding working with the Veteran's Administration to provide housing for veterans." Allen had informed him of a meeting scheduled next week with Dick McDonald-Health Care for Homeless Veteran's to discuss donated properties that are available.
6. Advisory Council Report – 3 Year Strategic Plan Update- the Advisory Council did not meet in August. During their next meeting they will review proposals for a third party to facilitate the strategic planning. The Williams Group and several other agencies were referred to the Land Bank. The KCLBA will request funding from the Dyer Ives Foundation for the Strategic Plan costs. Board member Bliss said she is on the Dyer-Ives Board and may have a conflict of interest with KCLBA funding request. Allen said he'd be presenting the strategic plan at the October 2012 Board meeting.
7. Executive Director Report –
 - a. Financials – no comments or questions on the financials. Presentation by Goodlander, Sweet, & Rybicki. Mike Rybicki reported to the Board their agency had been working closely with the Land Bank. They met with the Rehmann Group following the 2011 audit and will work with Rehmann to set up financial reporting for the 2012 audit which will not be included with the County's 2012 audit. They are working to modify the financial reports which will have a new look by next month with changes to posting procedures. The new system will split the KCLBA properties into 2 categories; Donated & Purchased Properties. Donated properties will be given a "fair market value" while the purchased properties will be valued by "historical cost," original cost plus improvements. There will be a "project cost" system to track the cost of projects. Based upon the Grand Rapid Community Foundation (GRCF) agreement, the GRCF will be paid

on a quarterly basis from a separate escrow account where funds will be deposited from the sale of KCLBA properties purchased using GRCF funds.

The new financial reporting system will begin from the date of the 2011 audit.

- b. Production Schedule (Attached) Allen said the schedule will be reviewed weekly. Correction noted by Bliss- Pine Island, Crescent, 64th and Collins production schedule should be completed in 2013 and not 2012 as listed on production schedule.
- c. 4684 & 4765 Abridador Trail – Allen presented the details related to Plainfield Township’s purchase of 2 Abridador Trail properties.
 - i. Closing set for Thursday August 23, 2012
 - ii. The KCLBA is paid 75% of appraised value for these properties from Plainfield Township using a FEMA grant.
 - iii. The following is the result of the sale:

Address	Taxes Paid	Appraised Value	75%	Net to KCLBA*
4684	\$8,741.12	\$12,000	\$9,000	\$258.88
4765	\$5,413.83	\$10,000	\$7,500	\$2,086.17
			Total	\$2,345.05

*As of the writing of this it is unknown whether or not the FEMA grant will cover the summer taxes owed, or whether the KCLBA will only have to pay 25% of them. Depending on the results of this decision the Net to the KCLBA could be either a net of \$1,545.05 or a loss of up to 500.06.

- d. David Allen outlined the Proposal from City of Cedar Springs for the KCLBA to take deed to 95 N Main and develop the property. Resolution from City of Cedar Springs City Council Attached. Following discussion Allen withdrew his request for “Board Action” to approve the proposal from the City of Cedar Springs until further information is provided to the Board. The Board requested information on estimated costs to redevelop the property, environmental cleanup costs (removal of hazards, storage tanks, contaminated soil, etc.) Allen will present a summary sheet to the Board at the next meeting outlining the scope of the project and KCLBA’s access to remediation funds.
 - i. Jeff Edwards - SME Environmental- conducted preliminary environmental evaluation of the site, SME has an EPA Assessment Grant. They contacted the KCLBA to identify a developer, take title of the property and provide Brownfield consulting and acquire DEQ funds for cleanup.
 - ii. Scott Nowakowski – Northstar Commercial Real Estate- explained to the Board 95 N Main is a key property and gateway to the City near the White Pine Trail bike area, 2 story building with 7000 sq ft per floor. It

could be developed into restaurant & brew pub possibly. He distributed photos to the Board of the building on the property.

- e. Board Action Required: Acceptance of Construction Financing from Founder's Bank. Letter from Founders Bank attached. See language below. Allen asked Founder's Bank loan officer Brian Hofstra to change the Commitment for Financing Borrower's name from "Pacific Development LLC" to the Kent County Land Bank Authority on the final commitment letter.
- f. Board Action Required: Acceptance of Land Contract Financing from Founders Bank. Letter from Founders Bank attached. Proforma on 1819 and 2151 Stafford attached. See language below- Allen withdrew request for Land Contract funding. The funding is no longer needed.

Allen asked the Board to remove the language from g (below) beginning at "In addition" removing all of the sentences remaining in the paragraph. See strikethrough. Motion by Brinks to approve amended authorization for KCLBA to obtain financing from Founder's Bank & Trust adding Kenneth Parrish, Board Chair and Sharon Brinks, Board Secretary as authorized Board members to execute all loan documents necessary for the closing of the loans. Support by Ponstein. Motion passed.

- ~~g. Language required for e & f: The Board of Directors of the Kent County Land Bank Authority authorize the Land Bank to obtain financing from Founders Bank & Trust in the amount of \$350,000 for the purpose of rehabilitating homes. The Land Bank will grant 1st mortgage lien position to Founders. In addition, the Board authorizes the Land Bank to obtain financing for the purpose of funding up to three land contract sales. The total financing for the land contract sales is not to exceed \$240,000 and is in addition to the line of credit loan.~~

The Board authorizes _____, _____ to execute all loan documents necessary for the closing of the loans.

- h. Sparta Foundry Update-Allen gave a progress report on the Sparta Foundry.
 - i. Demolition will be completed by August 24
 - ii. Environmental Testing is underway.
 - iii. Environmental Cleanup is scheduled to be completed sometime late October
 - iv. Representatives from the European company are scheduling a site visit next week Tuesday, August 28. They will be meeting with Right Place and the Village of Sparta. This visit is the final step before executing the agreement to move forward with the factory.
8. Open discussion- Al Calderon asked if the Abrigador Trail properties had structures on them. Allen said they do and the structures will be removed. A FEMA grant was received and the properties will not be redeveloped.

Allen announced Kent County made whole for taxes collected during the first auction. The next auction is scheduled in early October.

Board member Brinks announced a fundraiser is being held for a 49 year old Kentwood firefighter on September 8th.

9. Adjournment- meeting was adjourned at 4:10 p.m.

Next Meeting

September 26, 2012, 3:00 p.m.

Training Room, 2nd floor

Kent County Administration Building