

**KALAMAZOO COUNTY LAND BANK  
AUTHORITY  
MAY 12 2011  
MINUTES**

**Members Present:** Balkema, Bland, Kisscorni, Marquardt, Rowe, Vander Ark, Vliek  
**Staff Present:** Boring, Clarke, Hartmann, Ramer  
**Others Present:** Chris Vogt, Jeff Hawkins, Thell Woods, Lotta Jarenfelt, David Artley, Martha Ails, Starr Adams, Julie Harrison, Kenny Bizzell, Peffy Bresnahan, Scott McGraw, Gail Sutherland, Brandt Iden

The meeting was called to order by Chairperson Balkema at 8:30 am in room 105 of the Kalamazoo County Administration Building, 201 West Kalamazoo Ave., Kalamazoo, MI 49007.

**Approval of April 14<sup>th</sup>, 2011 Minutes-** Vander Ark motioned. Marquardt seconded. The vote passed unanimously.

**Additions to the Agenda**

Vander Ark suggested that approval of the minutes be moved to the consent agenda when there is one.

**Citizens Time:**

Chris Vogt introduced himself as the property owner at 1006 N Westnedge and expressed his interest in purchasing 1006 N Westnedge as a side lot to join to his property to restore it back to its original lot. He expressed his willingness to submit a sealed bid if deemed appropriate or necessary.

**REGULAR AGENDA**

Items on the regular agenda were voted on individually.

**1. Accounts Payable & Monthly Statement**

**a. Approval of December 2010, January 2011 and February 2011 Financial Statements**

Balkema stated that the December 2010, January 2011 and February 2011 financials were presented at the April Board meeting and that the Board agreed to approve them at May's Board meeting. She also presented the March financials and stated that they'd be voted on at the June Board meeting. She reported that the December financials are with BDO for the annual audit and that \$42,000 was the fund balance from 2010, coupled with fund balance from 2009 equals a total of \$56,000. She stated that the biggest line item is salaries. After discussion ensued as to the most appropriate way to present the financials, it was decided that Balkema will present the financials with line items that represent each funding source, the amount that was spent and the remaining balance. The overall cash position will also be reported on a monthly basis. The Board was informed that the NSP2 grant reimburses the majority of the salaries for the Land Bank staff. Vander Ark motioned to approve the December 2010, January 2011 and February 2011 financial statements. Rowe seconded. The vote passed unanimously.

**2. Approval of the Land Bank to issue a Design Build RFP for the development of 10 to 15 senior cottages for independent living to be funded with NSP2 funds**

Balkema stated that the Board packet includes a narrative regarding the project. Clarke stated that Balkema and her have met with several area professionals to inquire about the feasibility of this project including a market study by Tracy Cross & Associates. The market study proved that a senior development in the NSP2 target area would be in high demand. The current senior developments are at a 2% vacancy rate which is low compared to the 5-7% which is considered acceptable in this market. Center for Community Progress provided a design build template and have also reviewed the development performance and consider it to be strong. Income over expenses up to year 15 is considered a healthy number. This project will help the Land Bank and City to reach the 25% set aside for residents at 50% ami or below and the Land Bank is required to have the development leased up by December 2012. Land Bank staff have been attending training in order to understand what will be required to manage a senior development such as this. \$35,000 will go into a replacement reserve with an additional amount of money that will go into an operating reserve as well.

There will also be an annual resident survey. Staff that will manage the development include Hartmann who's currently working on his builder's license, Clarke who has 17 years of experience working in the housing industry, Boring who has experience with special populations coordinating activities and is also a master gardener and plans to work with residents to implement some gardens, Ramer who has demonstrated the ability to complete compliance and reporting activities associated with the NSP2 program, and Balkema who manages \$100,000,000 on a yearly basis as the County Treasurer. There's some risk associated with maintaining ownership and management of the development, however the Land Bank has several tools at its disposal to mitigate associated risks. The idea for such a development was a response to the neighborhoods' concerns about concentrating people at 50% or below. Some of these concerns don't exist when speaking about such a development for the senior population.

Marquardt inquired about maintenance of the grounds to which Clarke stated that the Land Bank has a procured maintenance contractor on staff who has demonstrated a great capacity to perform work for the Land Bank on various lots. The cost of maintenance will be built into the rent.

Vliek inquired as to whether or not the Land Bank is planning on getting involved in the rental management business and whether or not there should be a larger discussion regarding this idea. Clarke stated that the Land Bank has been advised at various trainings that Land Banks get involved in the rental business as a core business item which can be mission based or a business venture to support other Land Bank activities. Clarke stated that the Land Bank would be able to offer our services at a more competitive rate than hiring out a management team and that we'd have a higher quality service. Vliek inquired about staff experience in screening tenants and maintaining compliance based records. Bland supported Vliek's concern by raising the question about the management of the human side of the development. Clarke stated that KNHS is the procured housing counselor who will perform income qualifications and can also offer TA to the Land Bank regarding other concerns that will arise. Vander Ark stated that the rental business doesn't seem to fit with Land Bank's mission to get properties back into the hands of private owners and on the tax rolls. Marquardt inquired about a 3 year business plan that may look to sell the development to a private entity. Vander Ark asked about the grant restrictions which Clarke stated that the private entity would have to abide by the affordability timeline. Rowe stated his initial concern about how taxing this project could be on staff given the other responsibilities that they have and then stated that managing the development of the first three years may prove to be feasible given that the first three years of a development tend to have fewer issues. Vliek stated that he's supportive of the project although concerned about the Land Bank getting involved in the rental business. The Board agreed that they would like to see a 3-5 year business plan for the development in order to evaluate the project on an on-going basis. Clarke stated that she would email the development plan and operating Performa to the Board. Vliek motioned to approve the Land Bank to issue a Design Build RFP for the development of 10 to 15 senior cottages for independent living to be funded with NSP2 funds. Rowe seconded. The vote passed unanimously.

### **3. Approval of the Land Bank to sign a Developer Agreement with NACD for a multi unit senior project utilizing NSP2 funds between 100-110/square foot utilizing up to 1,030, 000 of NSP2 funds.**

Balkema stated that a project summary was included in the Board packet. Clarke stated that Park Street commons will be built on NACD's campus off of Park St. She stated that the only alternative to meeting the 25% set aside is to manage scattered site rental rehabs which is inconsistent with the goals of the neighborhoods. Mattie, Director of NACD, approached the Land Bank regarding the proposed senior development. Clarke stated that the main concern that has been brought up is the cost being set at \$79 per square foot for a total of \$1million of NSP2 money being invested in the project. The ideal dollar figure would be between \$100-\$110 per square foot which means that the project is short \$200,000-\$250,000. However, Mattie is seeking outside sources to make up the difference. The Board discussion raised some of the same concerns that were discussed regarding the other senior development, however there was overall support in moving forward with the project. Vander Ark motioned to approve the Land Bank to sign a Developer Agreement with NACD for a multi unit senior project utilizing NSP2 funds between \$100-\$110/square foot utilizing up to \$1,030, 000 of NSP2 funds. Vliek seconded. The vote passed unanimously.

#### **4. Side-lot sale – 1006 N. Westnedge**

Balkema stated that the Board packet included a letter from Jeff Chamberlain, Director of Community Development and Planning at the City of Kalamazoo, which gave his support for the side lot to go to the Deacon's Conference. Balkema stated that she has 2 sealed bids, one from each interested party and would defer to the Board as to how to proceed, whether they wanted to go with the City Planner's recommendation or go with the sealed bids. Kenny Bizzell representing the Deacon's Conference stated that the Deacon's Conference is trying to buy as much property around the Deacon's Conference as possible due to need for expansion. He also spoke to the various beautification projects that they have implemented surrounding their building and other areas on the Northside including LaCrone Park. Dave Artley weighed in and stated that on one hand the Land Bank would support an organization that's supporting the community and on the other, the property would be placed back on the tax rolls. He asked the Board which scenario fits closer with the Land Bank's mission. After much discussion ensued, Rowe made a motion to sell the side lot to Chris Vogt, the property owner at 1004 N Westnedge. Bland seconded. Discussion opened. Marquardt stated that 1006 N Westnedge appears to be a carve out of 1004 N Westnedge which would make one whole lot and add the property back to the tax rolls. Vlieg stated that he would prefer to go with the City and neighborhood plan which would be to side lot the property to the Deacon's Conference. Vander Ark stated his desire to go with the bid process and open the sealed bids. The vote to sell the side lot to Chris Vogt was turned down 6 to 1. Clarke opened the sealed bids and stated that Vogt outbid the Deacon's Conference \$551 to \$100, therefore the lot would be sold to Chris Vogt. Hartmann stated that if Vogt doesn't income qualify, then his bid would be null and the lot would go to the Deacon's conference.

#### **Executive Director Report**

##### **- Update on Creamery Charrette**

Clarke updated the Board regarding the charrette that OCBA and Byce & Associates implemented on behalf of the Land Bank. She stated that 50 stakeholders attended and provided great input which allowed the charrette team to present a comprehensive plan to the public just two weeks after the planning workshop. They also completed a charrette with elementary students from Edison Environmental Academy. Clarke demonstrated the final rendering which was composed of three 2-3 story buildings, green relief, and patio seating for restaurants.

##### **- Side-lot Sales and Boulevard planting Project**

Clarke updated the Board regarding the boulevard planting that Boring organized to coordinate with 3 NSP2 rehabs and the Edible Edison Community Garden which the Land Bank facilitated last year.

The Land Bank Board meeting concluded with a brief presentation by Jeff Hawkins, President of Envirollogic Technologies, where he spoke to the changes in environmental requirements that will impact Land Bank work.

Vander Ark moved to adjourn the meeting at 10:20am. Vlieg seconded. The vote passed unanimously.

Respectfully Submitted on Behalf of Al Rowe,

Kristen Ramer