

May 20, 2011

The Board of Directors represents that the record of the proceedings of the previous session on April 15, 2011 as contained in the Land Reutilization Corporation's official electronic recording and all resolutions attached herein has been reviewed and found to be a full and accurate record of the proceedings.


Wade Kapszukiewicz, Chair

Attest:


Karen Poore, Secretary of the Board



**Lucas County Land Reutilization Corporation
Annual Board of Directors Meeting
Friday, April 15, 2011 at 3:00 p.m.
EMS Training Center, 2127 Jefferson Ave,
Toledo, OH 43604**

1. Call to order by the Chairman Kapszukiewicz
2. Additions/Deletions to Agenda
3. Approval of the March 4, 2011 Meeting Minutes
4. Resolution 2011-006: Electing a Chair and Vice Chair of the Board of Directors for 2011
5. Treasurer's Report
 - a. Presentation of the 2010 Audited Financial Statements (Spilman, Hills, and Heidebrink, Ltd.)
 - b. Resolution 2011-007: Certifying the 2010 Annual Financial Report to the Auditor of State in accordance with Ohio Rev. Code § 1724.05
 - c. Presentation of the 2011 Annual Budget
 - d. Resolution 2011-008: Adopting the 2011 Annual Budget
6. New Business
 - a. Resolution 2011-009: Amending the Operating Policies and Procedures regarding Commercial Disposition
 - b. Resolution 2011-010: Approving an Agreement with the City of Toledo regarding Property Transfers, Demolition, and Maintenance Services
 - c. Resolution 2011-011: Authorizing Payment in an amount not to exceed \$500,000 to the City of Toledo for Demolition Services
 - d. Resolution 2011-012: Authorizing Payment to the Lucas County Prosecutor's Office for Legal Services
 - e. Resolution 2011-013: Authorizing the Acquisition by Donation of 1602 Monroe Street for the purpose of land assembly on behalf of the Catholic Club
 - f. Resolution 2011-014: Amending the Code of Regulations
 - g. Adopting a Schedule of Meetings for 2011
7. Officer Reports
 - a. Update on Property Transactions
 - b. Update on End-User Partnerships
8. Adjournment



Date: April 15, 2011

Resolution No. 2011-006

Title: Electing a Chair and Vice Chair of the Board of Directors for 2011

Summary/Background: The Code of Regulations requires an election for the Chair and Vice Chair of the LRC's Board of Directors annually.

Authority: Code of Regs. § 3.3

Director Furney offered the following resolution:

WHEREAS, in consideration of the above, NOW, THEREFORE BE IT RESOLVED by the Board of Directors, Lucas County Land Reutilization Corporation, that:

Section 1. Wade Kapszukiewicz is elected Chair of the Board of Directors for a term commencing immediately and expiring at the next annual meeting of the corporation.

Section 2. Pete Gerken is elected Vice Chair of the Board of Directors for a term commencing immediately and expiring at the next annual meeting of the corporation.

Section 3. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board that resulted in those formal actions were in a meeting open to the public in compliance with the law.

Section 4. This resolution shall be in full force and effect from and immediately upon its adoption.

Action Taken:

Director Kapszukiewicz voted yes
Director Wozniak voted yes
Director Gerken was absent
Director Badik voted yes
Director DeWitt voted yes
Director Geronimo voted yes
Director Furney voted yes
Director Stanbery voted yes
Director Gardner voted yes

A handwritten signature in cursive script that reads "Karen Poore".

Karen Poore, Secretary of the Board



Date: April 15, 2011

Resolution No. 2011-007

Title: Certifying the 2010 Annual Financial Report to the Auditor of State in accordance with Ohio Rev. Code § 1724.05

Summary/Background: Consistent with the Board's purchasing policy, the President and Treasurer have jointly authorized a contract with Spilman, Hills, and Heidebrink, Ltd. to prepare the 2010 annual financial statements for the Corporation. Under Ohio law, the Board must certify this annual report to the Auditor of State no later than April 30, 2011.

Authority: Ohio Rev. Code § 1724.05

Director Stanbery offered the following resolution:

WHEREAS, in consideration of the above, NOW, THEREFORE BE IT RESOLVED by the Board of Directors, Lucas County Land Reutilization Corporation, that:

Section 1. The 2010 annual financial report, attached herein and prepared according to generally accepted accounting principles, is hereby certified as a full and complete accounting of the Corporation's activities to the best knowledge and belief of the Board.

Section 2. The Board directs the President, or that person's designee, to cause the annual financial report to be published on the Corporation's website.

Section 3. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board that resulted in those formal actions were in a meeting open to the public in compliance with the law.

Section 4. This resolution shall be in full force and effect from and immediately upon its adoption.

Action Taken:

Director Kapszukiewicz voted yes

Director Wozniak voted yes

Director Gerken was absent

Director Badik voted yes

Director DeWitt voted yes

Director Geronimo voted yes

Director Stanbery voted yes

Director Furney voted yes

Director Gardner voted yes

A handwritten signature in cursive script that reads "Karen Poore".

Karen Poore, Secretary of the Board

LUCAS COUNTY LAND REUTILIZATION CORPORATION
LUCAS COUNTY, OHIO
BASIC FINANCIAL STATEMENTS
FOR THE PERIOD AUGUST 31, 2010 THROUGH
DECEMBER 31, 2010

See Independent Auditors' Report

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Independent Auditors' Report

Board of Directors
Lucas County Land Reutilization Corporation
Lucas County, Ohio

We have audited the accompanying financial statements of the Lucas County Land Reutilization Corporation, Lucas County, Ohio, (a component unit of Lucas County, Ohio) as of and for the period August 31, 2010 through December 31, 2010, which collectively comprise the Lucas County Land Reutilization Corporation's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Lucas County Land Reutilization Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the of the Lucas County Land Reutilization Corporation, as of December 31, 2010, and the respective changes in financial position, and cash flows, thereof for the period August 31, 2010 through December 31, 2010 in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated April 15, 2011, on our consideration of the Lucas County Land Reutilization Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 2 through 4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

April 15, 2011

Spilman, Hills & Heidebrink, Ltd.

LUCAS COUNTY LAND REUTILIZATION CORPORATION
LUCAS COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD AUGUST 31, 2010 THROUGH DECEMBER 31, 2010

The management's discussion and analysis of the Lucas County Land Reutilization Corporation's (the LRC) financial performance provides an overall review of the LRC's financial activities for the period August 31, 2010 through December 31, 2010. The LRC began operations on August 31, 2010. The intent of this discussion and analysis is to look the LRC's financial performance as a whole; readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the LRC's financial performance.

Financial Highlights

Key financial highlights for 2010 are as follows:

- The LRC did not have any revenues in 2010. The LRC received an advance of \$100,000 to start up operations from Lucas County.
- The LRC had operating expenses of \$17,853 for the period August 31, 2010 through December 31, 2010.
- Net assets were in a deficit position of \$17,853 at December 31, 2010.

Overview of the Financial Statements

This annual report consists of financial statements and notes to the financial statements. These statements are organized so the reader can understand the LRC's financial activities. The *Statement of Net Assets* and *Statement of Revenues, Expenses and Changes in Net Assets* provide information about the activities of the LRC.

Reporting the LRC's Financial Activities

Statement of Net Assets, Statement of Revenues, Expenses and Changes in Net Assets, and Statement of Cash Flows

These statements include all assets, liabilities, revenues, and expenses using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting will take into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the LRC's net assets and changes in those assets. This change in net assets is important because it tells the reader that, for the LRC as a whole, the *financial position* of the LRC has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. These statements can be found on pages 5 and 6 of this report.

The statement of cash flows provides information about how the LRC finances and meets the cash flow needs of its operations. The statement of cash flow can be found of page 7 of this report.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. These notes to the basic financial statements can be found on pages 8 through 11 of this report.

LUCAS COUNTY LAND REUTILIZATION CORPORATION
LUCAS COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD AUGUST 31, 2010 THROUGH DECEMBER 31, 2010

The table below provides a summary of LRC's net assets at December 31, 2010. Since this is the LRC's first year of operation, comparative information is not available. A comparative analysis will be provided in future years when prior year information is available.

Net Assets	
	2010
ASSETS	
Cash	\$ 84,311
Prepaid Expenses	4,798
Total Assets	89,109
LIABILITIES	
Wages Payable	2,615
Compensated Absences Payable	1,453
Due to Other Governments	102,894
Total Liabilities	106,962
Total Net Assets	\$ (17,853)

Over time, net assets can serve as useful indicator of a government's financial position. At December 31, 2010, the LRC's net assets were in a deficit position of \$17,853.

The table below shows the changes in net assets for the period August 31, 2010 through December 31, 2010. Since this is the LRC's first year of operation, comparative information is not available. A comparative analysis will be provided in future years when prior year information is available.

Change in Net Assets	
	2010
OPERATING EXPENSES	
Personal Services	\$ 12,027
Legal and Professional	5,354
Office Expense	472
	17,853
Operating Loss/Change in Net Assets	(17,853)
Net Assets at Beginning of Period	-
Net Assets at End of Period	\$ (17,853)

**LUCAS COUNTY LAND REUTILIZATION CORPORATION
LUCAS COUNTY, OHIO
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE PERIOD AUGUST 31, 2010 THROUGH DECEMBER 31, 2010**

Current Financial Related Activities

The LRC began operations on August 31, 2010. The LRC is Lucas County, Ohio's agent to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in Lucas County. The purpose of the LRC is to strengthen neighborhoods in Lucas County by returning vacant and abandoned properties to productive use. By strategically acquiring properties, the LRC works to reduce blight, promote economic development, increase property values, and thereby improve the quality of life of all Lucas County residents. The principal operating revenues of the LRC in the future will be contributions from Lucas County's delinquent estate tax and assessment collection fund and revenue from property dispositions.

Budget

Pursuant to LRC's Board of Directors' policies, the LRC prepares and adopts an annual budget which includes estimated revenues and expenditures for the fiscal year and a forecast of revenues and expenditures. The LRC will from time to time adopt budget revisions as necessary and required by law.

Request for Information

This financial report is designed to provide users of the financial statements with a general overview of the LRC's finances and show the LRC's accountability for the money it receives. If you have questions about this report or need additional financial information contact David Mann, Executive Director, Lucas County Land Reutilization Corporation, One Government Center, Suite 500, Toledo, Ohio 43064.

LUCAS COUNTY LAND REUTILIZATION CORPORATION
LUCAS COUNTY, OHIO
STATEMENT OF NET ASSETS
DECEMBER 31, 2010

ASSETS

Cash	\$ 84,311
Prepaid Expenses	<u>4,798</u>
Total Assets	<u>89,109</u>

LIABILITIES

Wages Payable	2,615
Compensated Absences Payable	1,453
Due to Other Governments	<u>102,894</u>
Total Liabilities	106,962

NET ASSETS

Unrestricted	<u>(17,853)</u>
Total Net Assets	<u>\$ (17,853)</u>

*See Independent Auditors' Report
and Accompanying Notes*

LUCAS COUNTY LAND REUTILIZATION CORPORATION
LUCAS COUNTY, OHIO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE PERIOD AUGUST 31, 2010 THROUGH DECEMBER 31, 2010

OPERATING EXPENSES	
Personal Services	\$ 12,027
Legal and Professional	5,354
Office Expense	<u>472</u>
Total Operating Expenses	<u>17,853</u>
Operating Loss / Change in Net Assets	(17,853)
Net Assets at Beginning of Period	<u>-</u>
Net Assets at End of Period	<u>\$ (17,853)</u>

*See Independent Auditors' Report
and Accompanying Notes*

LUCAS COUNTY LAND REUTILIZATION CORPORATION
LUCAS COUNTY, OHIO
STATEMENT OF CASH FLOWS
FOR THE PERIOD AUGUST 31, 2010 THROUGH DECEMBER 31, 2010

Cash Flows From Operating Activities	
Cash payments to suppliers for services	\$ (10,624)
Cash payments to employees for services	<u>(5,065)</u>
Net Cash Used for Operating Activities	<u>(15,689)</u>
Cash Flows From Non-Capital Financing Activities	
Proceeds from advance from other government	<u>100,000</u>
Net Cash Provided by Non-Capital Financing Activities	<u>100,000</u>
Net Increase in Cash	84,311
Cash Beginning of Period	<u>-</u>
Cash End of Period	<u>\$ 84,311</u>
Reconciliation of Operating Loss to	
Net Cash Used In Operating Activities	
Operating loss	\$ (17,853)
Adjustments to reconcile operating loss to net cash used in operating activities	
Changes in assets and liabilities	
Prepaid expenses	(4,798)
Wages payable	2,615
Compensated absences	1,453
Due to other governments	<u>2,894</u>
Net Cash Used In Operating Activities	<u>\$ (15,689)</u>

*See Independent Auditors' Report
and Accompanying Notes*

LUCAS COUNTY LAND REUTILIZATION CORPORATION
LUCAS COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE PERIOD AUGUST 31, 2010 THROUGH DECEMBER 31, 2010

NOTE 1 - DESCRIPTION OF THE REPORTING ENTITY

The Lucas County Land Reutilization Corporation (the LRC) is a county land reutilization corporation that was formed on August 31, 2010 when the Lucas County Board of Commissioners authorized the incorporation of the LRC under Chapter 1724 of the Ohio Revised Code through resolution number 10-713 as a not-for-profit corporation under the laws of the State of Ohio. The purpose of the LRC is to strengthen neighborhoods in Lucas County (the County) by returning vacant and abandoned properties to productive use. The LRC has been designated as the County's agent to further its mission to reclaim, rehabilitate, and reutilize vacant, abandoned, tax foreclosed and other real property in the County by exercising the powers of the County under Chapter 5722 of the Ohio Revised Code.

Pursuant to Section 1724.03 (B) of the Ohio Revised Code, the Board of Directors of the LRC shall be composed of nine members including, (1) the County Treasurer, (2) at least two members of the County Board of Commissioners, (3) one member who is a representative of the largest municipal corporation, based on the population according to the most recent federal decennial census, that is located in County, (4) one member who is a representative of a township with a population of at least ten thousand in the unincorporated area of the township according to the most recent federal decennial census, and (5) any remaining members selected by the County Treasurer and the County Commissioners who are members of the LRC board. The term of office of each ex officio director runs concurrently with the term of office of that elected official. The term of office of each appointed director is two year.

The County is a political subdivision of the State of Ohio. In accordance with the Governmental Accounting Standards Board (GASB) Statement Number 14, as amended by GASB Statement Number 39, *The Financial Reporting Entity*, the County's primary government and basic financial statements include components units which are defined as legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or impose its will over the organization; or (2) the County is legally entitled to or can otherwise access the organization's resources; or (3) the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or (4) the County is obligated for the debt of organization. The LRC is a legally separate entity and is reported by the County as a discretely presented component unit in the County's basic financial statements. The LRC does not have any component units and does not include any organizations in its presentation. The LRC's management believes these basic financial statements present all activities for which the LRC is financially accountable.

See Independent Auditors' Report

LUCAS COUNTY LAND REUTILIZATION CORPORATION
LUCAS COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE PERIOD AUGUST 31, 2010 THROUGH DECEMBER 31, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the LRC have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The LRC also applies Financial Accounting Standards Board (FASB) guidance issued on or before November 30, 1989, provided they do not conflict with or contradict GASB pronouncements. The LRC has the option to also apply FASB guidance issued after November 30, 1989, subject to this same limitation. The LRC has elected not to apply this FASB guidance. The LRC's significant accounting policies are described below.

A. Basis of Accounting

The basic financial statements of the LRC are prepared using the accrual basis of accounting in conformity with GAAP.

B. Basis of Presentation

The LRC's basic financial statements consist of a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows.

C. Federal Income Tax

The LRC is exempt from federal income tax under Section 115(1) of the Internal Revenue Code.

D. Cash

All monies received by the LRC are deposited in a demand deposit account.

E. Prepaid Expenses

Payments made to vendors for services that benefit future periods are recorded as prepaid expenses. A current asset for the prepaid amount is recorded at the time of purchase, and the expenditure is reported in the year in which services are consumed.

F. Compensated Absences

The LRC records accumulated unpaid vacation, overtime pay, and vested sick time benefits as accrued compensated absences payable when earned by employees.

Ohio law requires that vacation time not be accumulated for more than three years. Normally, all vacation time is to be taken in the year available. Unused vacation is payable upon termination of employment. Unused sick may be accumulated until retirement. Employees with a minimum of ten years of service are paid one third of accumulated sick time upon retirement with a maximum of 40 days. In general, employees are eligible to be paid for unused compensatory time upon termination of employment. All sick, vacation and compensatory payments are made at the employees' current wage rates.

See Independent Auditors' Report

LUCAS COUNTY LAND REUTILIZATION CORPORATION
LUCAS COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE PERIOD AUGUST 31, 2010 THROUGH DECEMBER 31, 2010

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Revenues and Expenses

The LRC distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the LRC's principal ongoing operation. The principal operating revenues of the LRC in the future will be contributions from the County's delinquent estate tax and assessment collection (DETAC) fund and revenue from property dispositions. Operating expenses for the LRC will include demolition expenses, holding and maintenance costs of vacant properties, and administrative costs such as general liability and property insurance, professional services, staff salary and benefits, and rent and general overhead. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses. The LRC did not have any revenues or nonoperating expenses in 2010.

H. Net Assets

Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The LRC had no restricted net assets at December 31, 2010.

I. Estimates

The preparation of the basic financial statements in conformity with GAAP requirements management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results may differ from those estimates.

NOTE 3 - DEPOSITS

At December 31, 2010, the carrying amount of the LRC's deposits was \$84,311. Based on the criteria described in GASB Statement Number 40, *Deposits and Investment Risk Disclosures*, as of December 31, 2010 the entire bank balance of \$84,311 was covered by Federal Deposit Insurance Corporation (FDIC). There are no significant statutory restrictions regarding the deposit and investment of funds by the not-for-profit corporation.

Custodial credit risk is the risk that in the event of bank failure, that the LRC's deposits may not be returned to it. Protection of LRC's cash and deposits is provided by the FDIC.

See Independent Auditors' Report

LUCAS COUNTY LAND REUTILIZATION CORPORATION
LUCAS COUNTY, OHIO
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE PERIOD AUGUST 31, 2010 THROUGH DECEMBER 31, 2010

NOTE 4 - TRANSACTIONS WITH LUCAS COUNTY

Pursuant to and in accordance with Section 321.261 (B) of the Ohio Revised Code, the LRC has been authorized by the Lucas County Board of Commissioners to receive 5% of all collections of delinquent real property, personal property, and manufactured and mobile home taxes that are deposited into the County's DETAC fund and will be available for appropriation by the LRC to fund operations. As of the date of this report, the LRC has received approximately \$1.0 million from the County in 2011, which represents the first half 2011 real estate settlement.

Prior to receiving their first settlement, the LRC received a \$100,000 advance from the DETAC fund on November 17, 2010 to fund start-up operations and is expected to be repaid in April 2011.

Effective January 1, 2011, the LRC entered into an agreement with the County Treasurer's office to lease office space and telecommunications, staff support, office supplies, and record storage provided by the Treasurer's office for \$1,000 per month, payable on an annual basis.

See Independent Auditors' Report



Report on Internal Control over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Board of Directors
Lucas County Land Reutilization Corporation
Lucas County, Ohio

We have audited the financial statements of Lucas County Land Reutilization Corporation, Lucas County, Ohio, (a component unit of Lucas County, Ohio) as of and for the period August 31, 2010 through December 31, 2010, and have issued our report thereon dated April 15, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Lucas County Land Reutilization Corporation's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Lucas County Land Reutilization Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Lucas County Land Reutilization Corporation's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Lucas County Land Reutilization Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

April 15, 2011

Spilman, Huls & Heidebrecht, Ltd.

Lucas County
Land Reutilization Corporation
Audit Results

S P I L M A N

SPILMAN HILLS + HEIDEBRINK

April 15, 2011

Agenda

Required Communications to
Governance

Audit Report

Financial Highlights and Related
Matters



Required Communications to Governance

Accounting Practices

- Significant policies used are described in Note 2 to the financial statements
- No new accounting guidance implemented in the current year
- No significant unusual transactions
- All transactions recognized in the proper period
- No transactions lacking authoritative guidance or consensus



Required Communications to Governance (continued)

Corrected and Uncorrected Misstatements

- Adjusting journal entries were made to record accrued payroll and accrued vacation in accordance with GASB.
- There were no unrecorded misstatements for 2010.

Areas of Estimation

- None



Required Communications to Governance (continued)

Material Weaknesses and/or Significant Deficiencies in Internal Control

- None were noted during our procedures

Difficulties, Disagreements and Consultations

- None to be reported

Fraud and Illegal Acts

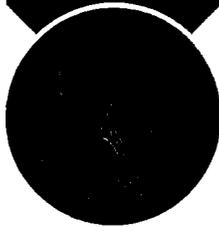
- None of which we are aware

Management Representations

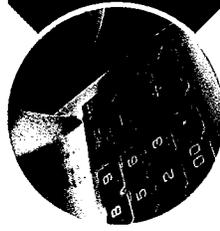
- Standard



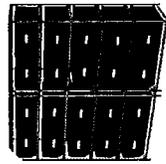
Audit Report



Unqualified opinion on the financial statements in conformity with GAAP and in accordance with GASB



Management, Discussion & Analysis



Ohio Revised Code Testing



2010 Financial Highlights and Related Matters

Cash

- Represents cash received from the County (DETAC fund) to start the Landbank

Prepaid Expenses

- Represents health insurance prepaid for 2011 coverage

Wages and Compensated Absences Payable

- Wages were accrued for wages earned at year end but paid in 2011
- Compensated absences were recorded in accordance with GASB 16 for sick and vacation time

Due to Other Governments

- Represents amount paid to the Landbank from the County to get started. Advance will be paid upon receipt of first half 2011 real estate settlement and approval by the Board of Directors



2010 Financial Highlights and Related Matters

Revenues

- There were no revenues in 2010
- Subsequent to year end the Landbank received approximately \$1 million from the County as their share of the real estate settlement

Expenses

- Expenses are primarily for executive director's salary, legal and professional fees and office expense
- Effective 1/1/2011, the Landbank entered into an agreement with the County Treasurer's Office to lease office space, telecommunications, supplies and storage

Ohio Revised Code

- No findings noted

Internal Control Over Financial Reporting and Compliance and Other Matters

- No findings noted





Date: April 15, 2011

Resolution No. 2011-008

Title: Adopting the 2011 Annual Budget

Summary/Background: This resolution approves the annual operating budget for the Land Bank for the 2011 calendar year. It replaces the interim annual budget approved in Resolution 2010-013.

Authority: Code of Regs. § 9.3

Director Gardner offered the following resolution:

WHEREAS, in consideration of the above, NOW, THEREFORE BE IT RESOLVED by the Board of Directors, Lucas County Land Reutilization Corporation, that:

Section 1. The attached 2011 annual budget is adopted, and the interim budget adopted in Resolution 2010-013 is hereby rescinded. The Board further confirms its intention to treat both the President and Vice President as employees of the corporation for budgetary purposes.

Section 2. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board that resulted in those formal actions were in a meeting open to the public in compliance with the law.

Section 3. This resolution shall be in full force and effect from and immediately upon its adoption.

Action Taken:

Director Kapszukiewicz voted yes
Director Wozniak voted yes
Director Gerken was absent
Director Badik voted yes
Director DeWitt voted yes
Director Geronimo voted yes
Director Stanbery voted yes
Director Furney voted yes
Director Gardner voted yes

A handwritten signature in cursive script that reads "Karen Poore".

Karen Poore, Secretary of the Board

Lucas County Land Reutilization Corporation
FY 2011 Budget
 January - December 2011

	Total	Narrative
Income		
Acquisition Reimbursement Income	24,775.00	
Operating Income from Statutory DTAC	1,600,000.00	Reimbursement for 30 tax foreclosure acquisitions & 50 forfeits
Property Sales Income	24,500.00	\$3,500/month over May - December period
Total Income	\$ 1,649,275.00	
Expenses		
Acquisition Costs	83,275.00	Court costs for 120 unreimbursed tax foreclosures (\$675/case) & 50 forfeits
Advertising	1,000.00	
Bank Charges	1,000.00	Includes costs of Quickbooks Online
Computer Services	10,000.00	Includes software acquisition/development to manage properties
Conferences	1,500.00	
Consulting Services Fee	5,000.00	As necessary
County Administrative Services	71,160.00	Includes reimbursement for 25% wages/benefits of Poore, Shousher, Mandros
Demolition Expense	740,000.00	Includes 100 City demolitions (\$500K) and 30 private demolitions (\$8000/avg.)
Environmental Services	50,000.00	Asbestos remediation re: private demolitions
Field Services/Maint	200,000.00	Includes maintenance of 200 properties (\$1000/avg. maintenance)
Insurance	10,000.00	
Legal & Professional Fees	20,000.00	
Rent or Lease	12,000.00	Includes annual rent, office support, supplies
Supplies	500.00	Miscellaneous office/meeting expenses
Promotional Meals	1,000.00	Food/drink at Land Bank public meetings
Title Work Fees	10,000.00	
Payroll Expenses	1,000.00	
Healthcare Expenses	4,799.00	COBRA health reimbursement for Mann
Taxes	8,095.00	
Wages	98,000.00	Includes salary for Beazley and Mann
Total Payroll Expenses	\$ 110,894.00	
Total Expenses	\$ 1,328,329.00	
Net Operating Income	\$ 320,946.00	
Other Income		
Reimbursed Expenses	5,000.00	
Investment Income	3,750.00	
Total Other Income	\$ 8,750.00	Assumes de minimis investment interest
Net Other Income	\$ 8,750.00	
Net Reserve	\$ 329,696.00	



Date: April 15, 2011

Resolution No. 2011-009

Title: Amending the Operating Policies and Procedures regarding Commercial and Industrial Land Disposition

Summary/Background: In response to an interest in using the Land Bank's tools in order to acquire and dispose of vacant and abandoned commercial and industrial properties, the staff recommends the attached document as an amendment to the existing Operating Policies and Procedures.

Authority: Code of Regs. § 1.4(p)

Director Badick offered the following resolution:

WHEREAS, in consideration of the above, NOW, THEREFORE BE IT RESOLVED by the Board of Directors, Lucas County Land Reutilization Corporation, that:

Section 1. An amendment to the operating policies and procedures manual, herein attached, is adopted and shall be incorporated as appropriate in the existing manual.

Section 2. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board that resulted in those formal actions were in a meeting open to the public in compliance with the law.

Section 3. This resolution shall be in full force and effect from and immediately upon its adoption.

Action Taken:

Director Kapszukiewicz voted yes
Director Wozniak voted yes
Director Gerken was absent
Director Badick voted yes
Director DeWitt voted yes
Director Geronimo voted yes
Director Stanbery voted yes
Director Furney voted yes
Director Gardner abstained



Karen Poore, Secretary of the Board



LUCAS COUNTY LandBank

POLICIES AND PROCEDURES

The acquisition, use, and disposition of such properties shall at all times be consistent with the authority granted by the Constitution of Ohio, the laws of the state of Ohio, the articles of incorporation and code of regulations of the Lucas County Land Reutilization Corporation, and the public purposes set forth therein.

Commercial & Industrial Property Acquisition / Disposition

Consistent with its stated mission, the Land Bank Board has committed to focusing the Land Bank's resources on residential neighborhoods. However, from time to time, commercial and industrial properties will be available to the Land Bank through its normal acquisition procedures.

When this happens, the Lucas County Improvement Corporation (LCIC) will act as the Land Bank's agent, assisting with transfers to entrepreneurial end-users who are willing to make these properties productive again. The LCIC, as the economic development arm for political jurisdictions throughout Lucas County, is in the best position to assess the long-term business plan of an end-user, the economic potential of the property, and the fair market value of any deal.

Operating Procedure

- The acquisition and disposition of commercial and industrial properties shall be governed at all times by the general acquisition and disposition considerations of the Land Bank.
- When the Land Bank or an end-user identifies a commercial or industrial property, the Land Bank will notify the LCIC about the potential transaction and outline the Land Bank's acquisition ability and timeline.
- The LCIC will contact the end-user and coordinate a process that evaluates the end-user's long-term business plan, property redevelopment proposal, financial wherewithal, and past track record of development.
- The LCIC will also work with an appraiser to evaluate the property and its current fair market value.
- Should the LCIC determine that the end-user's proposed plan is financially sound and in the best interests of the property and the surrounding neighborhood, the LCIC, on behalf of the Land Bank, will negotiate the terms of a final purchase with the end-user, including purchase price.
- The LCIC will present the terms of the final negotiated purchase to the Land Bank's Board for final approval prior to closing and transfer.
- Post-closing, the LCIC and the Land Bank agree to share equally in the net proceeds, less all reasonable expenses incurred by the LCIC in the course of the transaction.



Date: April 15, 2011

Resolution No. 2011-010

Title: Approving an Agreement with the City of Toledo regarding Property Transfers, Demolition, and Maintenance Services

Summary/Background: To most effectively accomplish its mission, the Land Bank wishes to partner with the City of Toledo on property acquisition and contract with the City to efficiently carry-out property demolitions and maintenance.

To that end, the attached Agreement outlines the areas where the Land Bank and the City of Toledo will directly collaborate. In particular, the Land Bank intends to pay the City of Toledo to demolish 100 structures in the twelve months following approval at a rate of \$5,000 per structure. In addition, the Land Bank will utilize the City's existing property maintenance system to cut grass, and winterize and secure structures.

Authority: Code of Regs. § 1.4

Director Wozniak offered the following resolution:

WHEREAS, in consideration of the above, NOW, THEREFORE BE IT RESOLVED by the Board of Directors, Lucas County Land Reutilization Corporation, that:

Section 1. The agreement with the City of Toledo, herein attached, is approved.

Section 2. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board that resulted in those formal actions were in a meeting open to the public in compliance with the law.

Section 3. This resolution shall be in full force and effect from and immediately upon its adoption.

Action Taken:

Director Kapszukiewicz voted yes

Director Wozniak voted yes

Director Gerken was absent

Director Badik abstained

Director DeWitt voted yes

Director Geronimo voted yes

Director Stanbery voted yes

Director Furney voted yes

Director Gardner voted yes

A handwritten signature in cursive script that reads "Karen Poore".

Karen Poore, Secretary of the Board

MASTER MEMORANDUM OF UNDERSTANDING

This Master Memorandum of Understanding (“MOU”) is made and entered into between the Lucas County Land Reutilization Corporation (the “Land Bank”) and the City of Toledo (the “City”), known collectively herein as “the Parties,” for the purposes of furthering the mutual goals of the Parties, furthering collaboration between the Parties, establishing policies and procedures that allow the Parties to undertake their respective business collaboratively and concurrently, and for any other purposes that further the mutual goals and interests of the Parties.

This MOU is made effective as of this ____ day of April, 2011, and this date shall be known herein as the “Effective Date.”

Whereas, the Land Bank has been organized under Sections 1724 and 5722 of the Ohio Revised Code to further its goals of strengthening neighborhoods by returning vacant and abandoned property to productive use, strategically acquiring properties to reduce blight, promoting economic development, increasing property values, and thereby improving the quality of life of all Lucas County residents, and for any additional lawful purposes consistent with these goals.

The Parties jointly desire to collaborate and cooperate in furthering the goals of the Land Bank through the reclamation, rehabilitation and reutilization of vacant, abandoned, tax foreclosed or other real property located in the City of Toledo, Lucas County, Ohio.

This MOU formalizes the discussions and negotiations of the Parties toward entering into a mutual agreement with respect to the rights, duties and obligations of the Land Bank and the City, and the Parties collectively, subject to further amendment and revision as described in Article V herein.

Therefore, the Land Bank and the City each agrees to the following:

ARTICLE I

Definitions

All terms and words used in this MOU and not defined in Article I are to be defined by their plain usage and meaning. If the Parties discover any terms and words in this MOU that the Parties believe are not clearly defined herein, the Parties shall define such terms and words in the way most consistent with the overriding mutual goals of the Parties.

All terms defined in Article I are so defined for the purposes of the Articles of this MOU and any Appendices attached to this MOU.

1. “**City of Toledo**” means the government of the City of Toledo, Ohio, and all of its offices, and is used interchangeably herein with the “City.”
2. “**City Land Inventory**” means the municipal land bank operated by the City of Toledo, and is not used interchangeably herein with “Land Bank.”

3. **“Commercial”** means property used primarily for retail or other commercial purposes or mixed use properties that contain both commercial and residential properties.
4. **“Effective date”** means the most recent effective date of this MOU and its Appendices, as evidenced by the dated signatures of both the Land Bank and the City.
5. **“Full demolition”** means the demolition and removal of any structures, foundations and substructures, and filling in the remnants of the structures, foundations and substructures with materials that are at least of the same quality as the trade standard for the Toledo, Ohio area.
6. **“Industrial”** means property used primarily for industrial purposes.
7. **“Lucas County Land Reutilization Corporation”** means the county land reutilization corporation organized and incorporated in Lucas County, Ohio, and is used interchangeably herein with the “Land Bank.”
8. **“Multi-family residential”** means a structure containing more than four residential units.
9. **“Notice of intent to demolish”** means notification sent to the City for the purpose of giving the City knowledge that the Land Bank seeks to demolish a structure or structures that rest on property within the City of Toledo.
10. **“Single family residential”** means a structure containing only residential units and containing no more than four residential units.
11. **“Standard demolition”** means the trade standard for demolition property as undertaken by the City of Toledo.
12. **“Unit”** means a private residential dwelling within a structure that has its own means of entrance separate from any other dwellings within the structure.
13. **“Vegetation”** means any tree, shrub, bush, vine, or any other plant life not easily recognizable as a grass.

ARTICLE II

Statutory Protocols

Pursuant to S.B. 353 enacted by the 127th Ohio General Assembly and signed by the Ohio Governor on January 6, 2009, and as thereafter amended through H.B. 313 and signed by the Ohio Governor on April 7, 2010, a municipality that lies within a county that has established a county land reutilization corporation possesses certain preemptory rights with respect to properties that are or may be acquired by the county land realization corporation.

These statutory rights, which the Parties hereby acknowledge and agree to respect, shall be exercisable by the City at its discretion and are as follows:

1. Municipal Preemption in Tax Foreclosures

- a. Upon tax foreclosure by the county Treasurer against properties within the City, the Land Bank and the City (if the City has adopted and implemented land bank procedures set forth in RC §§5722.02-5722.15) are each eligible to take title to such property, whether through deed in lieu of foreclosure, Board of Revision tax foreclosure, or judicial tax foreclosure.
- b. In the event that both the Land Bank and the City wish to acquire such tax foreclosed property, the City shall have the first right to acquire such property upon foreclosure, and the City shall have first priority to acquire such property.

2. Right of First Acquisition by a Municipality

- a. After the Land Bank acquires any parcel of real property through any means of acquisition, the City shall have thirty (30) days from the date of such acquisition to notify the Land Bank that it wishes to acquire the property in question.
- b. After receipt of such notice the Land Bank shall convey the property in question to the City within ninety (90) days, and the City shall reimburse the Land Bank for all costs related to holding, maintaining, and acquiring said property, including transactional costs, title examinations and environmental assessments, as consideration thereof, unless the Land Bank agrees to waive some or all of this reimbursement amount in writing.
- c. The City shall be responsible for paying the cost of any additional title examinations, environmental assessments and any other studies or inspections not already undertaken by the Land Bank with respect to such properties.
- d. If the City does not provide notice to the Land Bank of the City's intent to acquire such property within thirty (30) days of the Land Bank's notice of acquisition, or having such notice, fails to reimburse the Land Bank for costs described in parts b) and c) of this section, then the City may acquire such property only pursuant to a negotiated written agreement with the Land Bank.

ARTICLE III

Negotiation and Execution of Protocols Agreements

The Land Bank and the City may jointly develop and enter into protocols agreements pursuant to the mutual written agreement of the Parties. The Parties hereby enter into the following protocols agreements:

1. Acquisition and Disposition Protocols Agreement (attached herein as "Appendix A").
2. Demolition Protocols Agreement (attached herein as "Appendix B").
3. Maintenance Protocol Agreement (attached herein as "Appendix C").

The Land Bank and the City may jointly develop and enter into any additional protocols agreements pursuant to the mutual written agreement of both Parties.

Subsequent protocols agreements that the Parties enter into shall be attached to this MOU starting as "Appendix D" and progressing sequentially in alphabetic order. Any such changes to the protocols agreements enumerated above shall be reflected herein under Article III, as well as in the text of the protocols agreements.

ARTICLE IV

Indemnification of Land Bank from Liability for Special Taxes

The Parties hereby acknowledge that the City does not enforce its special tax assessments with respect to properties held in the City Land Inventory, except for certain bonded tax assessments. Accordingly, and as consideration for the Land Bank taking title to, maintaining, demolishing or marketing real property located in the City of Toledo that is vacant, abandoned, or difficult to market, and for the purposes of facilitating these activities, the City shall not enforce any special tax assessments that it has placed on property the Land Bank owns and the Land Bank shall not be liable for any such special tax assessments, to the extent that the City itself would not be liable for such special tax assessments if the property were to be held in the City Land Inventory.

The City shall not inform the Lucas County Auditor of any special tax assessments that have been placed on property owned by the Land Bank, and property owned by the Land Bank shall not be subject to special tax assessments while the Land Bank holds title.

ARTICLE V

Term; Amendment; Construction; Notices; Assignment

1. Term of MOU

- a. This MOU may be terminated unilaterally in full or in part by either of the Parties upon sixty (60) days prior written notice of the terminating party, or by joint written agreement of both Parties at any time.
- b. Such unilateral termination shall not be of any force and effect as to any unperformed monetary or other obligations of either of the parties in effect at the time of such termination.

2. Amendment of MOU

- a. This MOU may be amended at any time by the written mutual agreement of both Parties, and such amendments shall be executed by the Parties.
- b. If at any time the Parties choose to amend this MOU or any of its Appendices or other attachments, the Effective Date of this MOU shall be changed to reflect the date of the execution of the most recent amendment or amendments.

3. Construction of Provisions of MOU as Severable

- a. If any specific provision of this MOU, including attached Appendices, are forbidden by law, unenforceable, or terminated either unilaterally or bilaterally under the procedures set forth herein, then such provision shall be rendered without effect.
- b. If any provision is rendered without effect as set forth in Article V(3)(a), such provision shall be construed as severable from the remainder of the MOU, and the remainder of the MOU from it, and to the extent possible the remainder of the MOU shall be construed as operating without the stricken provision.

4. Notices

- a. All notices, requests and correspondences made from the Land Bank to the City shall be in writing and shall be deemed to have been duly given if delivered by hand or mailed by regular mail to the following addresses, except as indicated in Appendix A or as otherwise indicated herein:

If to the Land Bank: Lucas County Land Reutilization Corporation
 One Government Center, 5th Floor
 Toledo, OH 43604
 Attn: Executive Director

If to the City: City of Toledo
 Department of Inspection, Attn: Director
 One Government Center, 16th Floor
 Toledo, OH 43604

City of Toledo
 Department of Development, Real Estate Division
 One Government Center, 22nd Floor
 Toledo, OH 43604
(for property acquisition/disposition)

- b. The City of Toledo, Department of Inspection shall endeavor to forward any notices, requests and correspondences described in Article V(4)(a) to other City departments as it sees relevant.

5. Successors and Assigns; Parties in Interest; Assignment

- a. The provisions and covenants set forth and agreed to herein shall extend to and be binding upon the successors and assigns of the Land Bank and the City, and such provisions and covenants shall bind such successors and assigns jointly and severally.
- b. All of the provisions and covenants hereof shall be held to be for the sole and exclusive benefit of the Land Bank and the City, and no third party shall be deemed the beneficiary of such covenants and provisions, except pursuant to the mutual written agreement of the Parties.
- c. Each of the Parties may assign any part or all of its rights or obligations under this MOU to a third party by the prior written agreement of the non-assigning Party.

6. Incorporation of MOU into the City's Land Reutilization Program

- a. A copy of this MOU, including all Appendices and other attachments, shall be attached to the City's Policy and Procedures Manual governing the City's Land Reutilization Program, City Land Inventory, and "Federal" Land Inventory.
- b. Nothing in this MOU shall be construed as limiting or restricting the City's ability to follow its Policies and Procedures Manual referenced in Article V(6)(a) with respect to the City's internal activities or activities the City undertakes pursuant to an agreement with third parties other than the Land Bank.

7. Incorporation of MOU into Land Bank's Policies and Procedures

- a. A copy of this MOU, including all Appendices and other attachments, shall be attached to the Land Bank's Policies and Procedures as adopted by the Land Bank's Board of Directors.
- b. Nothing in this MOU shall be construed as being in conflict with the Land Bank's Policies and Procedures, and to the extent any provision of this MOU is found to be inconsistent with the Land Bank's Policies and Procedures such provision shall be severable from the MOU as set forth in Article V(3)(a)-(b) of the MOU.

IN WITNESS WHEREOF, the Lucas County Land Reutilization Corporation and the City of Toledo execute this Master Memorandum of Understanding as of the ___ day of April, 2011.

LUCAS COUNTY LAND REUTILIZATION CORPORATION

By: _____

Title: _____

CITY OF TOLEDO, OHIO

By: _____

Title: _____

APPENDIX A

Attached to the Master Memorandum of Understanding entered into between the City of Toledo and the Lucas County Land Reutilization Corporation on April ___, 2011

ACQUISITION AND DISPOSITION PROTOCOLS AGREEMENT

1. Acquisition of Real Property from City by Request of the Land Bank

a. Subject to any required approval of the legislative authorities of each of the Parties, if the Land Bank wishes to acquire title to real property that the City is currently holding in the City Land Inventory, the Land Bank shall provide the City with written notice requesting that the Land Bank acquire title to the real property in question. Such notice shall include the address and parcel number of the property the Land Bank seeks to acquire from the City, and may state the intended purpose of the acquisition at the Land Bank's discretion.

b. Such notice described in part (1)(a) of Appendix A shall be given to the City's Department of Development, Real Estate Division, either by hand delivery, e-mail or by mail sent to the following address:

City of Toledo
Department of Development, Real Estate
Division
One Government Center, 22nd Floor
Toledo, OH 43604

The City's Department of Development, Real Estate Division, shall endeavor to communicate such notice to any additional department as the City believes appropriate.

c. The City shall respond to the Land Bank's request to acquire title within ten (10) days of the City's receipt of the request, and the City's response shall either grant or deny the Land Bank's request.

d. If the City grants the Land Bank's request to acquire title, the City shall endeavor to transfer title to the property that is the subject of the request to Land Bank within sixty (60) days of the City's grant of the Land Bank's request.

2. Acquisition of Real Property by Request of the City

a. If the City wishes to transfer title to real property it holds in the City Land Inventory to the Land Bank, the City shall provide the Land Bank with a request to take title to the real property in question. This request shall state the address

and parcel number of the real property, and may state the purpose of the City's request that the Land Bank to take title to the property.

- b. The Land Bank shall respond to the City's request within ten (10) days of receipt of said request, and shall either agree to take title to the real property that is the subject of the request or decline to take title to such property.
- c. If the Land Bank agrees to take title to the real property that is the subject of the City's request, the Land Bank shall endeavor to take title to the property within sixty (60) days of agreeing to the City's request.

3. Disposition of Land Bank Property

- a. The Land Bank will dispose of all property it acquires in accordance with the disposition provisions set forth in the Land Bank's Policies and Procedures as approved by the Board of Directors.
- b. The City and the Land Bank may agree to additional protocols regarding property disposition by written mutual agreement of the Parties, provided such agreement does not conflict with the provisions of the Land Bank's Policies and Procedures as approved by the Board of Directors.

4. Special Protocols for Commercial and Industrial Properties

- a. The City and the Land Bank may enter into a cooperative marketing agreement by mutual agreement of the Parties in connection with the Land Bank's acquisition of commercial, industrial or multi-family residential property. Such agreement shall be in writing and will be executed by the Parties and any necessary third parties, and by mutual agreement of the Parties.
- b. The City and the Land Bank may enter into a redevelopment and management agreement in connection with commercial, industrial and multi-family residential properties that the Land Bank acquires by mutual written agreement of the Parties.

IN WITNESS WHEREOF, the Lucas County Land Reutilization Corporation and the City of Toledo execute this Acquisition Protocols Agreement as of the ___ day of April, 2011.

LUCAS COUNTY LAND REUTILIZATION CORPORATION

By: _____

Title: _____

CITY OF TOLEDO, OHIO

By: _____

Title: _____

APPENDIX B

Attached to the Master Memorandum of Understanding entered into between the City of Toledo and the Lucas County Land Reutilization Corporation on April ___, 2011

DEMOLITION PROTOCOLS AGREEMENT

1. City's Right of First Refusal for Provision of Demolition Services

- a. The City and the Land Bank hereby agree that the City will have a right of first refusal to demolish properties the Land Bank owns and that the Land Bank wishes to demolish. The Land Bank shall compensate the City for all demolitions of Land Bank property as required under part (4)(a)-(c) of Appendix B.
- b. Pursuant to the City's right of first refusal to demolish, the Land Bank shall provide a written notice of intent to demolish to the City's Department of Inspection informing the City of the Land Bank's intent to demolish the structure that is the subject of the notice. Such notice shall list the addresses and parcel numbers of properties containing structures to be demolished and the specific structures to be demolished.
- c. A notice sent pursuant to part (1)(b) of Appendix B shall simultaneously serve as the Land Bank's request for the City to exercise its right to demolish the structures that are the subject of the notice.
- d. The City shall have ten (10) days to respond to and either accept or decline the Land Bank's offer for the City to provide demolition services requested within the notice. During this time the Land Bank may not contract with any other parties for the provision of demolition services in connection with the property that is the subject of the notice sent to the City. If the City fails to respond to the Land Bank's notice within ten (10) days of the City's receipt of the notice, the Land Bank may contract with a third party for the provision of demolition services.
- e. In those instances when the City chooses not to exercise its right to demolish real property at the Land Bank's request, the Land Bank's notice of intent to demolish described in part (2)(b) of Appendix B shall serve as notice to the City that the Land Bank intends to demolish the property that is the subject of the notice.

2. Specifications for Demolition Services Provided by City

- a. All demolitions undertaken by the City shall be "standard demolitions" and must adhere to the Land Bank's Demolition Policies in its Policies and Procedures, except when otherwise indicated by mutual written agreement of the Parties.

- b. Except for the requirements set forth in parts (2)(a) of Appendix B, and subject to the provisions of parts (3)(d)-(e) of Appendix B, demolitions the City undertakes may conform to the City's specifications for demolitions.
- c. All demolitions undertaken by the City shall conform to the general practice for demolitions undertaken within the City of Toledo with respect to the demolition or maintenance of driveways, sidewalks and public easements.
- d. Pursuant to the Land Bank's deconstruction goals set forth in its Policies and Procedures, the Land Bank shall permit its authorized representatives to salvage materials obtained from properties demolished for the purposes of recycling or reusing such materials in connection with demolitions undertaken by the City, where feasible. When the City is undertaking the demolition of a Land Bank property, the Land Bank shall notify the City thirty (30) days prior to any scheduled demolition of its intent to deconstruct the property. Under no circumstances shall deconstruction take place within forty-eight (48) hours of a scheduled demolition.
- e. The City shall endeavor to compensate the Land Bank with any income the City earns from its recycling or deconstruction activities references in part (2)(d) of Appendix A.

3. Compensation for Demolition Services Provided by City

- a. The Land Bank shall compensate the City at the set rate of \$5,000.00 per demolition. This amount shall go toward the costs of property demolition, but this amount shall be separate from any surcharge for the purchase of any new equipment or equipment upgrades the City wishes to make to increase its demolition capacity and efficiency pursuant to part (7)(a)-(b) of Appendix B.
- b. The rate stated in part (3)(a) of Appendix B reflects the market rate for the Toledo, Ohio area for "standard demolitions," removal and infill for a structure of the general type and structure of that which is the subject of the contract for provision of demolition services.
- c. The rate stated in part (3)(a) of Appendix A shall cover all costs for any asbestos removal and termination of public utilities that may be required pursuant to the demolition of the property.
- d. The Land Bank may, at its discretion, require that any individual demolition of Land Bank owned property that the City undertakes be a "full demolition," which includes the removal and infill of the foundation of the property in addition to those demolition activities the City undertakes pursuant to the requirements of a "standard demolition." If the Land Bank chooses to exercise this right, it shall designate a property as a "full demolition" property, and shall indicate this in the applicable notice of intent to demolish described in part (1)(b) of Appendix B.

- e. The Parties may agree to any modification of the City's fees for the provision of demolition services within a contract for the provision of demolition services by the mutual written agreement of the Parties.

4. Numerical Goals for Demolitions

- a. As consideration for the Land Bank's guarantee of the City's right of first refusal for demolition contracts, the City shall endeavor to demolish at least one hundred (100) single family residential units owned by the Land Bank, or the approximate equivalent thereof, for a term of one year starting from the effective date of this MOU, or else as many units as the Land Bank has the capacity to offer to the City up to one hundred (100) during this time period.
- b. All demolitions the City undertakes pursuant to the numerical goal established in part (4)(a) of Appendix B shall be subject to the prohibitions on co-mingling of demolitions for the purposes of meeting numerical goals set forth in part (5)(a)-(c) of Appendix B.
- c. Multi-family, commercial, industrial, and other non-single family residential properties shall not be factored into the numerical requirements for single family residential properties set forth in part (4)(a) of Appendix B.
- d. Nothing in this agreement shall preclude the City from exercising its right of first refusal to demolish more than one hundred (100) single family residential properties for the period of one year starting from the effective date of this MOU, or from exercising the City's right to demolish any multi-family, commercial or industrial properties the Land Bank owns.

5. Prohibition on Co-Mingling Demolitions for Purposes of Meeting Numerical Goals

- a. It is the mutual intent of the Parties that the City's demolition of Land Bank owned properties will be in addition to the City's annual demolitions of properties not owned by the Land Bank, and that any demolitions of Land Bank owned properties will not dilute, co-mingle with or subtract from the annual number of demolitions the City undertakes, and that the City's annual demolitions shall be calculated separately from the City's demolitions of Land Bank property.
- b. Consistent with the intent of the Parties as stated in part (5)(a) of Appendix B, and as consideration for the Land Bank's guarantee of the City's right of first refusal to demolish, the Parties shall meet on a monthly basis to determine which properties shall be demolished pursuant to an agreement between the City and the Land Bank, and which properties shall be demolished pursuant to the City's independent demolition list. Those properties that the Parties agree shall be demolished pursuant to an agreement between the City and the Land Bank shall count toward the numerical total described in parts (4) and (5) of Appendix B,

while those that shall be demolished under the City's independent demolition list shall not count toward these numerical totals.

- c. The City agrees that it shall craft its annual numerical goals for property demolitions separately and independently from the Land Bank's numerical demolition goals for the same year and for all years.

6. City Shall be Responsible for Disconnection of Public Utilities related to Demolition

- a. Pursuant to a contract for the provision of demolition services entered into between the parties, the City shall be the party responsible for taking those steps that are necessary to ensure that all utilities on the property in question are appropriately terminated and disconnected prior to demolition.
- b. The City shall not be responsible for arranging utility kills on properties demolished by third parties, except to the extent that such utility kills require the City to take such action as a matter of course, or except by mutual written agreement of the Parties.

7. Surcharge for Purchase of New Equipment or other Purposes

- a. The City may treat a portion of the Land Bank's compensation for demolition as a surcharge for the purchase of new demolition equipment or upgrades to existing equipment, to increase the City's demolition capabilities and efficiency or for any other purposes that promote the mutual goals of the Parties. Such an agreement may be entered into by mutual written agreement of the Parties.
- b. The Parties may enter into a separate agreement for a temporary or special surcharge pursuant to the mutual written agreement of the parties. Such agreement shall state the amount and duration of the surcharge, the equipment to be purchased or the manner in which the City will otherwise use the funds generated by the surcharge, and the purpose for which the equipment is to be purchased or for which any other surcharge related expenditure is to be made.

8. Demolitions Generally

- a. Demolitions the Land Bank undertakes shall conform to the Demolition Procedures set forth in the Land Bank's Policies and Procedures, as well any other relevant provisions of the Land Bank's Policies and Procedures.
- b. The Land Bank agrees that all demolitions that are undertaken within the City of Toledo shall not violate the laws or regulations of the City of Toledo, the State of Ohio, and any other relevant jurisdiction.
- c. Any demolition the Land Bank undertakes pursuant to a contract for provision of demolition services with third parties other than the City of Toledo shall conform

to the general demolition practices within the City of Toledo with respect to removal or maintenance of driveways and sidewalks.

IN WITNESS WHEREOF, the Lucas County Land Reutilization Corporation and the City of Toledo execute this Demolition Protocols Agreement as of the ___ day of April, 2011.

LUCAS COUNTY LAND REUTILIZATION CORPORATION

By: _____

Title: _____

CITY OF TOLEDO, OHIO

By: _____

Title: _____

APPENDIX C

Attached to the Master Memorandum of Understanding entered into between the City of Toledo and the Lucas County Land Reutilization Corporation on April ___, 2011

MAINTENANCE PROTOCOLS AGREEMENT

1. Single-Family Residential Maintenance Protocols

- a. The Land Bank shall maintain all single-family residential property in a manner consistent with the following specifications:
 - i. The Land Bank shall mow the entirety of vacant unimproved property or improved property three times during the months of May and June, and once every four weeks during the months of July, August and September, and the Land Bank shall mow to at least 4-6 inches during each mowing, if not shorter.
 - ii. The Land Bank shall trim any additional vegetation on a vacant unimproved property or on the frontage of improved property once every month during the months of May, June, July and August, and the Land Bank shall trim such vegetation to a level that is considered acceptable for vacant property in the Toledo, Ohio area.
 - iii. The Land Bank shall ensure that all property is kept free of litter and debris, and the Land Bank shall regularly inspect its properties for litter and debris.
 - iv. The Land Bank shall endeavor to maintain property in such a way that maintains or increases the property values of adjacent and nearby properties, and that ensures the future marketability of the property.
- b. The Land Bank shall additionally maintain all single-family residential properties that it owns in a manner consistent with the Maintenance Protocols provisions set forth in the Land Bank's Policies and Procedures.
- c. The Land Bank may enter into a contract for the provision of maintenance services with a third party or parties at its discretion. If such a contract is entered into, the third party shall provide property maintenance services that are at least of same level of quality as those required under Appendix C and the Land Bank's Policies and Procedures.
- d. The Land Bank and the City of Toledo may enter into an agreement for the provision of maintenance services as described in part (3) of Appendix C.

2. Multi-Family, Commercial and Industrial Maintenance Protocols

- a. The Land Bank shall maintain its multi-family, commercial and industrial properties in the same manner that it shall maintain its single family residential properties as set forth in part (1) of Appendix C, except that the Land Bank shall be under no obligation to maintain the property under this section if the property is located adjacent to a parcel or parcels that are not maintained or are in a natural state, or that are not located in a residential area, such that the lack of property maintenance will not have an adverse effect on property values for the surrounding area or on the future marketability of the property.
- b. The Land Bank shall endeavor to maintain improved multi-family, commercial and industrial property in a manner that preserves these properties for purchase or for future use by residential, commercial or industrial tenants, and in a way that will assist in the marketing of such properties, to the extent that such maintenance is feasible.

3. Parties May Enter into Agreements for Provision of Maintenance Services

- a. The City and the Land Bank may, at the discretion of the Parties and by mutual written agreement of the Parties, enter into agreements for the provision of maintenance services with respect to properties that the Land Bank owns. The Land Bank shall be under no obligation to grant the City a right of first refusal to provide maintenance services under this section, and the City shall be under no obligation to provide those maintenance services the Land Bank may request.
- b. If the Land Bank seeks to retain the City to provide maintenance services, it shall provide the City with a list of the properties that the Land Bank wishes the City to maintain. This list shall describe the address of each property and the land usage of each property, and shall detail the type and duration of maintenance activities that the Land Bank wishes the City to undertake with respect to each property.
- c. If the Parties agree to enter into an agreement for the provision of maintenance services, the City shall maintain all properties accordance with the maintenance specifications schedule set forth in Attachment 1 to Appendix C, unless otherwise agreed to by the mutual written agreement of the Parties.
- d. If the Parties agree to enter into an agreement for the provision of maintenance services, the City shall bill the Land Bank in accordance with the fee schedule set forth in Attachment 1 to Appendix C, unless otherwise agreed to by mutual written agreement of the Parties.

IN WITNESS WHEREOF, the Lucas County Land Reutilization Corporation and the City of Toledo execute this Maintenance Protocols Agreement as of the ___ day of April, 2011.

LUCAS COUNTY LAND REUTILIZATION CORPORATION

By: _____

Title: _____

CITY OF TOLEDO, OHIO

By: _____

Title: _____

City of Toledo Proposed NBA Services

Task Description	Interior	Exterior	Cost
General Laborer Tasking For "Site Turn-Around" Including Dumping	x	x	\$13.41 per labor hour
Selective Site Debris Removal	x	x	\$17.91 per labor hour
Residential Mechanical Winterization	x		Flat Rate of \$100.00
Residential Security Board-up Services		x	Flat rate of \$50.00 per opening (includes 12 months of requested service calls).
Landscaping Services For Empty Parcels		x	\$.005 sq. ft. plus fuel charge or \$.006 per sq. ft. no fuel charge
Landscaping Services With Structures On Site		x	\$.007 per sq. ft. Square footage will be determined based on ARIES. All vegetation/grasses remain on site for decomposition.
Winter Snow Removal & Salting Services		x	\$13.41 per labor hr.
Graffiti Removal Services		x	\$17.91 per labor hr.



Date: April 15, 2011

Resolution No. 2011-011

Title: Authorizing Payment in an amount not to exceed \$500,000 to the City of Toledo for Demolition Services

Summary/Background: Consistent with the Board's purchasing policy and the Agreement with the City of Toledo for demolition services, the Board authorizes the Treasurer to make payment to the City in an amount not to exceed \$500,000 for a period of 12 months following the final execution of the Agreement with the City of Toledo.

Authority: Purchasing Policy; Resolution 2011-010

Director Stanbery offered the following resolution:

WHEREAS, in consideration of the above, NOW, THEREFORE BE IT RESOLVED by the Board of Directors, Lucas County Land Reutilization Corporation, that:

Section 1. The Treasurer is authorized to make regular payments to the City of Toledo for demolition services consistent with the Agreement with the City of Toledo, as approved in Resolution 2011-010, in an amount not to exceed an aggregate of \$500,000 for a period of 12 months following the execution date of the Agreement with the City of Toledo.

Section 2. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board that resulted in those formal actions were in a meeting open to the public in compliance with the law.

Section 3. This resolution shall be in full force and effect from and immediately upon its adoption.

Action

Taken:

Director Kapszukiewicz voted yes

Director Wozniak voted yes

Director Gerken was absent

Director Badik voted yes

Director DeWitt voted yes

Director Geronimo voted yes

Director Stanbery voted yes

Director Furney voted yes

Director Gardner voted yes

A handwritten signature in cursive script that reads "Karen Poore".

Karen Poore, Secretary of the Board



Date: April 15, 2011

Resolution No. 2011-012

Title: Authorizing Payment to the Lucas County Prosecutor's Office for Legal Services

Summary/Background: The Lucas County Prosecutor's office, Civil Division, has agreed to provide significant legal support and counsel to the Land Bank during the 2011 calendar year, including deed preparation services, tax foreclosure monitoring, and the legal management of the Board of Revision expedited tax foreclosure system, of which the Land Bank is the greatest beneficiary. As consideration for these efforts, the Land Bank will appropriate an amount equal to 25% of the salary and benefits of Suzanne Mandros, Assistant County Prosecutor, for 2011.

Authority: Code of Regs. § 1.4

Director Furney offered the following resolution:

WHEREAS, in consideration of the above, NOW, THEREFORE BE IT RESOLVED by the Board of Directors, Lucas County Land Reutilization Corporation, that:

Section 1. The Treasurer is authorized to make a payment in the amount of \$27,497.54 to the Lucas County Prosecutor's office for 2011.

Section 2. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board that resulted in those formal actions were in a meeting open to the public in compliance with the law.

Section 3. This resolution shall be in full force and effect from and immediately upon its adoption.

Action Taken:

Director Kapszukiewicz voted yes

Director Wozniak voted yes

Director Gerken was absent

Director Badik voted yes

Director DeWitt voted yes

Director Geronimo voted yes

Director Stanbery voted yes

Director Furney voted yes

Director Gardner voted yes

A handwritten signature in cursive script that reads "Karen Poore".

Karen Poore, Secretary of the Board



Date: April 15, 2011

Resolution No. 2011-013

Title: Authorizing the Acquisition by Donation of 1602 Monroe Street for the purpose of land assembly on behalf of the Catholic Club

Summary/Background: The Land Bank has been contacted by the Catholic Club, Inc., a non-profit organization affiliated with the Catholic Diocese, which owns a significant number of properties on 16th Street between Monroe St. and Jefferson Ave. in the UpTown District in Toledo. As part of their long-term development plan for this area, they are seeking to acquire the property at 1602 Monroe Street.

The property is available to be acquired by the Land Bank as a donation from the current owner. Under the agreement with the Catholic Club, the Land Bank would hold the property under its Land Assembly Policy and assess the Catholic Club for all maintenance costs incurred, for a maximum period of three years. On or before the expiration of this agreement, the Catholic Club would be obligated to take title to the property.

Authority: Policies and Procedures, Acquisition by Donation

Director Geronimo offered the following resolution:

WHEREAS, in consideration of the above, NOW, THEREFORE BE IT RESOLVED by the Board of Directors, Lucas County Land Reutilization Corporation, that:

Section 1. The Board authorizes the President or Vice President to accept the property located at 1602 Monroe Street (Parcel # 10-24731) by donation from the current owner, free of all encumbrances with any acquisition costs chargeable to the current owner. Acceptance of this property by donation shall be contingent on an executed agreement with the Catholic Club (or its representatives) to hold the property consistent with the Land Bank's Land Assembly policy.

Section 2. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board that resulted in those formal actions were in a meeting open to the public in compliance with the law.

Section 3. This resolution shall be in full force and effect from and immediately upon its adoption.

Action Taken:

Director Kapszukiewicz voted yes

Director Wozniak voted yes

Director Gerken was absent

Director Badik voted yes
Director DeWitt voted yes
Director Geronimo voted yes
Director Stanbery voted yes
Director Furney voted yes
Director Gardner voted yes

Karen Poore

Karen Poore, Secretary of the Board



Date: April 15, 2011

Resolution No. 2011-014

Title: Amending the Code of Regulations to revise deed signature requirements

Summary/Background: To efficiently facilitate the transfer of properties that the Land Bank owns, the Code of Regulations is being amended to permit the Chair of the Board and one Officer to execute a deed, in addition to the other authorized parties as currently written.

Authority: Code of Regs. § 9.7, 10

Director Gardner offered the following resolution:

WHEREAS, in consideration of the above, NOW, THEREFORE BE IT RESOLVED by the Board of Directors, Lucas County Land Reutilization Corporation, that:

Section 1. The proposed amendments to the Code of Regulations, reflected in the language attached to this resolution and incorporated by reference, is adopted.

Section 2. This Board finds and determines that all formal actions of this Board concerning and relating to the adoption of this resolution were taken in an open meeting of this Board and that all deliberations of this Board that resulted in those formal actions were in a meeting open to the public in compliance with the law.

Section 3. This resolution shall be in full force and effect from and immediately upon its adoption.

Action Taken:

Director Kapszukiewicz voted yes
Director Wozniak voted yes
Director Gerken was absent
Director Badik voted yes
Director DeWitt voted yes
Director Geronimo voted yes
Director Stanbery voted yes
Director Furney voted yes
Director Gardner voted yes

A handwritten signature in cursive script that reads "Karen Poore".

Karen Poore, Secretary of the Board



Proposed Amendments to the Code of Regulations

Pursuant to Resolution 2011-014, the following is a proposed amendment to the LCLRC's Code of Regulations regarding deed signatures. Additions to existing Code language are both **bolded** and underlined. Deletions to existing Code language are ~~struck through~~. Entirely new language is *italicized*.

Per Article X of the Code of Regulations, these amendments will be considered at the April 15, 2011 Board meeting.

Section 9.7. Signatories on Deeds and Transfers of Real Property Interests.

All deeds and other documents transferring an interest in real property of the Corporation shall be executed by the President and a Vice President, **the Chair of the Board and one Officer**, or two Directors and shall otherwise be in compliance with the provisions of Ohio law applicable to disposition of real property.