

Jonesboro Land Bank Commission  
Agenda for Tuesday, April 9<sup>th</sup>, 2019  
City Council Chambers, 300 South Church Street, Jonesboro, AR



## 1. Roll Call

Present: Becky Durham, Jeffrey Herndon, James Hollywood, Corey Mills, Ray Osment, Bob Warner, Dennis Zolper, Jonathan Smith, Deanna Hornbeck, Heather Owens

Absent: Brent Martin, Jeremy Moore

## 2. Finding of a quorum

## 3. Approval of Minutes – March 12<sup>th</sup>, 2019

**Dennis Zolper made a motion to approve the minutes as presented. Ray Osment supported the motion. The motion was approved.**

## 4. Old Business

A. Update:

***a. 501 Marshall (Foreclosure) – Approved on 2/5/19. With Bert Newel law firm.***

Bert Newel filed the paperwork for this foreclosure. Jonathan Smith said that he would need approval from the Land Bank Commission and Jonesboro City Council before he could submit any bid at the public auction. Smith suggested only making a bid to cover the amount of the municipal liens; which was \$3,030.88. This property is located in north of Johnson Avenue.

Dennis Zolper made a motion to give authority to the Land Bank Director to make a bid of \$3,030.88 on 501 Marshall Street. James Hollywood supported the motion. The motion was approved.

***b. 107/109 North Bridge – Offer expires on June 3<sup>rd</sup>, 2019***

Jonathan Smith presented the signed Offer and Acceptance for both 107 and 109 North Bridge. These are the properties owned by Vernon Wood. He originally signed this agreement in December 2018. He is requesting \$6,000.00 per lot.

Jeffrey Herndon suggested that the commission remove the section of the contract that references forgiving liens on another piece of property owned by Mr. Wood. Heather Owens said the Land Bank Commission is not releasing any liens; the City of Jonesboro is responsible for releasing the lien. Having that in the contract ensures that both parties will hold up their end of the agreement.

Dennis Zolper said the Land Bank Commission is only recommending this to City Council. The Land Bank Commission cannot execute these contracts on its own.

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**Dennis Zolper made a motion to purchase 107 North Bridge and 109 North Bridge pursuant to the contracts attached to the agenda and the direction given to the City Attorney's Office concerning the deed. James Hollywood supported the motion. The motion passed.**

*c. 108/112 North Bridge + 115 North Drake*

Jonathan Smith presented the signed Offer and Acceptance for 108 and 112 North Bridge. These are the properties owned by Carlos Cruz. This was originally presented during the meeting in March. There was a few suggested changes. Those changes have been made. Mr. Cruz is requested \$16,000.00 for his property located on Bridge Street and he is also requesting to receive 115 North Drake.

Ray Osment wanted to know what would happen if Mr. Cruz failed to bring the property up to code. Smith said the deed will revert ownership of the property back to the land bank if the new owner fails to bring the property up to code within the allowed 180 day timeframe.

Becky Durham wanted to ensure that Mr. Cruz was aware of the reversionary clause in the contract and deed. Heather Owens said that he signed the contract so legally he was informed.

Owens also addressed concerns about Mr. Cruz getting a mortgage for 115 North Drake. Banks would find the reversionary clause in the deed so everyone would be aware of the reversionary clause.

Jeffrey Herndon wanted to know what would qualify as minimum building code. Jonathan Smith could not answer the question specifically but did say that Inspections would handle this the same way as any other building permit. Their inspectors would follow-up on any permit pulled through the city to ensure everything is built to code.

Bob Warner said this would be a good test case for how the Land Bank Commission handles these situations in the future. Ray Osment and Becky Durham agreed.

Dennis Zolper wanted to ensure that the deed would be specific when referring to building codes. He wants to be as specific as possible. He also pointed out the contract says the house is going to remain single family residential. He wanted that included in the deed.

Jeffrey Herndon wanted to know what would prevent Mr. Cruz from removing the existing house on the property and building a new duplex. Jonathan Smith said removing the structure would create several problems for Mr. Cruz. The property would not meet minimum lot size requirements and he would need a rezoning in order to build anything residential back on the lot.

**Dennis Zolper made a motion to purchased 108 North Bridge and 112 North Bridge pursuant to the contracts attached to the agenda and the direction given to the City Attorney's Office concerning the deed. James Hollywood supported the motion. The motion passed.**

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**B. Request for Qualifications – 4 Complete Application Submittals**

- a. Olympus Construction
- b. Bailey Contractors
- c. Halsey Thrasher Harpole
- d. Jackson's Construction

Do we want to request RFP's for 827 Warner?

Are there any requirements that we want to see in their submittals?

Ray Osment said the Land Bank Commission could sell this property for \$1.00 or \$10,000.00. The Land Bank is more concerned with outcomes than with making money off the sale of this property. He would like to see what each developer would do with this property. He would like to see an open-ended RFP that will allow each developer to submit what they want.

Dennis Zolper suggested having developers submitting a Letter of Intent. He wants to know if the developers have any interest in buying the property. If so, how much are they willing to pay for it? The Letters of Intent also need to prevent the owners from demolishing the property. It should also require the owners to bring the structure up to minimum state building codes and city building codes.

Heather Owens found a template for RFP's.

Ray Osment wanted the RFP to be clear that purchase price is not the only criteria that will be considered. The outcome of this project will also play a role.

## **5. New Business**

**A. Staff Report**

<b>Account</b>	<b>Balance</b>
Professional Services	\$33,055.00
Land & Improvements	\$9,179.40
Condemnations & Demolitions	\$18,625.00

Property Inventory – 4

- 115 North Drake
- 113 North Bridge
- 120 North Bridge (Limited Warranty Deed, 90 day litigation period, Quiet Title? Property sold on 1/30/2019.)
- 827 Warner

Jonathan Smith presented the staff summary. Smith said that he would be moving money from different line items into our account for Land & Improvements to cover the cost of purchasing the properties that were on the agenda. He also needed to know if the commission wanted to do a Quiet Title for 120 North Bridge. Dennis Zolper said we would want clear title to the property in order to sell it.

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Jeffrey Herndon wanted to see an updated budget. Jonathan Smith said he would present an updated budget at the next meeting. Bob Warner suggested that we start the next meeting with the presentation that Smith gave before City Council last month.

**6. Public Comments (3 Minutes Per Person)**

**7. Adjournment**

Dennis Zolper made a motion to adjourn. The motion passed.