

1. CALL MEETING TO ORDER

_____ Sue Poltera
_____ Todd Brown (T)

_____ Dan Garber (VC)
_____ Josie Thompson (C)

2. APPROVAL OF MINUTES

- a. April 7, 2020 - held Via Phone Conference

3. ANNOUNCEMENTS**4. FINANCIAL REPORT – Treasurer****5. PROPERTY REPORT – Staff****6. OLD BUSINESS**

- a. None

7. NEW BUSINESS

- a. Application for Purchase – 20-LBP-04 – Lot at 539 East Avenue A
- b. Authorize Josie Thompson to sign First Right of Refusal agreement with New Beginnings

8. OTHER

- a. The next Land Bank Board of Trustees meeting is scheduled for Tuesday, July 7, 2020.
- b. Adjourn



Minutes

Land Bank Board of Trustees

Tuesday, April 7, 2020 - 3 PM

City of Hutchinson, Kansas

City Hall, 125 E Avenue B - VIA CONFERENCE CALL

1) CALL TO ORDER, ROLL CALL

The meeting was called to order at 3:00 p.m. with the following members present: Josie Thompson (3/3), Todd Brown (3/3) and Sue Poltera (2/3). Dan Garber (2/3), was absent. Planning Staff in attendance were Ryan Hvitløk, Director of Planning and Development; Jim Seitnater, Housing and Downtown Development; and Charlene Mosier, Planning Technician.

2) APPROVAL OF MINUTES

The minutes from March 3, 2020 were approved on a motion by Poltera, seconded by Brown, passed unanimously.

3) ANNOUNCEMENTS

- a. Seitnater said the Chamber of Commerce has spoken with someone wanting to start a hydroponic business and possibly obtain a Land Bank property for this purpose. Hydroponics is a way of growing plants in greenhouses. There are a couple of properties we have that may work for this. The use would be considered a commercial or agricultural use. The Land Bank Members were open to the idea of allowing this type of use on a Land Bank property. They would also like additional information on the potential business.

4) FINANCIAL REPORT

The financial report was given by Brown. The current balance is \$11,113.27. Motion by Poltera, seconded by Thompson to approve the financial report, passed unanimously.

Brown said he has checked on waiving the cost for the Land Bank to file deeds and he will have more information at a future date.

5) PROPERTY REPORT

- a. Bid Opening for 2020 Mowing Season

Hvitløk said there are three bids:

Warnken Enterprises	\$390
New Beginnings	\$500
Sisk Lawn Care	\$331

All bidders are current on their taxes.

Warnken has mowed Land Bank lots in the past and does mowing for the Inspection Department. Poltera said she would be willing to let Sisk try because he is the lowest bid.

Thompson recommended going with Sisk, seconded by Brown, passed unanimously.

6) OLD BUSINESS

- a. Application for Right of First Refusal – 19-LBP-05 – 214, 216, 218 West 6th Avenue

Seitnater said City Attorney, Paul Brown, has reviewed the document. Thompson said the contract should have wording that allows the original applicant to walk away from the property if they do not develop it; however, they would not be refunded their payment.

Seitnater said Daniel Smith is no longer interested in purchasing the lots at 539 and 541 East Avenue A.

Thompson will send a draft of amended wording to the Land Bank members tomorrow.

Sue moved that we accept the Application for Right of Refusal letter with proposed amended changes, second by Brown, passed unanimously.

7) NEW BUSINESS

- a. Offer to buy – 20-LBP-02 – 712 South Maple or 824 East 7th Avenue (2nd choice)

Seitnater explained the Hutchinson Land Bank acquired the lot located at 712 South Maple at the 2017 Reno County Tax Sale. The cost was \$1,109 and this lot is the largest Land Bank property. The Land Bank has invested \$980 in mowing costs since 2018. This property is 118 feet wide and 149 feet deep. The zoning is R-6.

The second choice property at 824 East 7th Ave was recently acquired at the 2019 Reno County Tax Sale and there have been no mowing charges to date. This lot is 48 feet wide and 140 feet deep. The zoning is R-6.

Nancy Moreno submitted an application to purchase the lot located at 712 South Maple to build a single-family house. She has offered a price of \$1,760. She has also offered \$640 for the lot at 824 East 7th Ave as a second choice.

A single-family house is suitable for the R-6 Residential Infill District. The location on Maple Street is highly visible on a street used to access Carey Park to the south and is adjacent to the Interfaith Housing Southern Pines development. The proposal

would meet the Land Bank's goals of strengthening and improving Hutchinson neighborhoods and returning a vacant lot back into productive use. The applicant's offer of \$1,760 conforms with the Board's purchasing policy.

Staff recommends approval of application 20-LBP-02 to purchase the lot located at 712 S Maple for \$1,760 contingent on approved building plans and design review compatible to the Southern Pines development, or accept offer of \$640 for the lot at 824 East 7th as an alternate choice contingent on approved building plans and design compatible to the existing neighborhood.

The Land Bank members would like some type of documentation showing what she would like to do and a timeline for completion prior to signing paperwork for sale of the lot. They would be in favor of her developing either lot.

b. Approval of Marketing and Director's Insurance Policy Renewal

This is liability insurance for the Land Bank. Motion by Thompson, seconded by Brown to renew the policy, passed unanimously.

8) OTHER

- a. The next Land Bank Board of Trustees meeting is yet to be determined.
- b. The meeting was adjourned at 3:40 p.m.

Respectfully Submitted,

Charlene Mosier, Planning Technician

Approved this _____ day of _____

Attest: _____

2020 Land Bank Financial Ledger

Date	Item	Income	Expenses	Status
1/1/2020	Starting Balance	\$11,293.35		
1/23/2020	Annual Report Publication Fee - Hutchinson News		\$159.08	Paid
2/20/2020	Deed Filing Fee for Donated Property 541 East Ave A		\$21.00	Paid
4/21/2020	Director's & Officers Annual Premium - FEE Insurance		\$1,141.00	Paid
4/21/2020	Cochrane & Co. - Acquire D & O insurance		\$100.00	Paid
5/1/2020	Matt Sisk - Mowing Charge - April		\$331.00	Paid
5/15/2020	Matt Sisk Mowing Charge - May		\$331.00	Paid
		\$11,293.35	-\$2,083.08	\$9,210.27

June 1, 2020

TO: Land Bank Board of Trustees

FROM: Jim Seitnater
Downtown & Housing Coordinator

THROUGH: Ryan Hvitløk, AICP
Director of Planning and Development

**SUBJECT: 20-LBP-04 – 539 East Avenue A
Application to Purchase**

MOTION NEEDED:

Motion to (approve/table/deny) application 20-LBP-04, offer to purchase the lot located at 539 East Avenue A and authorize the chair to sign documentation for the sale of the property.

BACKGROUND:

The Hutchinson Land Bank acquired the lot located at 539 East Avenue A at the 2018 Reno County Tax Sale, the board bought lot for \$0 the Land Bank has invested \$300 towards mowing since 2019,

The properties are zoned R-6 Infill Residential District. 539 East Avenue A and is approx. 50 feet wide and 125 feet deep total of 6,250 square feet.



Aerial View of Subject Properties

PROPOSAL:

An application to purchase the lot located at 539 East Avenue A was submitted by next door neighbor David C. Nafzinger in late April, 2020 (**Exhibit 1**). They intend to purchase the adjacent property at 539 East Avenue A for a side lot and has offered to purchase the property for \$600.

ANALYSIS:

The proposed use is suitable for the R-6 Residential Infill District. The proposal would meet the Land Bank's goals of strengthening and improving Hutchinson neighborhoods and returning a vacant lot back into productive use. The applicant's offer of \$600 is below the Board's purchasing policy on Pricing which states:

*The starting asking rate for all Land Bank property will be 50% of the market value (**\$1,300**) of the property, as determined by the Reno County Appraiser. The Board may accept offers that are lower than the asking price rate by an amount of up to 10%*

RECOMMENDATION:

Staff recommends denial of application (20-LBP-03) to purchase the lot located at 539 East Avenue E for \$600 at this time in hopes of a higher future use for the property. Or offer Mr. Nafzinger a higher counter offer. It's my thought that with the addition of the donated lot at 541 East Avenue A to the East a more desirable outcome might be to hold out for a higher density in-fill build on the two properties in the future.

NEXT STEPS:

1. The applicant will be notified of the decision of the Land Bank Board of Directors.
2. If the Board decides to approve the application, staff will begin to process transfer of ownership to the successful applicant.
3. If a counteroffer is determined to be best strategy by the Land Bank the staff will work with guidance from Land Bank to enter into any further negotiations with Mr. Nafzinger.

ATTACHMENTS:

Exhibit 1 – 20-LBP-04 Application to Purchase and supporting documents - 539 East Avenue A



First Right of Refusal

The Hutchinson Land Bank (Seller) agrees to and does hereby grant to New Beginnings, Inc. (Buyer) an exclusive first right of refusal to purchase that real property legally described as Lots 1 & 2, 3 & 4 and 10, Block 1, DOWNIES & Block 1 BISHERS Addition to the City of Hutchinson, Reno County, Kansas and more commonly known as 214, 216 and 218 West 6th Avenue, Hutchinson KS. 67501.

The First Right of Refusal shall be effective from the date last written herein and shall expire 3 years from said effective date.

First right of refusal shall accrue at any time that the Hutchinson Land Bank receives a written bona fide offer to purchase said property from an unrelated third party. In any such event, The Hutchinson Land Bank shall notify New Beginnings, Inc. of such written bona fide offer within 72 hours after receipt of any such written bona fide offer. Such notification shall be by certified mail, return receipt requested. New Beginnings, Inc. shall have the right to purchase 214, 216 and 218 West 6th Avenue at the same terms and conditions as the third party offer by exercising the first right of refusal granted herein within 72 hours after receipt of such notification from Hutchinson Land Bank. In the event New Beginnings, Inc. elects to exercise such first right of refusal, closing on such purchase shall be within thirty (30) days after the Hutchinson Land Bank receipt of New Beginnings, Inc. first right of refusal. In the event New Beginnings, Inc. elects not to exercise the first right of refusal granted herein, the Hutchinson Land Bank may proceed to closing of any such sale to the unrelated third party submitting a written bona fide offer to purchase said property.

Terms:

In lieu of cash money from New Beginnings, Inc. to obtain First Right of Refusal the Hutchinson Land Bank accepts New Beginnings, Inc. offer of providing lawn care services at 214, 216 and 218 West 6th Avenue at least twice a month during the growing season from April 2020 thru November 2022 or until the property can be legally transferred to them. Lawn Care Services shall be considered mowing of grass, keeping the lots and sidewalks free from debris. This agreement is between the Hutchinson Land Bank and New Beginnings, Inc. and cannot be transferred to another party. If performance of lawn care service is not being met by the sole judgment of the Hutchinson Land Bank the Hutchinson Land Bank reserves the right to cancel and terminate this agreement. New Beginnings, Inc. in its sole discretion, may terminate this agreement at any time by providing 30-day written notice to the Hutchinson Land Bank. If New Beginnings, Inc. chooses to cancel this agreement, any payment or deposits made to Hutchinson Land Bank for this First Right of Refusal, if any, is not refundable and New Beginnings, Inc. is not due any compensation for any services rendered.

This agreement outlines the commitments of the Hutchinson Land Bank and New Beginnings, Inc. for the property; Lots 1 & 2, 3 & 4 and 10, Block 1, DOWNIES & Block 1 BISHERS Addition to the City of Hutchinson, Reno County, Kansas and more at commonly known as 214, 216 and 218 West 6th Avenue, Hutchinson KS. 67501, agreed to on this date of, the _____ of _____, 2020, by the signatures below.

Josie Thompson
The Hutchinson Land Bank



Shara Gonzales, Executive Director
New Beginnings, Inc.