

## MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding (“**MOU**”) is entered into between the Lucas County Land Reutilization Corporation (**the “Land Bank”**), an Ohio community improvement corporation, and the City of Toledo (**the “City”**), an Ohio municipal corporation, known collectively as the “**Parties**”, as of this \_\_\_\_\_ day of \_\_\_\_\_, 2021 (**the “Effective Date”**).

### **INTRODUCTION**

For the past decade, the City and the Land Bank have partnered to solve problem property challenges, stabilize and improve neighborhoods, preserve property values, and support the collection of property taxes and assessments that are used to deliver essential services to the residents of Toledo.

The City and the Land Bank share common objectives. The City delivers essential services to its residents and strives to provide safe neighborhoods, healthy homes, and equitable economic opportunities. The Land Bank works to strengthen neighborhoods and preserves property values by returning vacant, abandoned, and tax-delinquent properties to productive use through an open and equitable process.

Recognizing that they can achieve more by working together, the City and the Land Bank formed a strong partnership shortly after the Land Bank’s creation in August of 2010. This partnership has grown and strengthened over four Mayoral administrations, through statutory representation on the Land Bank’s Board of Directors and through these memoranda of understanding. As a result, the City and the Land Bank now share a long history of successful collaboration on important public projects, providing significant benefits to Toledo residents, businesses, non-profit service providers, and other stakeholders.

Some key project partnerships follow.

One of these first partnerships was the UpTown Green redevelopment project in the Uptown neighborhood beginning in 2012. Using its unique tools and collaborating with the City and the UpTown Association, the Land Bank acquired and assembled fifteen vacant and abandoned parcels for this project, including a vacant commercial building. It transferred these parcels to the City, where they were redeveloped into the UpTown Green park through an Ohio EPA grant and then later, into ProMedica’s Ebeid community center and the Market on the Green. Thanks to this partnership, Uptown now enjoys its first ever public park, a grocery store, and a community wellness center.

In 2013, the City and Land Bank partnered with a local business, Toledo Metal Spinning, to fund the demolition of the vacant industrial property at 1820 Clinton Street in the Clinton Park neighborhood after a substantial U.S. EPA cleanup. The collective investment of over \$120,000 eliminated a safety hazard and serious source of blight for residents and helped to retain a growing business within the neighborhood.

That same year, the Land Bank joined with the City to enforce nuisance citations against an out-of-state and tax delinquent owner of the former Arbors of Toledo property at 2920 Cherry Street in the Bronson-Birkhead neighborhood. Combining their leverage, the City and the Land Bank negotiated a payment of \$50,000 and the donation of the nuisance property to resolve the outstanding orders against the owner. Following a \$100,000 demolition project, the Land Bank

transferred the property to the Bronson Place Company, which has turned the space into the Bronson Place Arboretum.

In 2014, the Land Bank acquired, and transferred to the City, the abandoned 10-story Clarion Hotel on Reynolds Road in the Southwyck neighborhood, which the City then demolished. This effort paved the way for renewal and redevelopment in this important corridor, created a marketable site for the City, and laid the groundwork for new developments like the recent Amazon distribution center.

In 2017, the Land Bank accepted a deed-in-lieu of foreclosure for the tax delinquent and largely abandoned Museum Place properties in the Old West End, and then transferred the properties to a subsidiary of the Toledo Museum of Art. The City participated in this redevelopment effort by releasing a restrictive covenant and forgiving uncollectible debt, allowing the Land Bank to convey the properties with clean, marketable title. The Toledo Museum of Art is now managing these historic assets and has incorporated them into its master plan.

The Parties have also carried-out major community-wide partnerships.

Spurred by state and federal funding opportunities, the City and the Land Bank have partnered for years on what is perhaps their most visible neighborhood investment: large-scale residential demolition. Starting with Ohio Attorney General Mike DeWine's Moving Ohio Forward grant from 2012-2014, 862 residential buildings were demolished at a total investment of \$6.9 million, including \$2.3 million from the Land Bank and \$0.35 million from the City.

The partners then continued this demolition work by participating together in the Ohio Housing Finance Agency's Neighborhood Initiative Program ("NIP"), funded through the U.S. Department of Treasury's Hardest Hit Fund program. Between 2014-2020, 2,755 residential buildings were demolished from a total grant of \$29.6 million, plus another \$0.50 million in additional investment from the Land Bank and \$0.15 million from the City.

Collectively, the City and the Land Bank have accomplished over 3,500 demolition projects in the City over the last decade, almost none of which would have been completed without this partnership. These efforts have improved neighborhoods by making greening a priority following removal of the nuisance structure, through investments like the Land Bank's donation of a \$32,000 HydroSeeder to the City. These efforts have created safer neighborhoods for residents, police, and fire officials. These efforts have provided millions of dollars for jobs and investment, including direct investment in the City's Department of Public Service as one of the Land Bank's demolition contractors. Most importantly, these efforts have stabilized and improved property values while creating thousands of opportunities for adjacent neighbors through side lot purchases.

Renovation of residential and commercial buildings has also been a mainstay of this partnership. Through the work of the Land Bank and the City's Division of Code Enforcement, hundreds of abandoned properties stable enough to be renovated have been identified each year. In collaboration with the City's Division of Building Inspection, most of these buildings have been sold to buyers who agreed to renovate the property and meet a basic code compliance standard in a post-sale inspection or a certificate of occupancy standard when commercial. Others have been renovated directly by the Land Bank for homeownership sale with streamlined permitting.

In total, this partnership has renovated 724 residential and commercial buildings to date, a public-private partnership on the same scale as the low-income housing tax credit developments of the

late 1990s and early 2000s. Among these projects were four residential renovation projects undertaken using \$300,000 of the City's Neighborhood Stabilization Program funds. These move-in ready properties were then sold to new homeowners.

Commercial and industrial redevelopment has been spearheaded under the partnership through funding and project collaborations. The City and the Land Bank have received three consecutive U.S. EPA Brownfield Assessment Grant awards, a cumulative total award of \$19 million and one of the most successful track records in the whole country for a coalition application. Supported by this funding and through the combined expertise of the City and the Land Bank's redevelopment staff, the Land Bank has acquired numerous important commercial properties for redevelopment. These projects include the former Masonic Temple at 401 Main Street in the Starr neighborhood, a former manufacturing facility at 4934 Lewis Avenue in the Bennett Park neighborhood, and the Pythian Castle and the Spitzer, Nicholas, and Port Lawrence buildings in downtown Toledo. The time and resources the City and the Land Bank are investing in these properties are advancing re-development efforts throughout the City.

Land assembly projects for development and long-range planning have also been a staple of the partnership. In 2018, the Land Bank acquired parcels for the City along Swan Creek for storm water mitigation as part of the Toledo Waterways Initiative, a \$527 million program that aims to prevent storm water overflow from getting into Toledo's waterways. The Land Bank acquired and transferred to the City multiple vacant parcels in the Olde Towne neighborhood for expansion of Gallier's Park. Parallel to this effort, the Land Bank acquired and transferred a series of parcels along Washington Street in the Uptown neighborhood to assist with redevelopment. The City and Land Bank have also collaborated to obtain control over vacant industrial properties like 214 Dura Avenue in 2015, and 4115 Creekside Avenue in 2019. Collectively, these land assembly projects have laid a strong foundation for the ongoing land assembly partnership between the City and Land Bank.

The City and Land Bank have recognize that each is made stronger through collaborative planning and policy initiatives. After the City and the Land Bank saw that a sidewalk survey of the City's properties could provide key data that would shape neighborhood improvement goals, the Land Bank launched and paid for "The Toledo Survey" during 2014-2015 and collected this data for all 122,000 parcels using the leading national software tools at the time. The data collected by The Toledo Survey formed the foundation of numerous neighborhood activities, including the major renovation and demolition efforts previously discussed.

In 2016, the City and the Land Bank were awarded a grant from the Center for Community Progress to two important studies: (1) *A Conservative Analysis of Costs Imposed by Vacant and Blighted Properties in Toledo*, and (2) *An Open Space Action Plan for the Junction Neighborhood in Toledo, Ohio*. These studies documented the economic cost of vacant and abandoned properties in Toledo, and recommended solutions to reduce both costs and blight, including the public assembly of abandoned vacant land.

In 2020, the City and Land Bank partnered to fund and commission *Forward Toledo: An Exploratory Assessment to Inform Future Comprehensive Planning*. Undertaken by SmithGroup, the Center for Community Progress and Mass Economics, the assessment lays a critical foundation for the creation of a new Toledo comprehensive plan. In that same year, the Land Bank funded a code enforcement assessment through the Center for Community Progress for the benefit of the City's Division of Code Enforcement, and also participated in the Department of Neighborhood's Housing Advisory Committee to further the development of a new comprehensive housing strategy and 10-year action plan.

In the next five years, the Land Bank will work hard to ensure that Toledo's neighborhoods are not just stable, but strong. Through its new strategic plan, *Building Neighborhoods*, the Land Bank will invest in land, buildings and people throughout Toledo – the key elements of any successful neighborhood.

Although this introduction is not a comprehensive accounting, it speaks to the unique and important ways that the City and the Land Bank's partnership has advanced the needs of Toledo's residents, businesses, and neighborhoods.

**WHEREAS**, through this updated Memorandum of Understanding, the City and the Land Bank will reaffirm and strengthen this partnership;

**WHEREAS**, the Parties seek to collaborate to further their mutual mission and goals, and to establish policies and procedures that will allow for them to undertake their respective business collaboratively and concurrently;

**WHEREAS**, pursuant to R.C. 5722.02(D), the Land Bank and the City may enter into an agreement to facilitate the effective reutilization of nonproductive land situated within the City's boundaries, consistent with the procedures set forth in R.C. 5722.02 through 5722.15;

**WHEREAS**, the Parties entered into successive Memoranda of Understanding on May 17, 2011; on September 10, 2012; on September 4, 2014; and on July 5, 2016, as amended on January 1, 2017;

**WHEREAS**, as the Parties seek to further their mutual mission and goals, the priorities of the Parties continue to evolve alongside changing opportunities in our community, which necessitate amendments to the existing Memorandum of Understanding;

**WHEREAS**, the Parties intend for this MOU to supersede and replace the existing Memorandum of Understanding dated July 5, 2016, as amended on January 1, 2017; and

**WHEREAS**, the Parties have a long history of partnering on a wide range of projects to further their respective and overlapping mission and goals as described in this introduction, and entering into a new Memorandum of Understanding will maintain this partnership.

**WHEREAS**, The Land Bank is authorized to enter into the MOU by board resolution 2021-004 dated March 11, 2021.

**WHEREAS**, the City is authorized to enter into this MOU by City Council ordinance \_\_\_\_\_ dated \_\_\_\_\_, 2021

**NOW THEREFORE**, in consideration of the foregoing, the sufficiency of which is acknowledged by the Parties, the Parties agree to the following:

**A. ACQUISITION AND DISPOSITION OF REAL PROPERTY.**

1. **Transfer of Nonproductive Property between the Parties.** Ohio law considers current or formerly tax delinquent property that is either vacant land or unoccupied structures to be nonproductive property. Nonproductive property contributes to nuisance, disinvestment, and abandonment, and leads to lower property values and revenues. The Parties will partner to addressing the problems associated with nonproductive property

throughout Toledo. Consistent with Toledo Municipal Code section 187.19(a), as amended, and the Policies and Procedures of the Land Bank, as approved by the Land Bank's Board of Directors, the Parties may transfer nonproductive property between them for the purpose of community improvement.

2. **Municipal Preemption for Acquisition of Tax-Foreclosed Property.** The Land Bank and the City are each eligible under law to acquire nonproductive property located within the City after judgment in tax foreclosure. In the event that both the Land Bank and the City wish to acquire tax-foreclosed nonproductive property, the City will have the first right and priority to acquire such property, but will exercise this right through the Land Bank, in accordance with the procedures for acquisition set forth in this MOU.
3. **General Procedure for Transfer of Property.** If either the City or the Land Bank wish to acquire title to property owned by the other Party and located in the City, the requesting Party will provide the owner Party with written notice that it wishes to acquire that property. Property transfers will be governed by the following rules:
  - a. The owner Party will have ten (10) days to either accept or decline the requesting Party's request.
  - b. If the owner Party accepts the requesting Party's request, the Parties will enter into a purchase agreement governing the transfer of the property.
  - c. If the owner Party declines the requesting Party's request, the owner Party will provide a written explanation regarding the denial and the Parties will meet to resolve the dispute to their mutual benefit.
  - d. Property will be transferred between the Parties for no monetary consideration, unless otherwise agreed to by the Parties.
  - e. The owner Party will be solely responsible for any conveyance and recording fees.
4. **Side Lot Program.** The Land Bank and the City each operate a "side lot" program for the reuse of nonproductive vacant land in the City. As of the Effective Date of this MOU, the City, through its Director of Development, will delegate the administration of the City's land reutilization program to the Land Bank and the Land Bank will operate a one-stop "side lot" program for all eligible property in the City (the "Side Lot Program") under the following rules:
  - a. The Land Bank will treat all eligible nonproductive vacant land owned by the City as part of the Side Lot Program.
  - b. The Land Bank will operate the Side Lot Program under the Land Bank's Policies and Procedures governing its existing "side lot" program, as amended from time to time and attached as **Exhibit A** and incorporated into this MOU.
  - c. The Land Bank will provide a one-stop portal to process applications for nonproductive vacant land under the Side Lot Program, and the Land Bank will qualify, correspond, transact, and close with Side Lot Program applicants at its sole cost. The City will conform its own website to direct interested parties to the Land Bank's one-stop portal.

- d. Once the Land Bank has qualified at least one applicant under the Side Lot Program, if the City owns the nonproductive vacant land to be sold, then upon request of the Land Bank, the City will transfer that land to Land Bank as described in this MOU. The Land Bank will then move forward to transact and close with the applicant(s). If the City, in its sole discretion, rejects the request of the Land Bank to transfer such land, the City will provide its reasons to the Land Bank in writing and the Land Bank will so communicate to the Side Lot Program applicants, unless the matter can be resolved to the mutual benefit of the Parties to this MOU.
  - e. As consideration for the Land Bank's substantial efforts under the Side Lot Program, the Land Bank will retain all net sale proceeds from the Side Lot Program, and will use such revenue to maintain the Side Lot Program for the mutual benefit of the Parties.
5. **Targeted Acquisition and Disposition of Nonproductive Vacant Land.** The City acknowledges that land is an asset, that the significant amount of abandoned, nonproductive vacant land in the City is an ongoing maintenance challenge, but also an opportunity for sustainable growth and development if under the control and ownership of the City, and that the Land Bank has unique tools and partnership to help the City bring this nonproductive vacant land under control and ownership with clear title. As such, the Land Bank and the City will collaborate to acquire, maintain, and hold or dispose of nonproductive vacant land in the City, consistent with the protocols set forth below.
- a. When the Land Bank identifies nonproductive vacant land as a candidate for acquisition, whether through tax foreclosure, donation or purchase, it will notify the City that it intends to acquire such property, in individual or bulk notices, and the City and the Land Bank will meet together subject to section (f) if any concerns arise out of that notice. Given the volume of nonproductive vacant land in the City, such acquisition efforts will be staggered by time and geography.
  - b. Once the Land Bank provides notice to the City that it will acquire such land, the City will confirm its ongoing maintenance of the land subject to available resources, provided the land constitutes a public nuisance and is not being privately maintained and the City, by default, must maintain it.
  - c. The Land Bank will undertake outreach to adjacent property owners to determine their interest in purchasing the land under the Side Lot Program, unless the land will be held for assembly efforts in the discretion of the Land Bank or the City.
  - d. Upon acquiring title to the land, Land Bank will: (i) transfer the land to adjacent property owners under the Side Lot Program; (ii) hold the land for assembly efforts when appropriate under the Land Bank's plans at the Land Bank's discretion; or (iii) transfer the land to the City when neither of the first two options can be realized or when the City so requests for its own land assembly efforts.
  - e. If the land is sold to a private owner or held by the Land Bank, the Land Bank will notify the City so that the City can discontinue maintenance on the land. If the land is transferred to the City, the City will continue maintenance of the property as the owner.
  - f. The Land Bank and the City will meet regularly, and at least quarterly, to discuss issues relating to acquisition, disposition, maintenance, and development of nonproductive vacant land. Such meetings will include representatives from the Land Bank, the City

departments responsible for neighborhood investment, nuisance abatement, real estate owned by the City, and the performance of mowing and maintenance services, and the Mayor's office and City Council where appropriate.

6. **Assembly of Improved Nonproductive Properties.** The Parties will coordinate staff and other resources to identify all other nonproductive properties that can be acquired for project assembly or redevelopment.
  - a. The Parties will identify resources that can be utilized to further the redevelopment of such properties identified for project assembly or redevelopment, including without limitation funds to engage in demolition, environmental assessment and remediation, lawn, weed, and tree maintenance, infrastructure and habitat restoration, structure renovation and reuse, and general property development.
  - b. To facilitate transfer of properties identified by the Parties for assembly or immediate development, properties will be transferred freely between the Parties for community improvement purposes pursuant to TMC 187.19(a). Acquisition of properties that constitute major commercial properties under Land Bank's Policies and Procedures will still subject to approval by Land Bank's Board of Directors.

## **B. PROPERTY MAINTENANCE.**

1. **Maintenance on Land Bank Owned Properties.** Unless otherwise provided in this MOU, the Land Bank will be solely responsible for the maintenance and management of properties it owns in the City, including all costs incurred.
  - a. If the City determines, through its staff of inspectors or customer service representatives, that the Land Bank must perform maintenance on a property the Land Bank owns in order to cure nuisance, hazardous, or dangerous conditions, the City will notify the Land Bank within one (1) business week after identifying the condition and allow the Land Bank a reasonable amount of time to cure the conditions.
  - b. In consideration of this partnership, the City will not issue a violation letter or a notice of liability against the Land Bank unless the City's initial notice under this section is willfully or recklessly ignored by the Land Bank and the nuisance, hazardous, or dangerous conditions persist to the detriment of the neighborhood.
  - c. If the City cures the nuisance, hazardous, or dangerous conditions without notice to the Land Bank, the City will solely bear the cost of the work.
2. **Final NIP Property Transfer.** During the 2021 lawn growing season, the Land Bank will continue to mow and maintain the parcels it owns that were acquired for purposes of accessing NIP demolition funding, which funding has substantially expired as described in the prior MOU between the Parties.
  - a. Not sooner than November 1, 2021, the Land Bank will identify all owned vacant land where NIP demolition work was completed that have not or will not be transferred under the Side Lot Program, and transfer ownership of such lots to the City under the provisions of this MOU. This ownership transfer will be substantially completed no later than February 28, 2022 and before the 2022 growing season begins.

- b. To provide support to the City for this transfer, the Land Bank will donate all NIP maintenance funds unexpended as of January 1, 2022 to the City in an amount not less than \$250,000, to the extent permitted by any NIP agreements between the Land Bank and the Ohio Housing Finance Agency. The Land Bank will provide the City an accounting of all unexpended NIP maintenance funds as of January 1, 2022 upon request.
3. **Maintenance Partnership.** Before the 2022 mowing season commences, the Land Bank and the City will meet and consider opportunities to partner on lawn and field maintenance. The Parties recognize that one common lawn maintenance effort in the City of Toledo may provide cost-saving efficiencies and improve public relations by making maintenance more predictable and transparent. If the Parties reach an understanding regarding a maintenance partnership, this MOU will be amended to include such terms and conditions at that time.

### C. NUISANCE ABATEMENT.

1. **Code Compliance.** The City and the Land Bank recognize that compliance with the building, zoning, health, and safety codes of the City by private owners is key to health and strong neighborhoods. The City and the Land Bank will work aggressively and creatively to encourage compliance by private owners and collaborate whenever possible with the other to carry-out these goals.
2. **The Land Bank as the City's Agent.** The Parties acknowledge that Ohio law provides certain powers under which a city and a land reutilization corporation may partner to more efficiently and effectively conduct building inspection, code compliance, and nuisance abatement activities on a property-by-property basis. The City and the Land Bank wish to exercise those powers subject to the terms and conditions of this MOU to further their mutual goals.
  - a. The City may designate, on a property-by-property basis, the Land Bank as its agent in connection with inspecting, entering, removing (including salvaging from), repairing, or securing insecure, unsafe, structurally defective, abandoned, deserted, or open and vacant buildings or other structures located in the City, making emergency corrections of hazardous conditions, and abating any nuisance, including high weeds, overgrown brush, and trash and debris from vacant lots, and recovering the costs of same, as authorized by R.C. 715.261(E), R.C. 1724.02(A)(10), and Toledo Municipal Code Section 1726.
  - b. When the Land Bank intends to exercise the authority delegated to it by the City under this section and this MOU, the Land Bank shall provide a written notice to the City identifying the property and the nuisance abatement efforts that will be undertaken. If the City objects to the Land Bank acting as its agent for this particular property, the City must enumerate the reasons in writing and notify the Land Bank within ten (10) business days of the Land Bank's notice, and the Parties will then discuss or meet resolve the objection to their mutual benefit.
  - c. The City reserves the right to terminate the extension of this nuisance abatement authority at the City's sole and absolute discretion, with one hundred eighty (180) days' notice to the Land Bank. The Land Bank will retain the delegated powers under this section and



this MOU for any matters active at the time of this termination notice through their conclusion.

- d. Notices from the Land Bank provided to the owner of the property or any interested parties will comply with all provisions of federal, state, and local law and will clearly identify the Land Bank as an agent of the City and direct parties to communicate solely with the Land Bank regarding the matter.
3. **Receivership.** The Land Bank and the City agree that the residential receivership powers provided for under R.C. 3767.41, as overseen by the Toledo Housing Court, provide key tools to abate, repair, and restore a building declared a public nuisance. Each party will mutually support the application of the other to be named a receiver under this statute to support nuisance abatement on problem properties in the City.
  4. **CERT Team.** The Land Bank will participate as a member of the Code Enforcement Response Team (CERT Team) and work cooperatively with the City's departments, including the Department of Police Operations, to resolve problem property matters that result in crime or put the safety of residents in jeopardy. The City will consider ways that the Land Bank's tools, in partnership with County agencies, may be use to permanently take control of, demolish, or otherwise abate nuisances at properties identified by the CERT Team to resolve these crime and safety concerns.
  5. **Forfeited Land Parcels.** The City and the Land Bank will work together to maintain and control properties on the Lucas County forfeited lands list located in the City in ways consistent with Ohio law, take affirmative steps to mitigate any negative effects of the sale of these properties by auction, and hold forfeited land sale purchasers accountable for code compliance and nuisance abatement matters present on such forfeited land parcels.
  6. **Tax Foreclosure Cooperation.** Under R.C. 323.25, the Lucas County Treasurer is prohibited from allowing a property owner to redeem delinquent property taxes after a civil action in tax foreclosure has been instituted unless the owner or any person entitled to redeem demonstrates that the property is in compliance with all applicable zoning regulations, land use restrictions, and building, health, and safety codes. Consistent with the goals of the Lucas County Treasurer, the City, and the Land Bank to collect property taxes due and ensure that properties in the City are nuisance-free, the Land Bank will serve as an intermediary, as necessary, between all parties to ensure compliance with these provisions.
    - a. To the extent allowed by law, the City will: (i) incorporate any unresolved orders documenting a property's non-compliance with zoning regulations, land use restrictions, and building, health and safety codes into any answer, pleading, or filing made by the City as a defendant in any tax foreclosure case brought by the Lucas County Treasurer through the Lucas County Prosecutor; or (ii) prepare an affidavit of title documenting any such orders and record such affidavit with the Lucas County Recorder, or permit the Land Bank to record such affidavit as the City's agent for purposes of nuisance abatement under this section.
    - b. The City, through its appropriate departments, will also provide any unresolved orders documenting a property's non-compliance with zoning regulations, land use restrictions, and building, health, and safety codes to the Land Bank within 2 business days after its request.

7. **Fire Escrow.** The City and the Land Bank will collaborate to abate nuisances resulting from structure fires, specifically those properties that have fire escrow insurance accounts held by the City with balances that may be utilized for abating nuisance conditions.
  - a. The City will quarterly provide the Land Bank with the list of all properties that have existing fire escrow account balances held by the City. The list will include the fire escrow balance, the date the fire escrow account was established, and the date and amount of any disbursements from the account to the owner or to the City or its agent to abate the nuisance.
  - b. In coordination with the appropriate City departments, the Land Bank will be authorized to abate nuisances, including through demolition, at properties it owns with a fire escrow balance as the City's agent on a property-by-property basis. The Land Bank will notify the appropriate City departments when it begins efforts under this provision, and the City will refrain from disbursing any fire escrow proceeds to any party until the nuisance is abated.
  - c. If the Land Bank incurs fire escrow eligible expenses to demolish, secure, or repair a nuisance property, the City will reimburse the Land Bank out of the property's fire escrow balance. Reimbursement will be in an amount equal to the total documented hard costs incurred, plus an administrative fee equal to 20% of the total documented hard costs incurred.
  - d. Before receiving reimbursement, the Land Bank will provide an invoice to the City with all necessary supporting documentation. The City will use its best efforts to reimburse the Land Bank within thirty (30) days from the date of invoice. The City will not be required to reimburse the Land Bank for an amount greater than the fire escrow balance. If the Land Bank invoices the City for demolition, securing, or repair work for an amount that exceeds the funds available in the fire escrow balance for that property, the City may submit in full satisfaction of the invoice an amount equal to actual funds available.

#### **D. DEMOLITION.**

1. **Regular Communication.** Representatives from the City and the Land Bank will meet regularly to discuss issues relating to demolition in the City, including the current state of the problem, efforts to identify funding sources, and the impact of nuisance structures on the health, wealth, and quality of life of Toledo's residents.
2. **Demolition Work Performed by City.** The City and the Land Bank may cooperate and assist each other in the performance of demolition work in the City on Land Bank-owned properties or properties subject to nuisance abatement orders. The Land Bank may seek bids from the City of Toledo to perform demolition work in the City as a not-for-profit demolition contractor on a non-exclusive basis, under the procedures and at the costs outlined in this MOU. In compliance with its purchasing policies, the Land Bank may seek competing bids from private contractors for the same work.
3. **Demolition Procedures.** When the Land Bank hires the City to perform demolition work, all demolition activities will be coordinated through the City, Department of Public Service as the primary point of contact between the Parties.

- a. For properties owned by the Land Bank or ordered demolished by the Land Bank as a public nuisance, the Land Bank will schedule all pre-demolition work necessary to prepare properties for lawful demolition in the City, including natural gas, electric, water, and sewer utility disconnections; asbestos survey, abatement and notification in accordance with Ohio EPA and NESHAP rules and regulations; and rodent abatement. Consistent with the practice of the Division of Building Inspection, the Land Bank will complete an Affidavit in Support of Application for a Demolition Permit for each property to document the lawful completion of this pre-demolition work.
  - b. After being notified by the Land Bank that all pre-demolition work has been lawfully completed, the City will issue a permit (or proceed order) permitting the demolition work to commence. The commencement date for all demolition work undertaken by the City will be the permit date for that property and the completion date will be no later than forty-five (45) days from the date of commencement.
  - c. When an emergency demolition order is issued by the Chief Building Official of the City on a property owned by the Land Bank, the City will provide the Land Bank with a copy of the emergency order and Notification of Demolition and Renovation form submitted by the City to the Ohio EPA within one (1) business day following the issuance of the emergency demolition order.
  - d. The Land Bank may 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 in the City, where feasible. Salvage will comply with the terms of TMC §1726.05(e).
4. **Demolition Specifications.** Demolitions will be considered complete when the following specifications have been met:
- a. Demolish all structures and outbuildings on the property, all paved surfaces, including driveways, private walkways, and patios, all fencing unless otherwise noted, and remove all vegetation and minor trees in the path of any equipment.
  - b. At the same time demolition on the site occurs, remove all debris from the site and haul to an appropriate landfill for disposal, and make available verified original receipts from an licensed land fill evidencing that the debris has been disposed of in a proper manner when requested.
  - c. Remove and dispose the foundation to at least 18 inches below the finished grade, leaving no building debris within the cavity, and crush the basement floor to allow for proper drainage at the site.
  - d. Retain sidewalks and public right of ways unless otherwise indicated. Damage to a sidewalk or public right of way must be corrected or repaired within 30 days from the date of damage.
  - e. Fill the foundation cavity with non-contaminated materials that meet or exceed the trade standard to the final grade of the site, and provide a finished site that is level and free from debris, including along lot lines, and that is properly graded and compacted.

- f. Cover the site with at least 1” of top soil, hydro-seed or hand seed the site, with an agreed-upon mixture of grass seed and white clover, at a rate of 6 pounds per 1000 square feet, provide a cover of straw if necessary, and ensure that cover is growing on the site and that the site can be safely maintained.
  - g. Secure all necessary permits or proceed orders related to the demolition, and provide written proof of same when requested.
  - h. Provide all necessary protections and take all necessary precautions that are required to protect workers and bystanders from injury during the entirety of the demolition process, including notice at least 48 hours in advance of the work to adjacent neighbors to mitigate exposure to dust and other particulate matter.
  - i. Maintain the property and keep the property and surrounding area clean and free from debris on a daily basis during the course of demolition and following completion of demolition.
  - j. Perform all work in a professional, safe and workmanlike manner, and not undertake or participate in any unlawful activities.
5. **Compensation and Invoicing.** The Land Bank will compensate the City in the amount of \$7,700.00 for demolition on a per address basis during the calendar year 2021, unless the City and the Land Bank have agreed that the project is complex enough that a special bid is warranted. In each calendar year after 2021 through the end of 2025, the base cost of a City-performed demolition will increase as needed to account for documented increases in the cost to perform this demolition work, and the Parties will mutually agree on a new base cost for that calendar year by separate amendment to this MOU. The City acknowledges that the demolition work is provided to the Land Bank as a core governmental function of the City, at cost, and without profit.
- a. Compensation will be itemized as follow: \$6600.00 for the labor, equipment, and materials to tear down all improvements on the site, haul and dispose of all debris at the same time as the tear down and pay associated dumping fees, and grade the site, lay top soil, and seed for greening coverage; \$1100.00 for the labor, equipment, and materials to disconnect water and sewer utility service on the site. The City agree that any additional administrative costs or fees are already incorporated into the total cost and will not be separately collected.
  - b. The City will provide the Land Bank with an invoice itemized to each property address no later than 10 days following the completion of the water and sewer service disconnection, and also at the completion of the project for the balance due. The Land Bank will make payment to the City within 30 days of receipt of each invoice unless there is cause to withhold payment.
  - c. Notwithstanding the foregoing, the Land Bank will withhold 10% of the final project invoice (the “Retainage”) to verify that all specifications were met on the site. The Land Bank will release the Retainage to the City once required site specifications have been met. If the City fails to make reasonable efforts to ensure that the specifications of this MOU are met, the Land Bank may withhold all or part of the Retainage in order to correct such deficiencies in the Land Bank’s sole discretion, with prior written notice to the City and

reasonable opportunity to remedy the deficiency. The Land Bank may waive enforcement of this provision in the Land Bank's sole discretion.

6. **City Liable for Error, Delay, or Inadequate Performance.** If as a direct result of City's delay, error, or inability to complete the work, the Land Bank is unable to utilize funding otherwise available for demolition or incurs additional costs relating to environmental assessment or abatement or any other activities related to demolition, the City will be solely responsible for these costs, and the Land Bank will be entitled to withhold compensation accordingly.
7. **Land Bank's Right to End or Suspend Work.** A consistent failure of the City to perform this work in a safe, professional, and workmanlike manner will be grounds for the Land Bank to withhold future demolition work from the City. The Land Bank may order the City to suspend work, with or without cause, for a period of time at the Land Bank's discretion. The City will not be liable for damages arising from a delay in work resulting from the Land Bank's suspension of work.
8. **City's Representations.** The City represents that: (i) all employees, agents, and subcontractors engaged in demolition and related activities are fully trained, licensed and certified in their respective areas of work.; (ii) adequate liability and property damage insurance, whether self-insured or insured by a third party, is in full force and effect to the extent the City is not immune from liability as a political subdivision under Ohio law; (iii) employees participating in the City's demolition work are covered by Ohio's Workers' Compensation Program; (iv) the City is not debarred from federal or Ohio contracts; (v) the City has Drug Free Workplace, Equal Employment Opportunity, and Ohio Ethics and Conflicts of Interest Law policies that are actively enforced; and (vi), to the extent the City is paid for work under the terms of this MOU, the City will not file any mechanic's liens against properties owned by the Land Bank.
9. **Future Large Scale Demolition Work.** The City and the Land Bank may amend this MOU as needed to provide for a shared approach to the completion of large scale demolition work, comparable to the work completed under the Moving Ohio Forward Program or the Neighborhood Initiative Program, if the need arises.

## **E. INFORMATION AND INFORMATION TECHNOLOGY.**

1. **Shared Data.** The City and the Land Bank agree that sharing data and information with each other on a uniform and consistent basis is key to addressing problem properties and neighborhood improvement. By simple request, the City and the Land Bank will each make its data and information available, including through appropriate access to its information systems, to the other in service of this partnership.
  - a. To best facilitate data sharing, the City and the Land Bank will make efforts to include at least one common property identifier in the data shared so that the data may be linked with other sources, and unless otherwise noted, that common property identifier will be the seven-digit County parcel identifier in text format without hyphenation or spacing.

2. **The Land Grid Survey.** The Parties agree that an updated sidewalk survey of all the parcels in the City would be useful to make comparisons in terms of neighborhood quality from the prior sidewalk survey conducted in 2014-2015 and also to carry-out the future goals and objectives of this MOU. Therefore, the Land Bank will pay for and conduct an updated survey of all parcels in the City using the platform Land Grid, developed by Loveland Technologies, during 2021. The City will provide input on the development of the sidewalk survey instrument prior to launch. All data collected from this survey will be made available to the City and to the public after the survey is completed, and the City may support the completion of this effort through in-kind donations as it sees fit.
3. **Land Acquisition Information Network (LAIN) Software License.** The Land Bank has developed web-based software for its property acquisition, inventory, and case management needs through an iterative development process that began in 2012. This software, called the Land Acquisition Information Network (LAIN), is wholly owned by the Land Bank, and though customized largely to the Land Bank's needs, can be adapted to serve other large-scale Ohio land owners, like the City. After reviewing its options, the City believes that LAIN is a tool that would better assist with the management of its real estate inventory.
  - a. The Land Bank grants a non-exclusive, perpetual license to the City in the intellectual property constituting LAIN, and the City will pay the Land Bank a one-time fee of \$30,000 for this license. The Land Bank agrees to invest all of the fees associated with licensing LAIN into the further iterative development of LAIN, including the investment necessary to allow the City to establish a stand-alone copy of LAIN for its purposes that mirrors the functionality of the Land Bank's version. The Land Bank and the City, at their shared expense, will explore ways in which each of their copies of the LAIN software may be bridged for more cost-effective and timely information sharing between the Parties. The City will consult with and seek the approval of the Land Bank before making any material changes to the LAIN software code.
  - b. In the event that the development of LAIN for the purposes the City desires exceeds the one-time fee of \$30,000, the Land Bank will provide an accounting to the City and may request additional financial support from the City to continue this license.

## **F. GENERAL PROVISIONS.**

1. **Annual Review of the Partnership.** At least once annually, the City and the Land Bank will meet to present and review the prior year's activities and progress under this partnership and MOU. To the extent possible, the City may request such a meeting to occur during a public hearing of the Toledo City Council committee with oversight of this MOU. The City and the Land Bank will take steps to invite their key principals to that hearing or presentation to maintain lines of public communication in the best way possible.
2. **Planning Partnerships.** The City and the Land Bank will continue to partner toward the developments of plans and policies that improve neighborhood conditions in the City, including in the areas of zoning and land use regulation, housing, business development, code compliance, quality of life, neighborhood safety, property tax collection, and nuisance abatement.
3. **Charges for Certain City Matters.**

- a. **Special Property Tax Assessments.** The City acknowledges that it imposes certain special tax assessments against property owners in the City of Toledo for the delivery of assessed municipal services, but with respect to the parcels of land it owns in the City of Toledo, the City does not collect from itself these special tax assessments. Consistent with the land assembly partnership outlined in this MOU, the City will not collect special tax assessments imposed on property the Land Bank owns, except the Land Bank will be liable for any bonded special tax assessments imposed by the City (e.g., bonded sidewalk repair or replacement assessments). Property the Land Bank owns will not be subject to non-bonded special tax assessments for the remainder of the tax year after the property transfers to a private owner. The City will cooperate with any actions taken by the Lucas County Auditor to conform the tax rolls consistent with this MOU, and the Land Bank will make annual payment of any special tax assessments due through the Lucas County Treasurer's regular collection for that tax year.
  - b. **Nuisance Abatement Liens.** If the City attempts to collect nuisance abatement charges against a private property owner by certifying a lien to the tax rolls, but between the time that the charge is incurred and the lien is certified, the Land Bank has taken ownership of the parcel, the City will subsequently de-certify this lien on the tax rolls and solely attempt to collect it personally against the owner.
  - c. **Lot Split Applications.** The City, through the Toledo Plan Commission, will waive the filing fee for lot split applications submitted by the Land Bank to the extent that the lot split is necessary to facilitate the goals of the joint Side Lot Program.
  - d. **Public Utility Charges.** The Land Bank is responsible for all public utility charges for storm water on improved parcels, and regular water, sewer, and garbage collection services on any parcel when requested, during the period that the Land Bank owns title to the property. The City acknowledges that under R.C. 5722.03 and 5722.10, any costs, charges, or liens that have been assessed, certified, or placed under R.C. 743.04 with respect to a property acquired by the Land Bank will be extinguished and of no force and effect against the Land Bank, its successors and assigns, provided that the costs, charges, or liens were incurred before the date of acquisition or transfer to the Land Bank and were not incurred by the Land Bank. The City's departments will take all appropriate steps to make these statutory provisions effective without prior notice from the Land Bank.
4. **Term of MOU.** Subject to the amendment and termination provisions below, this MOU will be in effect until December 31, 2025 and thereafter renew on a year-to-year basis, and may only be amended or terminated prior to this date by mutual written agreement of both Parties.
  5. **Amendment of MOU.** This MOU may be amended at any time by the written mutual agreement of both Parties. Any such amendments will be executed by the Parties. If at any time the Parties choose to amend this MOU, the Effective Date of this MOU will be changed to reflect the date of the execution of the most recent amendment or amendments.
  6. **Construction of Provisions of MOU as Severable.** If any specific provision of this MOU are forbidden by law, unenforceable, or terminated under the procedures set forth herein, then such provision will be rendered without effect. If any provision is rendered without effect such provision will 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 will be construed as operating without the stricken provision.

7. **Notices.** All notices, requests and correspondences made from the Land Bank to the City will be in writing and will be deemed to have been duly given if delivered by hand or mailed by regular mail to the following addresses, unless otherwise indicated in this MOU:

If to the Land Bank: Lucas County Land Reutilization Corporation  
One Government Center, Ste. 580  
Toledo, OH 43604

If to the City: City of Toledo, Department of Law  
One Government Center, Suite 2200  
Toledo, OH 43604

Copy to: Office of the Mayor  
Department of Public Service  
Department of Neighborhoods

The City will forward any notices, requests and correspondences to City departments as needed.

8. **Successors and Assigns; Parties in Interest; Assignment.** The provisions and covenants set forth and agreed to herein will extend to and be binding upon the successors and assigns of the Land Bank and the City, and such provisions and covenants will bind such successors and assigns jointly and severally. All of the provisions and covenants hereof will be held to be for the sole and exclusive benefit of the Land Bank and the City, and no third party will be deemed the beneficiary of such covenants and provisions, except by mutual written agreement of the Parties. Neither Party may assign any part or all of its rights or obligations under this MOU to a third party without prior written agreement of the non-assigning Party.
9. **Transparency of MOU.** A copy of this MOU will be posted publicly on the Land Bank's website. Nothing in this MOU will 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 will be severable from the MOU as set forth herein.
10. **Right of Termination; Termination Notice.** Either Party (the "Terminating Party") may terminate and abandon its obligations and commitments under this MOU upon six months written notice to the other all party (a "Termination Notice") in the event the Terminating Party reasonably believes: (i). the other Party will be unable to perform or complete any action for which it has made a commitment hereunder, which action is material to the performance by the Terminating Party of its commitments hereunder; (ii) after good faith and commercially reasonable efforts under the circumstances by the Terminating Party, the Terminating Party will be unable to perform or complete any action which is material to its performance and completion or the performance and completion of any other Party; or, (iii) one or more of the purposes and objectives of this Memorandum of Understanding, as described herein, will not be realized as and within the time-frames contemplated herein. The Termination Notice will identify the action or actions, the failure of which gives rise to the Termination Notice and, if possible, any possible resolution or alternative action,



the performance of which, would allow the Terminating Party to withdraw its Notice of Termination and proceed with its commitments under this Memorandum of Understanding.

11. **Resolution of Reason for Termination Notice.** Upon receipt by a Party of a Termination Notice, the Parties will meet and work together diligently and in good faith to attempt to resolve the concerns of the Terminating Party described in the Termination Notice, identify the actions which, if performed and completed, would allow the Terminating Party to withdraw its Termination Notice, and provide reasonable assurances to the Terminating Party that such alternative actions will be timely performed. In the event the Parties to this MOU provide the Terminating Party with reasonable assurances that the actions described in the Termination Notice will be performed and completed within a reasonable time from the date initially required for completion of such actions and in no case beyond six months from such initial date, or that an alternative action will be performed and completed such that the benefits provided by such alternative action provide benefits to the Terminating Party reasonably comparable to the actions identified in the Termination Notice, then the Terminating Party will withdraw its Termination Notice by notice in writing to the other Party to this MOU.
  
12. **Effective Date of Termination.** In the event the Terminating Party is not required to withdraw its Termination Notice as provided in this MOU or does otherwise not withdraw its Termination Notice or extend the effective date of termination as provided in such Termination Notice, then the Parties' respective commitments and obligations under this MOU will terminate and they will be released from the same, without liability or further obligation, effective on the later of: (i) the date which is six months from the date of the Termination Notice; or, (ii) the date of termination set forth in the Termination Notice.

**INTENDING TO BE LEGALLY BOUND**, the Lucas County Land Reutilization Corporation and the City of Toledo have executed this Memorandum of Understanding as of the Effective Date.

LUCAS COUNTY LAND REUTILIZATION CORPORATION

\_\_\_\_\_  
David Mann, President

CITY OF TOLEDO, OHIO

\_\_\_\_\_  
Wade Kapszukiewicz, Mayor

APPROVED AS TO CONTENT

APPROVED AS TO FORM

\_\_\_\_\_  
Office of the Mayor

\_\_\_\_\_  
Department of Law

**Exhibit A**