

Jonesboro Land Bank Commission
Minutes for Tuesday, August 11th, 2020
Via Zoom and City Council Chambers, 300 South Church Street, Jonesboro, AR

Note: We will follow guidelines for public meetings per the Arkansas Department of Health.

1. Roll Call

Present: Jeffrey Herndon, James Hollywood, Jay McLeod, Corey Mills, Dennis Zolper, Bob Warner, Derrel Smith, Ryan Robeson, Heather Owens

Absent: Gabe Roberts, Jeremy Moore, Ray Osment

2. Finding of a quorum

3. Approval of Minutes

- a. August 11, 2020

4. Old Business

A. 129 N Bridge - Purchase approved. Resolution 20:022. Sale date pending.

Derrel Smith stated in January a resolution was passed to purchase that property at the Land Commissioner's sale. That sale has been postponed until 2021. They are not expecting to have a sale until April 2021 at the earliest.

B. 827 Warner - Construction nearing completion. Possible ceremony once complete.

Derrel Smith stated this is the property that was sold to be redeveloped. They are nearing completion of this. He stated they will try to get with the builder and do a ribbon cutting in the near future. When they are ready and we get the plans together we will send out invitations and make sure the press is present to get publicity for the project. He stated they have done a very good job repairing this house. They have a little more to go, but it looks much better than before.

C. 651 W Huntington Avenue - City Council approved. Delay in purchasing until April 2021.

Derrel Smith stated this property was the one that was voted on at the last meeting to try and purchase. This has also been delayed until April 2021. We will stay on top of this and see how it progresses.

Derrel Smith stated adjacent from 129 N Bridge and adjacent to property the Land Bank already owns is 105 and 107 N Drake. The property at 107 N Drake is a piece of property that the owner had expressed interest in maybe donating to the Land Bank. 105 N Drake could be in condemnation. He stated we need to try and make contact with the owners. He stated he spoke to Ryan Robeson and they will try to make contact with all three properties. If we could get these three properties it would give us a nice area that we would have full control of. One of these properties has the IRS lien. We are going to try to make contact with the local IRS people and see if they are willing to waive some or all of it and donate it to the Land Bank.

Bob Warner stated he believes two of those properties have IRS liens. He stated they have negotiated with the IRS in the past and he has a name of the person in that office to contact. He stated he would try to make first contact. The hope is that the IRS will reduce the amount of the lien and we could pay that and obtain the property, or they may forgive it completely. If all of

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these properties are obtained, it would complete the block around the bridge which would be good for future development.

Jeffrey Herndon asked for the amount of the IRS liens.

Derrel Smith stated he knows one was about \$30,000. He stated he was not aware that both are IRS liens. He stated when he spoke with Jonathan Smith at the first of the year there was one worth more than the property. It is our hope they can forgive a lot of that.

Heather Owens stated the City would not make any money on that property. She stated she would not advise buying a piece of property that has that big of a lien on it that we cannot get rid of. That will not do the City any good.

Derrel Smith stated that is why we want to contact someone with the IRS and see if they would forgive that lien or at least lower to something the City would be interested in.

Bob Warner stated he thinks the commissioners would never approve that nor would we advise that. The hope is that the government gives it to us, but we do not have any experience with the IRS at this level.

5. New Business

A. Financial Report

Account	Balance
Professional Services	\$4780.00
Land & Improvements	\$46,475.41
Condemnations & Demolitions	\$3484.00

Derrel Smith stated at the last meeting the commission had asked to review the financial report. Professional Services had a balance of \$8,000 in January. It is down to \$4780. That is for mowing and maintenance on city properties we take care of now. Land and Improvements started at \$50,000. Currently, we are at \$46,475.41. Condemnations and Demolitions started at \$5000 and we are currently at \$3484. He stated we have been sitting on things because of the tornado and Covid-19. The entire city has been waiting to see how things were going to go before we spent money we might need in the future. Our biggest change is in Professional Services due to mowing during the summer. Everything else is in good shape for it being the eighth month of the year.

Bob Warner stated the city is currently running a surplus and it could be possible to go to City Council and request additional funding if there becomes a need. He stated he would like to double back and state 107 N Drake does not have any liens, but it is adjacent to 105. The liens on that property are in excess of \$50,000.

James Hollywood asked if there is anything that could be put into place so that we do not run into these types of federal issues in the future.

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Bob Warner stated we did not put the liens on the property. He stated he would think that is an owner who would owe income tax and they put liens against everything he had. He stated the only reason we are in this situation is because it is adjacent to property we already own. He stated we are just trying to complete that section.

Dennis Zolper stated the only way to find out if there is a tax lien is by a title search or title commitment. The IRS is not noted to remove any liens for any reason. Most of those liens are probably a result of income tax.

Bob Warner stated this came up at a meeting about a different subject and they have had a little success with the IRS, but there is someone we have to get in touch with. He stated they will get in touch with them.

B. Redevelopment District Update

Derrel Smith introduced the Downtown Jonesboro Redevelopment District Code that will be introduced to the MAPC. It was created to encourage redevelopment in the downtown area and encourage a more pedestrian focused environment. It consists of four districts: Core Mixed Use, Commercial Mixed Use, Industrial Arts, and Neighborhood Transition. The goal is for MAPC approval to send it to City Council for review.

Bob Warner stated this is to improve the corridor between downtown and Arkansas State. It is also a way to get development to come back and renew the downtown area. It opens up innovation and creativity to renew an area of the city that has been a little neglected over the years.

Jeffery Herndon stated that he sees street designations are predetermined. He asked if there was a process that could change the determination of a street.

Derrel Smith stated those designations came due to past meetings and meetings with City, Water, and Light. He stated there are three substations feeding power into downtown Jonesboro. He stated they are trying to get pedestrian priority areas and still keep service to the hospitals, the 911 center, services that need to be taken care of without undue hardship on City, Water, and Light.

Bob Warner stated anything in the overlay can be changed during this process now. Once adopted, he asked if there is a mechanism to adjust what is allowed in an overlay.

Derrel Smith stated if it does not meet the code it can go to BZA. It is possible the code itself would also need to be amended.

James Hollywood asked about issues relating to the fire code.

Derrel Smith stated they will still have to meet fire codes. If buildings are closer together, they will have to meet fire code required for buildings that close in proximity.

James Hollywood expressed concern for public safety and the need for more fire and police in the area if the population increases.

Derrel Smith stated the infrastructure is already there. He stated it is better to redevelop than to go out and build on the outskirts of town. It costs less for the city to do that than for new development.

James Hollywood asked if there was any flood concern in this area.

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Derrel Smith stated there are a few areas in the flood plain, but for the most part the older areas of town were built up higher than most. The area along Gee Street has some concerns.

C. Review Commercial and Residential RFQs

6. Public Comments (3 Minutes Per Person) This is a zoom meeting only. Public comment will be taken at councilcomments@jonesboro.org or by phone at 870-336-7248

7. Adjournment

A motion was made to adjourn. The motion passed.