

City of Sandusky Housing Appeals Board
September 25, 2018
Meeting Minutes

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The Chairman called the meeting to order at 4:00 p.m.

The following members were present: Frank Valli, Sharon Johnson, Walt Matthews, Janice Werner, and Gary Guendelsberger.

City staff present: Angela Kotsopoulos and Amanda McClain -Code Enforcement Office; Trevor Hayberger -Law Department and Kelly Kromer- Clerk

All audience members were sworn in by Mr. Hayberger.

Approval of minutes from the previous meeting:

September 25, 2018. Mr. Guendelsberger moved to approve the minutes; Mr. Matthews seconded the motion, which carried unanimously.

OLD BUSINESS: None

NEW BUSINESS: First Item on the agenda is 18-05 Eastman & Smith Ltd. Jared Lefevre on behalf of EKAM, LLC is appealing the demolition of 521 Pearl Street, Sandusky, Ohio 44870. Parcel Number 59-00166.000

Mr. Valli at this time asked Mr. Lefevre to please take to the podium.

Mr. Lefevre thanked the board for their time and stated that he is an attorney at the law firm of Eastman & Smith. He stated that his client is EKAM, LLC which is the titled owner of 521 Pearl Street, which has received notice for demolition. Mr. Lefevre stated that his client EKAM, LLC engaged him to pursue claims against Ronald Wilson and Sierra Real Estate Services with respect to this property as well as properties that are held in other entities that are in Toledo, Ohio. He added that the courts are preparing that litigation which has now been filed in Lucas County Court of Common Pleas as case number 201803661. He stated that at the time his client EKAM, LLC received the notice of demolition he was unaware of the issues at the property. His clients' major complaint with Mr. Wilson and his company was that they were receiving commission payments based on rental income from the various rental properties; however he wasn't turning the money over. He stated that Mr. Wilson wasn't communicating with them or doing anything he was supposed to be doing as property manager. Mr. Lefevre stated that in spring of this year EKAM, LLC discharged Ronald Wilson as well as the affiliated entity Holy Bell Estates and now filed a lawsuit against him to try to recover the funds that he has in their view stolen from their client and for his negligent services as property manager. In addition he stated that they are seeking to disassociate Mr. Wilson from the LLC's. Mr. Lefevre stated that all of this information is probably more than the board is interested in, however he wants to explain to the board as to why they filed the appeal given their clients lack of awareness of this issues on the property. He added that they initiated this appeal to try to buy some time in order for their client to investigate the possible remedies or any repairs that could be done at the property and what it would cost, or demolish the building himself on his own dime rather than putting it on the taxpayers. He stated that his client is in the process of doing so and has received one estimate for repairs and solicited another bid from another company to see what that looks like and is looking at demolition contractors at the moment.

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Discussion: Mr. Matthews asked Mr. Lefevre if he has the repair estimate with him today. Mr. Lefevre stated that he does not because his client was looking for other bids as he was not going to take the bid he got due to it being in excess of \$60,000.00. Mr. Lefevre stated that he is looking at it actively. He added that he is here to throw himself at their mercy and see if they can get some additional time to investigate and hopefully avoid some cost to the City and take the cost on themselves. He stated that if the board were to set a firm deadline for this to be done on their own that would be acceptable by his client as they would like to do the right thing rather than put it on the City.

Mr. Lefevre stated that he does have a copy of the lawsuit/complaint that they filed on September 10th therefor they do not have an answer yet if the board would like to see it or take it in as evidence purposes for this hearing. Mr. Guendelsberger stated that he will take Mr. Lefevres' word and does not need to see it.

Ms. Johnson asked if it was September 10, 2018. Mr. Lefevre's response was "yes". He added that they have tried to act as promptly and as swiftly as they can in regards to all of these issues. Ms. Johnson asked "how many properties does this company have in town?" Mr. Lefevre's response was that he believes that EKAM LLC only owns one in town and has some in Toledo. Ms. Johnson stated that they bought the house back in April 6, 2017. She asked if they knew what they were getting into when they bought the house. Mr. Lefevre response was "unfortunately I wasn't involved in the initial transaction, my understanding is that my client along with several others and a group of investors in California did come and meet Mr. Wilson in person, I don't know to what extent they investigated all the properties that they purchased". Ms. Johnson asked how long the house has been condemned and when was it condemned. Ms. Kotsopoulos stated "it was condemned originally in 2016 for a short period of time then again in 2018 after the search warrant on July 20th."

Mr. Guendelsberger stated that according to the history of the property the search warrant was acted on July 20, 2018 and there doesn't seem to be a representative from the property there. He asked Ms. Kotsopoulos if they were notified. Ms. Kotsopoulos stated that it was a search warrant. Ms. McClain stated that they do not have to be notified and that Code just needs to have probable cause. Mr. Guendelsberger ask if anyone one was present on the property. Ms. Kotsopoulos stated "no, they had several police reports so there was probable cause because of all the nuisance problems we had." She added that it was signed by a judge and they went in on July 20th. Mr. Guendelsberger stated that his question is where's the property owner ahead of all of this is, he has to know that this is all going on. Mr. Lefevre stated that any notices that were sent regarding this property would have been sent to Mr. Wilson as the property manager. Ms. McClain stated that the reason Mr. Wilson would have received notice is because he is listed as the statutory agent and is the one for the corporation to get the notice. She added that until we actually went in and did the search warrant and got the percentage to order it demolished we do a lien search at that point we came across his client.

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Mr. Valli stated that the net owed on the taxes is crossed off and the net due it is not crossed off. He asked if they are in arrears on taxes or if they are current. Ms. Kotsopoulos stated that they are and that it's not crossed off its highlighted. She apologized for the confusion. Ms. Werner stated that they owe \$1900.00 in back taxes.

Ms. Kotsopoulos stated that there has never been anyone in this home since before 2016. She added that the water has not been on since 2016 and that no one could have lived there. Ms. Johnson stated that it would have showed up on the books even if he was lying. Ms. Kotsopoulos stated that the owner lives in California and wouldn't know that. Ms. McClain stated that the property owner is not here. She clarified that Scott Thom was there as the City Building Official not the property owner. Mr. Lefevre stated that they did notice the lack of rent and that is why the relationship was terminated in the spring of this year. He added that there is a new property manager in place and future notices would get to their client.

Ms. Werner asked when they purchased the home. Mr. Lefevre stated that he believes it was in 2017. Ms. Werner stated that the water has been off since 2016 and Ms. Kotsopoulos added that the electric and gas have also been off.

Mr. Guendelsberger asked if they could hear from Angie as far as photographs.

Ms. Kotsopoulos, City Code Officer, stated December of 2016 is when they originally started with the complaint with the original owner who she believes lost the property. She added that there was a boat that had been shoved into the property and referred to the pictures. She stated that she had a search warrant ready but they decided to wait because it was going to sheriff's sale and they wanted to see if it would get bought and fixed up. The complaints at that time were missing paint, walls collapsing, foundation failing, holes in walls, and ceiling tiles falling. She stated that animals were going in and out of the house and Code enforcement is now maintaining the yard and the bills from this year alone are over \$1000.00. She stated that Officer DeSalle and she have been into the house over 25 times for open doors before the search warrant. They began to get more and more complaints about entries and animals in May. She stated that the expert opinion from Scott Thom put the property at 57% deteriorated only because a few of the rooms upstairs were practically finished. At this time Ms. Kotsopoulos showed pictures. She stated that you can see the animals, failing floors, and holes floors. She stated that it was condemned immediately. She stated that Mr. Lefevre's client is a victim. It's been a year of nuisance and her recommendation is to deny the appeal. She showed a few more pictures at this time and explained that there is a wall rotting along with black mold, broken downspouts, and open pipes. She stated that it would need a new roof, windows, and plumbing. She stated that someone must have mowed the property that day as it was high the day before.

A motion was made by Mr. Guendelsberger to deny the appeal based on the opinion of the Chief Building Official listing the property at 57% deteriorated from its original construction; Mr. Matthews seconded the motion which carried unanimously.

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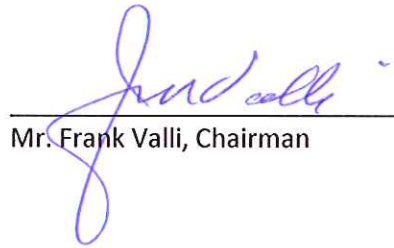
There was no further business before the Board. A motion was made Mr. Johnson to adjourn the meeting at 4:25 p.m. All in favor

Next meeting: November 27, 2018

APPROVED:



Kelly L. Kromer, Clerk



Mr. Frank Valli, Chairman