

DRAFT Houghton County Land Bank Authority (HCLBA) Property Sales Policy for Land Bank Acquired Property

The HCLBA has taken on the ownership of properties and stabilization of buildings in an effort to prevent the loss of historic buildings, avoid further fragmentation of the downtown business districts and neighborhoods and provide opportunities for new development including housing. It is therefore the policy of the HCLBA in doing so is to hold these properties until a viable development opportunity is found that will return these properties to a condition and use that benefits the long term economic health of our community.

Policy Objective

- Rehabilitate or redevelop the entire vacant building or property for appropriate and productive use
- Return the property to the tax roll and increase its value through complete redevelopment
- Secure development which adds to the business mix and is in the best interest of the community
- When located in a downtown district, rehabilitate or redevelop the building or property in a manner that if located in an historic district, attempts to conform where practicable or required with Secretary of Interior's Guidelines for Redevelopment of Historic Buildings or the local Historic District Commission guidelines, and enhances the unique historic look and feel of the building in its location or undertakes appropriate historic infill.
- Secure a private developer (DEVELOPER) with sufficient demonstrable financial ability to complete the rehabilitation or redevelopment within a reasonable time frame and sufficient demonstrated ability to achieve the above objectives
- Develop a project that is a "permitted use" under the property's current zoning district designation and does not require re-zoning of the parcel
- Minimize or eliminate any need for obtaining variances from any local zoning ordinance and other municipal codes.

Proposal Requirement

The sale of each building or piece of property will be done through a proposal process. DEVELOPER must submit with the proposal all information deemed necessary to detail the proposal and permit the HCLBA to evaluate and verify the proposal. The proposal must contain, at a minimum, the submittal of materials detailed in the attached Proposal Form. Proposals will be evaluated on the following criteria. Developer may submit additional information they believe will address each of the criteria. They are:

- Project plan narrative discussing the details of the proposed project and how the project relates to the objectives of the HCLBA for redevelopment of buildings including, but not limited to:
 - Name of the entity proposing to purchase property
 - The intended use of the property and whether it is zoned for the intended use
 - The investment Developer will make to develop the intended use
 - Whether the intended use adds jobs and/or tax base to the community
 - How the intended use adds to the business and/or residential mix of the community

- The amount of the investment the Developer intends to make
- The proposed time frame to achieve the intended use
- The financial ability of the Developer to achieve the intended use
- Demonstrated ability to achieve HCLBA objectives
- Development team and experience
- Preliminary floor plans, elevations/renderings, and site plan (use of existing documents may be allowed), description of work to be done (can be shown in the plans and renderings)
- Financing Strategy showing how the DEVELOPER intends to finance the cost of acquisition and rehabilitation
- Project Schedule

DEVELOPER'S financial information, business plans, tax records, and some other documents submitted by the DEVELOPER to satisfy HCLBA's evaluation of DEVELOPER'S proposal will be kept confidential and are not subject to FOIA requests. HCLBA will use an outside, independent economic development consultant (KEDA) to provide review and guidance on selection.

Proposal Elements

Proposals shall be submitted on a form provided by the HCLBA along with all information needed to address the above criteria. The form must be completed in its entirety. HCLBA will provide a complete proposal package upon request by a potential DEVELOPER.

No proposal may be withdrawn for ninety (90) days after receipt. The HCLBA intends to make a decision to accept or reject a proposal, at a regular scheduled HCLBA Board of Directors' meeting within 90 days of receipt. HCLBA reserves the right to accept or reject any or all proposals, delay its decision, to waive any irregularities in the consideration of the proposals, negotiate with those who have submitted proposals, and to award the contract to the most responsive and responsible party whose proposal is most advantageous to the HCLBA. A decision to accept a proposal does not automatically result in the sale of the property. Sale will only be completed upon the signing of a Property Sale and Development Agreement (Agreement).

The HCLBA will evaluate the proposal based on:

- Whether the proposal is well thought out and presented thoroughly
- Whether the end result retains the basic historic integrity of a building that the HCLBA designates as historic
- Whether there is sufficient evidence that the DEVELOPER has the financial means to undertake the work proposed
- Whether the DEVELOPER demonstrates the capacity/capability to undertake the work proposed

The proposal must be accompanied by a proposal guaranty of \$1,000. The guaranty may be in the form of cash, a certified check, bank draft or bid bond secured by a surety company. The HCLBA will retain the proposal guaranty until an Agreement has been executed between HCLBA and the successful proposer. If the HCLBA chooses not to accept the proposal the

proposal guaranty will be returned. The \$1,000 guaranty from the successful proposer will be held in escrow by HCLBA and returned to DEVELOPER upon successful completion of the redevelopment project. DEVELOPER agrees to forfeit the guaranty in case of DEVELOPER'S refusal to enter into the Agreement or proceed to closing on the purchase of the property from the HCLBA.

Completion of Project Conditions

Projects will be governed by an Agreement that will contain at a minimum performance conditions, indemnification provisions, repurchase provisions if DEVELOPER fails to perform, and provisions covering damages, permits, familiarization with site and other requirements, assignment or sale of property, and continued use of property.

Support to Developer

A potential DEVELOPER will have access to all current state and local resources available and appropriate to implement the proposal. A detailed list can be obtained from the Keweenaw Economic Development Alliance and at a minimum includes MEDC Community Revitalization Program funding, Houghton County Brownfield Redevelopment Authority Tax Increment Finance support, and where available local development authority grants. If the DEVELOPER chooses to utilize state and local financing assistance, those sources will need to be in place prior to the HCLBA closing the purchase and sale of the property. Preference will be given to proposals that plan to utilize state and local resources to maximize the redevelopment investment.