



Land Reutilization Public Educational Series

Land Reutilization Law Part IV Disposition Process

Disposition Methods

- Ohio Revised Code § 5722.07
 - Property cannot be sold for less than fair market value unless competitively bid
 - Devotion to public use
- Methods of Disposition
 - Interested Purchaser (Fair Market Value)
 - Adjoining Property Owner
 - Developer
 - Request for Proposals (RFP)
 - Market Property with Realtor

Interested Purchaser or Adjoining Property Owner

- Preliminary Application
- Qualification Application and Interview
- Market Analysis (Fair Market Value)
- Administrative Approval Process

Preliminary Application

- Basic contact information
- Who are you and why do you want the property?
 - No delinquent real estate or personal property taxes in Erie County
 - No history of property maintenance, nuisance, building, and/or zoning code violations
 - No delinquent water/sewer accounts
 - Does the property qualify as *nonproductive land*?

Qualification Application and Interview

- Adjoining property owner: Ability to adequately improve and care for the property
- Developer: History of responsible ownership and development with adequate resources available to complete the project in a timely manner in compliance with City codes

Public Records Review

- Erie County Recorder
 - Deeds
 - Mortgages
 - Liens
- Common Pleas Court
 - Civil Judgments
- Municipal Court
 - Small Claims
- Secretary of State (Corporations)
 - Active
 - In Good Standing

Property Use

- How the nonproductive land will be converted to tax generating status
- Intended use
 - Improve the condition of the nonproductive land
 - Revitalize the area
 - Enhance the surrounding community and neighborhood
- If the qualification application and interview is not satisfactory and the situation cannot be remedied, applicant is not approved

Request for Proposals (RFP)

- Legal notice published once a week for 2 weeks
- Bid packets
- Non-mandatory pre-proposal meeting at the property site
- Questions and clarifications regarding the RFP are submitted
- Questions and clarifications are answered
- Proposals are submitted by the deadline and opened publicly

Bid Packet

- Complete instructions for submission of proposals
- Scope
 - Purpose
 - Parcel Description
 - Zoning
 - Real Estate Taxes
- Forms must be filled out entirely, signed, dated and notarized, if required
- Submitted by the deadline

Contents of RFP

■ Proposal Requirements

- Purchase price
- Improvements
- Timeline for Completion
- Estimated Costs

■ Additional Requirements

- Comply with laws and ordinances
- Obtain proper permits
- No delinquent income taxes with the City
- No delinquent real estate or personal property taxes in Erie County
- No history of code violations
- Agree to provide City with reports, financial information and other information as requested to insure compliance

Terms of Sale

- Earnest money deposit of 10% of the offering price
 - Returned to unsuccessful bidders after purchase agreement is successfully executed
- Remainder of the offered purchase price payable at closing
- Purchase Agreement executed within 30 days
- Quit Claim Deed with reverter clause to insure completion of construction or any proposed improvements
- Reverter expires upon completion of construction or any proposed improvements
- Closing within 30 days after approval by City Commission

Contents of RFP

- "AS IS"
- Construction Deadlines
 - Commence construction within 60 days after closing
 - Complete construction within 1 year of closing
- Review and Selection
 - Selection criteria
 - City reserves the right to reject any and all proposals
- Contingent Upon City Commission Approval
- Closing Procedure
 - Law Dept. prepares the Purchase Agreement and coordinates the sale of the property
 - Title Company serves as escrow agent

Realtor

- Approved by City Commission
- Enter into Listing Agreement
- Realtor determines sales price
- Responsible for showing property
- Receives proposals
- Presents proposals to Land Bank Committee
- Negotiates on behalf of City
- Appears before City Commission

Administrative Approval Process

- Land Bank Committee
- Sale or Lease of Real Property Owned by City Policy Committee
- City Commission

Land Bank Committee

- Adjoining Property Owner / Developer
 - Approval of land use or proposed construction or improvement and sale of land at fair market value
- RFP or Realtor
 - Evaluate proposals based on several criteria
 - Offered purchase price
 - Credentials of the individual or organization
 - Compatibility of the proposed improvements with the surrounding neighborhood
 - Best interests of the City and the taxing districts

Land Bank Committee

- Review and evaluate proposals
- Select the proposal that it deems is in the best interests of the City, even if it is not the highest purchase price offered
- Make recommendation to City Commission

Sale or Lease of Real Property Owned by City Policy Committee

- City Manager
- Director of Engineering Services
- Law Director
- Finance Director
- Chief City Planner
- Chief Building Official
- Ex-Officio Mayor
- Review and approve Land Bank Committee's evaluation and recommendation

Purchase Agreement

- Notification letter
- Draft purchase agreement
- Negotiate terms
- Submit final draft to Law Director for approval
- Prepare communication and legislation for City Commission approval

City Commission

- Deadlines for Agenda
 - Law Dept.: 1 ½ weeks prior to C.C. meeting
 - Commission Office: 1 week prior to C.C. meeting
 - Transmitted to C.C. the Friday before meeting is held
- City Commission Meeting
 - Held on the 2nd and 4th Mondays of every month
- Legislation Enacted
 - Ordinance to enter into a purchase agreement and sell City property no longer needed for a municipal purpose
 - Emergency Legislation in order to proceed with sale

Escrow Agent

- Submit Purchase Agreement and Ordinance
- Schedule Closing
- Deed preparation
- Tax pro-ration
- Property transfer
- Disburse proceeds of sale

Proceeds of Sale

- To the City in reimbursement of expenses
 - Acquisition
 - Administration
 - Management
 - Maintenance
 - Disposition
 - Other expenses of the Land Reutilization Program as the City may apportion to such land

Proceeds of Sale

- To the County Treasurer
 - Reimburse taxing districts
 - Balance, if any, retained by the City for the Land Reutilization Program