

Commercial Property Acquisition and Disposition Policy

Purpose:

This policy is intended to outline the Portage County Land Reutilization Corporation's (PCLRC) acquisition and disposition policies and procedures in regards to commercial properties. The Board of Directors has created this policy to instruct and govern the actions of its Executive Director in regards to acquisition and disposition of commercial properties within Portage County.

Application Process:

Due to the variation in size and use of commercial property, the PCLRC has determined that it will evaluate commercial projects and consider requests for assistance on a project-by-project basis. Those interested in assistance should work with the Land Bank Executive Director to complete the appropriate application and to provide the documentation necessary to evaluate the application and, if appropriate, refer the application to the PCLRC Commercial Committee for review and recommendation to the PCLRC board of directors. .

The PCLRC Commercial Committee will be very selective in choosing projects due to the environmental and other risks associated with ownership of commercial properties. To evaluate potential projects, the Land Bank will require detailed information regarding the proposed site, its planned use, and the end-user itself, for consideration. These requests are designed to help the Land Bank mitigate risks concerning contamination and site clean-up that go beyond the known scope of the project.

Applications for commercial project will vary by project but may include the following:

1. Documentation that the Land Bank and /or current owner of the property has followed (or will follow) the Bona Fide Prospective Purchaser (BFPP) process as outlined in the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA, commonly known as the Superfund).
2. Standard Phase 1 Environmental Assessment and other appropriate environmental analyses needed to meet Appropriate Inquiry requirements of the BFPP process. If adverse environmental conditions are discovered, the applicant shall submit an appropriate remediation plan, which meets the Reasonable Steps standard as outlined in the BFPP process.
3. The applicant must not be the owner of any real property in Portage County that was transferred to the Treasurer or to local government, as a result of tax foreclosure proceedings,
4. Applications with an identified end user shall provide documentation of the financial viability of the project, including:
 - a. Business Financial Statements from the previous 3 years,
 - b. Business Tax Filings from the Previous 3 Years,
 - c. Description of the proposed project and need for Land Bank support, including any delinquent property tax amounts,
 - d. List of property addresses and parcel numbers,

- e. Development Team Description, including complete information on the following parties:
 - i. Developer,
 - ii. Co-Developer / Partner,
 - iii. Owner,
 - iv. General Contractor,
 - v. Consultants,
 - vi. Architect,
 - vii. Project Manager,
 - viii. Lead Construction Lender,
 - ix. Marketing Agent,
 - x. Project Manager (post-construction),
 - xi. Market Information /Plan (including projections),
 - xii. Project Financing Commitment Letters,
 - xiii. Development Budget,
 - xiv. Operating Budget,
 - xv. Income Documentation,
 - xvi. List of Potential Tenants and pre-lease agreements,
 - xvii. Documentation of ability to provide windfall lien per CERCLA guidelines, and
 - xviii. Evidence of Compliance with all applicable Land Bank policies.
 - f. Certification of compliance that the end-user will comply with local zoning, building, and other applicable codes and regulations, and
 - g. A signed Development Agreement from the end-user, including assurances that: the property will be kept safe and secure, all major systems will be properly installed and functional, and the property will be cleaned and appropriately maintained (both the interior and exterior).
5. In addition, applications without an identified end-user shall include:
- a. Documentation of the community's past efforts to address the property, and
 - b. Plans for future development of the property.

Acquisition Considerations:

Referrals for commercial projects may stem from a variety of sources, including: PCLRC's Board of Directors, PCLRC's Executive Director, local communities, and potential end-users. Further, acquisition of any commercial property can be considered in an effort to:

1. Preserve or increase property values,
2. Increase the marketability of residential properties,
3. Create new businesses or employment opportunities,
4. Preserve historic structures,
5. Create new housing opportunities,
6. Increase the walkability or access public transit, and/ or
7. Assist in the remediation of a brownfield site.

Acquisition Procedures for Commercial Property:

Upon receipt of an application for assistance with commercial property the PCLRC Executive Director may identify opportunities for acquisition via any one of the following processes:

1. *Acquisition through Tax Foreclosure*
 PCLRC has the opportunity to request parcels through traditional tax foreclosure. Properties will be acquired based upon the outlined Basic Considerations, at the sole discretion of the PCLRC. Properties will be acquired in accordance with all state, local and federal procedures.

2. *Acquisition through Forfeited Lands List*

Properties acquired through the forfeited lands list have been offered at two sheriff sales, with no sale. These properties can be acquired through the Portage County Auditor's office.

3. *Acquisition through Deed in Lieu of Foreclosure*

PCLRC may, at its discretion, accept properties through a deed in lieu of foreclosure in cooperation with Portage County.

4. *Acquiring through Donation*

PCLRC may accept donated properties from private individuals as well as corporations.

5. *Acquisition through Purchase*

In some cases, the PCLRC may acquire properties through purchase.

6. *Acquisition through Purchase of Tax Liens*

In cooperation with Portage County, the PCLRC may acquire properties through the purchase of tax liens and subsequent foreclosure

Qualified Owners / Transferees:

In an effort to prevent continued delinquency, the PCLRC has established the following qualifications for ends-users, owners, and transferees of commercial properties.

1. Property owners whose property was the subject of a tax foreclosure, which resulted in such property being transferred to the Land Bank, are not eligible to receive property under the PCLRC's Commercial Program.
2. The transferee must not own any real property within Portage County that:
 - a. Has any un-remediated citation or violation of Ohio statute or local ordinance, including zoning, building or property maintenance codes;
 - b. Is delinquent on any taxes or assessments;
 - c. Was transferred to a local government as a result of tax foreclosure proceeding within the past ten years.
3. The subject property must not have been used by the transferee, or a family member of the transferee, at any time preceding the submission of application.
4. The Land Bank's Executive Director is not an eligible transferee under this policy.
5. Elected officials, or those who have served within the last twelve months, are not eligible to receive property via the Land Bank's Commercial program.