



## **Beloit Land Bank**

(Updated November 3, 2021)

The Beloit Land Bank focuses on the conversion of vacant, abandoned, tax-delinquent, or otherwise underused properties into productive use.

Vacant, abandoned, tax-delinquent, or otherwise underused properties are often grouped together as "problem properties" because they destabilize neighborhoods, create fire and safety hazards, drive down property values, and drain local tax dollars. The Beloit Land Bank was created to strategically acquire problem properties, eliminate the liabilities, and transfer the properties to new, responsible owners in a transparent manner that results in outcomes consistent with community-based plans.

These opportunities are a collection of parcels owned by the Beloit Land Bank.

Transfers of property from the Beloit Land Bank may require a development agreement, outlining the final use of the property as well as accompanying timelines. The purchase price for Land Bank properties will be negotiated based on the cost to acquire the property as well as the details in the development agreement. The Beloit Land Bank Board will approve the final agreement and purchase offer.

The Beloit Land Bank is an independent agency and instrumentality of the City with the primary responsibility and authority to efficiently acquire, hold, manage, transform, and convey surplus City properties and other abandoned, tax-foreclosed, or otherwise underutilized or distressed properties in order to convey these properties into productive use. The Beloit Land Bank was established by Ordinance 2295 on September 1<sup>st</sup>, 2021.

### **Land Bank Board**

The Beloit Land Bank Board shall be made up of two representatives from the Governing Body of the City of Beloit, KS, one representative from the Solomon Valley Economic Development, and two members from the community at large. The Land Bank Board will make all final decisions on Land Bank property transactions.

- Gene Pestinger, SVED Representative
- Andrew Grabon, City Councilmember
- Lee McMillan, City Councilmember
- Michelle Heidrick, Community at Large
- Laura Lorenz, Community at Large

## **Beloit Land Bank Policies & Procedures**

When applications are completed and accepted, a review of the proposal will be completed by City staff. City staff may develop recommendations for the BLB Board. Proposals are forwarded with recommendations to the BLB Board.

The BLB Board reserves the right to accept or reject any or all proposals without cause.

The City staff, 30 days prior to the sale of any property owned by the BLB, will publish in the official City newspaper a notice announcing such sale. At the time of publishing such notice, the BLB will notify adjacent property owners of the pending property available for sale.

### **Priorities**

The BLB will give the following priorities in disposing of land bank properties:

1. Housing
2. Business/Commercial
3. Protection of properties for historic preservation
4. Government or Public Use such as City, County, School District, etc.
5. Ownership by Non-profits, churches, etc.
6. Adjacent Property owners for side-lot acquisitions
7. Green or garden spaces for public benefit

### **Acquisition of Properties**

Property will be acquired through the following methods and any other method approved by the BLB Board:

1. Acquisition at tax foreclosure auctions
2. Donations from private entities
3. Bank foreclosure
4. Internal City/County transfers
5. Market purchases

### **Disposition of Properties**

The BLB may sell property and set terms and conditions deemed necessary or appropriate for the best reutilization of the property. These conditions include but are not limited to:

1. No competitive bidding will be required; the BLB reserves the right to set a minimum bid.
2. To purchase a property, interested party will make an application to BLB;
3. The BLB Board will make recommendations, with input from City Staff, regarding collecting or forgiving Special Assessments on Land Bank properties;
4. A Quitclaim Deed will be issued to the buyer;
5. The deed to property may be conveyed with Special Covenants from the BLB.

## Requirements for Applicants

The applicant will meet following conditions prior to purchasing land bank property:

The applicant will not have any delinquent property taxes, City utilities, or City fines. For this purpose, payment plans with the City of Beloit or Mitchell County shall be considered delinquent.

1. The applicant must not have a history of Codes violations which is defined as 2 code violations in 1 year or 4 violations in 3 years.
2. The applicant will not have a history of tax or mortgage foreclosures.
3. The applicant for property development will also meet the following qualifications:
  - b. Prior experience developing or managing housing
  - d. Adequate plan for development
  - e. Demonstrated financial health

## Property Classification

Properties accepted by the BLB will fit in the following classifications:

1. Properties with Structures
  - a. Properties can be sold "as-is" for fair market value
  - b. Properties with dilapidated structures requiring demolition
  - c. All properties must be vacant at time of transfer, the BLB will not be a landlord
2. Vacant Buildable Lots
  - a. Property will be marketed for infill housing projects
  - b. Properties available for play areas, community gardens, or other temporary public use
  - c. Properties that may be for sale to adjacent landowners
3. Vacant non-buildable lots
  - a. Properties not meeting City Zoning requirements for developments
  - b. Priority given to sale to adjacent landowners
  - c. Property utilized for long-term play areas, community gardens, or other public use

## Process for purchases non-buildable land bank properties

1. The adjacent landowners will have priority for right of first refusal, equal to the highest bid. Adjacent is defined as immediately touching the applicant's property on the right, left or across the alley.
2. Non-buildable lots will generally be sold to the highest bidder.
3. Application must agree with Conditions set forth above in BLB Policy.
4. Applicant must fill out the attached application in its entirety. Incomplete applications will be returned to the applicant for corrections.
5. If multiple proposals are received for the specific property, all applicants will be asked to make a best and final offer on the property. No new applications will be allowed after the best and final offer letter is sent out.
6. If no qualified adjacent owner shows interest in the vacant property, consideration may be given for community development efforts such as community gardens, neighborhood play areas, and community green space.

## **Process for purchasing buildable residential BLB properties**

1. Application must agree with Conditions set forth above in BLB Policy.
2. Priority will be given to applicants proposing the construction of a structure on the property.
3. Applicant must fill out the attached application in its entirety. Incomplete applications will be returned to the applicant for corrections.
4. If the Zoning is not appropriate for planned use, the applicant will need to get preapproval of zoning changes prior to any building
5. The applicant must exhibit the financial ability of completing the project by submitting a letter of credit or a pre-approval letter from their bank.
6. The applicant must attach drawings of the proposed structure for City staff to review. At a minimum, the drawings should consist of the following:
  - a. The Location of the buildings or structures;
  - b. The building work proposed;
  - c. The outside dimensions of the building by floors and dimensions of the basement (if applicable);
  - d. Building plans for new construction of buildings;
  - e. Such other information as may be pertinent to the issuance of the application. The structure should be compatible with the existing neighborhood.
7. If multiple proposals are received for the specific property, all applicants will be asked to make a best and final offer on the property. No new applications will be allowed after the best and final offer letter is sent out. In addition to the bid price, proposals will be evaluated on their ability to finance the project, the quality of the proposed building, the compatibility of the building with the existing neighborhoods, individual experiences with building, and if the proposal is for homeownership.
8. Proposals that are accepted will need to submit all their plans to the City staff prior to the building commencement. City Staff can send this information to successful applicants.
9. Successful applicants should begin construction and shall substantially complete the same, within 12 months after the purchase of the BLB property. The successful applicant must notify the City Manager in writing to request a 12-month extension. Failure to substantially complete in a 24-month period will require the applicant to transfer the property back to the BLB at 75% of the purchase price. The BLB will reserve a right of first refusal to purchase the property within the 24-month development period at 75% of the original purchase price.

## **Process for purchasing buildable commercial land bank properties**

1. Application must agree with Conditions set forth above in BLB Policy.
2. Applicant must fill out the attached application in its entirety. Incomplete applications will be returned to the applicant for corrections.
3. The BLB may set the price for commercial/industrial zoned properties.
4. If the Zoning is not appropriate for planned use, the applicant will need to get preapproval of zoning changes prior to any building.

5. The applicant must exhibit the financial ability of completing the project by submitting a letter of credit or a pre-approval letter from your bank.
6. The applicant must attach site plans for the proposed structure for City staff to review. At a minimum, the drawings should consist of the following:
  - a. The Location of the buildings or structures;
  - b. The building work proposed;
  - c. The outside dimensions of the building by floors and dimensions of basement (if applicable);
  - d. Building plans for new construction of buildings;
  - e. Such other information as may be pertinent to the issuance of the application. The structure should be compatible with the existing neighborhood.
7. If multiple proposals are received for the specific property, all applicants will be asked to make a best and final offer on the property. No new applications will be allowed after the best and final offer letter is sent out. In addition to the bid price, proposals will be evaluated on their ability to finance the project, the quality of the proposed building, the compatibility of the building with the existing neighborhoods, and individual experiences with building.
8. Proposals that are accepted will need to submit all their plans to the City staff prior to the building commencement. City Staff can send this information to successful applicants.
9. Successful applicants should begin construction and shall substantially complete the same, within 12 months after the purchase of the BLB property. The successful Applicant must notify the City Manager in writing to request a 12-month extension. Failure to substantially complete in a 24-month period will require the applicant to transfer the property back to the BLB at 75% of the purchase price. The BLB will reserve a right of first refusal to purchase the property within the 24-month development period at 75% of the original purchase price.

### **Process for purchasing land bank properties with structures**

1. Application must agree with Conditions set forth above in BLB Policy.
2. Applicant must fill out the attached application in its entirety. Incomplete applications will be returned to the applicant for corrections.
3. The BLB may set the price for properties with structures.
4. If the Zoning is not appropriate for planned use, the applicant will need to get approval of zoning changes prior to any building.
5. The applicant must exhibit the financial ability of completing the project by submitting a letter of credit or a pre-approval letter from your bank.
6. The applicant must attach site plans for the proposed structure for City staff to review. At a minimum, the drawings should consist of the following:
  - a. The Location of the buildings or structures;
  - b. The building work proposed;
  - c. The outside dimensions of the building by floors and dimensions of the basement (if any);
  - d. Building plans for new construction of buildings;
  - e. Such other information as may be pertinent to the issuance of the application. The structure should be compatible with the existing neighborhood.

7. If multiple proposals are received for the specific property, all applicants will be asked to make a best and final offer on the property. No new applications will be allowed after the best and final offer letter is sent out. In addition to the bid price, proposals will be evaluated on their ability to finance the project, the quality of the proposed building, the compatibility of the building with the existing neighborhoods, individual experiences with building, and if the proposal is for homeownership.
8. Proposals that are accepted will need to submit all their plans to the City staff prior to the building commencement. City Staff can send this information to successful applicants.
9. Successful applicants should begin construction and shall substantially complete the same, within 12 months after the purchase of the BLB property. The successful applicant must notify the City Manager in writing to request a 12-month extension. Failure to substantially complete in a 24-month period will require the applicant to transfer the property back to the BLB at 75% of the purchase price. The BLB will reserve a right of first refusal to purchase the property within the 24-month development period at 75% of the original purchase price.