CITY-OWNED PROPERTIES

APPLICATION TO PURCHASE

City-Owned Property Address: _____

Submitted by: _____

Received by: _____

Date Received: _____

BUYING PROPERTY FROM THE CITY OF RUTLAND
Background Information for Applicants

The City of Rutland takes title to a number of properties throughout the year. If the property does not serve a current or future municipal need, the City's preference is to transfer ownership to responsible owners for immediate rehabilitation or development.

The City accepts applications from the general public to purchase and re-develop City-owned properties which appear on the list of available properties, as provided on the City's website: https://www.rutlandcity.org/government/city-owned-properties/, which is maintained and frequently updated by the Planning & Zoning Department.

The City uses an application process to assist their decision-making process as it relates to the sale of properties. This enables applicants to provide information to the City about a proposed development plan, which allows the City to weigh proposals based on competing measures.

Please note that many of the properties listed need considerable repair work. Often the costs to rehabilitate a property can range considerably depending on the size and condition of the building. City financing is not available.

Owners acquiring properties through this process are expected to take immediate measures to comply with the City's Vacant Buildings ordinance (Title 9, Chapter 16).

Property Inspection & Research

Open House walk-throughs will be scheduled for each property as they become open for applications.

All applicants must have a signed waiver of liability on file prior to entering a property. When visiting property, wearing boots is advisable (or other appropriate shoes); also bring a flashlight, camera, and/or notebook. Bringing a contractor or architect is also recommended. Any contractor, architect or associate of the applicant must also sign a waiver of liability before entering the building.

The City strongly encourages each individual to research thoroughly the property or properties they wish to buy, prior to making an offer. **Any information provided by the City could be unintentionally inaccurate and must be independently verified by a prospective purchaser. Such information is not intended as a representation or warranty with respect to a property.**

Contacting the Planning and Zoning office to discuss the feasibility of any development plan is also recommended. The City suggests a title search preceding any application for the purchase of a particular property.

Purchasing, Approval and Closing Process

All prospective purchasers are required to fully complete an application packet for each property they would like to purchase. Once received, the application packet is reviewed for completeness. If the application is deemed complete, the packet is reviewed by a special committee established for to make a recommendation to the Board of Aldermen for final approval.

Applications will be reviewed to determine the best match with the City's goals, including with respect to the following:

- Financial qualification of potential purchaser(s)
- Potential purchaser's standing with City with respect to taxes and other fees, past violations and past tax sales or foreclosures
- Plan for rehabilitation of property in accordance with City goals, which includes any current studies, the City's Municipal Plan, and applicable ordinances and regulations.

The City is seeking to recoup the amount of taxes owed in addition to whatever carrying costs accrued since acquiring the property. However, the City may accept a lower offer depending on the circumstances.

The City reserves the right to extend a time period in which applications can be received for any property (or properties), especially if no acceptable offer has been submitted (as deemed by the Committee). The City also reserves the right to reject any and all applications from potential purchasers for any legal reason, without explanation.

Recommendations for the sale of a property are forwarded by the committee to the Board of Aldermen for final approval. **A 10% deposit of the offer price must be submitted prior to the recommendation being forwarded to the Aldermen**. If approved, the purchaser will receive notice from the City's Planning & Zoning Office and instructions on arranging a closing with the City's Attorney's Office.

The accepted offer price must be paid in full at closing. In addition to the sale price, the buyer is responsible for paying all recording fees and future property taxes.

Any potential purchaser should carefully review the terms within the City's Application including the Offer to Purchase and Property Purchase Agreement.

Please note: Property acquired by the City through tax sale has a compromised title. According to the Vermont Title Standards, a title is not "marketable "for 1 year from the date of the Tax Collector's Deed. Therefore, a bank or lending institution is not likely to give a mortgage on any property during that 1 year period. Please be sure to ascertain the relevant timeline for any property of interest.

Upon closing, purchasers are urged to contact the Planning and Zoning Office for information on completing the permit application process. Since there is a timeline in place for redevelopment, the purchaser needs to act in a timely manner to start the necessary renovation work.

BUYING PROPERTY FROM THE CITY OF RUTLAND
Application Materials

SUBMISSION OF AN APPLICATION

The City of Rutland anticipates the bid process to be very competitive, and therefore, only complete applications will be considered. Applications that fail to provide details, where appropriate, about the proposed development plan will likely be rejected, and may not be afforded the opportunity to be supplemented.

Applicants must also submit all supplemental documents. An application's completeness will be determined by the Committee. In the event an application is incomplete, the City's City-Owned Property Committee reserves the right to reject the application completely rather than soliciting follow-up information. If any information is not applicable, please write "N/A." **This is not a "highest bid" auction, all offers will be given full consideration.**

Once the application deadline has passed, the Committee will review the applications and invite presentations on certain development plans at a Committee meeting. This allows the Committee to ask questions about the proposed development plans, as well as provides the Applicant an opportunity to present information relating to their proposal.

DISCLAIMERS

All purchases will be as-is. ANY INFORMATION PROVIDED BY THE CITY COULD BE UNINTENTIONALLY INACCURATE AND MUST BE INDEPENDENTLY VERIFIED BY A PROSPECTIVE PURCHASER. SUCH INFORMATION IS NOT INTENDED AS A REPRESENTATION OR WARRANTY WITH RESPECT TO A PROPERTY.

The City reserves the right to extend a time period in which applications can be received for any property (or properties), especially if no acceptable offer has been submitted (as deemed by the Committee). The City also reserves the right to reject any and all applications from potential purchasers for any legal reason, without explanation.

PLEASE SUBMIT PROPOSALS BY THE ESTABLISHED DEADLINE TO:

The City of Rutland's Clerk Office
c/o Sara Magro, Purchasing Agent

Mailing Address: P.O. Box 969, Rutland, VT 05702
Physical Address: 52 Washington Street, Rutland, VT 05701

Other considerations:

- When submitting a bid, take into consideration the amount of taxes owed to the City, as well as the carrying costs the City incurred as a result of acquiring the property (the amount of money incurred by the City can be found by visiting the City's website at https://www.rutlandcity.org/government/city-owned-properties/
- The City is seeking applicants who plan to improve the quality of the building beyond the minimum threshold to occupy the structure, as required by the City's building code.
- The submission of plans and documents will be helpful to the Committee when reviewing each application.

Questions?

Ed Bove, Planning Director
Phone #: (802) 774-7833
Email: ebove@rutlandcity.org

APPLICATION CHECKLIST

- ❑ Completed Applicant Information and History
- ❑ Completed and signed Offer to Purchase contract
- ❑ Signed and initialed Property Purchase Agreement
- ❑ Completed Development Plan
- ❑ Application Signature Page
- ❑ Proof of Financing (see below)

ACCEPTABLE PROOF OF FINANCING

Financing Method	Required Attachment
Personal Assets	Bank, Account Statement, or Bank Letter (See Sample)
Line of Credit	Letter from bank confirming line of credit available
Bank Loan	Prequalification Letter
Personal Loan	Notarized, signed statement indicating their relationship to the buyer and the terms of the loan
Grants or other public funding	Award Letter or other documentation from funding source
Any other method the City deems acceptable	To be determined by the City.

TYPES OF APPLICANTS

- <u>If the applicant is a corporation</u> (nonprofit, for-profit, or religious organization), please provide the Articles of Incorporation, By-Laws, List of Board Officers' names and addresses, Clerks Certificate, Corporate Vote, and 501(c)3 letter (if applicable).
- <u>If the applicant is a Limited Partnership</u>, please provide the Agreement & Certificate of Limited Partnership, Authorization by and Authority of General Partner.
- <u>If the applicant is a LLC</u>, please provide the Certificate of Organization, Operating Agreement, list of all members and managers, and proof of the entity's authority to enter into the proposed transaction.
- <u>If the applicant is an individual person</u>, no other forms are required to demonstrate that they are authorized to enter into a proposed transaction.

APPLICANT INFORMATION

Applicant or Chief Official / Board President of lead applicant			
Name			
Title			
Org./Company			
Mailing Address			
City, State & Zip			
Phone		Email	
Federal ID #			

Designated contact person for this application (if different)	
Name	
Title	
Org./Company	
Mailing address	
City, State & Zip	
Phone	
Email address	

Do you consider yourself (check one): ❒Individual ❒Developer/Contractor

Are you or your business based in the City of Rutland?
❒Yes ❒No

If purchaser is a corporation, LLC, partnership or any other non-individual entity, please list all officers/managers and owners below.

APPLICANT HISTORY

Please respond relative to all potential purchasers (including, if applicable, the entity itself and each owner) on this application.

1. Are there any outstanding judgments filed against you? ❒Yes ❒No

2. Have you declared bankruptcy in the past 7 years? ❒Yes ❒No

3. Has a property you own/owned been foreclosed upon by a bank, lien holder, or a municipality, or given title or deed in lieu of foreclosure in the past 7 years? ❒Yes ❒No

4. Are you currently party to a lawsuit? ❒Yes ❒No

5. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment? ❒Yes ❒No

6. If you have checked yes for any of the above questions, please explain (If more space is needed, attach additional pages):

7. Do you own or control (in full or in part) or have an interest in any other real estate within the City of Rutland? ❒Yes ❒No

8. Please list all of the properties in which you have a partial ownership or control through trusts, LLC's or other straw organizations.

   Indicate whether or not taxes and fees are current and whether or not the property has a valid Certificate of Occupancy.

PROPERTY ADDRESS	CURRENT ON TAXES?	CERTIFICATE OF OCCUPANCY?

   Please provide an explanation for any overdue taxes or missing Certificates of Occupancy for each applicable property. (If more space is needed, attach additional pages):

9. Are there unresolved building code or zoning violations associated with any of these properties? ❒Yes ❒No If yes, please explain:

OFFER TO PURCHASE

1) _____, ("**Purchaser**") agrees to purchase from the City of Rutland all right, title and interest of the City of Rutland (the "**City**") in and to the following property:

   _____ (the "**Property**")
   (Insert address here)

2) Purchaser hereby offers the City of Rutland the sum of $_____ to purchase the Property, which shall be fully paid to the City at the time of closing by certified check or money order, made payable to ***City of Rutland***.

3) Purchaser understands and agrees that Purchaser has either fully examined the Property or has waived Purchaser's right to examine the Property prior to closing. Purchaser understands that Purchaser is purchasing the Property "As Is" and accepting the Property in the condition the Property will be in on the date of closing.

4) Purchaser understands and agrees that any information provided by the City may be unintentionally inaccurate, is not intended as a representation or warranty with respect to the Property and must be independently verified by Purchaser.

5) Purchaser shall indemnify, defend, and hold harmless, the City from and against, any and all liability, suits, consent orders, administrative actions, and claims, arising from the sale of the Property including but not limited to the environmental condition of the Property.

6) If the building is not in compliance with the Rutland City Vacant Buildings Ordinance (Title 9, Chapter 16), such violations must be remedied upon purchase of the Property, subject to the satisfaction of the Building Inspector.

7) The Property must be rehabilitated in accordance with the development plan as well as State and City codes and ordinances required to permit the proposed end use of the property. This work must be completed within the timeline established in the accepted development plan. Failure to do so may result in penalties of $100 per day for every day out of compliance. This fine will be levied against the property in the form of a lien on the property.

8) If the Property has a building constructed before 1978, the Property may contain lead based paint and the City and Purchaser must execute a Lead-Based Paint Disclosure, which will become a part of the purchase agreement.

9) Purchaser acknowledges Purchaser's responsibility for all due diligence (and associated costs) including performing a title search, researching permits (both State and local) and how they affect the Property, researching all easements, rights of way, access and any and all information regarding the Property. Any outstanding deficiencies identified will be Purchaser's responsibility.

10) Purchaser understands and agrees that the City will deliver a Vermont Quitclaim Deed, prepared by or at the expense of the City.

11) Purchaser understands that title is conveyed "As Is" and that the title is likely not marketable nor eligible for title insurance.

12) Purchaser understands that the City will convey the Property subject to any restrictive covenants, easements and rights-of-way.

13) Purchaser understands and agrees that the intended use of the Property shall not in any way conflict with the Property's existing legal land use as specified by zoning rules and regulations and all other pertinent Ordinances of the City of Rutland. All relevant permits shall be obtained.

14) Purchaser understands and agrees to supply the City with a written statement of Purchaser's intentions for the Property, on the form entitled *Property Purchase & Development Proposal* attached hereto.

15) Purchaser agrees that Purchaser will obtain all zoning and building permits required, including any required Certificates of Occupancy.

16) Purchaser understands that certain State permits may govern the use of the Property. Purchaser agrees it is Purchaser's responsibility to identify any State permits and obtain those that are required.

17) Purchaser represents that there is no real estate broker in this transaction, that no real estate broker or agent has helped bring this sale, and that no commissions will be paid by the City to any broker or agent as result of this sale.

18) Purchaser understands and acknowledges that the City has relied on the representations made by Purchaser and agrees and stipulates that if Purchaser has provided any information under this contract to purchase which is incorrect or becomes incorrect at any time during the term of this agreement, the Purchaser shall be deemed in breach of this contract to purchase and the City shall have the right, without additional notices to Purchaser, to declare this contract null and void, and the City shall have the right to retain any and all payments and deposits made by Purchaser with respect to this agreement as liquidated damages by reason of breach of this contract to purchase.

19) Should this offer be recommended by the review committee to the Board of Aldermen for approval, Purchaser understands a deposit of 10% of the purchase offer shown in #2 of this document shall be submitted in the form of a bank check to the City Treasurer within 3 business days of notification.

20) Purchaser understands and agrees that the City reserves the right to retain all money deposited for the purchase of the Property, in the event Purchaser withdraws the offer after said deposit has been received.

21) Purchaser understands and agrees that the City reserves the right to solicit and accept other offers to purchase the Property until the sale is approved by the Board of Aldermen.

22) Purchaser agrees to pay for the recording of the Quitclaim Deed and Vermont Property Transfer Tax Return.

23) Purchaser agrees to pay the Vermont Property Transfer Tax in connection with the purchase.

24) Purchaser understands and agrees that the acceptance of this offer is contingent upon the full satisfaction of the above terms and conditions, and is not final until approved by the Board of Aldermen. Should the Aldermen not approve this offer, the 10% deposit will be returned to the Purchaser.

25) Purchaser understands and agrees that the purchase price stated in this contract is affected by the

tax delinquent status of the Property, as well as by the City of Rutland's commitment to restoring the Property to tax-paying status; this price therefore in no way represents the market value or assessed value of the Property, unencumbered.

26) No change, modification, amendment, addition or deletion affecting this purchase offer shall be in effect unless documented in writing and signed by both City and Purchaser.

By signing below, I accept the terms contained within this Offer to Purchase:

Purchaser #1 Signature(s): _____ **Date:** _____

Purchaser #1 Name: _____

Purchaser #2 Signature(s): _____ **Date:** _____

Purchaser #2 Name: _____

Purchaser #3 Signature(s): _____ **Date:** _____

Purchaser #3 Name: _____

Attach additional forms or signatures as needed. See "Types of Applicants" for guidance.

PROPERTY PURCHASE AGREEMENT

By initialing the statements below, the applicant indicates their agreement to and understanding of the below clauses. Please read each clause carefully. The applicant may not claim ignorance of the below conditions once initialed. Please sign that you have read and understand these terms.

I/We, _____ do hereby understand and agree to the conditions below:

Condition	Initial
I/We understand that the City of Rutland (the "**City**") has full discretion over whether my application moves forward in the application process, and that the City reserves the right to reject any and all applications from potential purchasers for any legal reason, without explanation.	_____
I/We understand that my/our application cannot be accepted unless all necessary materials, as listed on the title page of this application, are submitted with it. I/We also understand that my/our application cannot be accepted unless all questions in the development plan are answered thoughtfully and with detail, and that the application can be rejected for incompleteness if not done so. Lastly, I/we agree to provide additional information as requested by the City or to withdraw my/our application.	_____
I/We understand that by submitting this application, I am/we are indicating to the City my/our intention to buy this property. I/We understand that, if I/we decide to withdraw from the process, I/we must indicate my/our intentions to the City immediately and the City shall retain all money deposited for the purchase of the Property.	_____
I/We understand that by submitting this application, I/we agree to defend and indemnify the City, its officers and employees, from any and all damages, claims, suits, regulatory action, litigation and judgments including but not limited to any environmental claims or litigation that arise in any way from sale of this property.	_____
I/We understand and agree that I/we have either fully examined the property or have waived my/our right to examine the property prior to closing. I/We understand that I am/we are purchasing the property "As Is" and accepting the property in the condition the property will be in on the date of closing.	_____
I/We understand and agree that any information provided by the City may be unintentionally inaccurate, is not intended as a representation or warranty with respect to the property and must be independently verified by me/us.	_____

Signature(s): **Date:**

_____ _____

_____ _____

_____ _____

Attach additional forms or signatures as needed. See "Types of Applicants" for guidance.

DEVELOPMENT PLAN

Please provide thoughtful and detailed information on how you intend to use the property you are applying to purchase. If applicable, attach drawings, site plans, contractor quotes, etc.

1. Property Address: _____

2. Intended development plan:

   ❒ Demolition ❒ Rehabilitation of existing building ❒ Construction of new building

3. What will be the end use of this property?

   ❒ Owner Occupant - single family

   ❒ Owner Occupant – duplex (2 units)

   ❒ Rental property ___ # of living units

   ❒ Commercial property: please specify _____

   ❒ Green space

   ❒ Parking expansion of adjacent property

   ❒ Yard expansion of adjacent property

   ❒ Other: please specify _____

4. Please provide a detailed description of your plans for the property you are applying to purchase (attach a separate paper if more space is needed):

5. Is the final use of the property allowed according to current zoning rules for the parcel? (*Please consult Zoning Administrator when responding to this question.*)

6. Which permits will be needed to develop the property in the manner you anticipate?

7. Will you be asking for any waivers or variances? Please explain (attach a separate paper if more space is needed):

8. What is the anticipated cost of development for your project? _____

9. What is your source of financing for the **purchase** of the property?

   - ❒ Loan/Line of Credit
   - ❒ Personal/Company Assets
   - ❒ Grants or other public funding
   - ❒ Other (please explain) _____

10. What is your source of financing for **development** of the property?

    - ❒ Loan/Line of Credit
    - ❒ Personal/Company Assets
    - ❒ Grants or other public funding
    - ❒ Other (please explain) _____

11. Provide an expected timeline for each stage of development (attach a separate paper if more space is needed):

12. By what timeframe (6 months, one year, etc.) from the date of approval will you complete this plan and bring the property into compliance with all City and State codes? (NOTE: this is the timeframe that will be used in #7 of the Offer to Purchase form in this packet.)

13. Describe how your project will benefit the surrounding neighborhood (attach a separate paper if more space is needed):

14. Explain how you will maintain the property once you become the owner and your project is complete (attach a separate paper if more space is needed):

SIGNATURE PAGE

I/We hereby certify to the truth of the matters contained in this application and supplemental documents provided to purchase a City Owned Property. I/We agree to provide any other related information or documents upon request. I/We understand and acknowledge that the City will rely on the representations made by me/us and I/we agree and stipulate that if I/we have provided any information which is incorrect or becomes incorrect at any time during the process, the City shall have the right to disqualify me/us, declare any contract null and void, and retain any and all payments and deposits made by me/us with respect to this application as liquidated damages. I/We certify that I/we have read and understand all statements in the City-owned property Offer to Purchase.

Purchaser #1 Signature(s): _____ **Date:** _____

Purchaser #1 Name: _____

Purchaser #2 Signature(s): _____ **Date:** _____

Purchaser #2 Name: _____

Purchaser #3 Signature(s): _____ **Date:** _____

Purchaser #3 Name: _____

Attach additional forms or signatures as needed. See "Types of Applicants" for guidance.