

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, generally through tax sale. 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 maintained by the City's Planning Director.

The City uses an application process to make decisions about the sale of properties. This enables applicants to provide information to the City about the proposed use and the City is able to weigh proposals based on competing measures, other than solely upon the price offered for the property. Further guidelines are specified in the application.

It should be noted that many of the properties on the City's list need considerable repair work. Often the costs to rehabilitate a property can range from \$50K to over \$250K 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 be in compliance with the Vacant Buildings ordinance (Title 9, Chapter 16).

Property Inspection & Research

Open House walk-throughs will be scheduled for properties as they become open for applications. Any additional property inspections are scheduled - by appointment only - through the Building Inspector.

All applicants must have a signed waiver of liability on file prior to entering a property.

When visiting property, it is advisable to wear work boots (or other appropriate shoes) and to bring a flashlight, camera, and/or notebook. It is also recommended that you bring your contractor or architect. 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 MAY BE 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.

It is also recommended that each individual contact the Building and Zoning office to discuss the feasibility of their plans. The City suggests a title search preceding the purchase of a particular property.

Effective date: December 5, 2017

Purchasing, Approval and Closing Process

All prospective new purchasers are required to fully complete an application packet for each property they would like to purchase. In order to be considered a qualified purchaser, all properties directly or indirectly owned or controlled by an applicant must be current on all taxes and fees owed to the City.

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 this purpose.

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, including, but limited to, those outlined in *2014 Northwest Neighborhood Revitalization Study* and the *City Master Plan*

A minimum price is suggested, but the City may accept a lower offer in some circumstances at its discretion.

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. The City reserves the right to reject any and all applications from potential purchasers for any reason (other than for reasons related to race, color, sex, religion, disability, marital status, family status, sexual orientation, age, ancestry, or national origin), without explanation.

Recommendations about potential purchasers 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 by mail from the City Attorney's office with a copy of the resolution and instructions on arranging a closing.

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 3 years 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 3 year period. Please be sure to ascertain the relevant timeline for any property of interest.

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

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