

**KOCHVILLE TOWNSHIP DOWNTOWN DEVELOPMENT AUTHORITY
PROPERTY ACQUISITION POLICY**

PURPOSE

To provide guidelines and criteria for the control of real properties within the Kochville Township Downtown Development Authority district boundaries, with the goal of increasing property values, creating jobs, encouraging real and personal capital investment and implementing the land use objectives of Kochville Township.

POLICY

It is the policy of the Kochville Township Downtown Development Authority to establish uniform procedures to be used in acquiring, by purchase or otherwise, real property. This acquisition may be in any form, for example: an option taken on real property, retaining an easement, acquiring a right of way or acquiring real properties, land or buildings, condemnation, gift or grant, or as otherwise outlined in the Kochville Township Downtown Development Authority Development and Tax Increment Financing Plan.

The Kochville Township Downtown Development Authority Director shall undertake (or cause a third party to undertake) the acquisition of real property using the following guidelines:

1. Any property to be acquired or controlled shall be within or partially within the approved Kochville Township Downtown Development Authority district boundaries.
2. The property will be acquired or controlled for one of the following purposes:
 - a. To remove blight, unsafe or inappropriately used buildings within the Kochville Township Downtown Development Authority district boundaries;
 - b. To obtain or control a property that is strategic to the long term viability of the Kochville Township Downtown Development Authority;
 - c. To make key options or purchases of land or buildings which become available within the Kochville Township Downtown Development Authority District boundaries;
 - d. To acquire or control multiple properties for assemblage into a developable size to meet future needs.

3. The cost of acquisition or control and incidental expenses, such as title searches, appraisals, administration, legal fees, commissions, taxes and closing costs will generally be borne by the Kochville Township Downtown Development Authority.
4. An informational title search may be performed and a title commitment issued for each property interest acquired or controlled.
5. Determination of purchase or option price shall be based on an examination of all of the following:
 - a. The most recent State Equalized Value (SEV), as determined by the Township Assessor's Office;
 - b. An estimate of the dollar impact of additional or special conditions, including, but not limited to:
 - Environmental remediation, if needed;
 - Relocation of any tenants, if required;
 - Securing a uniquely desirable location;
 - Any other special considerations which could influence the value to either the buyer or the seller.
 - c. An independent fee appraisal, if deemed advisable. The following are examples of situations in which an appraisal should not be necessary:
 - The asking or potential purchase price is less than or equal to two times the State Equalized Value (SEV); or
 - The purchase price is less than \$250,000.00;
 - The Township Assessor and Kochville Township Downtown Development Authority Director, upon examining the SEV and special purchase conditions (5.b above) agree that the sales price is within the realm of fair market value.
6. The Kochville Township Downtown Development Authority Director, at his/her discretion, may order an independent fee appraisal without prior Kochville Township Downtown Development Authority Board approval, for an amount not to exceed his/her authorized spending limit. To the extent allowed by law, any such appraisal shall remain exempt from the Michigan Freedom of Information Act until the time of acquisition or other alternate action takes place.

7. The Kochville Township Downtown Development Authority Director may negotiate in good faith with the seller(s) and attempt to reach “a meeting of the minds” regarding an option or purchase price and terms, or the Kochville Township Downtown Development Authority Director may hire a third party to negotiate on behalf of the Kochville Township Downtown Development Authority.
8. A Phase I environmental site assessment may be performed and the results reviewed with the Kochville Township Downtown Development Authority Attorney, when advisable, prior to the closing on the acquired property. Other due diligence may be required before the right to acquire property is finalized, but each situation will dictate the amount of due diligence that is necessary.
9. The Kochville Township Downtown Development Authority Board will review all real property offers and recommendations in executive session and shall approve all real property acquisitions, sales, or options during an open meeting of the Kochville Township Downtown Development Authority Board.
10. Conveying instruments will be recorded with the Register of Deeds office. Anything other than conveyance documents can be held by the Kochville Township Downtown Development Authority Secretary or the Township Clerk or any other location approved by the Kochville Township Downtown Development Authority Board.

PROPERTY TRANSFER OR DISPOSITION

Property that is sold, transferred or disposed of in anyway must meet one of the following objectives; create development or jobs, increase the tax base, or other Kochville Township Downtown Development Authority objectives, such as increasing green space, etc. The sales price must take into consideration all of the following objectives, not just the price:

- Job creation and retention.
- Meeting the Township’s land use plan and other studies.
- Increasing property values for surrounding properties.
- Facilitating the assemblage of land for a larger development.
- Encouraging real and personal capital investment.
- Constructability of the project.

All land sales, transfers or dispositions will include a development agreement. The development agreement will include a clause that requires certain objectives/accountability measures determined to be in the best interest of the Kochville Township Downtown Development Authority. If the requirements are

not met within specified times, the agreement will outline a penalty, including up to having the property revert back to the Kochville Township Downtown Development Authority, or some other negotiated penalty agreement. Each project will have its own set of requirements and timetables negotiated by the Kochville Township Downtown Development Authority Director and the developer. The criteria and time tables will differ from project to project. Some projects may include several timetables to meet, such as six (6) months to complete site plan approval, six (6) more months to begin construction and twelve (12) months more to complete construction.

Voice Vote: _____

The foregoing property acquisition policy was duly adopted at a regular meeting of the Kochville Downtown Development Authority Board held on _____, 2011.

Lyle Davis
Chairman of the Kochville
Downtown Development Authority

Secretary of the Kochville
Downtown Development Authority

I, _____, Secretary of the Kochville Township Downtown Development Authority, do hereby certify the foregoing to be a true copy of the property acquisition policy adopted by the Kochville Township Downtown Development Authority at their regular meeting held on _____, 2011.

Secretary of the Kochville
Downtown Development Authority