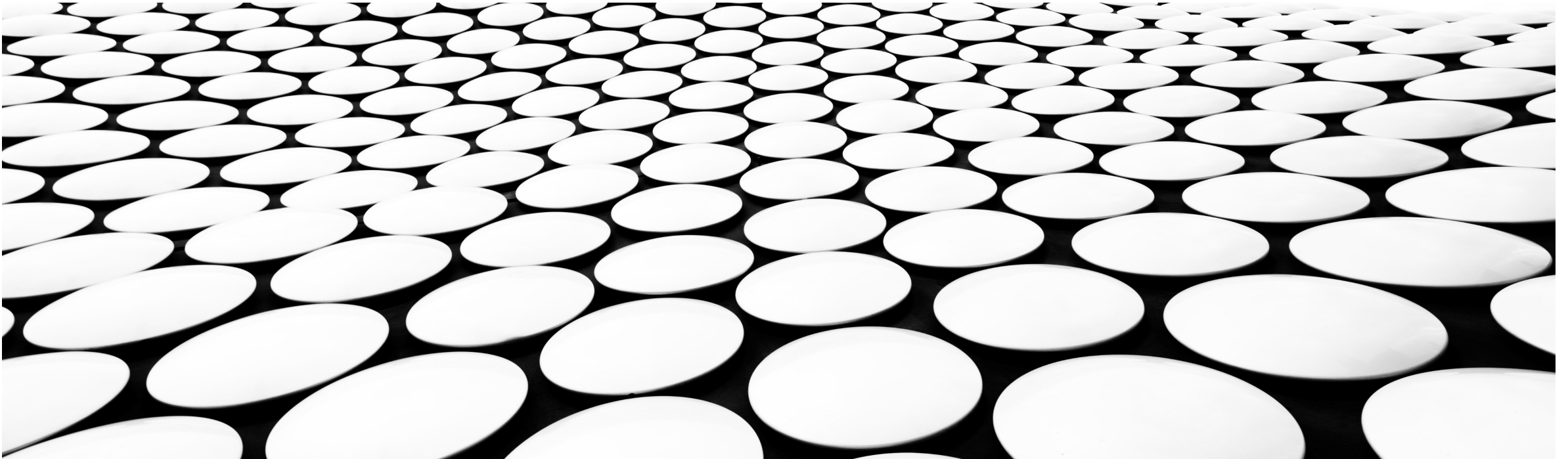

REDEVELOPMENT PROCESS

SITE SELECTION, DUE DILIGENCE, CLOSE

**KELLY CLARKE AND RACHEL FOSTER TRAINING
KALAMAZOO COUNTY LAND BANK, WARNER, NORCROSS & JUDD
JUNE 15, 2021**

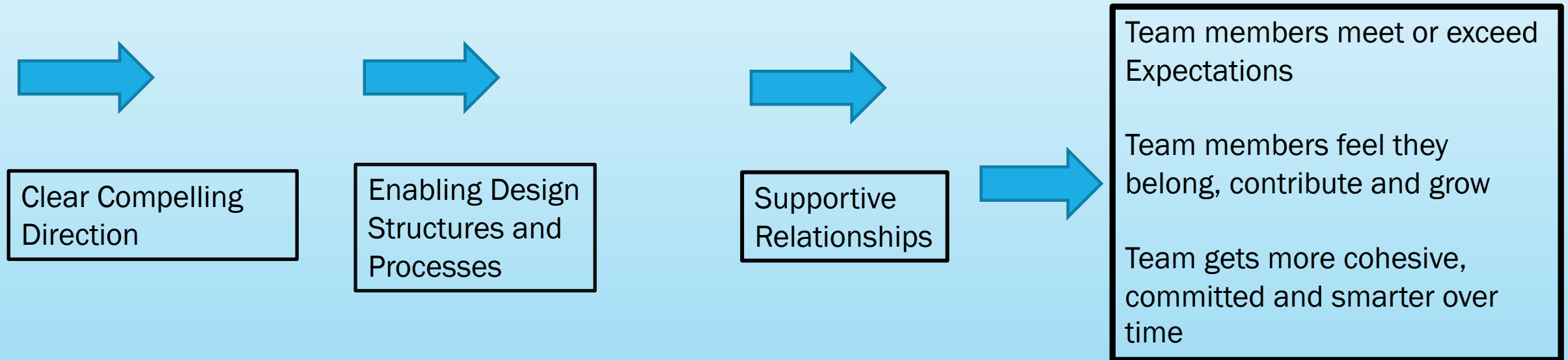


BUILD YOUR TEAM

- REAL ESTATE ATTORNEY
- TITLE COMPANY
- SURVEYOR
- ENVIRONMENTAL CONSULTANT
- ARCHITECT
- CONSTRUCTION MANAGER – secure now or you can secure later depending on your process and procurement
- Your point person (s) – Lead (s)



What Great Teams Have in Common



SITE SELECTION FIRST STEPS



Select

Select Site



Apply

Apply for property via
Land Bank application
process

If you are considering
other parcels you might
consider working with a
realtor



Work

Work with
Environmental Firm and
Complete
Environmental Review



Investigate

Confirm zoning, site
plan review
requirements, and
investigate title
commitments and
survey



Prep for Closing

Work with your attorney
and title company to
prepare closing docs
and coordinate with
land bank



SITE SELECTION QUESTIONS TO ASK YOURSELF

Will this site allow me to meet my goals and achieve impact?

What are the potential pros and cons of this site?

What is the zoning and how does that impact what I want to accomplish with the site?

What funding do I have committed or in process?

Will I need to raise more funds for this site? What is my ballpark number?

ENVIRONMENTAL DUE DILIGENCE

Get a Phase I
report

Records Review, Historical Use of
Property, Location, surrounding property
analysis of issues

Does Phase
I Report
show RECs?

If Yes, get a Phase
II Proposal and
have Phase II
done

If no, you are
done

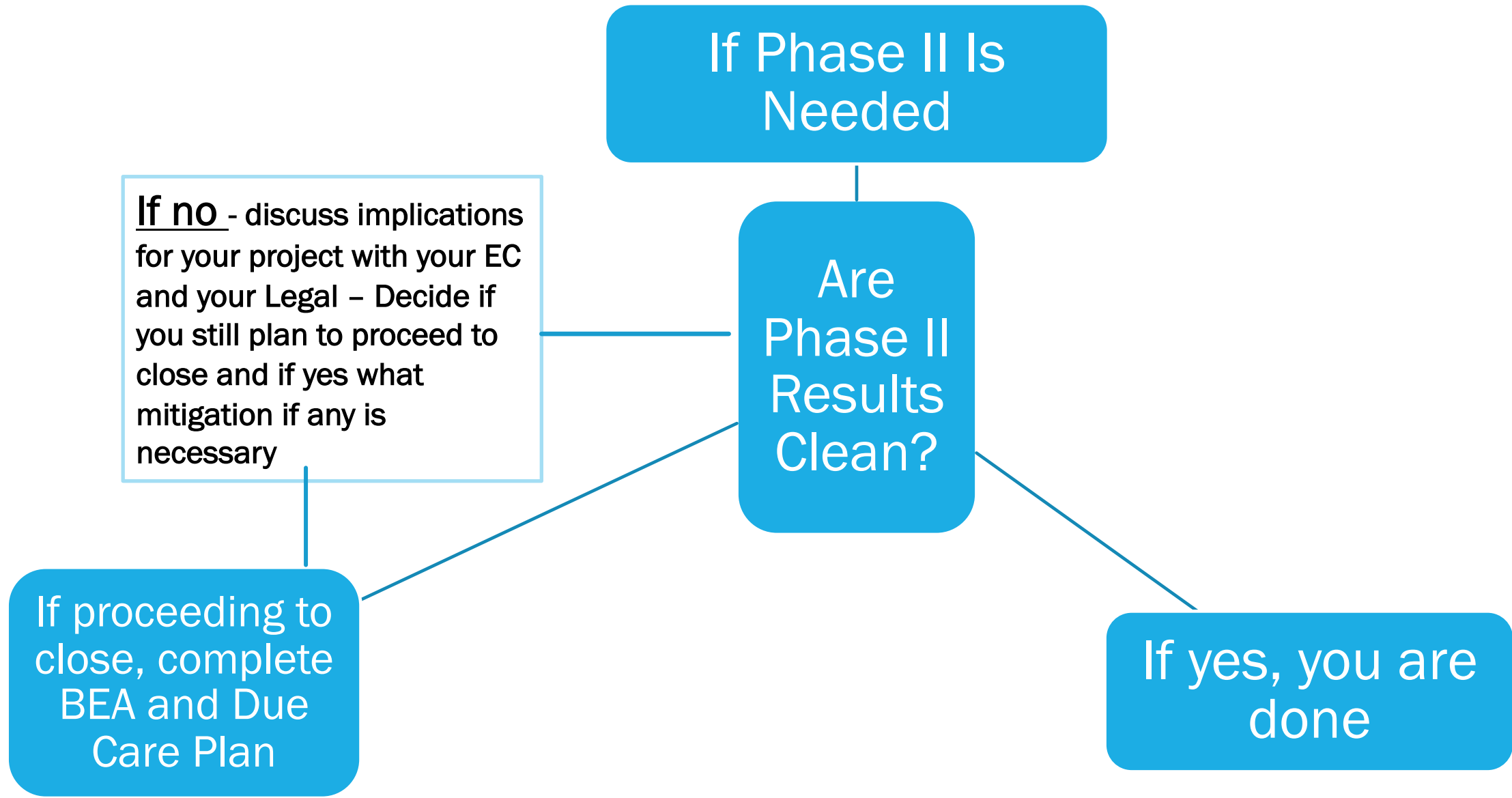
Examples: exploration for
underground fuel tank, soil
testing, water sampling,
vapor intrusion, etc...

PHASE TWO REQUIRED – NOW WHAT : STAY CALM

- Some items may prove to be non-problematic based on the phase two – further study
- Some issues can be mitigated or managed for your use
- The results can help you make an informed decision – some issues may be problematic for your project and cause you to decide not to close and to research other sites.



ENVIRONMENTAL DUE DILIGENCE CONTINUED

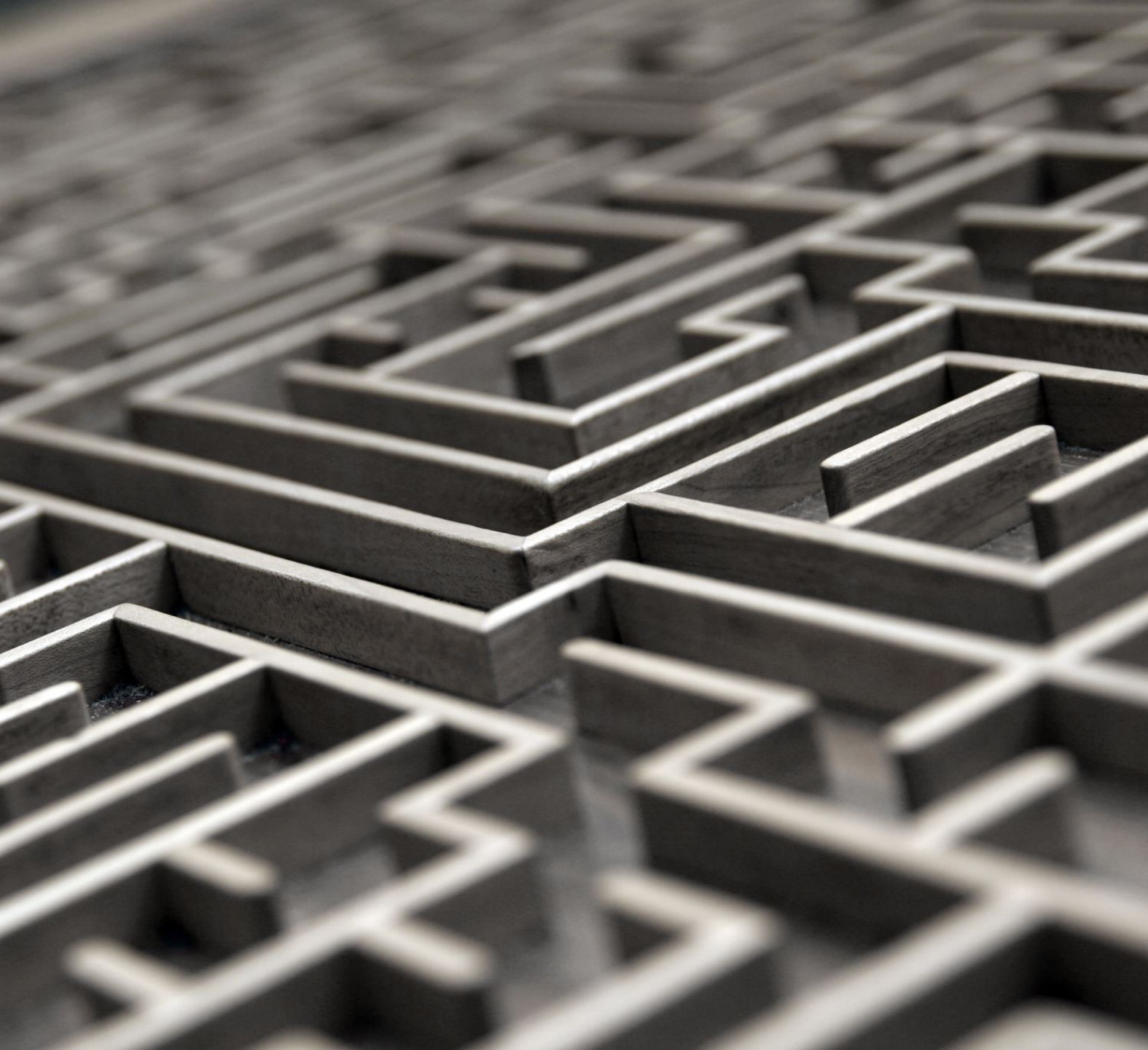


INVESTIGATE

- Zoning – Understand the uses permitted in the zoning district by right; understand the uses permitted with a special use permit. Where does your use fall? Are there any other special zoning considerations?
- Meet with the zoning administrator for the municipality
- Site Plan Review Requirements – Understand the requirements and the timing to obtain necessary approvals. Also understand the length of time that approvals remain valid.
- Review of Title Commitment – Review the title commitment and also the exception documents referenced in the title commitment.
- Schedule B I includes any requirements. These are the items you need to satisfy to get to a closing.
- Schedule B II lists the “exceptions” that impact the property. Know the difference between “standard” exceptions that are included in every title commitment and specific exceptions that that impact your property. Read the documents.

INVESTIGATE

- Obtain and review a Survey – Share the title commitment and documents with your surveyor.
- Understand the different types of surveys – ALTA, Boundary, Mortgage Report
- If you decide to obtain an ALTA survey – complete the Table A requirements. Decide what you need to have shown on the survey.
- Utilize your Real Estate Attorney – This is where the attorney can bring real value to the deal.
- Have the attorney review the title commitment and survey together. This will help you understand what is an impediment to your project and what is not a deal killer.
- Recognize that the Land Bank may be a partner in this process; however, it is up to you to conduct due diligence and determine if you want to purchase the property.
- Land Bank has authority to conduct a quiet title and may have already done so with some properties. This does not include all properties. There are also limits. Interests extinguished are “stray” interests left over after a tax sale. Certain interests cannot be extinguished i.e., easements.



Decision Time.....

make a decision about proceeding with purchase after investigations and environmental reviews are complete

- If No – explore other site options
- If Yes – prep for closing

PREP FOR CLOSING

1. Ask your Attorney to Request closing documents in Advance from the title company
2. Have your attorney review
3. Consider whether your board needs to meet and formally approve the transaction and designate someone with signing authority for the transaction
4. Understand property tax consequences
5. Have property insured – speak with your insurance agent
6. Identify a plan for if the building becomes subject to casual entry prior to renovation



You have Closed – Now What?

Other Steps to consider

Design Workshop(s) to build a vision for the site

1. Identify stakeholders
2. Secure architect
3. Hold design sessions with architects and stakeholders
4. Have architects consult with construction expertise and build out cost estimates
5. Bring on board your Construction Manager if you have not already
6. Create funding plan
7. Create tentative plan and calendar for execution



Set your Team up for Success!

Effective Teams Need.....

Resources

- Specialized skills/capacities
- Funding
- Time
- Site where conditions are aligned with project goals and constraints



Effective Team Processes

- Clear roles and accountabilities
- Regularly structured meetings and progress tracking
- Structure for documented tracking and changes (budget, project and team details)
- Clear communication within team and to external partners



Intentional and deliberate mutual support within Team and with partners

- Respectful but direct communication about needs and challenges
- Solutions oriented mindsets (avoid the blame game when things go wrong)
- Team members take individual accountability for their deliverables and their behaviors, bring your best self