

## Resolution adopting a Real Property Acquisition Policy

BE IT RESOLVED, by the Rochester Urban Renewal Agency as follows:

Section 1. The Rochester Urban Renewal Agency hereby adopts the following Real Property Acquisition Policy:

### **REAL PROPERTY ACQUISITION POLICY ROCHESTER URBAN RENEWAL AGENCY**

The acquisition of real property by the Rochester Urban Renewal Agency (“Agency”) shall be governed by the general guidelines set forth in this Policy, and shall at all times be consistent with the provisions of § 555 of the NYS General Municipal Law and all applicable Federal, State, and local laws, rules, regulations and ordinances.

#### **1. Purposes of Acquisition**

The acquisition of real property or any interest therein shall support the mission of the Agency in accordance with the purposes of the Urban Renewal Law and the Urban Renewal Agency Act, as set forth in the NYS General Municipal Law at Articles 15 and 15-A, respectively. Those purposes include the acquisition of properties that have a blighting influence on the surrounding area as necessary for or incidental to conducting an urban renewal program that is conducted in accordance with an urban renewal plan adopted or contemplated by the City of Rochester (“City”) for a particular urban renewal area.

#### **2. Acquisition Methods and Process**

The Agency may acquire real property, or any interest in real property, by gift, grant, devise, purchase, condemnation or otherwise and by condemnation conducted by the City for and on behalf of the Agency.

Prior to deciding whether to proceed with an acquisition, the Agency will have prepared and reviewed:

- An independent appraisal **of the property’s fair market value.**
- **An environmental review** for any property that is currently, or was formerly, used for commercial or industrial purposes, or where the potential presence of contamination is suspected for some other reason.
- **A list estimating all costs anticipated to be incurred by the Agency** associated with the proposed acquisition, including the cost of the acquisition transaction, and such subsequent costs as may pertain, including but not limited to costs for title searches, other investigations and due diligence, recording fees, property management, demolition of structures, and disposition of the property.
- **A disposition plan** for redeveloping the property in accordance with the relevant urban renewal program. The plan must include the estimated length of time that the Agency will hold ownership of the property and an anticipated redevelopment schedule that includes the relevant stages, such as investigation, planning, site preparation and demolition, design, construction and occupancy of the improvements. The redevelopment schedule should include all stages through to completion and

occupancy of the property's improvements, even those stages that will occur after the Agency disposes of its ownership interest. The transferee's commitment to abide by a schedule for those post-disposition redevelopment stages shall be included in a disposition agreement that is incorporated into the Agency's transfer of its ownership interest to another.

### **3. Purchase Price**

The purchase price shall not exceed the fair market value of the property, unless the Agency determines in writing that there is no reasonable alternative to the proposed above market price acquisition that would achieve the same redevelopment purpose. That determination may be premised on: (a) a description of the urban renewal program to be effectuated by the acquisition; (b) a reasonable statement of the kind and amount of the public benefit to be derived from the urban renewal program, including a description of jobs to be created or preserved or the number of affordable housing units to be constructed; and (c) such other factors that may have a bearing on the weighing the public redevelopment benefits to be derived from the acquisition as compared to the property's fair market value.

### **4. Board Approval**

Acquisitions shall be approved by a majority vote of the Agency Board prior to conveyance of title except as otherwise provided for herein. The acquisition of real property undertaken to meet the requirements of a grant or other project agreement previously approved by the Board shall not require another approval by the Board. The authority to approve an acquisition for which the total cost does not exceed \$20,000 is hereby delegated to the Agency Secretary, unless the Board shall select an Acquisition Committee from its members and delegate the Committee to assume that authority. Acquisitions that are within the authority of the Acquisition Committee must be approved by a unanimous vote of the Committee.

### **5. Property Management**

As part of the acquisition of a property, the Board shall ensure that maintenance responsibilities will be addressed through an agreement between the Agency and the City of Rochester, or by another method. Management responsibilities may include, but not be limited to any of the following:

- Payment of all charges attributable to the property during the holding period, including property taxes, assessment charges, water and refuse charges, and utility expenses;
- Grass cutting, debris removal, tree maintenance, and snow removal;
- Structural maintenance and/or repair necessary to protect the investment of the Agency, secure a structure or land against unauthorized entry or correct an immediate threat to health and/or safety;
- Repairs to comply with codes or improve marketability;
- Legal costs including potential evictions, leases, tenant or prior owner workouts, clearing of title, representation for acquisition, representation for disposition, and any other legal costs to be incurred by the Agency during its holding period;
- Marketing costs;
- Appraisal services; and
- Environmental costs required prior to disposing of the property, including but not limited to asbestos removal, lead paint remediation, removal and disposal of hazardous substances.

### **6. Tax exemption**

Property so acquired by the Agency, or by a municipality on behalf of the Agency, shall be exempt from taxation until sold, leased for a term not exceeding ninety-nine years or otherwise disposed of in accordance with the provisions of the Urban Renewal Law and Urban Renewal Agency Act; provided, however, that the Agency, upon the majority vote of its Board, shall have the authority to pay an annual

sum in lieu of taxes in order to prevent the affected taxing jurisdiction from suffering an inequitable loss of revenue, all as provided in NYS General Municipal Law § 555(1)(b).

## **7. Authorized Signatory**

The Board delegates to the Agency Secretary the authority to enter into and execute contracts, instruments of conveyance and all other related documents pertaining to the conveyance of real property to the Agency. The Secretary or, in the absence of the Secretary, the Secretary's authorized designee, has the authority to carry out the directives of the Board with regard to the acquisition of property. All contracts shall be executed in the name of the Agency.

## **8. Operational and Financial Capacity**

The Agency shall not acquire real property unless it has operational and financial capacity to complete the requirements of the transaction.

## **9. Title**

All real property must be conveyed to the Agency with insurable title, free of outstanding liens or encumbrances, including taxes, special assessments, water and refuse bills, and any other charges assessed by the City of Rochester and County of Monroe subject to such exceptions as specifically authorized by the Board. In no event shall property be acquired where outstanding liens and/or encumbrances exceed the fair market value.

## **10. Boundaries**

The Agency may grant and accept easements to resolve boundary line title issues, including building encroachments between adjoining parcels and fence encroachments. The Secretary may authorize boundary line agreements and driveway agreements with the owners of parcels adjacent to Agency-owned parcels, without conveyance of ownership. Consideration for said easements and agreements may be set at \$1 (payment waived).

## **11. Acknowledgment of Donated Property**

The Agency will not determine the value of donated property for the purpose of tax benefits, but will provide a letter describing the property donated.

## **12. Inventory List**

Within one week of the acquisition of any parcel of real property, the Agency shall add the property to the property inventory list that is published annually as required by NYS Public Authorities Law §§ 2800(2)(a)(7) and 2896(3)(a). The list shall include the following details regarding every parcel of real property so acquired: 1) the location, 2) the purchase price, and 3) the name of the seller.

## **13. Exceptions to Policy**

Any exception to this Policy shall require approval by the majority vote of the Board.

## **14. Effect of Completed Acquisitions**

This Policy is intended for the guidance of the officers, members and employees of the Agency only. Nothing contained herein is intended or shall be construed to alter, affect the validity of, modify the

terms of or impair any contract or agreement made or entered into in violation of, or without compliance with, this Policy. Any deed, bill of sale, lease, or other instrument executed by or on behalf of the Agency purporting to transfer title or any other interest in Property shall be conclusive evidence of compliance with this Policy insofar as concerns title or other interest of conveyed to the Agency after it has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of compliance with this Policy prior to the closing.

## **15. Transparency**

This Policy shall be posted on the Agency's website.

Section 2. This resolution shall take effect immediately.