



DETROIT LAND BANK
AUTHORITY

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PROCEDURES GOVERNING THE DISPOSITION OF PROPERTIES TO
SUPPORT CITY OF DETROIT ECONOMIC DEVELOPMENT PROJECTS

Procedures Governing the Disposition of Properties to Support
City of Detroit Economic Development Projects

I. Objective

To support the City of Detroit's economic development efforts that seek to improve the quality of life and economic well-being for a community by creating and/or retaining jobs, supporting incomes, and growing the tax base. The City of Detroit develops and implements programs and policies regarding economic development through the following City departments and agencies: the Office of the Group Executive for Jobs and Economic Development in the Mayor's Office, the Planning and Development Department, the Housing and Revitalization Department, and the Detroit Economic Growth Corporation (the "City Economic Development Offices"). The disposition of properties in support of economic development includes any transfer of property at the request of a City Economic Development Office, for purposes including, but not limited to, large scale residential rehab or new construction, mixed-use, commercial, industrial/manufacturing, urban agriculture, beautification or green space, or other property transfers whose intended future use is not smaller scale residential. For the purposes of these procedures, smaller scale residential shall mean three (3) residential lots or fewer for which the intended use is single family residential. These procedures shall supersede and replace any preceding DLBA procedures or policies that are in conflict with its terms.

II. Process

The Detroit Land Bank Authority ("DLBA") will work with the City Economic Development Offices to make property available for economic development opportunities. In addition, the DLBA staff will perform its own due diligence to ensure compliance with DLBA policies, procedures, and guidelines.

III. Guidelines

The DLBA staff will create guidelines for real estate transactions consistent with the economic development objectives set forth in these procedures. The DLBA guidelines shall require DLBA staff to take into consideration and seek to balance various priorities for the uses of property for economic, community, and neighborhood development purposes. At a minimum, the guidelines shall provide direction on the following topics:

1. Zoning: The proposed use must be in compliance with zoning, or if not, the transaction agreements should identify a mechanism to ensure that zoning requirements can be modified or achieved.
2. Transaction Agreements: The disposition of DLBA property will be pursuant to an appropriate written agreement that permits the DLBA to enforce any conditions pertaining to the development and use of the property.
3. Factors in Determining Pricing of Property: The guidelines will identify factors to be considered when pricing property for transfer. Valuation methods could include, but are not limited to, appraisals, Broker's Price Opinions (BPOs), two times the State Equalized Value (SEV), or a price as established by the City Economic Development Offices. The consideration to be received by the DLBA for the transfer of property shall be determined by the DLBA in its sole discretion, but these factors should be applied consistently and staff will be required to provide a written justification for the proposed pricing.
4. Process for Holding Property: The guidelines will provide for an efficient and effective method to accommodate requests to "hold" properties for a reasonably limited period of time and for a specified purpose. "Holding" property means reserving property in the DLBA's inventory for a designated party to allow time for the commencement and/or completion of due diligence.

IV. Approvals of Land Transfers for Economic Development

The Detroit Land Bank Authority Board of Directors ("DLBA Board of Directors") must approve the following land transfers for economic development:

1. The transfer of five (5) or more parcels of property to the same transferee within any rolling 12 month period.
2. Any real estate transaction where the aggregate transaction amount is greater than seventy five thousand dollars (\$75,000.00).
3. Any real estate transaction requiring an exception to DLBA guidelines.

The DLBA Board of Directors hereby delegates authority to the Executive Director to negotiate and enter into all economic development real estate transactions other than those specifically enumerated in this section, provided that they are consistent with the DLBA guidelines, and prior to transacting, that DLBA staff provides regular reports on all such transactions to the Board's Project Review and Finance and Audit Committees.