



PLANNING AND DEVELOPMENT

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CITY OF LA CROSSE GUIDELINES FOR VACANT LAND PROPERTY SALES

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1. Open and Competitive Market Sales

The City will utilize Open Market Sales for the sale of properties, such as broker listings, the use of the Multiple Listing Service, web sites or other recognized methods of advertising may be used to encourage broad participation in the sale of selected properties.

- Asking prices are established using competitive market analysis and city assessed value. Lots may be discounted for public purpose.
- Properties will be placed on the market for a duration that will allow for broad engagement by potential buyers (minimum of two weeks).
- Community Development Committee (CDC) must accept all offers to purchase pertaining to acquisition and disposition of real property. The CDC meets once a month, offers must be received by 5:00pm the Tuesday before the scheduled CDC meeting to be considered for acceptance.
- In the event multiple offers have been received, Staff will counter offer potential buyers advising multiple offers have been received and to submit their best and final offer. Buyers have 24 hours from the time buyer and/or agent receives the counter offer to respond.
- The City retains its right to approve or reject offers based on clear criteria, including price, estimated tax value, and capacity. **The City reserves the right to give preference to buyers who build and owner-occupy the home.**

2. Qualified Purchasers and Bids

All purchasers of City-owned property must fulfill their commitments to the City, which includes but is not limited to satisfying City of La Crosse Purchase Agreements (both vacant land and real estate), repayment of housing rehabilitation deferred loan repayment agreements, property taxes, satisfying all municipal obligations and maintaining properties in accordance with all municipal codes and ordinances. A Qualified Purchaser must not own any property that is subject to any significant unmediated violation of any municipal codes or have a history of unmediated violations.

A Qualified Purchaser will be required to demonstrate:

- Detailed Plans for development
- Financial resources and capacity to complete proposed plans
- Contract with a licensed general contractor or ability to manage construction of a single family home
 - a. To demonstrate ability to act as a general contractor, the City will require the following:
 - i. Previous employment with companies in the construction trade, years of service, responsibilities and contact information for each company **OR**
 - ii. Addresses and photos of at least two projects (substantial renovation and/or new construction) that were completed under the Purchaser's directive **AND**
 - iii. References from at least three individuals (such as homeowner, sub-contractors, building supply store or a combination of) who were involved in the above projects
- No conflict of interest by completing a conflict of interest form included in this document

3. Appropriate & Timely Development of Properties

The City expects properties to be developed in a timely manner according to the replacement housing purchase agreement vacant land (purchase agreement). To ensure expectations are met, the City will place conditions on land it conveys to achieve the most productive outcome. This requirement will be enforced through good faith deposit and/or by requiring that property be conveyed simultaneously with construction financing closing.

Purchasers will:

- Give consideration to any adopted and accepted city, community, or neighborhood plans
- Conform with current zoning requirements, or obtain the appropriate variance
- Obtain required approvals from other City/County bodies prior to commencing construction
- Follow restrictions placed in the warranty deed and purchase agreement
- Maintain the property in accordance with all municipal codes and ordinances
- Pay when due all federal, state, and local taxes in connection with the property and

4. How to Purchase a City-Owned Lot for New Construction

A. Plan

- Look at the City's vacant lot listings on the City's website www.cityoflacrosse.org/lots, on the MLS or contact Dawn Reinhart, reinhardta@cityoflacrosse.org or 608-789-7360.
- Ask your lender to prepare a prequalification letter.
- Employ an architect, designer or builder to customize architectural **concept plans**. Concept plans printed off the internet are acceptable. Concepts plans are interpreted literally, any and all architectural enhancements and incentives present on the concept plans must be executed during construction.
- Self-score the concept plans using the City's single family design guidelines score sheet. A single family design guide is available that can be used to explain the requirements described in the score sheet.
- Homes shall fit the historical character of the neighborhood and be a minimum of 1200 square feet.
- Contact a builder to obtain a cost estimate.

B. Submitting an Offer to Purchase on a City owned lot for new construction

Contact a realtor to submit an offer to purchase. In addition to any other contingencies you have requested, make your offer **contingent upon the following**:

- CDC approval of building/architectural concept plans. Concept house plans must be submitted with the offer to purchase no later than 5:00pm the Tuesday before the CDC meeting.
- Executing the City's Purchase Agreement before closing and pay good faith deposit of 15% of the purchase price or \$2,000, whichever is greater
- Single family owner occupied deed restriction
- Closing date to occur on or before 45 days from accepted offer
- A copy of the City of La Crosse Guidelines for vacant property sales shall be initialed by Purchaser(s) and submitted as addenda to the written offer to purchase

NOTE: The City has the right to refuse any offers received. Should more than one *qualified offer be received*, preference is based on price, estimated tax value of proposed home, Purchaser's capacity and number of incomplete agreements with the City of La Crosse.

C. After Accepted Offer, Submit Documents

- **Final** architectural plans in sufficient detail to promote fair review. Plans shall include four facades/elevation; all floor plans, and garage primary elevations. These plans will be approved by Staff and shall be submitted to Fire Prevention and Building Safety to obtain their approval.
- Copy of prequalification letter from lender. The letter must state the terms of your financing and indicate your loan has been **pre-approved by the underwriter**.
- Executed contract with a licensed general contractor or demonstrate ability to manage construction.

Purchaser's Initials: _____

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D. Sign Real Estate Purchase Agreement, Attend Closing

- Sign purchase agreement and conflict of interest statement at or before closing.
- A good faith deposit of 15% of the purchase price or \$2,000, whichever is greater will be collected at the time the purchase agreement is signed. The good faith deposit will be returned upon receipt of the Certificate of Occupancy, assessment of the property by the City Assessor's office and the landscaping has been completed. Good faith deposit will not accrue interest and no interest will be returned to purchaser.
- Attend property settlement, held at City Hall or a Title Company.

E. Begin construction within six (6) months of closing; complete construction within one (1) year of closing.

- Construction commencement is defined as the date that the excavation/ground disturbance permit is issued by Fire Prevention and Building Safety. Construction completion is defined as the date the Certificate of Occupancy is issued by Fire Prevention and Building Safety.
- Failure to meet construction commencement or completion deadlines may result in action of foreclosure or reversion at the discretion of the City.
- Purchaser shall pay to the City twenty five dollars (\$25.00) per day as liquidated damages for each day they are in default of the purchase agreement.

SAMPLE ONLY : Please do not complete fields, only initial the bottom of each page to acknowledge the terms and conditions of the program.

5. CITY OF LA CROSSE REPLACEMENT HOUSING PURCHASE AGREEMENT (VACANT LAND)

This Replacement Housing Purchase Agreement (“hereinafter "Agreement") is made by and among the City of La Crosse, Wisconsin, a Wisconsin municipal corporation (the "City"), and **PURCHASER’S NAME**, located at **PURCHASERS ADDRESS**, herein referred to as Purchaser.

WHEREAS, the City operates a Replacement Housing Program, which aims to address the aging and deteriorating housing in the City and neighborhood deterioration through the replacement of housing stock with **FUNDING SOURCE**, and

WHEREAS, the City purchased property and expended funds at **PROPERTY ADDRESS** for the purposes of said program, and

WHEREAS, the Purchaser and the City agree that the real estate improvement described in this agreement shall (1) result in an economic and aesthetic benefit to the City and the surrounding area, including, without limitation, growth in the tax base; and (2) be secured for the future benefit of the citizens and the community through the construction and development of the project;

WHEREAS, the City advertised the sale of said property in accordance with the guidelines provided in the program, the land was offered at fair market value and an offer from purchaser was received in accordance with said guidelines and later approved by the Community Development Committee on **INSERT DATE HERE**,

WHEREAS, the City and Purchaser wish to set forth in this Agreement their respective commitments, understandings, rights and obligations in connection with the project as more fully described herein;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein exchanged, and other good and valuable consideration, the receipt and sufficiency of which the parties acknowledge the parties hereto agree as follows:

- 1. Real Estate: City agrees to sell and Purchaser agrees to purchase the real estate in fee simple located at **PROPERTY ADDRESS, Tax Parcel No.:** more specifically described as follows:

LEGAL PROPERTY DESCRIPTION HERE

- 2. Purchase Price: The purchase price shall be **XXX** Dollars (\$0.00).
- 3. Deposit: **A good faith deposit of 15% of the purchase price or Two thousand Dollars (\$2,000.00), whichever is greater** shall be paid upon execution of the Agreement. The deposit shall be in addition to the purchase price. The deposit will be returned to Purchaser if all conditions outlined in this agreement are satisfied.
- 4. Conditions and Warranties: The purchaser agrees to the following conditions for the sale of this land.
 - A. The Warranty Deed transferring the property to the Purchaser must contain a restriction with the following language: The above-described property shall remain and be used only as an owner-occupied, single-family residential dwelling in perpetuity.
 - B. The house shall be built in accordance with the plans approved by the Community Development Committee (CDC) on the date listed above and which meet the City's single family home design standards. The CDC approval is for the sale of the property and proposed house designs only. Purchaser must obtain necessary approvals and permits from other City/County bodies prior to commencing work.

- C. Building Permits must be obtained and construction started within six (6) months of closing, and the project must be completed within twelve (12) months of the date of closing. In the event the Purchaser fails to meet the construction commencement or completion deadlines, Purchaser shall have deducted from the performance deposit, twenty-five (\$25.00) per day as liquidated damages for each day past said deadline. Construction completion means Purchaser has received a certificate of occupancy issued by Fire Prevention and Building Safety.
 - D. Purchaser must allow assessor's office to assess the property at the completion of construction.
 - E. Landscaping (graded to match adjacent grades, seed or sod) must be completed 30 business days from receipt of certificate of occupancy.
 - F. The land, improvements and personal property resulting from the project shall be subject to property taxes. Purchaser shall pay when due all federal, state and local taxes in connection with the Real Estate and all operating expenses in connection with the Real Estate and Project. The Real Estate may not be sold, transferred or conveyed to, or leased or owned by any entity or used in any manner which would render any part of the Real Estate exempt from property taxation.
5. Good Standing: As of the date of this agreement, Purchaser certifies that they do not owe any federal, state, or local taxes or has any outstanding municipal obligations (unpaid water bills, unpaid parking tickets, etc.).
6. Purchaser's Default.
- A. Remedies. In the event (i) any representation or warranty of Purchaser herein or in any agreement or certificate delivered pursuant hereto shall prove to have been false in any material respect when made or (ii) of Developer's default hereunder which is not cured within thirty (30) days after written notice thereof to Developer, (iii) or there is a transfer of the real estate to another successor or assign in violation of this agreement, the City shall have all rights and remedies available under law or equity with respect to said default. In addition, and without limitation, the City shall have the following specific rights and remedies:
 - a. With respect to matters that are capable of being corrected by the City, the City may at its option enter upon the Property for the purpose of correcting the default and the City's reasonable costs in correcting same, plus interest at one and one-half percent (1.5%) per month, shall be paid by Developer to the City immediately upon demand;
 - b. Injunctive relief;
 - c. Action for specific performance, including but not limited to retention of the performance deposit;
 - d. Action for money damages.
 - e. Repayment by Developer of any incentives and damages via special assessment or special charge under Section 66.0627, Wis. Stat., prior to any first mortgage lien on the property. The owners of the Real Estate and their successors and assigns further agree that they waive any objection to the City making said special charge or assessment; however, they still retain their right to object to the accuracy of the amount of the special charge or assessment; and

- f. The City's Right to Repurchase: Notwithstanding anything to the contrary contained herein, or in the Deed, if subsequent to conveyance of the Property to Purchaser and prior to issuance of the certificate of completion:
- i. In the event that construction has not been commenced within six (6) months of signature date, then, until construction is commenced, the City shall have the option to repurchase the Real Estate. To exercise the repurchase option, the City shall provide written Notice of Exercise of Option to Purchase, including the date of repurchase closing, within sixty (60) days after the expiration of the six (6) month period.
 - ii. In the event that the Purchaser does not reach completion within one (1) year of signature date, the City shall have an option to repurchase the Real Estate. To exercise the completion option, the City shall provide written Notice of Exercise of Option to Purchase, within sixty (60) days after the expiration of the one (1) year period.
 - iii. Terms of repurchase: If the City exercises its right to repurchase, the Purchaser shall tender a warranty deed free and clear of all liens and encumbrances except municipal and zoning ordinances, recorded easements for public utilities and covenants approved by the City, in exchange for a sum equal to the Purchaser's purchase price for the Real Estate less any unpaid real estate taxes and special assessments, the proration for the current year's real estate taxes, and the title insurance premium. Closing shall occur within sixty (60) days of delivery of the Notice of Exercise of Option.
- g. Reverter: The City shall have the right to reenter and take possession of the Property and to record against the Property in the La Crosse County Register of Deeds office a "Notice of Reverter." Purchaser agrees that the recording of such Notice of Reverter shall have the effect of delivering and recording a deed from Purchaser to City, and shall automatically terminate all of the Purchaser's rights, title and interest in and to the Property (and any interest of any successor that has taken title from or through Purchaser, except Permitted Successors) and revert in the City, subject to rights of Permitted Successors, the full estate conveyed by the Deed. If the City exercises its reversionary right as set forth above, City may also retain the good faith deposit.
- B. Any amounts expended by the City in enforcing this Agreement and the obligations of Purchaser hereunder, including reasonable attorney's fees, and any amounts expended by the City in curing a default on behalf of Purchaser, shall be paid by Purchaser to the City upon demand and shall constitute a lien against the Real Estate until such amounts are reimbursed or paid to the City, with such lien to be in the nature of a mortgage and enforceable pursuant to the procedures for foreclosure of a mortgage.
7. Conveyance: This fee simple conveyance is to be made by a Warranty Deed, free and clear of all assessments, taxes, liens, encumbrances or other servitude except zoning and municipal ordinances and the provision in the conveyance that the Purchasers must comply with City of La Crosse Replacement Housing Purchase Agreement (Vacant Land). The following language shall be added to the deed:

The above-referenced PROPERTY was purchased as part of the Housing Rehabilitation Program with the City of La Crosse. It is the intent of the City of La Crosse that the acquired PROPERTY identified herein remain as owner-occupied property permanently. "Owner-occupied" is defined as a home occupied by the borrower as their primary residence for at least 75% of each calendar year.

The following Deed Restriction is implemented and shall run with the Property and be incorporated with any subsequent transfers of the said PROPERTY: The PROPERTY shall remain owner-occupied, single-family in perpetuity. The PROPERTY shall not be used at any time for Vacation Rental by Owner (VRBO,

Airbnb, Tourist Rooming House or Bed & Breakfast.

8. Notices. Any notice, demand or other communication under this Agreement shall be given in writing and shall be deemed effective when (a) personally delivered; (b) three days after deposit in the United State Postal Service, postage prepaid, certified, return receipt requested; or (c) one business day after deposit with a nationally recognized overnight courier service, addressed by name and to the party or person intended as follows:

To the City: Attn: Department of Planning & Economic Development
 City of La Crosse
 400 La Crosse Street,
 La Crosse, WI 54601

To the Purchaser: Name
 Current Address

9. Governing Law. This Agreement shall be governed by the laws of the State of Wisconsin, with venue in La Crosse County, Wisconsin.

10. Entire Agreement: This Agreement contains the entire agreement of the City and Purchaser regarding this transaction. All prior negotiations and discussions have been merged into this Agreement.

SPACE BELOW INTENTIONALLY LEFT BLANK

6. APPLICANT CONFLICT OF INTEREST STATEMENT*

CITY STAFF	POSITION	CHECK IF NO RELATIONSHIP	FAMILY (state relationship)	BUSINESS (state relationship)
Jason Gilman	Director, Planning & Dev	<input type="checkbox"/>		
Caroline Gregerson	Community Dev Admin	<input type="checkbox"/>		
Andrea Schnick	Economic Dev Admin	<input type="checkbox"/>		
Dawn Reinhart	Neighborhood Hsing Dev Assoc	<input type="checkbox"/>		
Kevin Clements	Housing Specialist	<input type="checkbox"/>		
Kevin Conroy	Housing Specialist	<input type="checkbox"/>		
Tara Fitzgerald	Program Coordinator	<input type="checkbox"/>		
Ashley Marshall	Clerk Steno III	<input type="checkbox"/>		
CDC Committee:				
Tim Kabat	Mayor and chair	<input type="checkbox"/>		
Mike Lemmon	Citizen member and vice chair	<input type="checkbox"/>		
Phillip Ostrem	Council member	<input type="checkbox"/>		
Barb Janssen	Council member	<input type="checkbox"/>		
Adam Hatfield	Citizen member	<input type="checkbox"/>		
Linda Lee	Council member	<input type="checkbox"/>		
Elaine Yager	Citizen member	<input type="checkbox"/>		

APPLICANT NAME:

DATE:

APPLICANT SIGNATURE:

DATE:

*Per 24CFR 570.611