



TRANSFORM THIS COMMERCIAL PROPERTY

The Calhoun County Land Bank Authority (CCLBA) has commercial properties for purchase to rehabilitate. Part of our mission is to support business district revitalization through the management of distressed properties. Many of the buildings offered through the Transform This Commercial Property (TTCP) program are in need of significant rehabilitation; therefore, participation in this program will require a detailed rehabilitation plan, a business plan, a financial plan/pro-forma and will also require a project review by the Development Review Committee (DRC).

The CCLBA may initially market commercial sites through a formal Request for Proposal (RFP) process that will incorporate the TTCP program. This will allow all interested parties, e.g. the Applicant/Developer (“Applicant”), to submit a response under Phase 3 (see below) of this program to be reviewed by the DRC. The CCLBA’s realtor may assist with both the RFP and TTCP process. During the RFP period, the property will be made available for inspection by interested parties. If the CCLBA does not receive an acceptable response to the RFP, the property would then be listed with a realtor in the traditional manner and the participation in the TTCP program will still be required.

The goal of the TTCP program is to successfully redevelop distressed commercial and mixed used sites. Upon completion, the property returns not only to the tax roll, but also to productive use and becomes an asset to its neighborhood, community, and commercial district. This program is designed for those who want to purchase and restore the property for small business or mixed use development.

The 5 phases of the process are outlined below:

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In order to participate, the CCLBA mandates the following:

ALL PROPERTY TAXES MUST BE PAID and current on all properties located in the State of Michigan owned by the Applicant, or any individual and legal entity that will have an ownership interest in Applicant; this applies to all board members of the legal entity. *Applicants that have forfeited properties due to delinquent taxes in the past five years are not eligible for this program.* List of all properties owned in the State of Michigan, with parcel numbers should be submitted with application. CCLBA staff will review all for compliance.

ALL PROPERTY MUST BE CODE COMPLIANT. All property in the State of Michigan owned by the Applicant, or any individual and legal entity that will have an ownership interest in Applicant, must be violation free. All code violations must be resolved before the CCLBA will consider an application. If building permits are open and in process of being fulfilled, an exception may be granted. Applicants with a history of code violations are not eligible for this program.

PHASE 1

Find Property and Prepare to Apply

CONTACT THE CCLBA to find a Transform This Commercial Property.

INSPECT THE PROPERTY. The Applicant is encouraged to bring professionals or others involved in the rehabilitation project to the property for the inspection and to develop their detailed rehab plan.

MAKE A GENERAL LIST OF NEEDED REPAIRS. Please note that building code requirements may change based upon the end use; therefore, the list of repairs and improvements will likely need to be revised. The Applicant must prioritize the rehabilitation by giving priority to structural concerns and other repairs necessary to obtain a Certificate of Occupancy (e.g. roof or foundation, façade, mechanical systems).

CONSIDER THE COST. The Applicant should carefully consider the ability to afford the purchase of the property, the property taxes, any unknown or unanticipated conditions including environmental concerns, and the cost to complete rehabilitation, as well as the strength of the business plan. These considerations are the key to project approval; and must be considered carefully by the Applicant. Utilize the cost estimate checklist included with the application materials as a tool in determining the financial commitment. Applicant should contact the local assessor to get an estimate on future property tax responsibility. Be prepared to show the resources you have to meet the cost of the project, this includes confirmation of financing; see phases 3 and 4.

PHASE 2

Prepare Preliminary Project Scope & Meet with the CCLBA

OPTION 1 – RFP PROCESS - Follow the process described in the published RFP for any properties offered under the bid process to obtain access to the property for inspection and to clarify information about the property. Because all properties are different, the CCLBA will specifically tailor the inspection and Q&A sections of the RFP to ensure that potential bidders can obtain the necessary information prior to submitting a proposal under Phase 3. Please note that in this process, the *Application Worksheet* becomes part of the submission for the RFP process.

OPTION 2 – TRADITIONAL LISTING - Schedule a meeting with the CCLBA for parcels listed traditionally to discuss the project, including preliminary plans for the rehabilitation of the building on the property. Applicant should also be prepared to discuss the project's financing. In Phase 3, the CCLBA will require significantly more information from the Applicant, so during this meeting, Applicant should ask questions about Phase 3 to clarify the process. In most cases, the CCLBA will request a representative of the local municipality to attend the meeting.

Prior to the meeting, you will need to provide completed TTCP *Application Worksheet* for review by CCLBA staff and municipal staff that will attend the meeting (15 copies). In addition, you should be ready to discuss preliminary information about the following:

1. Identify developers and generally discuss past project experience, including projects similar in scale to the proposed project, and familiarity with incentives and environmental work.
2. Identify professionals that may be involved in the project, including architects, engineers, environmental consultants and/or contractors.
3. Discuss preliminary development proposal and scope of work, including type of project and proposed use (e.g. mixed use, residential, commercial), financing, and project timeline.
4. Discuss proposed business plan.

NEXT STEPS - If the applicant is encouraged to move forward through via either pathway (traditional or RFP), they must create a Preliminary Development Proposal as discussed in Phase 3 below. Prior to the next meeting or review, Applicant should submit all forms and preliminary plans including a rehabilitation plan (for all phases of the project); a business plan; a project timeline; a financial plan; and all additional supporting materials as described in Phase 3.

PHASE 3

Create Preliminary Development Proposal

SUBMIT A PRELIMINARY DEVELOPMENT PROPOSAL for review and comment by CCLBA staff and the DRC; to be considered complete, proposal shall address all of the items listed below. There will be a 15 day review period for all proposals submitted for sites that are listed traditionally and a 20 day review period for submissions filed under an RFP process.

The CCLBA will engage the DRC to provide a preliminary review of and comment on the scope of the project and other information. It may also choose to discuss the project with representatives from the municipality (e.g. planning department, municipal manager, building inspector) in which the property is located. The CCLBA reserves the right to ask Applicant to make a presentation to the DRC explaining their project when determining which project will move on to Phase 4. The CCLBA will provide a written response to Applicant after the review that either encourages the Applicant to move forward in the process or expresses the CCLBA's decision to forego the project. The following tools will be used to evaluate submissions submitted under Phase 3.

1. DEVELOPMENT REVIEW COMMITTEE (DRC). The DRC will consist of representatives from the CCLBA, the local unit of government, the economic development agency, and, when appropriate, a representative of the banking industry or other specialists. The CCLBA works closely with cities, townships and villages on community planning as well as economic development and this process will help the CCLBA support local goals. The CCLBA will engage a DRC for commercial projects, unless it is deemed unnecessary by the CCLBA.

The DRC will provide input on development proposals and assist with the review process. When evaluating proposals, the DRC will consider the scope and sustainability of the project, quality of the business plan, the Applicant's experience, whether the project diversifies the products/services offered in the area, and how the project supports local goals/plans. All proposals will be evaluated and scored. A minimum of sixty points (out of a possible one hundred points) is required for further consideration.

2. PRELIMINARY EVALUATION AND SCORING. All proposals submitted will be preliminarily evaluated as follows. A minimum score of 60 points or more is required for further consideration. For projects with more than one Applicant, the Applicant that scores the highest will move forward in the process.

- Completeness of application – 5 points
- Quality of Business Plan or Rehabilitation Pro-forma – 35 points
- Capacity for project – 35
- Diversification of Service/Product – 15 points
- Local government recommendations – 10 points

NECESSARY COMPONENTS OF A PRELIMINARY DEVELOPMENT PROPOSAL: All of the proposal components are listed on the following page. Please note that **ONLY** Preliminary Development Proposals that include **ALL** of components listed will be reviewed by CCLBA staff.

NEXT STEPS - A decision will be made regarding submissions by CCLBA staff and the DRC, and will be evaluated under the scoring matrix listed above. The CCLBA will provide a written response to Applicant after the review that either encourages the Applicant to move forward in the process or expresses the CCLBA's decision to forego the project. All decisions of CCLBA will be considered final. Applicant is allowed to reapply with a revised scope of work for the project or for another property.

COMPONENTS OF PROPOSAL

1. **TABLE OF CONTENTS:** Include a list of all sections and appendices in the application and indicate corresponding page numbers.
2. **EXECUTIVE SUMMARY:** One page (maximum) summary of the plan.
3. **IDENTIFY & DESCRIBE THE APPLICANT/DEVELOPER:** Include corporate or business name, address, phone number, email address, and name of primary contact.
4. **IDENTIFY EACH PERSON OR ENTITY INVOLVED IN THE PROJECT TEAM:** Include bios and information on past projects.
 - Developer or Development partners
 - Architects or Engineers
 - Environmental Consulting Firm
 - Building Tenants
 - Proposed ownership structure
 - property management team
5. **PRELIMINARY REHAB PLAN & FINANCIAL INFORMATION:**
 - Preliminary construction budget with anticipated financial sources.
 - Preliminary operating budget for proposed business.
 - Proposed improvements.
 - Proposed square footage breakdown of proposed uses/types of uses.
 - If residential, please include number of rentals. If commercial, please indicate the number of proposed jobs that will be created from the end use. If a phased approach is proposed, indicate what will trigger executing subsequent phase and provide preliminary timeline for phasing.
 - Proposed timeline for the project.
 - Attached is a Project Cost Estimate Worksheet and a Project Timeline Worksheet, both can be used to assist with this section.*
6. **PROVIDE A SITE CONCEPT PLAN:** Describe the sites needed and sites secured. If private sites are included in the plan, letters demonstrating site control or ability to obtain site control over private parcels is required.
7. **DEMONSTRATION OF FINANCIAL CAPACITY:** Include the developer's ability to finance the development and to obtain financing or grants. If seeking grants or incentives, please demonstrate past success with accessing grant funds and familiarity with the process.
8. **DEVELOPER'S RELEVANT EXPERIENCE:** Include developer's experience for up to five recent projects. Projects should illustrate experience with construction projects similar in scope and size to the proposed projects. Photos and references are encouraged.
9. **BUSINESS PLAN:** Using the *Business Plan Worksheet* as a guide, create a plan for commercial, mixed use, or multi-family residential housing project.
10. **FINANCIAL PLAN:** Demonstrate how the project will be financed and documentation to verify financial capacity to complete the plan.
11. **PROPERTY LIST:** List (with address and parcel ID) of all property owned in the State of Michigan by Applicant, or any legal entity that will have an ownership interest in the project. This should include properties under trusts, and those that are jointly or partially owned by Applicant. Include property tax status and violation info if any.
12. **PROPOSED PURCHASE PRICE:** The CCLBA reserves the right negotiate final purchase price, if appropriate, and to select the proposal that best meets their objectives.

PHASE 4

Secure an Option & Conduct a Formal Code Review

APPLICANT WILL BE RESPONSIBLE FOR THE FOLLOWING and has 60 days in which to complete the work:

1. Secure an option to purchase the property by placing a non-refundable deposit with CCLBA for the property. The deposit will be \$2,500 or 15% of the purchase price, whichever is greater, which will be held in an escrow account. The deposit will be applied to the purchase price for the property at a closing when the project comes to fruition. However, if the project does not come to fruition, the deposit will be retained to cover legal and administrative costs.
2. Hire a professional engineer at their own expense to complete a formal code review of the building to ensure that it is suitable for the proposed project.
3. Seek input from the municipal economic development agency, building and code officials, fire marshal, the planning and zoning agency, and any other party that might need to review proposals for compliance.
4. Hire an environmental consultant at their own expense to conduct a Phase I environmental review. In some cases assistance for brownfield planning for environmental and non-environmental issues may be available, and would be discussed during Phase 4. The following is a brief summary of the environmental information:
 - Commercial and industrial property may be contaminated, and buyers should protect themselves by conducting the appropriate environmental inquiries. Applicant shall be responsible for conducting All Appropriate Inquiries (AAI) to identify any environmental concerns and to receive liability protection.

The term “All Appropriate Inquiries” refers to three different stages of the environmental investigation process: the Phase I, Phase II and Baseline Environmental Assessment (BEA). The Phase I is a history review of the site, is only good for six months, is to determine if there are any “Recognized Environmental Conditions” (RECs) and whether further investigation is recommended. The Phase II involves additional testing and taking of samples to address recognized environmental conditions and determine if the property is considered a facility. The BEA is the most extensive study and is necessary if the property is considered a facility. A Due Care Plan may also be required. Applicant is strongly encouraged to engage an environmental consulting firm to coordinate the completion of the environmental due diligence process in a timely manner.

THE CCLBA WILL NOT ACCEPT ANY LIABILITY FOR THE ENVIRONMENTAL CONDITION OF THE PROPERTY

Revise the Preliminary Proposal submitted under Phase 3 to reflect new information found under during Phase 4 above so that the Applicant now has a Formal Development Proposal, which includes all information collected to date.

CCLBA WILL BE RESPONSIBLE FOR THE FOLLOWING:

1. Execute an option to purchase the property in favor of the Applicant.
2. Review the Formal Code Review results and provide any necessary comments within 7 business days.
3. Review the Formal Development Proposal and provide preliminary comments within 15 business days prior to scheduling a formal review of the project with the DRC.
4. Schedule a review of the Formal Development Proposal with the DRC within 20 days of receiving the proposal.

THE FORMAL REVIEW: The DRC may ask for clarification or additional information based on the review process and project scope. When necessary, the DRC may seek outside opinions to clarify the potential success of Applicant’s plan. CCLBA staff will serve as a liaison between the DRC and the Applicant as needed.

When providing a final recommendation, the DRC will consider the scope and sustainability of the project, quality of the business plan, the developer’s experience, whether the project diversifies the products/services offered in the area, and how the project supports local goals/plans.

DURING THIS FINAL PHASE, THE CCLBA AND APPLICANT WILL FINALIZE the purchase agreement and development agreement and will use input from the phases above, and from the DRC, to set appropriate benchmarks. The intent of the Purchase Agreement is to clarify what happens prior to the transfer of the property, and the intent of the Development Agreement is to clearly outline the necessary steps for completing the development. The Purchase Agreement and Development Agreement will be prepared by CCLBA and, aside from the specific deal terms, are not subject to negotiation.

1. **SIGN A PURCHASE AGREEMENT** with the CCLBA. The approved Transform This Commercial Property application and materials will be incorporated into the purchase agreement. Documentation may periodically be requested to verify the progress such as receipts for services, materials or permits or other related items.
2. **SIGN A DEVELOPMENT AGREEMENT** with the CCLBA. The approved Transform This Commercial Property application and materials will be incorporated into the development agreement. Documentation may periodically be requested to verify the progress such as inspections, receipts for services, materials or permits or other related items.
3. **MEET ALL NECESSARY REQUIREMENTS OF THE PURCHASE AGREEMENT** to proceed to the following steps:
 - A. **SCHEDULE A CLOSING** where the Applicant / Buyer will pay the purchase price and all closing costs, including but not limited to, Buyer's share of pro-rated property taxes (when applicable), lender closing costs, recording fees, title closing costs and title insurance.
 - B. **TRANSFER OF PROPERTY** is a two-fold arrangement. First the Buyer, will receive a Warranty Deed (with clear title). Second, the Buyer will sign a Re-Conveyance Deed, which is further defined below. The Re-Conveyance Deed will be held by CCLBA.
4. **COMPLIANCE MONITORING** during the life of the Development Agreement will take place on a bi-monthly basis. Applicant will be responsible for filing bi-monthly reports with the CCLBA to demonstrate both compliance and progress. In cases of unforeseen circumstances, the CCLBA, with input from the DRC, may grant extensions so long as there is significant progress on the project. All extensions will be requested and approved in writing. Requests for multiple extensions may require support from the CCLBA Board if requested over an extended period time.

Upon receipt of the Final Inspection and/or Certificate of Occupancy by the CCLBA or completion of the specified benchmark included in the Development Agreement, the project will be considered complete. At this time the Re-Conveyance Deed will be destroyed and full ownership and interest will be solely held by the Buyer.

The CCLBA expects the Buyer to work toward project completion as outlined in the Purchase Agreement and the Development Agreement, and will work to support the Buyer as needed. Legitimate setbacks in completing the project will be taken into consideration on a case by case basis. If necessary, the Buyer may request an extension in writing; the CCLBA reserves the right to request additional information and supporting documentation before consideration of the request. In the event that the Buyer fails to meet the requirements of the program and contract (for example - misses project completion deadline or fails to pass a Final Inspection), and no agreement can be reached by the parties as determined solely by CCLBA, the CCLBA may elect to record the Re-Conveyance Deed. Upon recording the Re-Conveyance Deed, title to the property reverts back to the CCLBA and the Buyer forfeits the physical property and the improvements thereon as well as the purchase price, closing costs and the investments made in the property.

Disclosure:

The CCLBA advises all Applicants that it is selling these properties AS IS, WHERE IS and with no representations or warranties of any kind, including but not limited to any warranty of habitability, fitness for a particular purpose, or environmental condition. Applicants are advised to conduct their own careful inspections at the scheduled walk through, particularly with regard to the anticipated cost for repairs that will be required to pass a Final Inspection, and where necessary, obtain a Certificate of Occupancy within required time frame.

Any information provided in this document, or on any CCLBA publication, print or electronic (including internet postings) or otherwise, orally or in writing, now or in the future, is for convenience only and the CCLBA makes no representation or warranty as to its accuracy or completeness.

The CCLBA is a governmental body subject to the Freedom of Information Act and/or other applicable laws regarding the disclosure of public information. Please note, that the CCLBA may be required to disclose Applicant's or Buyer's name, the address of the property, the purchase price and other information. If requested, the CCLBA will provide any information as required by law.

The CCLBA reserves the right to accept or reject any or all offers, waive any technicalities and accept the proposal which best suits the CCLBA, the local unit of government, business district, or neighborhood. The CCLBA will review the bids in partnership with the DRC, and other representatives as necessary. The CCLBA reserves the right to take other action before a purchase agreement is approved or signed. If you have any questions, please contact Krista Trout-Edwards, Executive Director at 269-781-0859.



TRANSFORM THIS COMMERCIAL PROPERTY APPLICATION FOR CONSIDERATION

A walk through inspection is required before an application can be accepted. Visits to the site will be handled via the RFP process or can be coordinated with CCLBA staff. Entry onto or into a CCLBA property without the contracted realtor is trespassing and is subject to prosecution. This application will not be processed if all required documentation is not attached. Please note, the requirements of the program must be met to qualify for participation and purchase.

CHECK ALL THAT APPLY

- I have not been through any foreclosure proceedings or forfeited title on any property in the last five years.
- I do not have delinquent taxes on any property I own in the State of Michigan. My taxes are paid and current.
- I do not have any active code or ordinance violations on any property I own in the State of Michigan.

CONTACT INFORMATION

Applicant Name: _____

Mailing Address: _____

Cell Phone: _____ Email: _____

Co-Applicant Name: _____

Mailing Address: _____

Cell Phone: _____ Email: _____

CCLBA PROPERTY INFORMATION

Property Address: _____ Parcel ID Number: _____

ANTICIPATED SOURCES OF FUNDING

	Lender	Type of Loan	Proposed Amount
Loan			
Loan			
	Grantor Agency	Type of Grant	Proposed Amount
Grant			
Grant			
Equity/Applicant Contribution			Proposed Amount
Other Sources (e.g. brownfields/reimbursement)	Identity of Funding Party	Proposed Amount	
Total Expected Funding for Project:			

REHABILITATION PLAN

Intent for property (circle all that apply) Residential Income property Mixed used Commercial
Other _____

Briefly describe the project:

Proposed date of completion for rehabilitation of property _____

Total projected cost (purchase price + rehab) \$ _____

Have you contacted the local planning/building department about this property? Yes or No

Municipality _____ Contact Person _____ Phone _____

Have you engaged an architect or building professional? Yes or No

If so, please provide name: _____

Do you plan to seek grant funding to complete the building renovation? Yes or No

Do you plan to seek bank funding to complete the renovation? Yes or No

Are you familiar with environmental regulations that provide liability protection? Yes or No

If so, please describe your experience, including what type of environmental reports were conducted:

Have you purchased and redeveloped commercial property in the past? Yes or No

If so, please describe your experience in the table on the next page:

BRIEF DESCRIPTION OF PAST REDEVELOPMENT PROJECTS

Project Description	Location	Types Funding Used	Reference Information
	Address: City: State:	1. 2. 3.	Name: Address: Phone/Email:
	Address: City: State:	1. 2. 3.	Name: Address: Phone/Email:
	Address: City: State:	1. 2. 3.	Name: Address: Phone/Email:

TRANSFORM THIS COMMERCIAL PROPERTY – PROJECT COST ESTIMATE WORKSHEET

SUBMIT THIS CHECKLIST with application materials or RFP response. Any information provided on this document is for convenience only with no representation or warranty as to completeness and accuracy. This tool is provided to aid in the process for the Applicant and the CCLBA. The costs for the project may be more or less and are the responsibility of the Applicant.

Acquisition Costs		
Offer on Property (Including 15% Option or \$2500, whichever is greater)		_____
Title Review Fee		_____
Title Insurance Premium		_____
Closing		_____
Any lenders closing fees		_____
Property Taxes (1 year)		_____
Insurance Premium (1 year)		_____
Acquisition Section Total	A	<input type="text"/>

Rehab Costs	Permit Fee	Materials	Labor	Total
Systems				
Formal Code Review				= _____
Mechanical	_____	+	_____	= _____
Electrical	_____	+	_____	= _____
Plumbing	_____	+	_____	= _____
Septic / Well	_____	+	_____	= _____
Structural				
Permit Fee(s)	_____			= _____
Framing / Walls / Support Structure			+	= _____
Roof			+	= _____
Insulation			+	= _____
Foundation			+	= _____
Plaster / Drywall			+	= _____
Firewalls			+	= _____
Flooring			+	= _____
Windows / Doors			+	= _____
Fixtures / Finishes (cabinets, etc)			+	= _____
Porch / Railing			+	= _____
Paint, Siding, etc.			+	= _____
Other Safety Issues			+	= _____
Contingency (10%)			+	= _____
Rehab Section Total				B <input type="text"/>

Calculate Minimum Proof of Funds		
Acquisition Cost (A)		A <input type="text"/>
		+
1/2 Rehab Costs	B <input type="text"/> X 50% =	C <input type="text"/>
Minimum Proof of Funds (A + C = D)		D <input type="text"/>

TRANSFORM THIS COMMERCIAL PROPERTY – PROJECT TIMELINE WORKSHEET

SUBMIT THIS CHECKLIST with application or RFP materials. This tool is provided to aid in the planning process for the Applicant and the CCLBA; project costs are the responsibility of the Applicant.

Month _____

1. _____
2. _____
3. _____
4. _____

Month _____

1. _____
2. _____
3. _____
4. _____

Month _____

1. _____
2. _____
3. _____
4. _____

Month _____

1. _____
2. _____
3. _____
4. _____

TRANSFORM THIS COMMERCIAL PROPERTY – BUSINESS PLAN WORKSHEET

The outline below is to assist Applicants with the development of a business plan. Applicants should create a detailed plan to submit with their RFP proposal or application materials.

COMPANY DESCRIPTION

Company Name

Address, City, State, Zip

Owner's Name, Email, Phone

Legal Entity Status (LLC partnership or sole proprietorship, Corporation, 501(c)(3))

Mission Statement (Summary of the purpose and values of the business)

Vision Statement (5-10 year outlook for the business)

MARKETING AND SALES

Market Research (Industry, Competition, Target Market/Customers)

Market Differentiation (What makes your business stand out from similar businesses)

Marketing Plan (How do you plan to reach your target market, outline your marketing mix)

Sales (Outline sales process)

OPERATION PLAN

Management (Explain who will be in charge of the day to day operations)

Staffing (Number of employees or staffing needs)

Work Processes (Outline the core procedures used to produce products/services)

Equipment (Equipment needed to conduct business)

FINANCIAL PLAN

Startup Cost (Initial expenses)

Revenue Projections (Year 1 projections, break-even point, profitable)

Funding (Bank, investors)