

# BUYING PROPERTY FROM THE CITY OF RUTLAND

## Background Information for Applicants

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The City of Rutland takes title to a number of properties throughout the year, generally through tax sale. If the property does not serve a current or future municipal need, the City's preference is to transfer ownership to responsible owners for immediate rehabilitation or development.

The City accepts applications from the general public to purchase and re-develop City-owned properties which appear on the list of available properties, as provided on the City's website: [www.rutlandcity.org](http://www.rutlandcity.org), which is maintained and frequently updated by the Building & Zoning Department.

The City uses an application process to assist their decision-making process as it relates to the sale of properties. This enables applicants to provide information to the City about a proposed development plan, which allows the City to weigh proposals based on competing measures, other than solely upon the price offered for the property. Further guidelines are specified in the application.

Please note that many of the properties listed need considerable repair work. Often the costs to rehabilitate a property can range considerably depending on the size and condition of the building. City financing IS NOT available.

Owners acquiring properties through this process are expected to take immediate measures to comply with the City's Vacant Buildings ordinance (Title 9, Chapter 16).

### **Property Inspection & Research**

Open House walk-throughs will be scheduled for each property as they become open for applications. Any additional property inspections must be scheduled with the Building Inspector, and will be by appointment only.

All applicants must have a signed waiver of liability on file prior to entering a property. When visiting property, wearing boots is advisable (or other appropriate shoes); also bring a flashlight, camera, and/or notebook. Bringing a contractor or architect is also recommended. Any contractor, architect or associate of the applicant must also sign a waiver of liability before entering the building.

The City strongly encourages each individual to research thoroughly the property or properties they wish to buy, prior to making an offer. ANY INFORMATION PROVIDED BY THE CITY COULD BE UNINTENTIONALLY INACCURATE AND MUST BE INDEPENDENTLY VERIFIED BY A PROSPECTIVE PURCHASER. SUCH INFORMATION IS NOT INTENDED AS A REPRESENTATION OR WARRANTY WITH RESPECT TO A PROPERTY.

Contacting the Building and Zoning office to discuss the feasibility of any development plan is also recommended. The City suggests a title search preceding any application for the purchase of a particular property.

## **Purchasing, Approval and Closing Process**

All prospective purchasers are required to fully complete an application packet for each property they would like to purchase. Once received, the application packet is reviewed for completeness. If the application is deemed complete, the packet is reviewed by a special committee established for to make a recommendation to the Board of Aldermen for final approval.

Applications will be reviewed to determine the best match with the City's goals, including with respect to the following:

- Financial qualification of potential purchaser(s)
- Potential purchaser's standing with City with respect to taxes and other fees, past violations and past tax sales or foreclosures
- Plan for rehabilitation of property in accordance with City goals, which includes any current studies, the City's Master Plan, and applicable ordinances and regulations.

The City is seeking to recoup the amount of taxes owed in addition to whatever carrying costs accrued since acquiring the property. However, the City may accept a lower offer depending on the circumstances.

The City reserves the right to extend a time period in which applications can be received for any property (or properties), especially if no acceptable offer has been submitted (as deemed by the Committee). The City also reserves the right to reject any and all applications from potential purchasers for any legal reason, without explanation.

Recommendations for the sale of a property are forwarded by the committee to the Board of Aldermen for final approval. A 10% deposit of the offer price must be submitted prior to the recommendation being forwarded to the Aldermen. If approved, the purchaser will receive notice from the City's Building & Zoning Office and instructions on arranging a closing with the City's Attorney's Office.

The accepted offer price must be paid in full at closing. In addition to the sale price, the buyer is responsible for paying all recording fees and future property taxes.

Any potential purchaser should carefully review the terms within the City's Application including the Offer to Purchase and Property Purchase Agreement.

**Please note:** Property acquired by the City through tax sale has a compromised title. According to the Vermont Title Standards, a title is not "marketable" for 1 year from the date of the Tax Collector's Deed. Therefore, a bank or lending institution is not likely to give a mortgage on any property during that 1 year period. Please be sure to ascertain the relevant timeline for any property of interest.

Upon closing, purchasers are urged to contact the Building and Zoning Office for information on completing the permit application process. Since there is a timeline in place for redevelopment, the purchaser needs to act in a timely manner to start the necessary renovation work.