

Forfeiture and Tax Foreclosure “Pass Through” Considerations For Commercial and Industrial Properties and Lots

Overview

The Land Bank accepts Letters of Interest (“LOI”) from stakeholders and private buyers to “purchase,” Forfeiture and/or Tax Foreclosed properties on a rolling first-come, first-serve basis. Below are select factors to be considered when entering into Pass Through agreements:

1. Letter of Interest – (to Purchase): The Letter of Interest (LOI) should include the following information:

Name, title address, telephone and email address of the buyer/principal.

Legal structure of Buyer/development team or anticipated entity (e.g., corporation, joint venture, limited partnership, etc.), date of legal establishment, principal owner.

Offering Price.

2. Development Team Summary

To the extent possible, list the team members, if any, (e.g., architects, project managers/consultants, etc.), by providing the following information on each member of your team.

- Briefly describe the nature and type of service to be provided and the roles of key team members in the development project.
- Number of years in business.
- Supplemental materials, such as company brochures, etc.

3. Proposed Site or Sites and Project Concept

The Cuyahoga Land Bank is interested in a description of a project or end use concept that meets the Cuyahoga Land Banks community goals. Responders should submit enough detail in order for the Cuyahoga Land Bank to clearly understand the project. The Land Bank has identified the following items that responders may want to incorporate in its response. The response should include:

Overall project narrative;
Proposed project investment;
Estimated project completion time;
Basic “Sources and Uses” statement;

4. Relevant Development Experience and Development Capacity

Please provide a description of similar projects, if any, completed or in process by Buyer. For each project, please include the following:

- Project name, location and type of real estate product;
- Photos of the project;
- Names and roles of other companies, organizations, or partners involved in the project;
- Development cost and financing summary;
- Primary sources of equity and debt;

5. Financial and Related Information

Please provide information to demonstrate the financial ability to undertake and complete the proposed development project. Buyers shall submit evidence of financial capacity. Evidence should demonstrate that Buyer has the financial capacity to engage in the planning and development of the site or sites. Suitable information would include balance sheets detailing cash or cash equivalent funds sufficient to fund necessary pre-development activities and access to capital for the project.

NOTICE: Purchase of abandoned foreclosed/tax forfeited properties typically are in some level of disrepair and often have some level of environmental contamination. These properties are typically not generating taxes and are a blight on the tax base of the neighborhood surrounding them. The information above will help give the Cuyahoga Land Bank some perspective about the Buyer and the Buyer's ability to make the property productive and tax producing. The Cuyahoga Land Bank's role is not as a financial auditor, underwriter or manager of a project, nor is the Cuyahoga Land Bank able to serve as an authority for building permits. Rather, its function is to serve as a vehicle through which delinquent, unproductive properties can be placed back onto the tax duplicate through acquisition by new owners.