

BAY COUNTY LIBRARY SYSTEM DISPOSITION OF LIBRARY OWNED REAL PROPERTY POLICY

Purpose & Responsibility

1. Purpose:

To provide for the lawful, orderly and equitable sale or other disposition of Library owned real property.

2. Responsibility:

The Library shall maintain a listing and data files of all Library-owned real property, which shall include all information in the Library's possession concerning the real property, including, but not limited to, size, zoning, assessed value, available appraisals, legal description, liens, encumbrances, method of acquisition, grants, and any other available data. Prior to considering any sale or other disposition of Library owned real property, the Library Director or designee shall review the history of each parcel to determine whether the parcel is subject to grant or deed restrictions, laws (such as tax foreclosure proceedings), or other circumstances or conditions which may prohibit, restrict or affect the sale or transfer of the parcel.

3. Policy:

Definitions

"Notice of Intent to Sell – Request for Proposals" means the notice prepared by the Library announcing that the Library will receive offers for the sale of a particular parcel or parcels of surplus real property. The notice shall include information then available to the Library concerning the parcel or parcels of surplus real property. The notice shall also provide prospective purchasers with directions on where or how they may obtain specific information concerning the surplus real property identified in the notice.

"Real Property" includes the lands, buildings, structures and fixtures on the real property.

"Library Board" – is the Bay County Library System Board of Trustees, appointed by the Bay County Board of Commissioners, and a body corporate authorized under MCL 397.302 Sec. 2 (4)

Notice of Intent to Sell

The Library will sell parcels of real property through both of the following methods:

(A) A public request for proposals by publishing a Notice of Intent to Sell – Request for Proposals. At a minimum, the notice shall include the parcel’s mailing address, parcel tax identification number, zoning classification, size, and minimum bid price established by the Library Board. A copy of the notice shall be mailed or delivered to all adjacent real property owners. The notice shall allow a minimum of thirty days for the submission of responses, proposals, offers and/or bids.

and

(B) A classified advertisement containing the information in (A) in newspapers of general circulation throughout Bay County and a listing containing the information in (A) on the Library’s website and/or Bay 3 TV.

All advertisements, notices, listings, requests for proposals or bids, and any other method of marketing the sale of real property shall contain the Reserves of the Library included as a part of this policy (see below). Copies of this policy and the Disclaimer Regarding Library Owned Real Property (Attachment A) [“Disclaimer”], Offer to Purchase Real Property form (Attachment B), and Non-Exclusive Right to Sell Real Estate Agreement (Attachment C) shall be posted on the Library’s website, be made available at the Library’s Administrative Office, Wirt Public Library, 500 Center Avenue, Bay City, MI 48708, or will be mailed to any person or entity upon their request.

Transaction Requirements

Except as may be authorized by the Library Board, all real property shall be sold “AS IS.” All conveyances shall be subject to any existing easements, reservations, rights of use and restrictions of record, building and use restrictions, zoning ordinances, municipal regulations, prior conveyances or leases of oil, gas and mineral rights, and all liens, encumbrances, defects and other conditions on, concerning or relating to the real property. In no event will the Library consider conveying marketable title to real property unless a standard policy of title insurance can be obtained and issued for the real property.

The Disclaimer (Attachment A) shall be provided to every prospective purchaser; attached to all listings, sale and other documents related to the prospective sale or transfer of the real property; and executed by all purchasers, transferees or recipients of real property and attached to any purchase agreement.

The Purchaser shall agree to pay and be responsible to pay for any mortgage title insurance policy, all costs in applying for and securing financing or assuming existing financing, all costs of preparation of documents relating to new or existing financing, recording financial statements, inspections, environmental assessments, recording fees for mortgage and deed, costs in connection with matters relating to purchaser's use or intended use of the real property, including but not limited to, re-zoning, special use permits, variances, soil borings, surveying, rights of way, site plan preparation, sanitary sewer lines, water lines and other matters related to the development of the real property, and purchaser's broker and attorney fees.

Contents of Response to Notice of Intent to Sell

All offers to purchase real property shall be in writing by completing the Offer to Purchase Real Property form (Attachment B), signed by the prospective purchasers, and containing the following information:

- a) parcel number,
- b) parcel address,
- c) total purchase price,
- d) contingencies required by purchaser,
- e) formal name, address, telephone number and legal organization (if applicable) of the purchaser(s),
- f) name of principal for purchaser who is authorized to execute all documents on behalf of purchaser, and
- g) an acknowledgment of having received and read a copy of this Policy

All brokers or agents acting on behalf of the proposed purchaser shall be disclosed.

Deadline for Proposals, Responses, Offers or Bids

The Library may refuse to consider any response, proposal, offer or bid concerning real property which is received after the expiration of the published deadline. If there are either no bids received or no bids received that meet or exceed the minimum set by the Library Board, the property will remain on the market on a first-come, first-served basis unless further action is taken by the Board.

Approval

ALL SALES AND TRANSACTIONS COVERED BY THIS POLICY MUST BE APPROVED BY THE LIBRARY BOARD. Prior to the Library's consideration of any transaction, Library staff shall provide the Library Board with a summary of all responses, proposals, offers and bids received for each parcel of real property.

Real Estate Broker

When the Library requires the services of a real estate broker, the Library and a licensed real estate broker shall enter into the Non-Exclusive Right to Sell Real Estate Agreement (Attachment C). The broker shall use all available marketing methods to advertise and promote the sale of the real property. The broker's fee charged to the Library shall be negotiated by the broker and the Library. The Library will pay the broker's fee preferably out of the proceeds of the sale at closing, but in no event more than forty-five days from the date of the successful closing of the transaction.

Appraisal

Prior to any listing or Notice of Intent to Sell real property, the Library shall ensure that the real property is appraised by an appraiser who is licensed or certified by the State of Michigan to conduct an appraisal. The appraisal and any agreement related thereto shall be distinct and separate from the listing agreement or marketing analysis which may be requested or entered into by the Library. Depending on the length of time the real property is on the market, appraisals may require updating.

Reserves of the Library

The Library absolutely reserves to itself the right and prerogative: to reject any and all proposals, responses, offers and/or bids to purchase any real property; to reject any proposals, responses, offers and/or bids not accompanied by the documents or data required by this policy, or the advertisement and/or any request for proposals, offers or bids; or to reject any offer which is in any way incomplete, irregular, not responsive or not responsible; or to withdraw any parcel of real property prior to the acceptance of or entry into any purchase agreement. The Library may enter into a purchase agreement with a purchaser which the Library Board, in its sole and absolute discretion and judgment, determines will be in the best interests of the Library. The Library reserves the right to waive

informalities or irregularities in any of the processes, procedures, terms or conditions set forth in this policy. The Library shall not enter into any purchase agreement until the Library has concluded all investigations it deems necessary to establish the responsibility, qualifications and financial ability of the purchaser to purchase the real property.

This “reservation” shall be included in any publication, listing agreement, notice or other request concerning any Library owned real property.

Forms

Disclaimer Regarding Library Owned Real Property (Attachment A) (complete and return)

Offer to Purchase Real Property (Attachment B) (complete and return)

Non-Exclusive Right to Sell Real Estate Agreement (Attachment C) (real estate brokers only – complete and return)