

MASTER MEMORANDUM OF UNDERSTANDING

REGARDING RECLAMATION, REHABILITATION, AND REUTILIZATION OF VACANT, ABANDONED, TAX-FORECLOSED OR OTHER REAL PROPERTY IN THE CITY OF GAHANNA, OHIO

This Master Memorandum of Understanding ("MOU") is made and entered into between the Central Ohio Community Improvement Corporation ("COCIC") and the City of Gahanna, Ohio ("City"), collectively the "Parties", for the purposes of furthering the mutual goals of the Parties, furthering collaboration between the Parties, establishing policies and procedures that allow the Parties to undertake their respective business collaboratively and concurrently, and for any other purposes that further the mutual goals and interests of the Parties.

This MOU is made effective as of this 29th day of July, 2013 ("Effective Date").

Whereas, the COCIC has been organized under Sections 1724 and 5722 of the Ohio Revised Code to further the goals of strengthening neighborhoods by returning vacant and abandoned property to productive use, strategically acquiring properties to reduce blight, promoting economic development, increasing property values, and thereby improving the quality of life of all Franklin County residents, and for any additional lawful purposes consistent with these goals; and

Whereas, the City has similar goals for its residents; and

Whereas, the Parties jointly desire to collaborate and cooperate in furthering the goals of the Parties through the reclamation, rehabilitation, and reutilization of vacant, abandoned, tax foreclosed or other real property located in the City of Gahanna, Ohio; and

Whereas, this MOU formalizes the discussions and negotiations of the Parties toward entering into a mutual agreement with respect to the rights, duties and obligations of the COCIC and the City, and the Parties collectively, subject to further amendment and revision as described in Article III herein.

Therefore, the COCIC and the City hereby agree as follows:

ARTICLE I

Definitions

All terms and words used in this MOU and not defined in Article I are to be defined by their plain usage and meaning. If the Parties discover any terms and words in this MOU that the Parties believe are not clearly defined herein, the Parties shall define such terms and words in the way most consistent with the overriding mutual goals of the Parties.

All terms defined in Article I are so defined for the purposes of the Articles of this MOU and any Appendices attached to this MOU.

1. **“Commercial”** means property used for retail or other commercial purposes, not including Mixed Use properties.
2. **“Demolition”** means the demolition and removal from the site of any structures, foundations and substructures, including basements or other underground materials, and regrading of the property.
3. **“Industrial”** means properties used primarily for industrial purposes.
4. **“Mixed Use”** means properties containing both a residential and other uses.
5. **“Multi-family residential”** means a structure containing more than four residential units.
6. **“Notice of Intent to Demolish”** means notification sent to the City for the purpose of giving the City knowledge that the COCIC seeks to demolish structures with the City.
7. **“Single Family Residential”** means a structure containing only residential units and containing no more than four residential units.
8. **“Unit”** means a private residential dwelling within a structure that has its own means of entrance separate from any other dwellings within the structure.
9. **“Vegetation”** means any tree, shrub, bush, vine, or other plant life not easily recognizable as grass.

ARTICLE II

Statutory Protocols

Pursuant to Chapter O.R.C. 5722, a City that lies within a county that has established a county land reutilization corporation possesses certain preemptory rights with respect to properties that are or may be acquired by the county land reutilization corporation.

These statutory rights, which the Parties hereby acknowledge and agree to respect, shall be exercisable by the City at its discretion and are as follows:

1. City Preemption in Tax Foreclosures

- a. The COCIC will notify the City on all selections of parcels, located within the boundaries of the City for tax foreclosure and deed in lieu of foreclosure, and, upon request by the City, will have such parcels transferred directly to the City upon foreclosure or acquisition, where allowed by law. If the property is not

eligible to transfer directly to the City, both parties agree to follow the procedure set forth in 2. Right of First Acquisition by a City.

In the event that both the COCIC and the City wish to acquire such tax foreclosed property, the City shall have the first right to acquire such property upon foreclosure.

2. **Right of First Acquisition by the City**

- a. If the COCIC wishes to acquire title to real estate within the City, it shall notify the City of its intention in writing 30 days prior to any action being taken. The notice shall include the address, parcel number, anticipated costs for the acquisition, and the COCIC's intended use or disposition of the real estate.

After the COCIC acquires any parcel of real property through any means of acquisition, the City shall have thirty (30) days from the date the deed is recorded to notify the COCIC of the City's intent to exercise its Right of First Acquisition. Such notice may be delivered to the COCIC by email.

- b. After receipt of such notice the COCIC shall use its best efforts to convey the property where the Right of First Acquisition is exercised to the City within thirty (30) days, and the City may reimburse the COCIC for all costs related to holding, maintaining, and acquiring said property, including transactional costs, title examinations and environmental assessments, as consideration thereof, unless the COCIC agrees to pay for some or all of this reimbursement amount in writing. The COCIC shall also use its best efforts to convey property to the City by a transferable and recordable general warranty deed, conveying good and marketable title in fee simple, free and clear of all defects, liens, mortgages, leases, encumbrances, easements, restrictions, reservation, conditions, agreements and encroachments, unless disclosed to the City by the COCIC and agreed to by the City.
- c. The City shall be responsible for paying the cost of any additional title examinations, environmental assessments and any other studies or inspections not already undertaken by the COCIC with respect to such properties.
- d. If the City declines its Right of First Acquisition, fails to exercise its Right within thirty (30) days after notice, or having such notice, fails to reimburse the COCIC for costs described in parts b. and c. of this section, then the City may acquire such property only pursuant to a negotiated written agreement with the COCIC, or the COCIC may proceed to acquire the real estate and use or dispose of the real estate in accordance with its notice.
- e. If the COCIC changes the intended disposition of the real estate from rehabilitation to demolition or vice versa, then the City shall have 30 days, upon

receipt of notice of the change of the intended disposition, to exercise its Right of First Acquisition before the provisions of d. apply.

- f. Upon request by the City, the COCIC must provide copies of all documents associated with the transfer, including but not limited to: title examination, sale contracts, option agreements, preliminary and/or final HUD-1 statements, all property disclosure forms, environmental assessments, surveys, appraisals, building assessments, engineer's reports, and any other document in the possession of the COCIC concerning the condition of the property, terms of the transfer, and any information that may impact the City's future ownership of the property.

3. Disposition of Real Estate by the COCIC

- a. The COCIC will dispose of all property it acquires in accordance with the disposition provisions set forth in the COCIC's Policies and Procedures.
- b. The City and the COCIC may agree to additional protocols regarding property disposition by written mutual agreement of the Parties.

4. Special Procedures for the Donation of Real Property with Tax Delinquencies

- a. Pursuant to O.R.C. 5722.21, the COCIC may acquire properties with tax delinquency, and if such property is eligible, delinquent taxes and associated costs are extinguished upon transfer to the corporation. The City may request the COCIC to receive eligible delinquent land offered to the City for donation (or purchase) and subsequently transfer such real property to the City, free of all tax delinquency. Unless otherwise agreed to, the City shall assume all costs associated with the transfers, title examination, and other similar costs.

5. Single-Family or Multi-Family Residential Maintenance Protocols

- a. The COCIC shall maintain all property it owns in a manner consistent with the following specifications:
 - i. The COCIC shall comply with all governmental requirements regarding maintenance and care of property the COCIC owns.
 - ii. The COCIC shall ensure that all property is kept free of litter and debris and the COCIC shall regularly inspect its properties for litter and debris.
 - iii. The COCIC shall endeavor to maintain property in such a way that maintains or increases the property values of adjacent and nearby properties, and that ensures the future marketability of the property. The COCIC shall correct all complaints relating to the maintenance of property in a timely manner with a goal of resolving such complaints within 48 hours.

- b. The COCIC shall additionally maintain all property that it owns in a manner consistent with the maintenance provisions set forth in the COCIC'S Policies and Procedures and the Gahanna City Code.

6. Commercial and Industrial Maintenance Protocols

- a. The COCIC shall maintain its commercial and industrial properties in accordance with governmental requirements and COCIC Policies and Procedures.
- b. The COCIC shall endeavor to maintain these properties in a manner that preserves these properties for purchase or for future use and in a way that will assist in the marketing of such properties.

7. Specifications for Demolitions by the COCIC

- a. At least 30 days prior to demolition of any structure, the COCIC shall give the City Notice of Its Intent to Demolish.
- b. All demolitions undertaken by the COCIC shall be in accordance with all applicable governmental regulations.

8. City Right to Demolish Structures Owned by the COCIC

- a. If the COCIC is issued an Order declaring a structure under its ownership an Unsafe or Hazardous Building and the COCIC fails to comply with such Order, the City, at its sole discretion, shall have authority to demolish structures cited by the Order. The COCIC shall reimburse the City for costs associated with the demolition.

9. Public Notice and Meetings

- a. If public notice and/or public meetings regarding a proposed demolition are required by statute or practice, or if the COCIC deems notice or meetings appropriate, the City agrees to give notice and to provide space for, and participate in, such meetings.

ARTICLE III

Negotiation and Execution of Protocols Agreements

The COCIC and the City may jointly develop and enter into any additional protocols agreements pursuant to the mutual written agreement of both Parties.

Subsequent protocols agreements that the Parties enter into shall be attached to this MOU starting as "Appendix A" and progressing sequentially.

ARTICLE IV

Term; Amendment; Construction; Notices; Assignment

1. Term of MOU

- a. This MOU may be terminated unilaterally by either of the Parties upon sixty (60) days prior written notice of the terminating party, or by joint written agreement of both Parties at any time.
- b. Such unilateral termination shall not be of any force and effect as to any unperformed monetary or other obligations of either of the Parties in effect at the time of such termination.

2. Amendment of MOU

This MOU may be amended at any time by the written mutual agreement of both Parties, and such amendments shall be executed by the Parties.

3. Construction of Provisions of MOU as Severable

- a. If any specific provision of this MOU, including attached Appendices, are forbidden by law, unenforceable, or terminated either unilaterally or bilaterally under the procedures set forth herein, then such provision shall be rendered without effect.
- b. If any provision is rendered without effect as set forth in Article IV 3. a., such provision shall be construed as severable from the remainder of the MOU, and the remainder of the MOU from it, and to the extent possible the remainder of the MOU shall be construed as operating without the stricken provision.

4. Notices

a. All notices, requests and correspondences made between the COCIC and the City shall be in writing and shall be deemed to have been duly given if delivered by hand or mailed by regular mail to the following addresses, except as indicated in Appendix A or as otherwise indicated herein:

If to the COCIC: Central Ohio Community Improvement Corporation
PO Box 6355
Columbus, OH 43206
Attn: Executive Director

5. Successors and Assigns: Parties in Interest; Assignment

- a. The provisions and covenants set forth and agreed to herein shall extend to and be binding upon the successors and assigns of the COCIC and the City, and such provisions and covenants shall bind such successors and assigns jointly and severally.
- b. All of the provisions and covenants hereof shall be held to be for the sole and exclusive benefit of the COCIC and the City, and no third party shall be deemed the beneficiary of such covenants and provisions, except pursuant to the mutual written agreement of the Parties.
- c. Each of the Parties may assign any part or all of its rights or obligations under this MOU to a third party only by the prior written agreement of the non-assigning Party.

IN WITNESS WHEREOF, the COCIC and the City of Gahanna, Ohio, execute this Master Memorandum of Understanding as of the 29th day of July, 2013.

CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION

By: Culbert W. Wilhite Title: VICE PRESIDENT

CITY OF GAHANNA, OHIO

By: Rebecca W. Stinchcomb Title: Mayor
Rebecca W. Stinchcomb

APPROVED AS TO FORM

Shane Ewald
Shane Ewald, City Attorney