



**To:** Members of Dublin City Council

**From:** Marsha I. Grigsby, City Manager *mlg*

**Date:** January 24, 2013

**Initiated By:** Angel Mumma, Deputy City Manager/Director of Finance & Administration  
Melody Kennedy, Financial Analyst

**Re:** Ordinance No. 03-13 - Authorizing the City Manager to Enter Into a Master Memorandum of Understanding with the Central Ohio Community Improvement Corporation for Land Reutilization

## Background

Under provisions of the Ohio Revised Code (ORC), the Franklin County Treasurer spearheaded the establishment of a new redevelopment tool for Franklin County, the Land Reutilization Corporation (land bank). This corporation gives the County the ability to take control of blighted properties that are vacant, abandoned, and tax delinquent. In May 2012, the Central Ohio Community Improvement Corporation (COCIC) became the County's designated land bank agency.

You may recall that in November 2008, the City adopted Ordinance 81-08, which authorized the adoption of a land reutilization program for the City under provisions of ORC Chapter 5722. At that time, the County did not have a land reutilization corporation. The establishment of the COCIC by the County is part of the same land reutilization program that was adopted by the City in 2008. In order for the County to assist the City in the future towards acquisition of a vacant, abandoned, or tax delinquent property, the City is required to have executed a Memorandum of Understanding (MOU) with the COCIC.

Establishment of the COCIC provides new benefits that were not in place previously. The COCIC has the ability to foreclose on tax delinquent properties and acquire them by a quick take process. They also currently have grant funds from the Ohio Attorney General to assist in funding demolitions on tax-foreclosed properties or properties that have been declared a nuisance.

The City's Economic Development officials and Assistant Law Director Jennifer Readler have met with representatives from the County regarding execution of the MOU. Practically speaking, they believe the City would use the program very sparingly, as it is primarily focused on residential property in distressed areas. Regardless, it could potentially be used in Dublin. According to Ms. Readler, the MOU does not include any real affirmative commitments for the City and can be terminated anytime with minimal notice.

## Recommendation

Staff recommends approval of Ordinance 03-13 at the second reading/public hearing on February 11, 2013.

# RECORD OF ORDINANCES

Ordinance No. 03-13

Passed \_\_\_\_\_, 20\_\_\_\_

**AN ORDINANCE AUTHORIZING THE CITY MANAGER TO ENTER INTO A MASTER MEMORANDUM OF UNDERSTANDING WITH THE CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION FOR LAND REUTILIZATION**

**WHEREAS**, under provisions of the Ohio Revised Code, Franklin County created the Central Ohio Community Improvement Corporation (COCIC) in May 2012, a Land Reutilization Corporation (land bank), which will give the County the ability to take control of blighted properties that are vacant, abandoned, and tax delinquent; and

**WHEREAS**, the COCIC has been designated as the County's designated land bank agency; and

**WHEREAS**, in 2008, Dublin City Council approved Ordinance 81-08 authorizing the adoption and implementation of a Land Reutilization Program under Chapter 5722 of the Ohio Revised Code for the City's benefit, and to foster the return of nonproductive, tax delinquent land to tax revenue-generating status and/or devotion to public use; and

**WHEREAS**, at the time of approval of Ordinance 81-08, the County had not yet established a land reutilization corporation; and

**WHEREAS**, the City desires to work with the COCIC, as necessary, under its new initiative to return vacant, abandoned and/or tax delinquent property to productive use.

**NOW, THEREFORE, BE IT ORDAINED** by the Council of the City of Dublin, State of Ohio, \_\_\_\_\_ of the elected members concurring that:

Section 1. The City Manager is hereby authorized and directed to enter into a Memorandum of Understanding (MOU) with the COCIC regarding reclamation, rehabilitation, and reutilization of vacant, abandoned, tax-foreclosed or other real property in the City of Dublin.

Section 2. The City of Dublin agrees that it will take title or a third-party will take title to the property for public use or redevelopment as necessary.

Section 3. This Ordinance shall take effect and be in force on the earliest date permitted by law.

Passed this \_\_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Mayor - Presiding Officer

ATTEST:

\_\_\_\_\_  
Clerk of Council

**DRAFT**

**MASTER MEMORANDUM OF UNDERSTANDING**

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

**This Master Memorandum of Understanding** (“MOU”) is made and entered into between the Central Ohio Community Improvement Corporation (“COCIC”) and the City of Dublin, 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 \_\_\_\_\_ day of \_\_\_\_\_, 2012 (“Effective Date”)

**Whereas**, 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 Dublin, 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 COCIC and the City, and the Parties collectively, subject to further amendment and revision as described in Article III herein.

**Therefore**, 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 a structure containing both 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 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 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. Upon tax foreclosure by the County Treasurer against properties within the City, the COCIC and the City are each eligible to take title to such property, whether through deed in lieu of foreclosure or judicial tax foreclosure.
- b. 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 a City**

- a. After 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 COCIC that it wishes to acquire the property in question.
- b. After receipt of such notice COCIC shall convey the property in question to the City within ninety (90) days, and the City shall reimburse COCIC for all costs related to holding, maintaining, and acquiring said property, including transactional costs, title examinations and environmental assessments, as consideration thereof, unless COCIC agrees to waive some or all of this reimbursement amount in writing.
- 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 COCIC with respect to such properties.
- d. If the City does not provide notice to the COCIC of the City's intent to acquire such property within thirty (30) days of COCIC's notice of acquisition, or having such notice, fails to reimburse COCIC for cost described in parts b. and c. of this section, then the City may acquire such property only pursuant to a negotiated written agreement with COCIC.

**ARTICLE III**

**Negotiation and Execution of Protocols Agreements**

COCIC and the City may jointly develop and enter into protocols agreements pursuant to the mutual written agreement of the Parties. The Parties hereby enter into the following protocols agreements:

- 1. Acquisition and Disposition Protocols Agreement (attached hereto as "Appendix A").
- 2. Maintenance Protocol Agreement (attached hereto as "Appendix B").
- 3. Demolition Protocols Agreement (attached hereto as "Appendix C").

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 D" and progressing sequentially. Any changes to the protocols agreements enumerated above shall be reflected herein under Article III, as well as in the text of the protocols agreements.

**ARTICLE IV**

**Term; Amendment; Construction; Notices; Assignment**

**1. Term of MOU**

- a. This MOU may be terminated unilaterally in full or in part 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 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 COCIC:                    Central Ohio Community Improvement Corporation  
   PO Box 6355  
   Columbus, OH 43206  
   Attn: Executive Director

If to the City                    City of Dublin

**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 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 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**, COCIC and the City of Dublin, Ohio, execute this Master Memorandum of Understanding as of the \_\_\_\_\_ day of \_\_\_\_\_, 2012.

CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION

By: \_\_\_\_\_ Title \_\_\_\_\_

CITY OF DUBLIN, OHIO

By: \_\_\_\_\_ Title \_\_\_\_\_

APPROVED AS TO FORM

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## APPENDIX A

### Attached to the Master Memorandum of Understanding entered into between the City of Dublin, Ohio and Central Ohio Community Improvement Corporation

#### ACQUISITION AND DISPOSITION PROTOCOLS AGREEMENT

##### 1. Acquisition of Real Property by COCIC- Right of First Acquisition by the City

- a. If COCIC wishes to acquire title to real estate within the City other than tax foreclosure, it shall notify the City of its intention in writing. The notice shall include the address, parcel number, anticipated costs for the acquisition, and COCIC intended use or disposition of the real estate.
- b. Upon receipt of the notification and within 10-days after notification, the City may provide notice to the COCIC of the City's intent to exercise its Right of First Acquisition. Such notice may be delivered to the COCIC by e-mail.
- c. Upon request by the City, 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.
- d. If the City declines its Right of First Acquisition, or fails to exercise its Right within 10 days after notice, then COCIC may proceed to acquire the real estate and use or dispose of the real estate in accordance with its notice.
- e. If COCIC changes the intended disposition of the real estate from rehabilitation to demolition or vice versa, then the City shall have 10 days to exercise its Right of First Acquisition before the provisions of paragraph d. apply.
- f. 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 shall reimburse COCIC for all costs related to holding, maintaining, and acquiring said property, including transactional costs, title examinations and environmental assessments, as consideration thereof, unless COCIC agrees to waive some or all of this reimbursement amount in writing. 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 COCIC and agreed to by the City.

##### 2. City Preemption in Tax Foreclosures

- a. 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 1. Acquisition of Real Property by COCIC - Right of First Acquisition by the City.

**3. Disposition of Real Estate by COCIC**

- a. 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 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.**

Pursuant to ORC 5722.21, 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.

**IN WITNESS WHEREOF**, the Central Ohio Community Improvement Corporation and the City of Dublin, Ohio execute this Acquisition and Disposition Protocols Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 2012

CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION

By: \_\_\_\_\_ Title \_\_\_\_\_

CITY OF DUBLIN, OHIO

By: \_\_\_\_\_ Title \_\_\_\_\_

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**APPENDIX B**

**Attached to the Master Memorandum of Understanding entered into between the City of Dublin, Franklin County, Ohio, and the Central Ohio Community Improvement Corporation**

**MAINTENANCE PROTOCOLS AGREEMENT**

**1. Single-Family or Multi-Family Residential Maintenance Protocols**

- a. COCIC shall maintain all property it owns in a manner consistent with the following specifications:
  - i. COCIC shall comply with all governmental requirements regarding maintenance and care of property COCIC owns.
  - ii. COCIC shall ensure that all property is kept free of litter and debris and COCIC shall regularly inspect its properties for litter and debris.
  - iii. 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. 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. COCIC shall additionally maintain all property that it owns in a manner consistent with the maintenance provisions set forth in COCIC's Policies and Procedures.

**2. Commercial and Industrial Maintenance Protocols**

- a. COCIC shall maintain its commercial and industrial properties in accordance with governmental requirements and COCIC Policies and Procedures.
- b. 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.

**IN WITNESS WHEREOF**, the Central Ohio Community Improvement Corporation and the City of Dublin, Ohio execute this Maintenance Protocols Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 2012.

CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION

By: \_\_\_\_\_ Title \_\_\_\_\_

CITY OF DUBLIN, OHIO

By: \_\_\_\_\_ Title \_\_\_\_\_

APPROVED AS TO FORM

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APPENDIX C

Attached to the Master Memorandum of Understanding entered into between the City of Dublin, Franklin County, Ohio, and the Central Ohio Community Improvement Corporation

DEMOLITION PROTOCOLS AGREEMENT

1. Specifications for Demolitions by COCIC

- a. At least ten days prior to demolition of any structure, 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.

2. City Right to Demolish Structures Owned by the COCIC.

- a. If COCIC is issued an Order declaring a structure under its ownership an Unsafe or Hazardous Building) and 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.

3. Public Notice and Meetings.

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

IN WITNESS WHEREOF, the Central Ohio Community Improvement Corporation and the City of Dublin, Ohio, execute this Demolition Protocols Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 2012.

CENTRAL OHIO COMMUNITY IMPROVEMENT CORPORATION

By: \_\_\_\_\_ Title \_\_\_\_\_

CITY OF DUBLIN, OHIO

By: \_\_\_\_\_ Title \_\_\_\_\_

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