

BLUE EARTH  
HOUSING & REDEVELOPMENT AUTHORITY (HRA)  
PROPERTY DEMOLITION & RE-USE PROGRAM  
GUIDELINES

I. Goals and Objectives.

- A. The program seeks to eliminate blighted buildings which are eyesores, detriments to the community, pose health and safety risks, or inhibit the development of property which could otherwise be used for a higher and better purpose.
- B. The first priority for re-use of property which is cleared under the program is to provide vacant property for the construction of new housing.

II. General Program Operations.

- A. **Governing Body.** The program shall operate under the jurisdiction of the Blue Earth Housing & Redevelopment Authority (HRA).
- B. **Location.** Any building participating in the program must be located within the City Limits of Blue Earth.
- C. **Participation.** A building may participate in the program as the result of three approaches:
  - 1. Voluntary donation.
  - 2. Acquisition by tax forfeiture.
  - 3. Acquisition by purchase.
- D. **Ownership.** The donor or seller of any property must be in possession of clear and marketable title before participating in the program.

III. Acquisition.

- A. **Donation.** The HRA may accept title to real property which is donated to the City for the purposes of building demolition, site clearance, and property re-use.
  - 1. The HRA reserves the right to approve, reject, or prioritize any such donation. The donor shall provide the HRA with a warranty deed upon completion of the donation process.
  - 2. The “Minnesota Standard Residential Purchase Agreement” form may be utilized, with the purchase price being the sum of \$1.00.

3. The donor shall provide the HRA with an updated abstract not later than 10 days before closing.
  4. All personal property and refuse shall be removed from the property by the donor not later than 10 days before closing. Compliance with this requirement shall be verified by a pre-closing inspection to be conducted by the HRA or its authorized representative.
  5. The donor shall provide the HRA with marketable title or a warranty deed upon completion of the donation process.
- B. Tax Forfeiture. The HRA may secure title to real property for the purposes of the program through tax forfeiture procedures under the provisions of Minnesota State Law.
- C. Purchase. The HRA may purchase real property for the purposes of the program through “willing seller” transactions.
1. A purchase price shall be negotiated between the seller and the HRA, followed by the negotiated payment of earnest money, and execution of a purchase agreement. The “Minnesota Standard Residential Purchase Agreement” form may be utilized.
  2. The seller shall provide the HRA with an updated abstract not later than 10 days before closing.
  3. All personal property and refuse shall be removed from the property by the seller not later than 10 days before closing. Compliance with this requirement shall be verified by a pre-closing inspection to be conducted by the HRA or its authorized representative.
  4. The seller shall provide the HRA with marketable title or a warranty deed upon completion of the acquisition process.
- D. Warranty Deed. If the donor or seller is unable to provide the HRA with a warranty deed, the transaction shall be referred to the City Attorney for clarification.
- E. Following Closing. The HRA shall be responsible for the following:
1. Arranging for lawn care, snow removal, temporary emergency repairs, and the boarding of doors and windows for security purposes.
  2. Filing a “Statement of Exemption” from real estate taxes with the Faribault County Assessor.
  3. Maintaining satisfactory insurance and liability coverage on the property.

#### IV. Demolition & Clearance.

- A. Specifications.
1. The HRA will develop demolition and clearance specifications which may be unique to each property and parcel of real estate participating in the program.
  2. The specifications shall address such matters as: Completion timetable, insurance requirements, site clearance, capping of utility lines, filling of excavated foundations, disposition of debris, protection of trees, and the closing of any open wells.
- B. Contracting.
1. Competitive price quotations based on the specifications shall be sought from at least two professional demolition and site clearance contractors. The HRA reserves the right to accept or reject any or all quotations received.
  2. Appropriate contract documents shall be executed between the HRA and the contractor. The contract documents shall include a specific date for completion of the work and penalties for late completion.
  3. The contractor shall provide the HRA with documentation of appropriate liability insurance and other coverage which indemnifies the HRA and holds the HRA harmless in the carrying out of the project. This documentation will be provided before execution of a contract.
  4. No work shall begin until a written Proceed to Work Notice has been issued to the contractor by the HRA.
  5. Payment for demolition work shall not be made until an inspection has been conducted by the HRA or its authorized representative and work has been found to be satisfactory and in compliance with the specifications.
- C. Site Restoration. Property where demolition and clearance takes place must be: Made reasonably level; cleared of foundations, footings, and debris; seeded for grass; and in generally buildable condition before payment is made by the program. Payment for site restoration shall not be made until an inspection has been conducted by the HRA or its authorized representative and work has been found to be satisfactory and in compliance with the specifications.
- D. Debris must be disposed of at a suitable landfill which has been approved by the Minnesota Pollution Control Agency. Any hazardous materials such as asbestos must be handled and disposed of in compliance with federal and state law and regulation.
- E. Following Demolition & Clearance. The HRA shall be responsible for the following:
1. Arranging for lawn care and site maintenance.

2. Filing a “Notice of Removal of Building” with the Faribault County Assessor.
3. Maintaining satisfactory insurance and liability coverage on the property.

## V. Re-Use of Property.

- A. **New Private Housing Construction.** The HRA will make cleared property available for the construction of new private-sector housing.
1. Parties wishing to purchase cleared property shall present a plan to the HRA for re-use of the site. This plan shall include a general description of the housing to be constructed, its estimated cost, availability of financing, and timetable for construction. The HRA reserves the right to approve, reject, or prioritize any such plan.
  2. A purchase price shall be negotiated between the HRA and the buyer, followed by the negotiated payment of earnest money, and execution of a purchase agreement. The “Minnesota Standard Residential Purchase Agreement” form may be utilized.
  3. Prior to completing transfer of ownership, the buyer shall provide to the HRA copies of the following:
    - a. A construction permit for their housing project or verification from the City planning and zoning department that the project is in compliance with local ordinances.
    - b. A commitment letter from a financier or proof of financing for their housing project.
    - c. Either a price quote or letter from a contractor verifying the timetable for construction of the housing project.
  4. Failure to fulfill the terms of the plan outlined in Section V(A)(1) or failure to provide the items specified in Section V(A)(3) shall void the transaction and title to the property shall revert to the HRA.
  5. The HRA shall provide the buyer with an updated abstract not later than 10 days before closing.
  6. The HRA shall provide the buyer with marketable title or a deed upon completion of the sale.
- B. **HRA-Sponsored Housing Construction.** The HRA may retain title to certain properties as sites for new housing construction undertaken by the HRA itself.

## VI. Administrative Elements.

- A. Policies, priorities, and decision-making concerning the program shall rest with the HRA.
- B. The primary contact person for program information, record-keeping, and administrative tasks shall be the Blue Earth City Administrator.
- C. The HRA may retain consultants or other professional assistance as necessary to accomplish the goals and objectives of the program. Costs associated with such services are eligible for payment by the program.