

# Purchasing LRA property in Old North St. Louis

## Some Definitions:

**Land Reutilization Authority - LRA** receives title to all tax delinquent properties in the city not sold at the Sheriff's sale. It also receives title to properties through donations. LRA is administered by the St. Louis Development Corporation (SLDC). <http://stlouis.missouri.org/development/realestate/purchase/>

**Old North St. Louis Restoration Group – ONSLRG** is a community-based nonprofit organization established by neighborhood residents in 1981 to "revitalize the physical and social dimensions of the community in a manner that respects its historic, cultural, and urban character." <http://www.ONSL.org/>

ONSLRG acts as a marketing agent for LRA property within the Old North St. Louis neighborhood, and therefore is part of the proposal-review process.

## How to Make An Offer for Purchase of LRA Property

### Step 1. Find a property:

A. See LRA's website at <http://stlcin.missouri.org/forsale/search.cfm> **OR**

B. The list is also available from the Old North St. Louis Restoration Group office at 2700 N. 14<sup>th</sup> Street, St. Louis, MO 63106.

You may contact the staff at ONSLRG by phone at 314-241-503 or email at [info@onsl.org](mailto:info@onsl.org) to have a copy emailed to you.

### Step 2. Prior to making an appointment to make an offer, you are urged to inspect the building.

**Keys are available** from the LRA office for a \$10.00 deposit, which LRA will refund if you return the key within **30 days**. The LRA office is located at 1015 Locust Street, Suite 1200.

Or, you may contact ONSLRG at (314) 241-5031 to schedule a guided walk-through.

For properties that are boarded up, please contact the Maintenance Department at **(314) 622-3400 ext. 388** to make an appointment to view the property.

### Step 3. Prepare your proposal application.

**Forms Required for Purchase of Property** may be mailed or faxed to you prior to your appointment. Or you may **download them** from this site: <http://stlouis.missouri.org/development/realestate/forms/>

1. Offer to Purchase Real Estate

All offers are reviewed by ONSLRG staff, evaluated by LRA staff, and must be approved by the LRA Commission.

2. Credit Statement

For Individuals OR

For Companies/Organizations

3. Project Planning Sheet ("Plans for the Property")  
Small Projects OR  
Large Projects

**Step 4. After property is located, and a proposal application is completed, set up an appointment with LRA to make an offer to purchase by calling (314) 622-3400 extension 392.**

Remember - All offers are taken by appointment only. All properties are sold in "AS IS/WHERE IS" condition.

**WHAT IS NEEDED TO MAKE AN OFFER ON A PROPERTY**

**- FOR AN INDIVIDUAL -**

- \$25.00 cashier's check or money order payable to **St. Louis Development Corporation (SLDC)**. This is a non-refundable processing fee. Personal or business checks will not be accepted.
- A picture ID of the person(s) making and signing the offer.
- Proof of Social Security Number.
- 2 most recent paycheck stubs.
- Most recent W-2 Form.
- Most recent tax returns.
- 3 most recent bank statements for each account (savings and checking)
- If using only personal funds for acquisition and development, a financial report or other proof of funds necessary to complete the project. (.e.: money market, CD, 401(k))

If you do not have the above items with you at your appointment time, your offer will not be taken. You must then reschedule your appointment for a time when you can provide this information and documentation.

\*\*It is strongly recommended that you take the time to view the property before making an offer, especially if it is a building.

**LETTER FROM ALDERPERSON**

The LRA Commission has requested that you obtain written input from the Alderperson of the Ward in which the property you wish to purchase is located regarding whether or not the Alderperson supports your proposed development project and LRA's sale of the property. To expedite consideration of your offer, you may wish to have this input at the time you submit your offer. However, the Aldermanic input is not needed in order to submit your offer. You may wish to contact the Alderperson at (314) 622-3287. Please call (314) 622-3400, Ext. 392 if you have any questions about submitting an offer.

**WHAT IS NEEDED TO MAKE AN OFFER ON A PROPERTY**

**- FOR A COMPANY/BUSINESS -**

- \$25.00 cashiers check or money order payable to **St. Louis Development Corporation (SLDC)**. This is a non-refundable processing fee. Personal or business checks will not be accepted.
- A picture ID of the person(s) making and signing the offer.

- A corporate resolution or other documentation authorizing the person making the offer to do so.
- A certificate of good standing from the Missouri Secretary of State, not over 6 months old.
- 3 most recent bank statements for each account (savings and checking)
- If using only the organization's funds for acquisition and development, a financial report or other proof of funds necessary to complete the project.

If you do not have the above items with you now, your offer will not be taken today. You must reschedule your appointment for a time when you can provide this information and documentation.

It is strongly recommended that you take the time to view the property, especially if it is a building, before making an offer.

**LETTER FROM ALDERPERSON**

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**Step 5. Application will be processed and presented to the appropriate Board of Commissioners for consideration.**

Meetings of the Board of Commissioners will be held in the Board Room of the St. Louis Development Corporation, 1015 Locust Street, Suite 1200, at 8:30 a.m., on the **last Wednesday of each month** except as noted. The monthly schedule can be found at <http://stlouis.missouri.org/sldc/lra.html>.

The LRA office must receive your application by 12:00 noon on the last working day of the month PRIOR to the date of the Board of Commissioners meeting. For example, the cut off date is September 28, 2007 for the October 21, 2007 board meeting.

Your application must show your ability to do what is presented on your application. (e.g. renovate, new construction, etc. and the financial capacity to get it done)

**Standard** prices for buildings and land in Old North St. Louis are:

Vacant Land, Square Foot Price	Vacant Vandalized Residential Buildings, Price per Unit	Residential New Construction and Side Lots to Owner- Occupants Only, Price per Front Foot
\$1.50	\$1,000	\$93.75

## **PURCHASE APPROVAL PROCESS**

### **Option to Purchase, option periods and option fees:**

An option to purchase is a contract that removes the property from the active list and gives you site control (not ownership).

The lengths of option periods vary and generally range from 3-12 months.

The amount of the option fee is **10%** of the purchase price.

This fee is credited to your price at closing.

If you do not close, the fee is forfeited.

If you want more than one building, LRA may provide an option that allows one building at a time be transferred upon completion of the previous acquisition, to ensure that buildings are completed in a timely manner.

### **Closing:**

After the Commission meeting, you will be notified, in writing, of their decision on the sale of the property.

If your offer is accepted, LRA will order title insurance.

This may take several weeks to receive.

Upon notification of its receipt, you will be given **up to 15 days** to close.

In addition to the cost of the property, you will be responsible for paying for title insurance and recording fees.

These costs normally do not exceed \$200. The Building Division is notified of all sales, and they may require you to apply for a building permit.

### **Fast Track Approval Policy:**

Offers to purchase LRA property received between the cut off date (12 noon of the last Wednesday of the month) and the Friday before the next LRA Meeting MAY be considered at the next meeting, provided ALL of the following criteria are met.

1. The property is classified "A". All properties listed on our vacant lot and building list are classified "A". If you are not sure, ask the LRA receptionist.
2. The offer is for **ONLY ONE OR TWO PARCELS** of property. At the LRA staff's discretion, large single parcels or large two-parcel offers, or high profile parcels may be directed to the normal process and schedule.
3. The **STANDARD VALUE** price is **MET OR EXCEEDED**.
4. Evidence that the buyer has sufficient resources to complete the plan, and that the proposed use is appropriate and would not interfere with any other development plan for the area.

5. NO OTHER OFFERS HAVE BEEN SUBMITTED FOR THE SAME PROPERTY FOR THE CURRENT MONTH'S MEETING, OR THERE ARE NO APPOINTMENTS FOR THIS PROPERTY FOR THE CURRENT MONTH OR THE NEXT MONTH.

6. An Aldermanic letter MUST ACCOMPANY THE OFFER.

## **ADDITIONAL INFORMATION**

If the LRA Commission rejects your offer, you must wait 90 days before another offer may be submitted, unless new information is presented.

LRA Board meetings are open to the public. You are encouraged to attend the meeting if you would like to address the Commission about your offer.

Larger structures are marketed to developers and users that have the resources which will benefit the adjacent community. Many of the structures have nominal prices, and the sale is based on the use and financial ability of the users/developers to complete the project.

The agency considers a building that is vacant will, at a minimum, need new plumbing, electric heating and cooling, a new roof and tuck pointing.

### **Renovation costs and qualifications:**

The cost of renovation for LRA properties is estimated at a minimum of **\$70 per sq. ft.**, including "sweat equity", to meet code compliance.

If you are interested in larger properties, LRA will insist that you provide evidence of a loan and/or bank financing for the amount necessary to complete the renovation of the project.

**The criteria for sale of all buildings include the location, the size of the building, the income, resources, rehabilitation and management experience of the purchaser, and the proposed use.**

### **18 Month Right of Reentry:**

The LRA agency USES AND WILL ENFORCE AN 18 MONTH RIGHT OF REENTRY to encumber property.

This prevents speculation and encourages completion of the renovation.

At the time of sale, LRA will require you to sign a deed returning the property to the Agency in 18 months, unless the property is completed.

Follow-up inspections by LRA staff, 16 months after closing, will determine if the property has been completed.