

**INTERGOVERNMENTAL COOPERATION AGREEMENT AND MEMORANDUM OF
UNDERSTANDING BETWEEN THE DAUPHIN COUNTY LAND BANK AUTHORITY AND
_____, A MUNICIPALITY IN DAUPHIN COUNTY,
AND THE _____ SCHOOL DISTRICT**

This Intergovernmental Cooperation Agreement and Memorandum of Understanding (“Agreement”) is entered into this ____ day of _____, 2015 between the Dauphin County Land Bank Authority, an authority created by Ordinance 2013-4 of the Dauphin County Board of Commissioners on May 22, 2013 being a body politic with principal offices located at 7th Floor, 112 Market Street, Harrisburg, Pennsylvania 17101 (hereinafter “Authority”) and _____, a Dauphin County Municipality and a _____ under the Pennsylvania _____ Code with principal offices located at _____ (hereinafter “Municipality”) and the _____ School District, a school district in the Commonwealth of Pennsylvania including in its jurisdiction the Municipality which is a party hereto, with principal offices located at _____ (hereinafter “School District”).

WHEREAS, the Authority, Municipality and School District all have joined to create stronger communities and in dealing with vacant, abandoned and tax delinquent properties in their joint jurisdiction; and

WHEREAS, the Municipality and School District wish to obtain the aid of Authority in obtaining blighted, abandoned, vacant and tax delinquent properties, maintaining them and attempting to restore them to productive use; and

WHEREAS, Municipality and School District agree to the policy of the Dauphin County Land Bank Authority as set forth in the Land Bank Policy, attached hereto labeled Exhibit “A” and made a part hereof; and

WHEREAS, Municipality and School District wish to encourage Authority to acquire vacant, abandoned, blighted and tax delinquent properties in the Municipality and School District.

NOW, THEREFORE, the parties, with a mutual desire to work together in dealing with vacant, abandoned, blighted and tax delinquent properties, and based upon the mutual agreements herein contained, for good and valuable consideration, receipt of which is acknowledged, agree as follows:

1. Preamble. The preamble hereto is incorporated herein.
2. Authority Obligation. The Authority shall consider, after consultation with Municipality, acquisition of jointly agreed to real property in the Municipality. No property shall be acquired hereunder without the consent of the Municipality representative. The Authority has limited funds and based upon those limited funds, no guarantee can be made to acquire property.

The Authority, with regard to property which is acquired, shall attempt to maintain the property and return the same to productive use according to the Land Bank Policy, attached hereto, which may be amended from time to time, and as herein discussed. Neither Municipality nor School District is agreeing to fund any acquisition, closing cost, demolition cost, debt service or other costs with respect to the Authority's acquisition of property not set forth herein; nor are they agreeing to fund any cost associated with the sale or leasing of such property.

3. Obligation of Municipality and School District. Municipality and School District agree, with regard to any property obtained in the Municipality by Authority, that the Municipality and School District shall forgive, exonerate and release the said property from any real estate tax liens or any other liens, including municipal improvement liens, citation costs or any other charges on the property arising to either Municipality or School District. The Municipality and School District understand that during the time that the property is in the ownership of the Authority the same shall not be taxable. The Municipality and School District understand that when the Authority attempts to return the property to productive use, the use may include a non-taxable use, such as transfer to the Municipality, School District or for charitable purpose. If the Authority is able to and does return the property to a taxable use, Municipality and School District agree that, for a period of five years after the said property is transferred from the Authority with regard to all taxes to any taxing body on that property for a five year period, one half of taxes collected shall accrue to the benefit of the Authority even though the same may be based upon the tax assessed by the Municipality or the School District and the Municipality and School District agree to take all action necessary to carry out the said allocation to Authority. Municipality is obligated to maintain the exterior portion of the property, including but not limited to, snow or ice clearance, vegetation control, cutting grass and any other agreed upon exterior maintenance during the time the same is owned by the Authority. No representation can be or is made as to the time duration which it will take the Authority to return property which it acquires to a productive use. Neither Municipality nor School District is agreeing to fund or perform any capital repair, replacement or other such work on any property acquired or claimed by Authority. If Authority leases property it acquires, from that date forward, the Municipality shall be released from any further obligation to maintain property as set forth in this paragraph.

4. Notice. The Authority shall reasonably attempt to supply notice to the representative designated by the Municipality and/or the representative or the School District before any action is taken to acquire, rehabilitate, demolish, convey or transfer property owned by the Authority in the Municipality during the term hereof and shall reasonably consult with the designated representative of the Municipality and the School District in developing a plan for the said property.

5. Inspection. Prior to transfer of a property for lease or sale, the Municipality agrees that it will inspect the same, without cost to the Authority, and supply the Authority with written notification when the same is in compliance with Municipality building, housing, property maintenance and other applicable codes, rules, regulations and ordinances of the Municipality.

6. Term and Termination. Any party hereto may terminate this agreement and withdraw from participation in future acquisition on thirty (30) days written notice to each other. In the event of withdrawal, all obligations with regard to property already obtained or in process of being obtained by the Authority in the Municipality shall continue until the Authority conveys the same and, with regard to the five year allocation of one half of tax revenues to the Authority, for a five period thereafter as necessary to achieve real estate tax collections received from the property after conveyance by the Authority. The Municipality and School District shall be obligated for any costs reasonably incurred with regard to property which the Authority is obtaining or attempting to obtain in the Municipality prior to notice of withdrawal. Unless terminated by mutual agreement, or as stated in this paragraph, this Agreement shall continue.

7. Independent Contractors. Notwithstanding anything contained herein, each of the parties hereto are and shall remain independent contractors and this Agreement shall not create any employment, agency, partnership or co-venture relationship and, except as specifically set forth herein, neither party may incur debt or financial obligation in the name of the other.

8. Compliance with Laws, Ordinances, Rules and Regulations. All activities performed by any party hereunder shall be performed in accordance with all applicable statutes and ordinances, including those of the Commonwealth of Pennsylvania and Dauphin County.

9. Entire Agreement and Agreement Interpretation. This Agreement and the attachments hereto constitute the full and complete understanding and agreement between the parties. No provision of this Agreement shall be conveyed to create any rights in any third party not a party to this Agreement. This Agreement may only be altered in writing signed by the parties hereto. This Agreement shall be interpreted and construed in accordance with the laws of the Commonwealth of Pennsylvania. The resolution of any conflicts or disputes arising hereunder shall be under the jurisdiction and venue of the Dauphin County Court of Common Pleas.

ATTEST:

ATTEST:

August Memmi, Executive Director

ATTEST:

MUNICIPALITY:

DAUPHIN COUNTY LAND BANK
AUTHORITY

Matt Tunnell, Chairman

SCHOOL DISTRICT

Exhibit A

WHEREAS, strong communities are important to social and economic vitality. Whether urban, suburban or rural, many communities are struggling to cope with vacant, abandoned and tax delinquent properties; and

WHEREAS, citizens of Dauphin County are affected adversely by vacant, abandoned and tax delinquent properties, including properties which have been vacated or abandoned due to mortgage foreclosures; and

WHEREAS, vacant, abandoned and tax delinquent properties impose significant costs on neighborhoods, communities and municipalities by lowering property values, increasing fire and police protection costs, decreasing tax revenues and undermining community cohesion; and

WHEREAS, there is an overriding public need to confront the problems caused by vacant, abandoned and tax delinquent properties through Land Banks as a tool to enable municipalities to attempt to turn vacant, abandoned and tax delinquent spaces into viable places; and

WHEREAS, Land Banks are one of the tools that municipalities may use to facilitate the return of vacant, abandoned and tax delinquent properties to productive use; and

WHEREAS, the Dauphin County Board of Commissioners have determined the need for a Land Bank to function within the territorial limits of Dauphin County to return vacant properties to productive status using a unified and transparent process thereby revitalizing neighborhoods and strengthening the communities' tax base.

NOW, THEREFORE, the Land Bank Authority of Dauphin County adopts the following policy which may be amended by the majority vote of the Land Bank Authority at a publicly scheduled and noticed meeting of the Board of the Land Bank Authority with regards to the acquisition, maintenance and transfer of Land Bank property.

Acquisition of Property

1. Then Land Bank Authority ("Authority") shall only acquire property in Dauphin County limited to locations where both the municipality and the school district have entered into a Memorandum of Understanding with the Authority to acquire properties, including the commitment of the municipality to care for and maintain properties in Land Bank possession, and where both the municipality and school district have agreed to an allocation of property tax revenues to the Land Bank for a period of five years once the land acquired is returned to the tax roles following the date of conveyance from the Authority and where the municipality and school district shall release all tax liens and other liens which they have on property which they agree to have the Authority acquire and where such relevant taxing bodies acknowledge that land held by the Authority prior to conveyance shall be tax exempt.

2. The Authority shall not acquire properties which are inhabited at the time of acquisition by either owner/occupants or tenants.

3. All property acquired shall be held fee simple in the name of the Authority and shall be of marketable title.

4. The Authority shall limit the number of properties acquired to a number for which the Authority reasonably believes it has resources to maintain for at least a period of at least a year.

5. Before acquiring property in any municipality in which the Land Bank intends to acquire property or may acquire property, the Authority shall notify the contact identified in the Memorandum of Understanding with the municipality, of the potential property acquisition far enough in advance to give that municipality a reasonable opportunity to comment or object to the same.

6. Prior to acquisition of properties, a representative of the Authority shall view the property and determine whether the same would require demolition or may be rehabilitated for marketing with improvements thereon and shall estimate a cost for demolition or rehabilitation as part of the determination as to whether the Authority has resources necessary to acquire the property.

7. The Authority shall, before acquisition, have a representative perform a site inspection to determine the need for an environmental inspection and the Authority shall not acquire properties with known or reasonably suspected environmental hazards or concerns.

Handling and Maintenance of Properties

1. The Authority may acquire property, make improvements thereon, make designs, build or rehabilitate improvements thereon, reconstruct, renovate, relocate and otherwise improve property and may market the same.

2. The Authority may rent property. Before property is rented or conveyed, the same shall be inspected by a housing code enforcement official in the municipality in which the property is located and before a tenant or purchaser may acquire occupancy, possession, a right to occupancy possession or title the tenant or purchaser shall be supplied with a timely copy of a inspection or report from a local housing code official with regard to the property which is being leased, conveyed, to which possession is being given or to which title is being conveyed.

3. If a property is rented by the Authority, the same shall be at a rent set after consultation with a licensed real estate broker or property manager active in the Dauphin County real estate market at a rate determined to be reasonable under the circumstances by such consultant. Rates below market rate may be allowed if the same furthers the community development of the property being held

4. If a property is marketed to a for-profit corporation or a private individual, the same shall be at a rate set by the Dauphin County Land Bank Authority after consultation with a real estate appraiser or real estate agent or the Dauphin County assessor or office of assessment at a rate considered to be reasonable by the entity herein designated with whom the Authority consults. The sales prices may be below appraiser or market value if the same furthers the community development of property being sold.

5. Market value shall be determined by up-to-date data and by using the valuation method that the Authority or its staff has determined is most appropriate given the particular conditions of the property and the surrounding market. The Authority may accept the advice of the County Tax Assessment Office as expert valuation.

6. Nominal or reduced price disposition shall be an option for any property and by the Authority for good economic development reasons.

7. In calculating a reduced sales or rental price, the discount shall take into account the benefit of the proposed use, and the amount of discount need to make the project both economically feasible and continually sustainable. For housing projects having households at a mix of income levels, the Authority may count the number of low and moderate income households served and provide proportionate discounting.

8. Any potential purchaser may appeal a price set by submitting, in writing, evidence relevant to the value of a property together with a request for reconsideration to which the Authority shall respond in no more than forty five days.

9. The Authority may set and enforce provisions agreed upon as conditions of sale between the transferee and the Authority through legally binding mechanisms, including but not limited to deed restrictions, covenants and mortgages.

10. The Authority may negotiate contracts for the lease, transfer or conveyance of properties in executive session and agree to prices or lease terms set at executive session.

11. The Authority may convey title to property to a municipality, a municipal authority servicing a municipality with the consent of the municipality being a municipality with whom the Authority has a Memorandum of Understanding or other non-profit tax exempt entity with the consent of the municipality and school district at a price reduced from market rate or appraised value in consideration of the grantee.

12. The ranking of priorities for return of blighted and vacant property acquired by the Authority to use shall be the following in the order which each appears:

- a. Return for non-tax exempt residential use or non-tax exempt commercial use at market value;
- b. Return to non-tax exempt residential use or non-tax exempt commercial use at less than market value;
- c. Division of adjoining properties to neighboring owners or sale of entire parcels with no structure thereon to adjoining owners;
- d. Tax exempt affordable housing;

- e. Purely public spaces and places;
- f. Conveyance to municipal, public school, or other public purpose;
- g. Rental property.

Public Notices

1. This policy shall be available to the public and shall be publicly displayed on the website of the Dauphin County Land Bank Authority.
2. A copy of this policy and every amendment hereto shall be provided to the Dauphin County Commissioners.
3. In a timely manner, each property acquired by the Authority shall be listed on the Dauphin County Land Bank Authority website and, if a market conveyance or lease value has been assigned thereto, the same shall be publicly listed on the Dauphin County Land Bank Authority website.
4. A copy of the listing of all properties owned by the Authority and prices for the purchase or rental thereof, if established, shall be maintained as a log available to the public at the Dauphin County Land Bank Authority offices available for inspection by the general public during regular office hours.