

# 201 Sale of Property

## 201 SALE OF PROPERTY

---

### 201.1 Phase I – Identification of Property and Permission to Evaluate Sale:

#### 201.1.1 Identification of Property for Sale:

The pastor and parish council will identify certain surplus property that may be considered for sale or lease.

#### 201.1.2 Permission to Evaluate Sale:

After initial discussions with the Office of the Vicar Bishop and Director of DFREM regarding sale of the property, the pastor should make a written request to the Vicar Bishop for permission from the Archbishop to evaluate potential disposition of the property, including the reason for requesting alienation.

##### **Procedure:**

- A) Departments affected by the sale or lease will be asked to submit recommendations to DMS regarding the sale.
- B) The parish should not take any further steps nor hire any consultant until the pastor has received written permission from the Archbishop to proceed.

#### 201.1.3 Considerations in Determining whether to Sell Property:

The following questions should be considered in determining whether to sell

##### **Archdiocesan property:**

1. Why is the property no longer needed?
  - a. From a parish perspective?
  - b. From an Archdiocesan perspective?
2. Have all options been explored to insure the best use (including lease of the property) and/or highest purchase price?
3. If an unsolicited offer is received (e.g., to purchase vacant land), why should the offer be considered?
4. Have uses by Catholic Charities or other Catholic institutions or joint ventures with other Catholic institutions been considered?

5. What are the alternate uses for the property?
6. Do demographic/development trends indicate that the property may be needed in the future?
7. Has retention of the property to satisfy future needs of the Archdiocese been considered?
8. Will there be a Request for Proposal or other process to maximize price?
9. How will the proceeds from sale be used?
10. What is the expected use post-sale and is it consistent with the mission of the Church?

## **201.2 Phase II - Feasibility Study:**

### **201.2.1 Determining Required Feasibility Studies:**

Once the Archbishop's permission is given, DMS, with input from FREAC, will determine whether and which feasibility studies will be required (e.g., a Needs Analysis Report showing verifiable need and sound reasoning to sell the particular property).

### **201.2.2 Development of Feasibility Study:**

Development of the Feasibility Study may require the creation or compilation of the following supporting documentation:

- Abstract of property, including physical details
- Parish financials for past 5 years
- Recent appraisal of the property
- Market study and demographic analysis of surrounding area
- Current Master Plan
- Proposed use of funds received and
- Operating expenses for property to be alienated.

### **201.2.3 Use of Third-Party Consultant:**

Where appropriate, DMS will recommend a consultant to work with the parish to develop the required Feasibility Study and any other necessary supporting documentation. The cost of the consultant's services will be borne by the parish. A DFREM project manager (PM) may be assigned to oversee the third-party consultant's services.

## **201.3 Phase III - Presentation and Approval of Sale:**

### **201.3.1 Presentation to FREAC:**

The pastor and Director of DFREM will present the plan to FREAC.

### **201.3.2 Presentation to Priest Consultors and BOFA:**

If FREAC recommends the sale of the property, the proposed transaction is added to the

Alienation of Property Report presented to the Priest Consultors and BOFA.

### **201.3.3 Decision of the Archbishop:**

After receiving the evaluation of the Priest Consultors and BOFA regarding the sale of the property, the Archbishop will issue his written decision to the parish.

### **201.4 Phase IV - Request for Proposal and Selection of Offer:**

#### **201.4.1 Request for Proposal:**

If approval to sell the property is given by the Archbishop, the PM and parish will prepare a Request for Proposal (RFP) to be sent out to the list of interested parties maintained by the DFREM. DFREM will assist in the creation of the RFP.

#### **201.4.2 Selection of Offers:**

The pastor and DFREM will review all offers in response to the RFP and select the best ones to proceed to final analysis. DFREM will ensure that all offers are complete and responsive to all bid items in the RFP. If certain proposals are non-conforming or need further clarification, the pastor and DFREM may re-poll all of the RFP participants for a Best and Final Offer.

### **201.5 Phase V - Negotiation, Due Diligence, and Closing:**

The pastor will work closely with DFREM and the Archdiocesan Legal Counsel (ALC) to negotiate any and all necessary transactional documents, to assist the buyer with obtaining all necessary information required under the contract to complete the transaction in a timely manner, and otherwise to close the transaction successfully.

### **201.6 Archdiocesan Property Sales:**

Archdiocesan-owned property sales generally follow the procedures in this Policy, except that a parish and/or pastor may not be involved.

### **201.7 Unsolicited Offers:**

Review of unsolicited offers for the purchase of Archdiocesan real estate generally follows the procedures in this Policy.

### **201.8 Fee for Services:**

A 5% fee on the sale price of a parish/school building is paid to the Archdiocese for services involving these transactions, unless a third-party broker is retained. With respect to leases of parish/school buildings, a fee equal to 5% of the total value of rent paid in the initial term (or any renewal term for existing leases) will be paid to the Archdiocese for services. The fee for leases will be paid only once for each lease.

Services include:

- Consultation services to identify highest and best use of property (excludes cost of appraisal).
- Advertising and marketing of property –preparing RFP’s, mailings, postage, phone calls, open houses, walkthrough tours and inspections, posting of notices
- Assisting parish or school with negotiations of business terms for sale or lease
- Legal work and title searches
- Preparation of contracts of sale, condominium regimes and lease documents
- Preparation of regulatory applications, registrations and permits in accordance with lease or sale
- Inventory and property conditions reports
- Representation at public presentations and forums
- Research of credit worthiness of tenants.

### **201.9 Approval Required for Third-Party Brokers:**

Third-party brokers are generally not used in real estate transactions, and may be retained only with the written approval of the Executive Director of the Division of Management Services (DMS) and in coordination with DFREM.

### **201.10 Repayment of Debts:**

When a parish/school building is sold or leased, net proceeds shall first be used to repay any debts owed by the parish or school to the Archdiocese, including but not limited to debts owed for:

- Insurance
- Cathedraticum taxes
- Previous unpaid Special Assessment of Parishes for the Support of Catholic Schools
- Unfunded pension obligations
- Outstanding loans from the parish or school from the Inter-Parish Loan Fund (IPLF) or other loans from the Archdiocese
- Any other unpaid obligations of the parish or school.