202 Purchase or Lease of Property

202 PURCHASE OR LEASE OF PROPERTY

202.1 Phase I – Identification of Property and Permission to Evaluate Purchase:

202.1.1 Identification of Need for Purchase or Lease:

The pastor shall identify the need for the purchase or lease of property.

202.1.2 Identification of Property and Permission to Evaluate Purchase or Lease:

After conducting preliminary surveys and market research, identifying specific properties that are available for purchase or lease that may fit the parish's needs, and having preliminary discussions with the Office of the Vicar Bishop and DFREM, the pastor should make a written request to the Vicar Bishop for permission from the Archbishop to evaluate the purchase or lease of the desired property. The written request should include a description of the proposed property that the parish seeks and its intended use, any other properties that the parish is aware of that may available for purchase or lease, and the anticipated purchase price.

Procedure:

A) Departments affected by the purchase or lease will be asked to submit recommendations regarding the purchase or lease to DFREM.

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

202.2 Phase II – Feasibility Study:

202.2.1 Determining Required Feasibility Studies:

If the Archbishop provides written permission to proceed, DMS, with input from FREAC, will determine which feasibility studies will be required (e.g., a Needs Analysis Report showing verifiable need and sound reasoning to purchase or lease property, including the present and future needs of the parish and its buildings and property).

202.2.2 Development of Feasibility Study and Other Information Required for Analysis of Purchase:

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

- Parish financials for past 5 years
- Recent appraisal or market analysis of the property
- Market study and demographic analysis of surrounding area
- Current Master Plan indicating how the acquired property will affect the campus
- Sources of funds for the purchase
- Real Estate listing or abstract showing details of property.

In connection with a purchase, the following services are ordinarily required:

- Environmental Phase I Study
- Boundary/Topographical Survey
- Zoning
- Environmental Studies (flood plains, wetlands, and critical areas)
- Access/Ownership of property
- Establish buffers and wetland delineation
- Perc Test
- Geotechnical Study (soil borings)
- Title Search.

202.2.3 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.

202.3 Phase III – Presentation and Approval of Purchase or Lease:

202.3.1 Presentation to FREAC:

The pastor and DFREM present the plan to purchase or lease to FREAC.

202.3.2 Presentation to Priest Consultors and BOFA:

If FREAC recommends the purchase or lease of property, the proposed transaction is added to the alienation of property report presented to the Priest Consultors and BOFA.

202.3.3 Decision of the Archbishop:

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

202.4 Phase IV – Request for Proposal and Selection of Offer:

If written approval to proceed is received from the Archbishop, DMS will prepare an Offer to Purchase with the help of ALC and/or a real estate broker approved by the Archdiocese.

202.5 Phase V – Negotiation, Due Diligence, and Closing:

Once an offer has been accepted, the pastor will work closely with DFREM and ALC to negotiate any and all transactional documents, to obtain all necessary information required under the contract to successfully complete the transaction in a timely manner, and to close the transaction

successfully. Any costs to the purchaser associated with the purchase will be borne by the parish.

202.6 Responsibility for Purchase Price

Parishes and other legal entities of the Archdiocese are responsible to reimburse the Archdiocese for properties purchased by the Archdiocese on behalf of the parish or entity.

Procedure:

A) The reimbursement cost ordinarily shall consist of the purchase price, any other acquisition and maintenance costs, and an investment opportunity cost for the period between the original purchase by the Archdiocese and future reimbursement by the parish/mission.

B) The investment opportunity cost, as well as any loans associated with the reimbursements, shall be tied to a one (1) year Treasury bill index or such other measure approved by the Archdiocesan Priest Council (APC).

C) Parishes lacking sufficient financial means to acquire the land may request a loan from the Inter-Parish Loan Fund.

202.7 Archdiocesan Property Purchases:

Archdiocesan-owned property purchases will generally follow the procedures in this Policy, except that a parish will likely not be involved.