

MCKEAN COUNTY REDEVELOPMENT AUTHORITY DEMOLITION PROGRAM GUIDELINES

SCOPE:

RESIDENTIAL: This program is primarily for vacant, blighted and uninhabitable residential properties or out buildings on private vacant lots. If the property is sold during the 10 year lien period the post-rated balance of the lien would have to be paid back.

COMMERCIAL: This program does not rule out blighted and uninhabitable commercial properties; however, commercial properties must have a property re-use plan that is to be submitted to the State for approval.

If the commercial property is going to remain vacant for 10 years (the lien period), it is not historically significant according to the PA Historical Preservation Office, or it is not full of contaminated materials (asbestos, oil tanks, etc.), then the property probably could be demolished using CDBG funds.

Any re-use within the 10 years would have to be a public benefit activity that is approved by the State (i.e., a public park, a public parking lot, etc.). The State would want a written maintenance agreement for the public improvement.

If the property is sold during the 10 year lien period the post-rated balance of the lien would have to be paid back.

INDUSTRIAL: Industrial properties will not be considered under this program unless the property owner provides an independent environmental study of the project building and site. Proof that all contaminants have been removed.

ELIGIBILITY:

The property can be in private ownership or owned by the municipality - either way, a 10 year lien is placed on the property. Each year on the anniversary date of the lien, one-tenth (10%) of the lien is forgiven. At the end of the 10 year period, the lien is totally forgiven.

The past year of taxes must be paid or the property owner must show that they are on a payment schedule with the McKean County Tax Claim Office.

LANDFILL COSTS:

The McKean County Redevelopment Authority has an agreement with the Casella Landfill to accept debris generated by the Authority's demolition projects for a reduced price of \$35.00 per ton.

PROCEDURES:

1. The property owner contacts the McKean County Redevelopment Authority (MCRA) and requests an application for the Demolition. In addition to filling out the two page application form, a copy of the most current property deed and a picture of the property to be demolished is required.
2. The MCRA checks to make sure that last year's taxes are paid or the property owner is on a payment plan with the McKean County Tax Claim Office.
3. The MCRA obtains approval from the PA Historical Preservation Office. Commercial & Industrial Properties must pay all costs associated with obtaining this approval (i.e. Engineer's Existing Conditions Report, etc.).
4. The MCRA then has an inspection undertaken by a PA Certified Asbestos Inspector, who obtains samples for lab testing of any suspected regulated asbestos containing material. If the test results show that there is regulated asbestos on site, it will be removed by a company that is PA Certified to remove the asbestos.
5. The MCRA then puts the demolition project out for competitive bidding.
6. Once the bids are in, the property owner is asked to sign a 10 year Lien Agreement in the amount of the lowest acceptable bid, costs associated with asbestos removal, and an estimated amount for Landfill Costs. Every subsequent year, on the anniversary date of the lien, 10% of the lien will be forgiven until the lien is totally forgiven at the end of the 10 year period. If the property is sold during the 10 year lien period, repayment would be required based on the post-rated balance of the lien (i.e. after 6 years, 40% of the lien would need to be re-paid, etc.).
7. When the Lien Agreement has been signed, the MCRA will award the project to the lowest acceptable bidder and then file the Lien at the McKean County Recorder of Deeds office.

PAGE 3

8. For Residential properties the MCRA pays all costs associated with the demolition - the demolition contractor, asbestos removal (if applicable), any change order costs, and all landfill costs.

9. Upon project completion, the property owner is sent a copy of the filed Lien Agreement, the final amount of their Lien Agreement with backup documentation that shows exactly what was spent on their demolition project.