

**SHELBY COUNTY LAND BANK  
DELINQUENT TAX PROPERTY  
MULTI-PARCEL REUSE AND REDEVELOPMENT  
CONVEYANCE PROCEDURE**

- A. No delinquent tax property will be conveyed to current Shelby County employees, elected Shelby County officials, or their immediate family members (i.e., spouse or children living at home), nor to any corporation or other entity owned by a current employee or elected County Officials or which such person is a board member or has any financial interest (this includes, but is not limited to: sole proprietor, partner, or person having a controlling interest in the business).
- B. **CRITERIA.** Multiple parcels of real property (“Properties”), that the Shelby County Land Bank (“SCLB”) has accumulated in an area or zoning classification that makes the accumulation of larger areas advantageous to the parcels’ reuse and redevelopment, may be conveyed in bulk via quit claim deed to a non-profit corporate or other entity (“Transferee”) if the Transferee meets the following criteria:
1. The Transferee is a non-profit community/neighborhood development corporation/agency that provides programs, offers services, and engages in other activities that promote and support community development and that serves the geographic location where the parcels are located; or is a partnership, corporation, or other entity that includes such an organization as a principal participant and owner, and which does not include among its owners any individual or for-profit entity;
  2. The Transferee is committed to combating deterioration and property blight in Shelby County and to proactive reuse and redevelopment of vacant land in Shelby County neighborhoods in close collaboration with neighborhood residents; and
  3. The Transferee has proven that it has resources or immediate access to resources to accomplish that commitment, as set out below.
- C. **LIMIT.** No more than 200 parcels may be transferred in bulk by this procedure.
- D. **PROPERTIES.** The Properties may be comprised of contiguous and/or noncontiguous parcels of land that were placed in the Shelby County Land Bank at different times.
- E. **BLIGHTED CONDITION.** Only Properties in a blighted condition or area are eligible for conveyance by this procedure, whether vacant and in need of clearing and maintenance, or with structures in need of demolition or rehabilitation;
- F. **DUE DILIGENCE REQUIREMENTS.** All prospective Transferees **MUST** carry out a due diligence verification of the property prior to meeting with SCLB staff to formally initiate the Request for Properties, including but not limited to:
1. the value and condition of the property including compliance with building and local authority regulations,

2. the terms of all encumbrances, rights and interests registered against or in respect of the title, and
3. the overall financial suitability of the Transferee's proposed use of the property.<sup>1</sup>

G. **CONVEYANCE CONDITIONS.** The Transferee shall receive the Properties in bulk under the following conditions:

1. **NO WARRANTIES.** Transferee shall take title the Properties in the “**AS IS and WHERE IS**” condition, with no warranties or representations, of any kind, either expressed or implied as to the title, physical or environmental condition, code and/or housing violations, merchantability, or fitness for any use or purpose or any other representation of any kind whatsoever per T.C.A. § 67-5-2507(b)(8), and subject to restrictions set forth below that are designed to further the stability and future improvement of the neighborhood.
2. **TRANSFER COSTS.** Transferee shall take title by quit claim deed to the Properties from Shelby County and Transferee will cover all costs of the transfer, including but not limited to the preparation of the quit claim deeds and recording the deeds.
3. **RIGHT OF FIRST REFUSAL.** The deeds to the Properties will be in the form of quit claim in a form prescribed by the Shelby County Trustee, and Shelby County shall retain a right of first refusal on all Properties for a ten-year period from the date the last quit claim deed is executed.
4. **FINANCIAL VIABILITY.** Transferee shall establish a dedicated fund to cover demolition, rehabilitation, title clearance, and ongoing maintenance of the Properties (“Property Management”) for a period of five years from the date of the recording of the quit claim deed to such Property. The Transferee shall provide proof of the fund's existence at the closing.
5. **NO DELINQUENCY.** Neither the Transferee nor any of its principals shall be delinquent in the payment of county and municipal property taxes at the time of the closing.
6. **SINGLE CONVEYANCE.** The Shelby County Land Bank will accept and process only one multi-parcel reuse and redevelopment conveyance per Transferee at a time.
7. **MEETING WITH SCLB.** Within thirty (30) days of signing a conveyance agreement, the Transferee shall make an appointment with SCLB Staff. At that meeting the Transferee shall submit Disclosure Documents.<sup>2</sup> The Transferee and SCLB shall set a closing date for the conveyance upon approval of the conveyance by the Shelby County Board of Commissioners.

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<sup>1</sup> All prospective Transferees of Delinquent Tax Property must sign a Waiver and Release of Liability and Indemnity Form

<sup>2</sup>All prospective Transferees must sign a Gratuity Disclosure Form for presentation with the County Commission Resolution.

8. **SHELBY COUNTY BOARD OF COMMISSIONERS.** Once the matters in the previous paragraph are complete, SCLB Staff shall prepare, schedule, and present, a Resolution to the Shelby County Board of Commissioners for approval of the conveyance and shall request the Trustee to prepare a Quit Claim Deed for use in transferring the Properties to the Transferee. The Transferee may be required to attend a Shelby County Board of Commissioners committee meeting and/or a full Commission meeting to answer questions concerning its proposed use and development of the Properties. SCLB Staff will contact the Transferee by telephone to give it advance notice of the meeting(s) that it must attend. In the event no representative of the Transferee is able to attend the scheduled meeting(s), SCLB will request deferral of the conveyance approval. If the Transferee is unable to attend a meeting within sixty (60) days of the initial meeting request, SCLB Staff will declare the conveyance cancelled and will send the Transferee written notice by U.S. mail. The Transferee, its constituent members, and their principals shall be ineligible to participate in any Shelby County Land Bank multi-parcel reuse and redevelopment conveyance, or any other SCLB sale or transfer, for twelve months from the date of the cancellation notice. NOTE: by law, ALL TRANSFERS OF LAND BANK PROPERTY MUST BE APPROVED BY THE SHELBY COUNTY BOARD OF COMMISSIONERS. No conveyance may be made until such approval has been made.
9. **CLOSING.** Upon the Shelby County Board of Commissioner's approval of the conveyance, SCLB Staff will notify the Transferee by telephone if the Transferee was not present at the County Commission meeting. The closing must occur within thirty (30) days of the County Commissioner's approval. At the closing, the Transferee must submit the required payment covering the transfer tax and recording fee via certified funds, cashier's check, or money order made payable to "Shelby County Trustee" (personal checks and/or cash NOT accepted). At the completion of the closing, the Transferee is given possession of the Properties as the new owner.
10. **RECORDATION.** Upon completion of the closing of the conveyance, SCLB Staff shall forward the Transferee's required payment of the transfer tax, and recording fee, to the Shelby County Trustee for immediate deposit. At the same time, SCLB Staff shall request that the Trustee proceed with the closeout of the conveyance. The Trustee will complete the execution of the quit claim deed and record it with the Shelby County Register and thereafter mail the original recorded quit claim deed to the Transferee.
11. **LOCAL AND MINORITY CONTRACTORS.** Transferee will work closely with neighborhood residents and Shelby County-based minority and locally-owned contractors to implement Property Management activities in support of job creation and/or job training activities.
12. **WAGES.** Transferee agrees to pay at least \$15.00 per hour to any and all workers, employees, contractors, subcontractors, or any other person who performs Property Management work associated with the Properties to the extent permitted by law.

13. **REVERSION.** Shelby County maintains and may enforce a reversionary interest in any or all of the Properties within five years of the date of recording the quit claim deed, upon an affirmative written election from Shelby County to Transferee, if any one or more of the following occur(s) and remains uncured thirty (30) days after reasonable notice to Transferee of the event. Shelby County may extend the cure period for good cause shown.
- a. Transferee fails to abide by all City of Memphis and Shelby County codes in the upkeep and maintenance of such Property; or
  - b. Transferee fails to make reasonable efforts to obtain title insurance, or the equivalent of same, including filing complaints to quiet title on such Properties, more than two years after the recording of the quit claim deed to said Properties to the Transferee; or
  - c. Transferee becomes delinquent on City of Memphis or Shelby County property taxes or assessments (such as weed bills) for more than one year for any of such Properties; or
  - d. Transferee does not fulfill any one or more of the obligations specified in any agreement between the Transferee and Shelby County concerning the conveyance of the Properties.
14. **EXPENSES.** Transferee shall be responsible for and bear all of the reasonable costs and expenses incurred by Shelby County and Transferee at any time in connection with pursuing or consummating the conveyance of the Properties, including without limitation the expenses to form Transferee's non-profit structure and complete the conveyance. Shelby County shall provide to Transferee before the closing, details of any such expenses it has incurred. Transferee shall satisfy in full all such expenses at the closing of the transfer.
- H. **GOVERNING LAW.** The conveyance and all agreements related to it shall be governed by and construed under the laws of the State of Tennessee, in a court in Shelby County, Tennessee.