

CITY OF SAINT PETER, MINNESOTA

**TRAVERSE GREEN  
SUBDIVISION**

**PHASE 1**

**SALES PLAN & POLICIES**

**OWNER**

- ◆ Lots within Traverse Green Subdivision are owned by the City of Saint Peter, hereinafter referred to as the CITY.

**LOTS**

- ◆ Lots within Traverse Green Subdivision are identified by lot and block numbers as shown on the recorded final plat.

**INCOME RESTRICTIONS**

- ◆ Tax Increment Financing income restrictions apply to the 57 single-family lots. Those buyers with eligible household incomes will receive a \$9,500.00 reduction from the lot price established by the City Council.
- ◆ Lot price reduction eligibility is determined based upon the following criteria:

<u>Household Size</u>	<u>Gross Household Income</u>
1 - 2 persons:	below \$77,100
3 or more persons:	below \$88,665

- ◆ Qualifying household incomes will be adjusted annually.
- ◆ The prospective buyer shall provide a copy of their most recent federal tax filing to verify household income levels.

**MODEL HOMES AND HOUSING CONSTRUCTION**

- ◆ The Economic Development Authority (EDA) will be constructing speculative model homes for purchase by eligible buyers. Eligibility is determined by the regulations applicable to the construction financing utilized.
- ◆ The City will reserve a number of lots for the construction of speculative homes to be constructed by the Saint Peter Economic Development Authority or Southwest Minnesota Housing Partnership. These lots will not be available for sale to the public.
- ◆ Model home styles, design, amenities, furnishing and lots will be selected by the EDA.
- ◆ The EDA will not amend the model homes as per buyer requests. Buyers may elect to proceed with a pre-sold home if they wish to modify the structure.

## **BARE LOT SALES**

- ◆ Buyers may purchase a bare lot and construct any home style they desire that meets applicable building code requirements, covenant restrictions and zoning regulations.
- ◆ Buyers of bare lots may access special permanent financing products awarded to the project as long as the buyer meets the program eligibility criteria.

## **DEVELOPER / SPECULATIVE PURCHASE**

- ◆ Developers purchasing lots for speculative purposes may own or reserve a maximum of two (2) lots at any given time.
- ◆ Developers wishing to buy up to two (2) lots for speculative purposes may not hold an interest simultaneously in any other entity also purchasing lots for speculation.
- ◆ Developers purchasing lot for speculative purposes will be required to pay the “full” sales price of the lot(s). If the completed home is sold to a household with a qualifying income, the developer shall be reimbursed the \$9,500.00 Tax Increment Financing benefit. Such qualifying sale shall be demonstrated via presentation of income verification and proof of closing of the sale.
- ◆ Requests for reimbursement of the \$9,500 tax increment financing benefit shall be submitted within 60 days of the date of closing.

## **COVENANTS**

- ◆ Restrictive covenants have been filed for record covering all single-family parcels within Traverse Green Subdivision.
- ◆ Buyers shall be provided with a copy of the covenants prior to the execution of a lot reservation or purchase agreement.

## **RESERVATION AND SELECTION OF LOTS**

- ◆ Lots may be reserved prior to entering into a purchase agreement with the CITY. Lots will be reserved / sold on a first come, first served basis.
- ◆ A \$200 fee will secure a 61 day reservation while the buyer seeks construction financing, house plans and a contractor to provide for construction.
- ◆ The Community Development Director will maintain a roster of those reserving lots.
- ◆ Only the Office of Community Development shall have the authority to execute lot reservations on behalf of the CITY.
- ◆ Individuals or developers may reserve a maximum of two (2) lots at any given time.
- ◆ Within 61 days, the buyer is required to enter into a purchase agreement with the CITY or the reservation will expire. Exceptions will be made for buyers who have made a construction escrow deposit of \$500 with the Southwest Minnesota Housing Partnership.

- ◆ Reservations may be renewed for an additional 61 day period by payment of an additional \$200 fee. However, only one \$200 fee will be applied to the purchase price upon closing, prior reservations fees will be forfeited at the expiration of the 61 reservation period.
- ◆ Lots upon which the reservation has expired will be offered for sale to the public on a first come, first served basis. All applicable fees shall be forfeited upon expiration of the 61 day reservation period.

## **PURCHASE AGREEMENTS**

- ◆ Buyers must enter into a purchase agreement with the CITY. \$500 in earnest money shall be deposited upon execution of the purchase agreement. The \$200 lot reservation fee, if applicable, may be applied to the required \$500 earnest money deposit.
- ◆ A purchase agreement will establish the date of closing. The date of closing will be no sooner than 14 days, and no later than 60 days, from the date the purchase agreement is signed by the buyer and CITY.
- ◆ The City Administrator is authorized by the City Council to execute purchase agreements, at the established lot price, for the sale of lots within Traverse Green Subdivision.
- ◆ The purchase agreement shall require that the buyer obtain a Certificate of Occupancy for the dwelling within twelve (12) months of the date of closing on the sale of the lot. If the Purchaser fails to obtain a Certificate of Occupancy within the twelve months, the real estate shall revert to the Seller. This condition shall survive the delivery of the Warranty Deed.

## **SOUTHWEST MINNESOTA HOUSING PARTNERSHIP**

- ◆ Prospective buyers of EDA model homes and those wishing to seek low interest permanent mortgage products will be referred to the Southwest Minnesota Housing Partnership (SWMHP). The SWMHP will determine eligibility of buyers based upon household income criteria of the applicable funding source.

## **SPECIAL CONTINGENCIES**

- ◆ On or before closing, the Purchaser shall provide the Seller with the following items:
  1. Building construction plans;
  2. Building permit – paid at closing;
  3. Proof of construction financing;
  4. Executed contract for construction conditioned solely upon purchase;

In the event the Purchaser fails to meet the above conditions as of the date of closing, the Seller may declare the Purchase Agreement null and void, the earnest money shall be forfeited to the Seller; Purchaser and Seller shall immediately sign a Cancellation of Purchase Agreement.

- ◆ Purchaser may at Purchaser's expense complete soil testing. In the event the soil tests indicate that the property may only be improved with incurring extraordinary building methods or expenses, at the Purchaser's option, the Purchase Agreement shall become null and void and all earnest money shall be refunded to the Purchaser. The Purchaser and Seller agree to sign a Cancellation of Purchase Agreement.