

CITY OF HALSTAD

Free Lot Application Process



1. Applicant completes the Free Lot application form and submits the form to the City Clerk and provides proof of pre-approval .
 - a. The City will require a letter from the applicant's lender indicating they are pre-approved for a loan to finance the cost of constructing the planned home.
 - b. The applicant will indicate the desired lot on the application form.
 - c. The applicant must make available to the council all blueprints associated with the new house, which must have an assessed value of at least \$175,000. The council will give approval if the blueprint designs can be built upon a free lot.
2. City Council Reviews application and required documents.
 - a. Application form and plans are reviewed.
 - b. Council approves application and directs the Clerk to work with the applicant and City Attorney on a purchase agreement and quit claim deed.
3. City Attorney prepares a purchase agreement, and the applicant, Mayor, and Clerk sign the purchase agreement and quit claim deed.
 - a. The applicant will be required to sign a purchase agreement and quit claim deed.
 - b. The applicant is responsible for their own closing costs relating to the property purchase (i.e. title insurance premium and commitment, State deed tax, recording fees, title agent) closing fees, etc.)
4. Obtain necessary approvals.
 - a. Halstad City Council must approve the purchase agreement and quit claim deed at the next regular City Council meeting.
5. Complete construction.
 - a. If an applicant has not completed constructing approved dwelling within 18 months from the date of purchase for a single-family lot, ownership of the property and any improvements will revert back to the City and/or the lending institution in accordance with the signed purchase agreement and quit claim deed.
 - b. Extensions may be considered by the City Council by request of the property owner.
 - c. Building permit renewals and extensions are the buyer's responsibility.
6. The applicant shall be relieved of paying City taxes associated with the free lot for a period of 5 years upon meeting all other requirements.
 - a. The recipient must apply for abatement of City tax each year by requesting abatement in writing to the City of Halstad.
 - b. The City Treasurer will contact the County Auditor/Treasurer to remove City tax for the year indicated in the request.
7. Commencement of payment of special assessments, if any, shall be deferred for a period of 2 years. The City Treasurer will notify the County Auditor/Treasurer when the 2 years have been reached.