



**CITY OF
COVINGTON
KENTUCKY**

REQUEST FOR QUALIFICATIONS

CCDI

PROJECT MANUAL

Issued: October 12, 2015

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ADVERTISEMENT FOR PROPOSALS

The Covington City Manager will receive sealed proposals for the following work:

The City of Covington is seeking a qualified pool of developers and/or property owners with major rehabilitation experience that are interested in developing/rehabilitating vacant properties within the City.

This should be considered as one bid with bid covering both aspects.

Said bid shall be enclosed in an envelope, marked with the name "CCDI Developer" and must be delivered to and time stamped by the **FIRST FLOOR WINDOW FINANCE DEPARTMENT, 20 W. PIKE STREET, COVINGTON, KENTUCKY 41011** no later than 10:00 a.m., prevailing time, Wednesday December 2, 2015 and will be opened and read in public by the City Clerk, or her alternate, at that time and date at City of Covington City Hall, 20 W. Pike Street, Covington, Kentucky.

Said proposals will be reviewed by a panel of City staff to determine which firms will make up the qualified pool of developers. The City has created the CCDI initiative so that qualified developers can rehabilitate the vacant properties throughout the City and bring them back into a productive use. A list of vacant properties that the City has an interest in, because of taxes that are owed or liens that have been filed, will be provided to the qualified pool of developers. The City Commission reserves the right to reject any and all proposals. The owner reserves the right to waive any informalities.

Further information and/or specifications may be obtained by contacting Kim Stratagier at 859-292-2112 in the Community Services Division of the City of Covington. Information on form of bid, form of contract, specifications, and forms of bid bond, and other contract documents, if applicable, may be obtained from the Community Services Division for a non-refundable cost of \$25.00.

REQUEST FOR QUALIFICATIONS

Covington Community Development Initiative (CCDI) Program

City of Covington

October 8, 2015

The City of Covington is seeking qualified developers and/or property owners with major rehabilitation experience that are interested in developing/rehabilitating vacant properties within the City. Most of the available properties are single or two-family residential structures that are constructed of frame or brick. The buildings that are located within the City's Historic Preservation Overlay Areas (see attached map Appendix B) will need to be rehabilitated in accordance with the Secretary of the Interior's Standards for Rehabilitation.

The City of Covington's "Pilot" CCDI Program started in 2014 and has been operating since that time by word of mouth alone. The City has neither promoted the program nor provided a list of properties that would be eligible for the program. A summary of the program is also attached for reference (Appendix A: CCDI Prospectus). The next phase of this initiative is to create a qualified pool of developers that are interested in acquiring and rehabilitating these vacant properties so that they can be brought back into a productive use. A list of vacant properties that the City has an interest in, because of taxes that are owed or liens that have been filed, would then be provided to the qualified pool of developers. The estimated costs associated with acquiring these properties through foreclosure at the Master Commissioner sale would also be provided.

The scope of work for each building will vary and will have the potential to include all aspects of physical condition within the property lines. (ie: site conditions such as grading and ground coverings, all structural elements, all mechanical elements, all openings, all interior finishes). Each structure will require a separate evaluation and description of work to be performed. The majority of the properties included in this program are privately owned and access to the interior of every building is not guaranteed. There may be properties that the developer will need to determine the viability of without actually seeing the inside. Before entering into an agreement for any individual property, each selected contractor will need to enter into a Master Services Agreement with the City of Covington. In order to be considered to become a part of the City's qualified pool of developers Respondents will need to show that they have the competency, capacity, time, certifications, and funding available to adequately take these projects on. Respondents will need to provide typed responses to the items listed below. **All proposals that are submitted shall be in this order and labeled accordingly:**

TAB 1: Statement of Competence

- a) Description of respondent's experience in construction and building rehabilitation.
- b) Description of respondent's experience in historic rehabilitation of structures, with reference to satisfying all state and local codes, including the Secretary of Interior's Standards for Rehabilitation.
- c) Description of respondent's understandings of differences in and challenges of rehabilitation vs. new construction.
- d) Demonstration of respondent's understanding of Federal Lead Hazard Abatement or Mitigation requirements
- e) Description noting whether respondent would redevelop properties with intent to maintain and manage property as a rental, sell as owner-occupied units or rental units, or a combination of the two. Plans for property becoming owner occupied will be given preference.

- f) If the intent would be to manage property as rental, respondent will need to provide a list of properties they currently own/manage in the region and provide a clear description of how that business currently operates (number of employees, # of years in business, tenant screening process, financials, property maintenance plan, etc).
- g) Provide before and after photos of previous projects.
- h) Provide specific details of projects that demonstrate the criteria above including size, scope, costs, and timeline. If projects were not completed on time or within budget, please explain.
- i) Provide reference from each of the following
 - i) Construction Lender
 - ii) Permanent Lender
 - iii) Community Group
 - iv) General Contractor

TAB 2: Statement of Capacity

- a) Description of respondent's size, staffing levels, location of business, years of experience, and equipment.
- b) Statement of bonding and financial capacity.
- c) Identification of Design Professionals on staff or associated with firm.
- d) Provide list of all properties currently owned within the City of Covington and the year in which the work was completed.
- e) Provide list of all properties previously owned/rehabilitated in City of Covington

TAB 3: Certifications

- a) City of Covington licenses as required. (Must be issued before start of work.)
- b) Kenton County licenses as required. (Must be issued before start of work.)
- c) Professional licenses as required, or names of associated firms or individuals licensed to perform professional design work in Kentucky. (Architects, Engineers, Code Professionals, etc.)
- d) Statement of respondent's Good Standing with City of Covington.
Pursuant to Order/Resolution O/R 0-11-06, applicants and affiliated persons and/or entities for this program must not have made or filed pending adverse claims against the City in the form of settlement demands and/or lawsuits; nor shall they be delinquent in their obligations to pay loans, fines, liens, or other obligations owed to the City of Covington.

TAB 4: Identify key personnel:

- a) Owners
- b) Chief Executive Officer
- c) Construction Manager

TAB 5: Provide references appropriate to proposed work

TAB 6: Provide photographs of previous work (before and after photographs are preferred).

A committee of City employees with representatives from the Legal and Development Departments will review all applications based on the criteria listed above. To be considered to be a part of the initial qualified pool of developers and be the first group to receive the list of potential properties, proposals need to be submitted by December 2, 2015. The City will continue to accept proposals after this date and will forward the eligible list of properties to any new firms once the committee determines they are eligible.

The City of Covington implies no contract herein. The City reserves the right to reject any and all proposals or responses to this request. Please respond with qualifications at your earliest convenience to:

Clerk, City of Covington
Department of Development, 2nd Floor
RFQ Response: CCDI Program
20 W. Pike Street
Covington, KY 41011

COVINGTON COMMUNITY DEVELOPMENT INITIATIVE

Background

In line with its continuing efforts to remove blight, abate nuisances and enforce its property maintenance and nuisance code, the City of Covington ("Covington"), through its Division of Community Services and concerned citizens like you, has identified numerous privately owned properties that remain vacant, are perennial nuisances, and which attract crime and have had a significant impact on surrounding property values.

Opportunity

After careful review of the properties identified, the City has determined that some have a strong potential of being put back into productive use by community-minded developers, organizations, or residents who have the experience and capacity to rehabilitate blighted properties (what the City is referring to as "Covington Community Developers").

Obstacles

Some of the properties identified are vacant lots that merely require tender love and care from concerned neighbors and/or community organizations. Others contain vacant structures that are in need of considerable repair. In most cases, the properties are subject to a variety of liens the amounts of which make a potential development financially unfeasible.

Importantly, developers interested in rehabilitating such properties are usually required to wait years before the property is sold at foreclosure and have no legal means of expediting the process. Over the course of the delay, the physical condition of the property typically deteriorates past the point where rehabilitation remains an option.

Solution.

To overcome these obstacles, the City is committed to taking the legal actions (excluding paying for the costs of such actions), which are required to force a sale of the blighted properties with a view of transferring title to prequalified Covington Community Developers who are ready willing and able to put the property back into productive use. By doing so, the City seeks to decrease the time and cost of acquiring the property as well as limiting the negative impact that vacant properties have on neighboring landowners.

The Initiative in a Nutshell.

The Covington Community Developer initiative was conceived with a view of spurring economic and real property development, improving the standard of living in Covington and supporting developers who are prepared to lend their talents to making Covington a great place to live, work, play and do business.

PROSPECTUS AND APPLICATION.

The following prospectus provides information about how to apply to be a Covington Community Developer and what applicants can expect from the time they submit their application through to when the City estimates it will be able to transfer title of the property to them.

DISCLAIMER – Please note every property presents a different situation, especially with the foreclosure process. THE CITY CANNOT GUARANTEE THAT IT WILL SUCCEED IN ACQUIRING ANY PROPERTY, THAT IT WILL BE ABLE TO ACQUIRE A PROPERTY BY A CERTAIN DEADLINE, OR THAT UPON ACQUISITION IT WILL BE IN A POSITION OF TRANSFERRING SAID PROPERTIES TO APPLICANTS.

HOW TO APPLY – Applicants interested in participating in the Covington Community Development Initiative should:

1. **Read the Information provided.** Applicants should read the following Prospectus to familiarize themselves with the processes and procedures involved with becoming a Covington Community Developer, and
2. **Application/ Expression of Interest.** Applicants should fill out (1) the Expression of Interest Form and (2) the Good Standing Review Form that are provided in this packet and send the completed information by email to CCDI@covingtonky.gov. Alternatively, applicants may deliver in an envelope clearly marked with “COVINGTON COMMUNITY DEVELOPER,” to:

City of Covington
c/o Lindy Jenkins
20 West Pike Street
Covington, KY 41011

ELIBIGLE PROPERTIES – The following are general criteria that the City will use to determine whether a property is eligible for this initiative. A list of properties will be provided to developers.

1. **Location:** the property must be within the Covington City limits.
2. **Title and Liens:** the property must be vacant, in disrepair and subject to City liens.
 - a. **Please note:** that the City can only bring a foreclosure action if it has a tax liens or has grounds to file nuisance code liens. Applicants should check the Kenton County PVA system to determine whether or not the City has liens on the property. (The absence of a city lien on the property does not automatically disqualify the property from the initiative).

CITY CONTRIBUTIONS – for those properties identified by the City that are deemed eligible for the initiative, the City is committed to contributing all of the legal work involved in the foreclosure process.

1. **Other City incentives** – Applicants should feel free to apply for City programs listed in Appendix A.

DEVELOPER CONTRIBUTIONS – Developer to contribute:

1. **Obligation to Develop.** The time, energy and financial resources that are required to complete the development of the property as proposed in a development plan.
2. **Escrow Funds.** Developer shall deposit funds in escrow in an amount sufficient to defray: (a) the court costs related a foreclosure action; (b) payment of any Master Commissioner fees; and additional amounts as determined by the City, which would make the acquisition of the property feasible (“Escrow Funds”).
 - a. The amount of funds to be deposited in escrow will be included in the Developer Prospectus, which will be made available to the Developer in accordance with the timelines set forth below.
 - b. Escrow Funds will be deposited pursuant to an Escrow Agreement between Developer and City and managed by an independent escrow agent.
 - c. Escrow Funds will be reimbursed to Developer minus the sum of: (i) related court costs,(ii) purchase price at foreclosure; and (iii) master commissioner fees.

Where Necessary:

3. **Title Report.** Where the City deems it necessary to streamline litigation, the Developer shall obtain a title report at its sole expense as an additional contribution. Any property requiring a title report will be so identified prior to the Developer’s commitment.

ESTIMATED TIMELINES AND SCHEDULES – The following is a summary of the estimated timeline for the transfer of property to Covington Community Developers whose application are accepted and with whom the City can come to contractual terms. **(Please note, that City cannot guarantee the timelines below.**

DAY 1 - <u>Statement of Interest</u>	Statement of Interest - submitted
DAY 30 - <u>Eligibility Determination</u>	City to alert Developer as to whether or not they are eligible for the program.
DAY 30- <u>Development Prospectus</u>	City sends eligibility/non eligible letter, and a Developer Prospectus (if eligible), which shall provide a summary of the financial aspects of the transaction.
DAY X	Developer commits to the transactions and City conducts a good standing review.
DAY X + 30	Parties execute all contracts.
Est. DAY X + 30	City initiates foreclosure proceedings
Est. DAY X + 120-160 days	City acquires property at foreclosure
Est. Day X + 190 days	City and Developer conduct closing and title is transferred to Developer.

Feel free to contact me via email if you have any questions about this Prospectus:
I look forward to receiving your completed statement of Interest.

Sincerely,

Donald Warner
Assistant City Solicitor

20 West Pike Street, Covington, Kentucky

Dwarner@covingtonky.gov

CITY OF COVINGTON DEVELOPMENT PROGRAMS/INCENTIVES

Find below a partial list of City incentives for which Developers may want to apply in conjunction with this pilot program.

PLEASE NOTE THAT DEVELOPERS WILL HAVE TO SUBMIT SEPARATE APPLICATIONS FOR THESE PROGRAMS AND A DETERMINATION THAT DEVELOPER IS ELIGIBLE TO PARTICIPATE IN THIS PILOT PROGRAM IN NO WAY ENSURES THAT DEVELOPER WILL BE ELIGIBLE FOR ANY AWARDS UNDER OTHER CITY PROGRAMS.

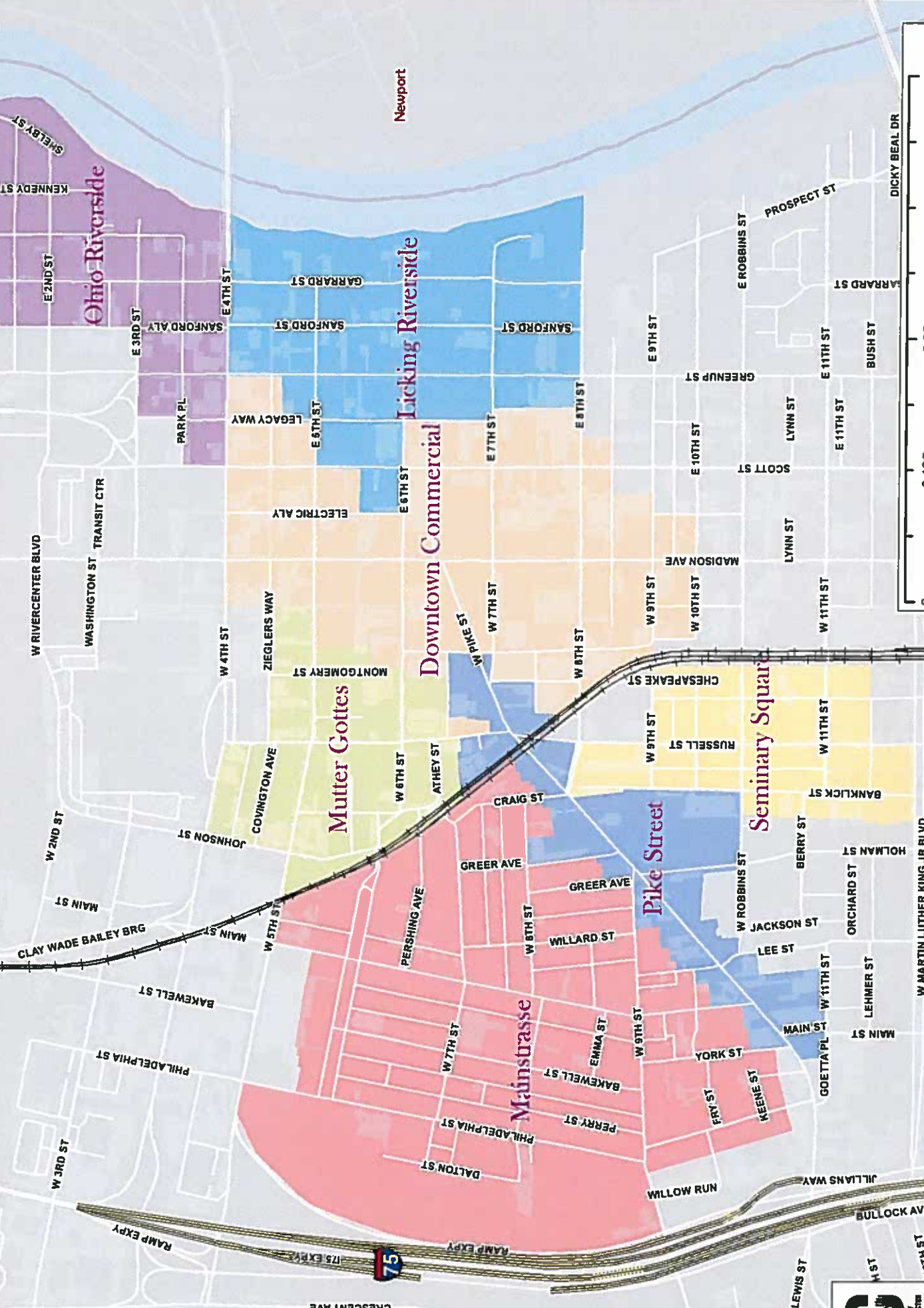
- A. VACANT PROPERTY PAYROLL TAX REIMBURSEMENT** – Vacant Property Occupational License Fee Reimbursement Program provides property owners who rehabilitate substantially vacant commercial property, older than 50 years, a reimbursement of a portion of the City's occupational license fee for filling a vacant space with a business.

- B. TAX ASSESSMENTS MORATORIUM** – The City of Covington will freeze city property taxes at the pre-rehab level for a period of five years, on properties that will be undergoing rehabilitation. The purpose of this program is to encourage the repair, rehabilitation, and restoration of buildings 25 years old or older. This property tax freeze is achieved through a moratorium on property valuation assessments. This Moratorium does not apply within the TIF District (See attached map for location).

- C. JOBS DEVELOPMENT INCENTIVE** – Covington Jobs Development Incentive provides eligible existing and new businesses up to a 1.25% reimbursement of the City's occupational license fee for creating and retaining jobs.

Covington Historic Preservation Overlays

Date Created: 8/13/2015





EXPRESSION OF INTEREST

City of Covington
 20 W Pike Street Covington, KY 41011
 Tel: (859) 292-2311 Fax: (859) 292- 2106
 www.covingtonky.gov

PROSPECTIVE DEVELOPER INFORMATION (PLEASE PRINT)

Applicant's Name: _____
 Address: _____
 City: _____ State: _____ Zip: _____
 Telephone: _____ Cell: _____ Work: _____ Fax: _____
 Email: _____

PROPERTY OF INTEREST

Property Address	Street Address	Covington, KY	Zip Code
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PROPERTY REUSE PROPOSAL

	Commercial	Residential	Institutional	Vacant Lot
What is the type of redevelopment project you are proposing for the property?	<input type="checkbox"/> Retail <input type="checkbox"/> Manufacturing <input type="checkbox"/> Parking Lot	Single Family <input type="checkbox"/> Ownership <input type="checkbox"/> Rental Rental <input type="checkbox"/> Single Family <input type="checkbox"/> Multi-Family # Units	<input type="checkbox"/> Educational- Private <input type="checkbox"/> Health <input type="checkbox"/> Religious Establishment	<input type="checkbox"/> Parking <input type="checkbox"/> Garden <input type="checkbox"/> Yard

Describe to the best of your knowledge, how you plan to redevelop this property and the anticipated budget if known. Please list the types of improvements or changes you are proposing. (Attach another sheet if necessary)

Check all funding sources you will use for purchase of property and to rehab or construct on property:

Cash/Saving Accounts Loans Other

If loan or other, specify funding sources:

Have you redeveloped property before? Yes No

If answer is yes- Please provide pictures showing examples of the work that you have previously completed.

Would you be willing to arrange a site visit to any of your previous projects? Yes No