



Guidelines & Application for Purchase of City-Owned Real Estate

Section I. Introduction

Like many other cities, Covington has accumulated a portfolio of City-owned real property. In order to provide increased opportunities for housing and economic development, blight reduction, and general public benefit, the City of Covington desires to return surplus City-owned real property to the highest and best productive use. The following information is intended to provide guidelines to those interested in purchasing real estate, vacant land or structures, from the City.

Applicable Kentucky law governs how Covington can sell or transfer its real property to members of the public. The City has several options ranging from transferring real property with or without compensation to another governmental agency to selling at appraised fair market value with or without bids. Certain limitations apply to the disposition options and a more detailed list can be found by reviewing Kentucky Revised Statute § 82.083.

Section 2. Application Process

All applicants interested in acquiring City-owned real estate should begin by reading these guidelines to familiarize themselves with the process and procedures involved with the program. Interested buyers may schedule a phone call with City of Covington Neighborhood Services Director to ensure eligibility.

All applicants MUST submit: (1) an application, including all supporting documentation, and (2) a good standing review form. Purchase requests will not be considered until all required documentation is submitted to the City of Covington Neighborhood Services Department. Completed applications can be submitted by email to ksmith@covingtonky.gov. Alternatively, applications can be submitted by mail or hand delivery addressed to:

City of Covington Neighborhood Services
Attn: Ken Smith
20 West Pike Street
Covington, KY 41011



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Section 3. Review Process

Once a completed application is received, City staff will begin the review process. Completed applications will be considered in the order in which they are received. After staff review, applications will be submitted to the City's Real Estate Disposition Committee. The Committee will then make a recommendation regarding whether to make the property available and the most appropriate process for transfer ownership of the property (i.e. Invitations for Bid, Request for Proposals, Request for Qualifications, etc.).

A. Staff Review

City staff will conduct an internal review of the property including the history of the property and any restrictions related to original City acquisition funding source. Staff will confirm zoning, historic overlays or other potential issues that might affect the property. In addition, staff will inspect the property and note general conditions including topography, parcel dimensions, and any other relevant information.

B. Good Standing Review

City staff will review the applicant's good standing form to ensure the applicant does not have any delinquent obligations or ongoing disputes with the City as required by Covington Ordinance § 35.35. If the applicant is not in good standing, City staff will notify the applicant and provide a reasonable amount of time and information about how to become compliant. An applicant's failure to meet the requirements of the City's good standing ordinance will disqualify the applicant for acquiring City-owned real estate.

C. Real Estate Disposition Committee

City staff will compile the application, good standing review and all relevant information about the property for the Committee. The Committee will review the documents and make an initial recommendation as to whether or not the City should make the property available for acquisition. If the Committee recommends moving forward, staff will engage an independent appraiser to determine a fair market value for the property. Based on the appraised value, the Committee will determine the best method for disposing of the property. Pursuant to Kentucky law, these methods include but are not limited to: (i) sealed invitations for bid (IFB), (ii) requests for development proposals (RFP), and (iii) requests for qualifications (RFQ). City staff will strive to notify the applicant of the recommendation and next steps within thirty (30) days of a



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recommendation from the Committee. All IFBs, RFPs and RFQs will be advertised to the public through the City's website. To stay informed about these opportunities you may sign-up for the City's bidder's list, through the City's website:

<https://www.covingtonky.gov/business/resource-guide/doing-business-with-the-city>

In the event an RFP or RFQ is the recommended method of disposal, the Committee will also act as the selection group that determine which proposal best meets the city's stated goals. An award will be made to the respondent whose proposal is most advantageous to the City and aligned to the intent of this program.

While the circumstances of each property may vary and specific terms and conditions may apply, the Committee will generally evaluate the request to acquire and/or proposed developments based on the following criteria:

- Potential public uses of the real estate;
- Applicant's proposed use;
- Feasibility of rehabilitation/development plans (if applicable);
- Capacity/experience of applicant;
- Potential impact of proposed use on the neighborhood;
- Total proposed investment;
- Potential leverage of other investment;
- Proposed purchase price;
- Public benefit (local jobs, tax base, etc.); and
- Any other relevant information.

The committee will also periodically review City-owned properties by neighborhood/area to determine if it would be appropriate to proactively seek interested buyers. Ideally, properties within close proximity would be offered concurrently to maximize positive impact to the City.

Please note that any recommendation from the Committee is NOT a final approval. The City of Covington Board of Commissioners has the final authority to approve or deny any transfer of real estate.



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Section 4. Program Procedures

A. Development Agreement

Transfer of real estate may involve a development agreement or other agreement(s) between the City and the applicant detailing expectations based on the application and/or submitted development proposal including any remedies for non-compliance. Agreements will be drafted by the City and provided to the applicant with sufficient time for review. The City of Covington Legal Department cannot provide legal advice regarding this agreement and encourages all applicants to seek the advice of a qualified attorney prior to signing the agreement.

B. Board of Commissioners Approval

The agreement must be in final form before being submitted to City Board of Commissioners for approval. As noted previously, the Commission has final authority regarding any transfer of real estate and may choose to deny the request or seek modified terms.

C. Transfer

Once City Commission approves the sale and any related agreements, City staff will schedule a closing where the real estate will be conveyed using a Quit Claim or Special Warranty Deed. The City's Legal Department will work with the purchaser or developer to coordinate the closing. Closing costs and costs related to the closing will be the responsibility of the purchaser or developer unless otherwise agreed upon and approved by the Board of Commissioners in advance.

D. Compliance

If the transfer involved a development or other agreement with the City, the applicant must notify the City when the project has been completed according to the agreed terms and conditions. The applicant will be notified within ten (10) days of either the project's compliance or additional work that must be completed.



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To request purchase of property owned by the City of Covington, complete this form and return it to Neighborhood Services Attn: Ken Smith 20 West Pike Street Covington, KY 41011 or ksmith@covingtonky.gov Please complete a separate application for each property requested.

Applicant Information

Name _____

Company (if applicable) _____

Address _____ State _____ Zip _____

Phone # _____ Email Address _____

Property Information

Address _____ PIDN _____

Intended Use for this Property

____ New Build Commercial/Mixed Use

____ Rehab Commercial/Mixed Use

____ New Build Residential

____ Rehab Residential

____ Rental

____ Rental

____ Homeownership

____ Homeownership

____ Additional Yard/Green Space

____ Parking

____ Other _____

Please Describe Intended Use (attach additional pages as necessary) _____



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Please list the addresses of all property in the City of Covington that the Applicant currently owns or has owned in the last five years (attach additional pages as necessary):

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Please answer the following questions:

1. Does the Applicant currently own any real estate that is tax delinquent? _____
If yes, please list those properties and any relevant explanation.

2. Does the Applicant currently own any real estate with outstanding property code violations? _____
If yes, please list those properties and any relevant explanation.

3. Is the Applicant, or his immediate family member) a current employee of the City of Covington? _____

- Applicant must submit a good standing review form demonstrating that they are in good standing with the City as required by Covington Ordinance § 35.35. If the applicant is not in good standing, City staff will notify the applicant and provide a reasonable amount of time and information about how to become compliant. An applicant's failure to meet the requirements of the City's good standing ordinance will disqualify the applicant for acquiring City-owned real estate.
- Please attach any relevant information such as site plans, budgets, timelines, etc.