

Frankfort's Downtown Reinvestment Grant

Section 1: Introduction, Background, and Purpose

Please Note - Program agreements/contracts are based on a two (2) year term to complete the project. Projects and programs are expected to be completed and outcomes achieved within the contract term.

1.1 Introduction

The FY2018-19 City of Frankfort Budget includes historic increases in funding for a Downtown Reinvestment Grant. These new resources will help build, preserve and revitalize our downtown and increase the effectiveness of investments in Frankfort. The approved budget provides \$100,000.00 in capital funds for downtown revitalization and investment made available for application by this Request for Proposals (RFP).

This RFP describes the program to which you may apply and explains the process, including the method used to accept, evaluate and rate applications for funding.

1.2 Background

The Frankfort Downtown Reinvestment Grant is administered by the Planning and Community Development Department in conjunction with the Community Relations/Grants Department with recommendations from the Downtown Reinvestment Grant Committee. Contracts with the City of Frankfort provide funds to stimulate reinvestment in properties located within mixed-use commercial districts located in Frankfort's Central Business Historic District. (See attached map.)

1.3 Statement of Purpose and Goals

Downtown Frankfort has a number of empty and under-utilized buildings or lots and according to a recent review, there are nearly 25 vacant storefronts downtown. The City of Frankfort is seeking proposals from eligible applicants for the purpose of assisting with downtown revitalization efforts. The goal is to encourage a renovation of Downtown Frankfort to create an attractive environment for businesses, citizens and visitors. This program will also serve as a catalyst to implement the Downtown Master Plan. The grant will provide opportunities to stimulate reinvestment in mixed-use "downtown" buildings, vacant lots or neighborhoods in order to:

- Stimulate the economic revitalization of mixed-use business centers in downtown Frankfort by providing financial incentives for the rehabilitation of traditional commercial building stock;
- Foster development, thereby providing economic opportunities and promoting economic activity in traditional downtown or business locations;
- Expand housing opportunities in mixed-use districts, including accessible upper floor units and new homeownership opportunities;
- Facilitate an effective planning process that ensures that capital investments of public funds will enhance the aesthetics and economics of the commercial district through appropriate design that respects the historic architecture of the target area;
- Preserve significant or historic buildings and provide an environment that attracts new investment to enable the adaptive reuse of these buildings for new downtown enterprises;

- Address issues of code enforcement and energy efficiency, to bring vacant commercial space into code compliance, so that it can be utilized.
- Encourage investments into vacant lots for uses that promote an improved mixed-use business climate with in-fill development.

Section 2: Program Information and General Application Requirements

2.1 Funding Availability and Eligibility

The City has \$100,000 to provide gap financing in the form of a grant(s) to help ensure success in renovating a downtown building or developing a vacant lot. The city's contribution is recommended at up to 20% of the renovation or construction costs (acquisition costs will not be considered as part of the project costs for purposes of determining grant amounts), not to exceed \$100,000. Based on the anticipated total investment, one project is expected to be funded but it is possible more than one project could be funded.

Eligible applicants are invited to submit proposals for funding requests ranging from a minimum of \$50,000 to a maximum of \$100,000 (overall project costs of not less than \$250,000).

Eligibility:

- Eligible Applicants include owners of a property or applicants with a long term (five or more years) lease or purchase option.
- Property with other open City grants (i.e. Historic Preservation Grant) are not eligible to receive funds through the Downtown Reinvestment Grant.
- The City reserves the right to not issue an award to any applicant if it has been determined that the applicant is not in compliance with existing contracts or owes liens/taxes and has not taken satisfactory steps to remedy such non-compliance.
- An applicant must be in good standing with the City of Frankfort, possess all required licenses and permits, and have no delinquent fees or taxes due to the City. Applicant is defined as any principal, member or any individual with ownership interest.
- Property or buildings owned by a governmental entity are not eligible under this program.
- Work begun prior to the application deadline is not eligible to be included in the project costs for determining grant amounts.

2.2 Administrative Funds

No administrative or "soft" costs are eligible for funding. Soft costs include but are not limited to appraisals, interior design fees, legal, accounting and realtor fees, other grant fees, sales and marketing, closing, building permit, use and inspection fees, bids, insurance, project signs and phones, temporary power, bid bonds, copying, and rent loss during construction.

2.3 Program and Activity Description

Eligible applicants are invited to submit applications for funding for one or more of the following activities:

- **Building Renovation:** Building renovation grants may be used for facade renovations and interior or exterior work. All work must comply with the standards of locally adopted design guidelines.
- **Mixed Use Projects:** Incorporating additional residential units on the upper floors is strongly encouraged and those projects will receive priority consideration.
- **Building Construction on Vacant Lots or Additions:** A comprehensive plan for construction is required.

2.4 Program Target Area

The proposed activities must be carried out in a target area of Frankfort's Renaissance District which is recognized by the National Register of Historic Places. (See attached map.)

2.5 Design Guidelines

Successful applicants are expected to adhere to applicable local design guidelines for building renovations, additions or new construction.

Section 3: Evaluation and Selection Criteria

3.1 General Review Criteria

Proposals will be examined for completeness and eligibility. Incomplete proposals and those that do not meet eligibility requirements may be rejected. At the time of the award the applicant must own the property, but may have a property under option/ contract or have a long-term lease per Section 2.1 Eligibility during the grant application and review process. Government owned property is not eligible.

All awards will be selected through a competitive process. The committee will take into consideration the following community development goals, including but not limited to: preservation and expansion of housing; community and neighborhood revitalization; expansion of economic opportunities; and collaboration with local development community.

Applications requesting funds for the rehabilitation of partially or fully occupied properties must demonstrate that the proposed work will have the effect of correcting substandard conditions that preclude lawful occupancy of the units in their current condition (i.e. code violations).

3.2 Past Performance and Timeliness

The City reserves the right to consider in rating, ranking and potentially not issuing an award for any applicant based on past performance in programs and contracts, compliance with existing contracts or delinquent/past due liens/taxes or fines. Any effort by the applicant to take satisfactory steps to remedy such poor performance or non-compliance may be considered by the City.

3.3 Rating, Ranking and Scoring

Each application will be scored competitively by the committee on criteria derived from statutory, regulatory and policy considerations. Ratings are based on general review criteria, performance and timeliness, and application response and materials received as a result of this RFP. Each application

that is determined to be complete and eligible will be scored on a one hundred (100) point scale based on the following:

A. **Market Analysis (up to 30 points)** - Measures the significance of need for the proposed activities, based on the analysis of existing commercial and residential conditions in the target area. The needs described must correspond to the proposed activities and the extent to which the activity resolves or addresses the identified need.

1. Points Breakdown:

- a Building Location (10 points)
- b Size of Building to be renovated (10 points)
- c Benefit to downtown (10 points)

B. **Impact (up to 30 points)** - Measures the extent to which the activities described in the application will have a positive public benefit and sustainable positive impact on the target area. Projects or programs that meet housing needs in the target area through the creation of residential units on upper floors of mixed use buildings are strongly encouraged. Applications determined to have the greatest impact on business conditions, when compared with all other applications, are also encouraged. Consideration will also be given to applicants who demonstrate a strong understanding of current economic conditions in the district, identify opportunities for market growth, and provide plans for monitoring the economic performance of the district.

1. Points Breakdown:

- a Economic Impact (20 points)
- b Building's current and future use (5 points)
- c Visual impact to the area (5 points)

C. **Project Strength (up to 30 points)** - Measures the extent to which the applicant has organized the proposed project and has assembled sufficient resources to complete the project in a timely and effective manner and on-budget to achieve the goal and objectives of the program. Program experience and readiness will be evaluated in this section of the application.

1. Points Breakdown:

- a Business Plan (5 points)
- b Developer/Investor Experience (5 points)
- c Financial Strength (20 points)

- D. **Leveraging (up to 10 points)** - Measures the extent to which the City's resources will result in additional investments committed to a mixed use project with multiple dwelling units.
1. Points Breakdown:
 - a Private investment (5 points)
 - b Number of jobs created (5 points)
- E. **Compliance with Downtown Master Plan (up to 5 bonus points)** – Up to 5 bonus points may be awarded if the project is in compliance with the Downtown Master Plan.

Section 4: Application Deadline and Submission Requirements

4.1 Application Submission Deadline

Applications must be submitted on or before 4:00 PM, EST - Friday, March 1, 2019.

Applications received after the stated deadline will be considered to be late submissions and will not be considered. Email applications will not be accepted.

4.2 Instructions for Submission

Applications will be accepted at Frankfort City Hall at 315 West Second Street, Frankfort, Kentucky 40601. Six copies of the application and all application exhibits and attachments must be received by Friday, March 1, 2019. A postmark prior to the deadline is **not sufficient** – applications must be received by the deadline. Only owners or applicants with a long term (five or more years) lease or purchase option may apply.

4.3 Applicant must disclose any legal issues, litigation or property encumbrances that would hinder the project from being completed within the two year time frame.

Section 5: Program Award Process

5.1 Award Recommendations and Commission Approval

Recommendations for award(s) are made from available funds for feasible projects and programs competitively based on the ranking that results from rating scores of complete and eligible applications in consideration of the purposes and goals outlined in Section 1.3. of this RFP. Recommendations will be forwarded to the Frankfort Board of City Commissioners for approval in April prior to the execution of a grant agreement.

5.2 Application Status and Notification

Applicants selected for Frankfort's Downtown Reinvestment Grant will be notified approximately 30 calendar days after the application submission deadline.

5.3 Frankfort Downtown Reinvestment Grant Agreements and Contracts

Applicants selected for funding may be asked to revise parts of their proposal prior to issuance of a development agreement. After any required revisions are submitted and approved, an agreement

will be issued. Funds awarded under the program are disbursed on a reimbursement basis upon completion of work and the issuance of a Certificate of Approval. All proposals must provide clear and measurable project tasks to be completed that can be objectively evaluated as part of the issuance of the Certificate of Approval. Program agreements/contracts are based on a two (2) year term to complete the project. Projects and programs are expected to be completed and outcomes achieved within the contract term.

5.4 Implementation Meeting

Applicants selected for funding may be required to participate in a program implementation meeting. The program implementation meeting may be conducted individually, or in a group setting with other successful applicants. Any program issues or agreements may be discussed, and applicants will be given instructions and guidance on further processing requirements.

5.5 Processing Time Frames

The City of Frankfort requires grantees to enter into an agreement within 90 days of proposal approval by the Board of Commissioners and the applicant's compliance with all submission requirements.

5.6 Questions

Any questions regarding this RFP or the application process should be directed to:

Eric Cockley or Rebecca Hall
City of Frankfort
315 W. Second Street
Frankfort, KY 40601
(502) 875-8500

Questions should be submitted no later than February 15, 2019.

5.7 Proposal Costs

The City of Frankfort will not be held liable for any cost incurred by the applicant for work performed in the preparation, production, or submission of a proposal. All proposal materials and information that are submitted as part of the application become the sole property of the City of Frankfort and no materials, binders, curricula, media or other content will be returned to the applicant.

5.8 Other Conditions

The City of Frankfort reserves the right to:

- Award applicants less than their full funding requests.
- The City of Frankfort, Kentucky reserves the right to reject any and all proposals received in response to this Request for Proposals. The award of a contract shall be at the sole discretion of the City of Frankfort, Kentucky. The award will be made to the responsible applicant whose proposal is determined to be the most advantageous to the City, taking into consideration the evaluation factors set forth in this Request for Proposals. The City of Frankfort may make the

award without further discussion of the proposals submitted. The contents of the proposal of the selected applicant will become the basis for the City of Frankfort, Kentucky's contractual obligation when the award is made.

- Waive or modify minor irregularities in proposals upon notification to the applicant.
- Adjust or correct any arithmetical errors in the proposal.
- Receive clarification from the applicant for the purpose of assuring a full understanding of responsiveness to the RFP solicitation.
- Utilize any and all ideas submitted in the proposal received unless such ideas are covered by legal copyright, patent or property rights, and the City of Frankfort is notified in the proposal submission.
- Adopt or utilize all or any part of the proposal.
- Negotiate with the applicant to serve the best interest of the City of Frankfort.

5.10 Hold Harmless

The Grantee agrees to indemnify, hold harmless, and defend the City of Frankfort, its elected and appointed officials, employees, agents and successors in interest from all claims, damages, losses and expenses including attorneys' fees, arising out of or resulting, directly or indirectly, from the Grantee's (Grantee's contractors or sub-contractors) performance or breach of the contract. This Hold Harmless Clause shall in no way be limited by any financial responsibility or insurance requirements and shall survive the termination of this contract.

