



Ernie Fletcher  
Governor

Mark David Goss  
Chairman

LaJuana S. Wilcher, Secretary  
Environmental and Public  
Protection Cabinet

Commonwealth of Kentucky  
Public Service Commission  
211 Sower Blvd  
P.O. Box 615  
Frankfort, Kentucky 40602-0615  
Telephone: (502) 564-3940  
Fax: (502) 564-3460  
psc.ky.gov

Teresa J. Hill  
Vice Chairman

Christopher L. Lilly  
Commissioner  
Department of Public Protection

September 29, 2006

John N. Hughes, Esq.  
124 West Todd Street  
Frankfort, Kentucky 40601

Re: Sale of Excess Utility Facilities

Dear Mr. Hughes:

Commission Staff acknowledges receipt of your letter of September 25, 2006, in which Northern Kentucky Water District ("NKWD") requests an opinion regarding the applicability of KRS 278.218 to the proposed sale of three facilities.

In your letter, you provide the following facts:

Northern Kentucky Water District, a water district organized pursuant to KRS Chapter 74, produces and distributes water to the public for compensation in Campbell and Kenton Counties, Kentucky. The water district is the result of a merger of Campbell County Kentucky Water District and Kenton County Water District No. 1, which occurred on January 1, 1997.<sup>1</sup> Upon completion of the merger, NKWD possessed office and warehouse facilities in several locations spread over its service territory. NKWD recently purchased and renovated a facility that will serve as its central office and storage facility.<sup>2</sup> As part of the consolidation of its facilities, NKWD proposes to sell the three properties on which it previously located its offices and storage facilities.

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<sup>1</sup> See Case No. 1996-00234, Joint Application of Kenton County Water District No. 1 and Campbell County Kentucky Water District For Authority to Merge Into Northern Kentucky Water Service District and Authority for the Combined District to Operate (Ky PSC Aug. 28, 1996).

<sup>2</sup> See Case No. 2005-00063, Application of Northern Kentucky Water District for Approval of Remodeling Building for Offices and Certificate of Convenience and Necessity (Ky PSC Apr. 29, 2005).

The three properties are:

- a general office/warehouse/garage building with an office area of approximately 5,162 square feet and a warehouse/garage area of approximately 3,738 square feet,
- a 2.19-acre tract which includes a storage shed with 3,217 square feet of storage area; a storage building with 1,396 square feet of storage area; a two-story storage structure with 860 square feet of storage area; and a primary building with approximately 9,000 square feet and containing an office, locker room, service area, attached mobile homes, and parts area; and
- a 0.787-acre tract which includes a general office building with an office area of approximately 10,900 feet.

NKWD has solicited requests for proposals for the purchase of each of the three properties. No restrictions were placed upon who may submit a proposal or on the prospective purchaser's use of the property. Prospective purchasers were not required to submit purchase proposals on each of these properties. NKWD does not believe that the original book value of these assets, either individually or collectively, exceeds \$1,000,000. None of the bids for the properties exceed \$1,000,000. When considered collectively, however, the bids for the three properties exceed \$1,000,000.

In your letter, you pose the following question: Does KRS 278.218 require Commission approval of the proposed sale of these three properties?

Based upon the facts presented, Commission Staff is of the opinion that KRS 278.218 does not require Commission approval of the proposed sale. KRS 278.218 provides:

- (1) No person shall acquire or transfer ownership of or control, or the right to control, any assets that are owned by a utility as defined under KRS 278.010(3)(a) without prior approval of the commission, if the assets have an original book value of one million dollars (\$1,000,000) or more and:
  - (a) The assets are to be transferred by the utility for reasons other than obsolescence; or
  - (b) The assets will continue to be used to provide the same or similar service to the utility or its customers.

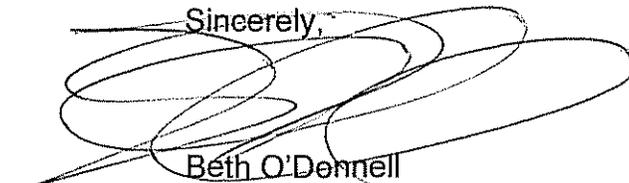
(2) The commission shall grant its approval if the transaction is for a proper purpose and is consistent with the public interest.

KRS 278.218 applies only to "any assets that are owned by a utility as defined under KRS 278.010(3)(a)." KRS 278.010(3)(a) refers to facilities used in "[t]he generation, production, transmission, or distribution of electricity to or for the public, for compensation, for lights, heat, power, or other uses." NKWD is not involved in such areas nor have the facilities in question been used for such purposes.

Assuming that KRS 278.218 did apply to these assets, the transactions do not meet the statutory thresholds. The facilities in question are not subject to the requirements of KRS 278.218. It appears that three transactions are proposed. Each transaction involves the sale of an asset that does not have a current value or an original book value in excess of \$1,000,000. While all of these transactions were initiated at the same time and arise as a result of NKWD's acquisition of a new central office and storage facility, each should be considered as separate and distinct. Prospective purchasers were not required to submit proposals on all of the properties. No action on the purchase of any of the properties in question is contingent or dependent upon the proposed sale of the other two properties. Based upon the procedures that will govern the transaction, which provide for negotiations between NKWD and a potential purchaser, the final sale of each property is unlikely to occur at the same time. Since it does not appear that the properties in question will be used to provide the same or similar service to NKWD or its customers after the sale occurs, the condition set forth in KRS 278.218(1)(b) has also not been met.

This letter represents Commission Staff's interpretation of the law as applied to the facts presented. This opinion is advisory in nature and not binding on the Commission should the issues herein be formally presented for Commission resolution. Questions concerning this opinion should be directed to Gerald Wuetcher, Deputy General Counsel, at (502) 564-3940, Extension 259.

Sincerely,



Beth O'Donnell  
Executive Director

C

JOHN N. HUGHES  
ATTORNEY AT LAW  
PROFESSIONAL SERVICE CORPORATION  
124 WEST TODD STREET  
FRANKFORT, KENTUCKY 40601

TELEPHONE: (502) 227-7270

[JNHUGHES@fewpb.net](mailto:JNHUGHES@fewpb.net)

TELEFAX (502) 875-7059

September 25, 2006

Beth O'Donnell  
Executive Director  
Public Service Commission  
211 Sower Blvd.  
Frankfort, KY 40601

RECEIVED

SEP 25 2006

PUBLIC SERVICE  
COMMISSION

Re: Case No. 2005-00063

Dear Beth:

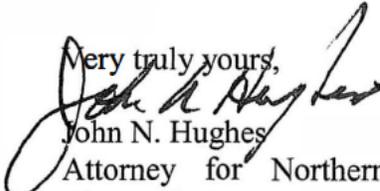
As part of the consolidation of its facilities into one location, Northern Kentucky Water District is in the process of selling properties previously used for its operations. Copies of the Invitations for Proposals for each property are attached. KRS 278.218 requires commission approval of the transfer of assets that have an original book value of \$1,000,000 or more. It is believed original value of each of these properties is less than that amount and the collective original value of the three properties is less than that amount, however the original book entries have not been located.

The bids received for each location are attached. The bids for each site do not exceed \$1,000,000. However, collectively the bids for the three sites do exceed that amount. The District is currently preparing sales contracts for the properties, but does not have executed agreements in place. The transfers are expected to be unconditional sales with no continuing obligations on the part of the District.

The District believes that the transfers, individually or collectively, do not require approval under KRS 278.218 and seeks written confirmation that the sale of these properties does not require commission approval pursuant to KRS 278.218 or any other commission statute or regulation.

If additional information is needed or if you have any other questions, please contact me.

Very truly yours,

  
John N. Hughes

Attorney for Northern Kentucky  
Water District

Attachments

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0  
0

# Northern Kentucky Water District

RECEIVED

SEP 25 2006

PUBLIC SERVICE  
COMMISSION

**Invitation for Proposals  
for purchase of  
Northern Kentucky Water District's  
Aqua Drive Building and  
approximately 10 Acres of adjoining  
Property**

Invitation for Proposals  
For the Purchase of Building and Property  
At Aqua Drive,  
Cold Springs, Campbell County, Kentucky

The Northern Kentucky Water District (hereinafter "Owner") is seeking proposals for the purchase of Owner's general office/warehouse/garage building sitting on approximately ten acres located at 100 Aqua Drive, Cold Spring, Campbell County, Kentucky.

Proposals for purchase will be received at:

Northern Kentucky Water District  
2835 Crescent Springs Road  
Post Office Box 18640  
Erlanger, Kentucky 41018

Attn: **Mr. Jack Bragg**

Until: Date: September 15, 2006  
Time: 10:00 am local time

At said place and time, and promptly thereafter, all Proposals that have been duly received will be publicly opened and read aloud.

The building and property to be sold by Owner is generally described as follows: The property is located off of Pooles Creek No. 1, west of U.S. 27, on Aqua Drive in Cold Springs, Campbell County, Kentucky. The property mailing address is 100 Aqua Drive, Cold Springs, Kentucky 41076. Owner intends to sell an approximately 10 acre tract which includes a general office/warehouse/garage building with an office area of approximately 5,162 square feet and a warehouse/garage area of approximately 3,738 square feet.

All Proposals must be in accordance with the Proposal Documents on file and available for examination at:

Northern Kentucky Water District  
2835 Crescent Springs Road  
Post Office Box 18640  
Erlanger, Kentucky 41018

Attn: **Mr. Jack Bragg**

Copies of the Proposal Documents may be obtained from Owner at the above address. There is no charge for these documents.

Any and all questions dealing with this Invitation for Proposals and the submission of a Proposal must be in writing and must be directed to Mr. Jack Bragg at the address listed above.

Interested parties may arrange for site visits/inspections of the subject building and property by contacting Mr. Jack Bragg at 859-426-2758. In addition, a pre-proposal meeting will be held at 2835 Crescent Springs Road, Erlanger, Kentucky at 9:00 am on September 8, 2006. Attendance at this meeting is not mandatory but is recommended for all those submitting a Proposal.

Owner reserves the right to reject any or all Proposals, including without limitation the right to reject any or all nonconforming, non-responsive, incomplete, unbalanced, or conditional Proposals, to waive informalities, and to reject the Proposal of any party if Owner believes that it would not be in the best interest of Owner to sell the subject building and property to that party. Owner also reserves the right to negotiate with any party submitting a Proposal to such extent as may be determined by Owner.

Minority parties are encouraged to submit Proposals.

Proposals shall remain subject to accordance for 90 days after the day of Proposal opening.

Ron Lovan, President/CEO  
Northern Kentucky Water District

**Northern Kentucky Water District (“Owner”)**  
**Aqua Drive Office/Warehouse/Garage and Property**  
**Invitation for proposals**  
**General Instructions**

**1. Invitation for Proposal (RFP) Process and Timeline**

All Proposals submitted to Owner for consideration must comply with these instructions in order to be considered responsive. These instructions establish minimum requirements that must be satisfied by each party submitting a Proposal.

**2. Question Period**

The District understands that parties interested in submitting a Proposal may have questions. All questions must be submitted in written form and directed to Mr. Jack Bragg by mail (Northern Kentucky Water District, 2835 Crescent Springs Road, P.O. Box 18640, Erlanger, Ky 41018), by fax (859-442-0665), or by e-mail (jbragg@nkywater.org) **no later than September 12, 2006.**

**3. Site Visits/Inspections and Pre- Proposal Meeting**

Interested parties may arrange site visits/inspections by contacting Mr. Jack Bragg at 859-426-2758 at least 48 hours before the requested time to visit/inspect. A Pre-Proposal meeting will be held at 2835 Crescent Springs Road, Erlanger, Kentucky at 9:00 am on September 8, 2006. This meeting is not mandatory but is recommended.

**4. Submitting Proposals**

Proposals must be submitted on the “Proposal Form” attached hereto and must be submitted no later than 10:00 am (local time) on September 15, 2006 at the Northern Kentucky Water District, 2835 Crescent Springs Road, P.O. Box 18640, Erlanger, Ky 41018, Attn: Mr. Jack Bragg. Proposals shall be enclosed in a sealed envelope addressed to the Northern Kentucky Water District and marked with the name and address of the party submitting the Proposal. If the Proposals are sent through the mail or other delivery system, the sealed envelope shall be enclosed in a separate envelope with the notation “PROPOSAL ENCLOSED” on the face of it.

Each Proposal envelope shall be identified on the outside with the words “Proposal for the Purchase of Aqua Drive Office/Warehouse Garage and Property”.

Each party submitting a Proposal shall assume full responsibility for timely delivery at the location designated for receipt of Proposals. Proposals received after the time and date for receipt of Proposals will be returned unopened.

Oral, telephone, facsimile, or telegraph proposals are invalid and will not receive consideration.

No party may submit more than one Proposal. Multiple Proposals under different names will not be accepted from one company, firm, association or entity.

**5. Reservation of Rights**

Owner reserves the right to reject any or all Proposals in its sole and absolute discretion. Owner further reserves the right to negotiate with any party submitting a Proposal to the extent determined appropriate by Owner.

**6. Basis for Proposal**

Proposals must have a proposed purchase price of no less than \$480,000.

The proposed purchase price submitted by a party shall constitute the full payment offer for all buildings, land, easements, and rights-of-way on the following real property:

The property is located off Pooles Creek No. 1, west off U.S. 27, on Aqua Drive in Cold Springs, Campbell County, Kentucky. The property mailing address is 100 Aqua Drive, P.O. Box 220, Cold Springs, Kentucky 41076. The property to be sold consists of a 10 acre tract which includes a general office/warehouse/garage building with an office area of approximately 5,162 square feet and a warehouse/garage area of approximately 3,738 square feet. The deed reference in the Campbell County Clerk's Office for the property of which the property to be sold is a portion is Deed Book 402, Page 90. Currently, the land is zoned R-RE (residential rural estate zone).

Rough depictions of the property to be sold and of the general office/warehouse/garage building located on the property are included at the end of this Invitation for Proposals and General Instructions.

The office/warehouse/garage is "ordinary type" construction described as follows:

- Exterior Walls concrete footers w/block walls

- Roof Steel bar joist with metal roof decking, 2” of insulation and composite roof
- Floors Concrete with carpeting in the office areas.
- Office Area Suspended acoustic tile ceiling with baste insulation, walls are drywall with insulation on exterior walls.
- Vault 12’ x 8’ concrete block vault in the office area.
- Heating System Hot water radiator type in office area and forced air type in the garage area. Natural gas is the fuel type.
- Air conditioning Central air in the office areas with roof top units
- Building is equipped with Fire and Burglar alarm system
- Grounds in front of the building has a lawn irrigation system
- Water Service to the building is 2”
- There is an existing public water main which runs through the 10 acre tract with twenty foot wide easement
- The utilities for the water tank currently come from the Office/Warehouse/Garage building
- Portions of the approximately 10 acre tract have been used as fill areas.

**7. No Warranties**

The information contained in this Invitation for Proposals and General Instructions is provided for the convenience of parties who may be interested in submitting a Proposal. Nothing contained herein should be considered or deemed to be a guaranty, warranty or representation of Owner regarding the property to be sold.

**8. Expense of Proposed Preparation**

Owner assumes no responsibility for the costs and expenses incurred by any party in conducting any visits/inspections and in preparing a Proposal. All such costs and expenses are the sole responsibility of each party preparing and submitting a Proposal.

**9. Negotiation of Contract, Closing and Possession**

Owner hopes to negotiate an appropriate contract with the party who successfully submits a Proposal for the purchase of the property. Owner will cooperate in the prospective purchaser’s due diligence activities, but Owner does not intend to provide any representations, warranties or indemnities with respect to the condition of the property.

It is expected that the negotiated contract will require the prospective purchaser to provide reasonable easements to the Owner without charge for existing and relocated utilities to service the Owner’s remaining adjacent property and any existing water mains traversing the subject property.

As part of any purchase of the subject property, Owner fully expects to negotiate reasonable access easements to Owner's remaining, adjacent property from the prospective purchaser to Owner, at no cost to Owner.

Owner may wish to negotiate with the prospective purchaser a license for Owner to continue filling along the southeast property line of the subject property.

# PROPOSAL FORM

Aqua Drive Office/Warehouse Garage  
And adjoining approximately 10 Acres of Property

This Proposal of \_\_\_\_\_ (hereinafter called "Proposal"), organized and existing under the laws of the State of \_\_\_\_\_, doing business as a corporation, partnership, individual or \_\_\_\_\_, is submitted to the Northern Kentucky Water District (hereinafter called Owner").

In compliance with the Invitation for Proposals, General Instructions and Proposal Documents provided by Owner, Proposer hereby proposes to purchase Owner's Aqua Drive Office/Warehouse/Garage Building and approximately 10 acres of adjoining real property for the Lump Sum Purchase Price listed below. Proposer understands and knowledge's that the information contained in the Invitation for Proposals, General Instructions and Proposal Documents provided by Owner will constitute part of the basis for the development of a purchase contract if this proposal is accepted.

**Lump Sum Purchase Price:**

\$ \_\_\_\_\_  
(In figures)  
\$ \_\_\_\_\_  
(In words)

Proposer understands that the District reserves the right to reject any or all proposals.

**PROPOSER:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**DATE:** \_\_\_\_\_

**PHONE NUMBER:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

**TYPE NAME AND TITLE/POSITION:**  
\_\_\_\_\_  
(Name)  
\_\_\_\_\_  
(Title/Position)

# **Northern Kentucky Water District**

## **Invitation for Proposals for purchase of Northern Kentucky Water District's Kenton Lands Road Buildings and Property**

Invitation for Proposals  
For the Purchase of Buildings and Property  
At 25 Kenton Lands Road,  
Erlanger, Kenton County, Kentucky

The Northern Kentucky Water District (hereinafter "Owner") is seeking proposals for the purchase of Owner's buildings sitting on approximately 2.19 acres located at 25 Kenton Lands Road, Kenton County, Kentucky.

Proposals for purchase will be received at:

Northern Kentucky Water District  
2835 Crescent Springs Road  
Post Office Box 18640  
Erlanger, Kentucky 41018

Attn: **Mr. Jack Bragg**

Until: Date: September 15, 2006  
Time: 10:00 am local time

At said place and time, and promptly thereafter, all Proposals that have been duly received will be publicly opened and read aloud.

The building and property to be sold by Owner is generally described as follows: The property is located at 25 Kenton Lands Road, Erlanger, Kenton County, Kentucky. The property mailing address is 25 Kenton Lands Road, Erlanger, Kentucky 41018. Owner intends to sell an approximately 2.19 acre tract which includes a primary building with approximately 9,000 square feet made up of an office, locker room, service area, attached mobile homes, and parts area. Also included are a 3,217 sq foot storage shed, a 1,396 sq foot storage building, and an 860 sq foot two story storage structure.

All Proposals must be in accordance with the Proposal Documents on file and available for examination at:

Northern Kentucky Water District  
2835 Crescent Springs Road  
Post Office Box 18640  
Erlanger, Kentucky 41018  
Attn: **Mr. Jack Bragg**

Copies of the Proposal Documents may be obtained from Owner at the above address. There is no charge for these documents.

Any and all questions dealing with this Invitation for Proposals and the submission of a Proposal must be in writing and must be directed to Mr. Jack Bragg at the address listed above.

Interested parties may arrange for site visits/inspections of the subject buildings and property by contacting Mr. Jack Bragg at 859-426-2758. In addition, a pre-proposal meeting will be held at 2835 Crescent Springs Road, Erlanger, Kentucky at 11:00 am on September 8, 2006. Attendance at this meeting is not mandatory but is recommended for all those submitting a Proposal.

Owner reserves the right to reject any or all Proposals, including without limitation the right to reject any or all nonconforming, non-responsive, incomplete, unbalanced, or conditional Proposals, to waive informalities, and to reject the Proposal of any party if Owner believes that it would not be in the best interest of Owner to sell the subject buildings and property to that party. Owner also reserves the right to negotiate with any party submitting a Proposal to such extent as may be determined by Owner.

Minority parties are encouraged to submit Proposals.

Proposals shall remain subject to accordance for 90 days after the day of Proposal opening.

Ron Lovan, President/CEO  
Northern Kentucky Water District

**Northern Kentucky Water District (“Owner”)**  
**25 Kenton Lands Road**  
**Invitation for proposals**  
**General Instructions**

**1. Invitation for Proposal (RFP) Process and Timeline**

All Proposals submitted to Owner for consideration must comply with these instructions in order to be considered responsive. These instructions establish minimum requirements that must be satisfied by each party submitting a Proposal.

**2. Question Period**

The District understands that parties interested in submitting a Proposal may have questions. All questions must be submitted in written form and directed to Mr. Jack Bragg by mail (Northern Kentucky Water District, 2835 Crescent Springs Road, P.O. Box 18640, Erlanger, Ky 41018), by fax (859-442-0665), or by e-mail (jbragg@nkywater.org) **no later than September 12, 2006.**

**3. Site Visits/Inspections and Pre- Proposal Meeting**

Interested parties may arrange site visits/inspections by contacting Mr. Jack Bragg at 859-426-2758 at least 48 hours before the requested time to visit/inspect. A Pre-Proposal meeting will be held at 2835 Crescent Springs Road, Erlanger, Kentucky at 11:00 am on September 8, 2006. This meeting is not mandatory but is recommended.

**4. Submitting Proposals**

Proposals must be submitted on the “Proposal Form“ attached hereto and must be submitted no later than 10:00 am (local time) on September 15, 2006 at the Northern Kentucky Water District, 2835 Crescent Springs Road, P.O. Box 18640, Erlanger, Ky 41018, Attn: Mr. Jack Bragg. Proposals shall be enclosed in a sealed envelope addressed to the Northern Kentucky Water District and marked with the name and address of the party submitting the Proposal. If the Proposals are sent through the mail or other delivery system, the sealed envelope shall be enclosed in a separate envelope with the notation “PROPOSAL ENCLOSED” on the face of it.

Each Proposal envelope shall be identified on the outside with the words “Proposal for the Purchase of the 25 Kenton Lands Road Property”.

Each party submitting a Proposal shall assume full responsibility for timely delivery at the location designated for receipt of Proposals. Proposals

received after the time and date for receipt of Proposals will be returned unopened.

Oral, telephone, facsimile, or telegraph proposals are invalid and will not receive consideration.

No party may submit more than one Proposal. Multiple Proposals under different names will not be accepted from one company, firm, association or entity.

**5. Reservation of Rights**

Owner reserves the right to reject any or all Proposals in its sole and absolute discretion. Owner further reserves the right to negotiate with any party submitting a Proposal to the extent determined appropriate by Owner.

**6. Basis for Proposal**

Proposals must have a proposed purchase price of no less than \$435,000.

The proposed purchase price submitted by a party shall constitute the full payment offer for all buildings, land, easements, and rights-of-way on the following real property:

The property is located at 25 Kenton Lands Road in Erlanger, Kenton County, Kentucky. The property mailing address is 25 Kenton Lands Road Erlanger, Kentucky 41018. The property to be sold consists of a 2.19 acre tract which includes a primary building and three storage buildings. The deed reference in the Kenton County Clerk's Office for the property of which the property to be sold is a portion is Deed Book 823, Page 70. Currently, the land is zoned Industrial Park-One (IP-1).

Rough depictions of the property to be sold and of the buildings located on the property are included at the end of this Invitation for Proposals and General Instructions.

The office building is "ordinary type" construction described as follows:

**Building One**

- Exterior Walls metal panel metal frame
- Office Area Suspended acoustic tile ceiling, walls are drywall partitions and paneling.
- HVAC Horizontal gas forced air furnace with central air conditioning.
- Electric service 200 AMP 120/240 3 wire
- Approx. 9,000 Square Feet

**Building Two**

- Two storage buildings metal panel/light on a concrete slab, approximately 3,217 sq. feet.

**Building Three –**

- Metal panel/metal frame approximately 1,396 sq. feet.

**Building Four –**

- Two Story concrete block approximately 860 sq feet used for storage

**7. No Warranties**

The information contained in this Invitation for Proposals and General Instructions is provided for the convenience of parties who may be interested in submitting a Proposal. Nothing contained herein should be considered or deemed to be a guaranty, warranty or representation of Owner regarding the property to be sold.

**8. Expense of Proposed Preparation**

Owner assumes no responsibility for the costs and expenses incurred by any party in conducting any visits/inspections and in preparing a Proposal. All such costs and expenses are the sole responsibility of each party preparing and submitting a Proposal.

**9. Negotiation of Contract, Closing and Possession**

Owner hopes to negotiate an appropriate contract with the party who successfully submits a Proposal for the purchase of the property. Owner will cooperate in the prospective purchaser's due diligence activities, but Owner does not intend to provide any representations, warranties or indemnities with respect to the condition of the property.

It is expected that the negotiated contract will require the prospective purchaser to provide reasonable easements to Owner, without charge to Owner, for access to Owner's remaining water tower and structure as well as easements for existing water mains on the site.

# PROPOSAL FORM

Kenton Lands Road Buildings and Property.

This Proposal of \_\_\_\_\_ (hereinafter called "Proposal"), organized and existing under the laws of the State of \_\_\_\_\_, doing business as a corporation, partnership, individual or \_\_\_\_\_, is submitted to the Northern Kentucky Water District (hereinafter called Owner").

In compliance with the Invitation for Proposals, General Instructions and Proposal Documents provided by Owner, Proposer hereby proposes to purchase Owner's Kenton Lands Road Buildings and Real Property for the Lump Sum Purchase Price listed below. Proposer understands and knowledge's that the information contained in the Invitation for Proposals, General Instructions and Proposal Documents provided by Owner will constitute part of the basis for the development of a purchase contract if this proposal is accepted.

**Lump Sum Purchase Price:**

\$ \_\_\_\_\_

(In figures)

\$ \_\_\_\_\_

(In words)

Proposer understands that the District reserves the right to reject any or all proposals.

**PROPOSER:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**DATE:** \_\_\_\_\_

**PHONE NUMBER:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

**TYPE NAME AND TITLE/POSITION:**

\_\_\_\_\_  
(Name)

\_\_\_\_\_  
(Title/Position)

# **Northern Kentucky Water District**

## **Invitation for Proposals for purchase of Northern Kentucky Water District's Dixie Highway Building and Property**

Invitation for Proposals  
For the Purchase of Building and Property  
At 3049 Dixie Highway,  
Edgewood, Kenton County, Kentucky

The Northern Kentucky Water District (hereinafter "Owner") is seeking proposals for the purchase of Owner's general office building sitting on approximately .787 of an acre located at 3049 Dixie Highway, Kenton County, Kentucky.

Proposals for purchase will be received at:

Northern Kentucky Water District  
2835 Crescent Springs Road  
Post Office Box 18640  
Erlanger, Kentucky 41018

Attn: **Mr. Jack Bragg**

Until: Date: September 15, 2006  
Time: 10:00 am local time

At said place and time, and promptly thereafter, all Proposals that have been duly received will be publicly opened and read aloud.

The building and property to be sold by Owner is generally described as follows: The property is located at 3049 Dixie Highway, Edgewood, Kenton County, Kentucky. The property mailing address is 3049 Dixie Highway, Edgewood, Kentucky 41018. Owner intends to sell an approximately .787 acre tract which includes a general office building with an office area of approximately 10,900 square feet.

All Proposals must be in accordance with the Proposal Documents on file and available for examination at:

Northern Kentucky Water District  
2835 Crescent Springs Road  
Post Office Box 18640  
Erlanger, Kentucky 41018

Attn: **Mr. Jack Bragg**

Copies of the Proposal Documents may be obtained from Owner at the above address. There is no charge for these documents.

Any and all questions dealing with this Invitation for Proposals and the submission of a Proposal must be in writing and must be directed to Mr. Jack Bragg at the address listed above.

Interested parties may arrange for site visits/inspections of the subject building and property by contacting Mr. Jack Bragg at 859-426-2758. In addition, a pre-proposal meeting will be held at 2835 Crescent Springs Road, Erlanger, Kentucky at 10:00 am on September 8, 2006. Attendance at this meeting is not mandatory but is recommended for all those submitting a Proposal.

Owner reserves the right to reject any or all Proposals, including without limitation the right to reject any or all nonconforming, non-responsive, incomplete, unbalanced, or conditional Proposals, to waive informalities, and to reject the Proposal of any party if Owner believes that it would not be in the best interest of Owner to sell the subject building and property to that party. Owner also reserves the right to negotiate with any party submitting a Proposal to such extent as may be determined by Owner.

Minority parties are encouraged to submit Proposals.

Proposals shall remain subject to accordance for 90 days after the day of Proposal opening.

Ron Lovan, President/CEO  
Northern Kentucky Water District

**Northern Kentucky Water District (“Owner”)**  
**3049 Dixie Highway**  
**Invitation for proposals**  
**General Instructions**

**1. Invitation for Proposal (RFP) Process and Timeline**

All Proposals submitted to Owner for consideration must comply with these instructions in order to be considered responsive. These instructions establish minimum requirements that must be satisfied by each party submitting a Proposal.

**2. Question Period**

The District understands that parties interested in submitting a Proposal may have questions. All questions must be submitted in written form and directed to Mr. Jack Bragg by mail (Northern Kentucky Water District, 2835 Crescent Springs Road, P.O. Box 18640, Erlanger, Ky 41018), by fax (859-442-0665), or by e-mail (jbragg@nkywater.org) **no later than September 12, 2006.**

**3. Site Visits/Inspections and Pre- Proposal Meeting**

Interested parties may arrange site visits/inspections by contacting Mr. Jack Bragg at 859-426-2758 at least 48 hours before the requested time to visit/inspect. A Pre-Proposal meeting will be held at 2835 Crescent Springs Road, Erlanger, Kentucky at 10:00 am on September 8, 2006. This meeting is not mandatory but is recommended.

**4. Submitting Proposals**

Proposals must be submitted on the “Proposal Form” attached hereto and must be submitted no later than 10:00 am (local time) on September 15, 2006 at the Northern Kentucky Water District, 2835 Crescent Springs Road, P.O. Box 18640, Erlanger, Ky 41018, Attn: Mr. Jack Bragg. Proposals shall be enclosed in a sealed envelope addressed to the Northern Kentucky Water District and marked with the name and address of the party submitting the Proposal. If the Proposals are sent through the mail or other delivery system, the sealed envelope shall be enclosed in a separate envelope with the notation “PROPOSAL ENCLOSED” on the face of it.

Each Proposal envelope shall be identified on the outside with the words “Proposal for the Purchase of 3049 Dixie Highway Property”.

Each party submitting a Proposal shall assume full responsibility for timely delivery at the location designated for receipt of Proposals. Proposals

received after the time and date for receipt of Proposals will be returned unopened.

Oral, telephone, facsimile, or telegraph proposals are invalid and will not receive consideration.

No party may submit more than one Proposal. Multiple Proposals under different names will not be accepted from one company, firm, association or entity.

**5. Reservation of Rights**

Owner reserves the right to reject any or all Proposals in its sole and absolute discretion. Owner further reserves the right to negotiate with any party submitting a Proposal to the extent determined appropriate by Owner.

**6. Basis for Proposal**

Proposals must have a proposed purchase price of no less than \$600,000.

The proposed purchase price submitted by a party shall constitute the full payment offer for all buildings, land, easements, and rights-of-way on the following real property:

The property is located at 3049 Dixie Highway in Edgewood, Kenton County, Kentucky. The property mailing address is 3049 Dixie Highway, Edgewood, Kentucky 41018. The property to be sold consists of a .787 acre tract which includes a general office building with an office area of approximately 10,900 square feet. The deed reference in the Kenton County Clerk's Office for the property of which the property to be sold is a portion is Deed Book 614, Page 93. Currently, the land is zoned SC (Shopping Center).

Rough depictions of the property to be sold and of the general office building located on the property are included at the end of this Invitation for Proposals and General Instructions.

The office Building is "ordinary type" construction described as follows:

- Exterior Walls Concrete block with brick, EIFS and steel frame
- Roof Metal decking with ballasted membrane
- Office Area Suspended acoustic tile ceiling, walls are drywall partitions and paneling.
- HVAC Multiple gas forced air furnaces and central air conditioning.
- Electric service 240V three phase
- Limited area sprinkler system and emergency exit lights and signs

7. **No Warranties**

The information contained in this Invitation for Proposals and General Instructions is provided for the convenience of parties who may be interested in submitting a Proposal. Nothing contained herein should be considered or deemed to be a guaranty, warranty or representation of Owner regarding the property to be sold.

8. **Expense of Proposed Preparation**

Owner assumes no responsibility for the costs and expenses incurred by any party in conducting any visits/inspections and in preparing a Proposal. All such costs and expenses are the sole responsibility of each party preparing and submitting a Proposal.

9. **Negotiation of Contract, Closing and Possession**

Owner hopes to negotiate an appropriate contract with the party who successfully submits a Proposal for the purchase of the property. Owner will cooperate in the prospective purchaser's due diligence activities, but Owner does not intend to provide any representations, warranties or indemnities with respect to the condition of the property.

# PROPOSAL FORM

Dixie Highway Office Building and Property.

This Proposal of \_\_\_\_\_ (hereinafter called "Proposal"), organized and existing under the laws of the State of \_\_\_\_\_, doing business as a corporation, partnership, individual or \_\_\_\_\_, is submitted to the Northern Kentucky Water District (hereinafter called Owner").

In compliance with the Invitation for Proposals, General Instructions and Proposal Documents provided by Owner, Proposer hereby proposes to purchase Owner's Dixie Highway Office Building and Real Property for the Lump Sum Purchase Price listed below. Proposer understands and acknowledges that the information contained in the Invitation for Proposals, General Instructions and Proposal Documents provided by Owner will constitute part of the basis for the development of a purchase contract if this proposal is accepted.

**Lump Sum Purchase Price:**

\$ \_\_\_\_\_  
(In figures)  
\$ \_\_\_\_\_  
(In words)

Proposer understands that the District reserves the right to reject any or all proposals.

**PROPOSER:** \_\_\_\_\_

**ADDRESS:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**DATE:** \_\_\_\_\_

**PHONE NUMBER:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_

**TYPE NAME AND TITLE/POSITION:**  
\_\_\_\_\_  
(Name)  
\_\_\_\_\_  
(Title/Position)

Northern Kentucky  
**Water District**

**25 Kenton Lands Road**

**Bidder**

**Bid Amount**

Six A Rental Properties	\$530,000
John Griffin	\$525,000
Mid American Gunite Pools	\$478,500

Northern Kentucky  
**Water District**

**100 Aqua Drive**

**Bidder**

**Bid Amount**

Michael Berberich	\$506,500
Shoppes Edgewood LLC	\$500,000
Barry Jolly	\$490,100
Ashley Development	\$485,000

Northern Kentucky  
**Water District**

**3049 Dixie Highway**

<b>Bidder</b>	<b>Bid Amount</b>
Ovation Land Group	\$825,000
Sung T Kim	\$805,000
George M. Sharpe III	\$750,000
Edgewood Plaza Investors	\$750,000
EGC Development	\$702,000
Shoppes Edgewood LLC	\$700,000
New Horizon Properties LLC	\$675,000
MAP Real Estate LLC	\$675,000
Daffin Jolly Investments	\$652,000
Ashley Properties Inc	\$637,000
Paul Hemmer Companies	\$636,250
LATM	\$615,000