

AGENDA

AGENDA OF THE SPECIAL SESSION OF THE MAYOR AND COUNCIL OF THE CITY OF BISBEE, COUNTY OF COCHISE, AND STATE OF ARIZONA, TO BE HELD ON TUESDAY, OCTOBER 4, 2022, AT 5:30 PM IN THE CITY OF BISBEE COUNCIL CHAMBERS, 915 S. TOVREAVILLE ROAD, BISBEE, ARIZONA.

THE MEETING WAS CALLED TO ORDER BY _____ AT _____.

ROLL CALL

COUNCIL

Councilmember Juanetta Hill, Ward III
Councilmember Joni Giacomino, Ward II
Councilmember Frank Davis, Ward I
Mayor Ken Budge
Councilmember Leslie Johns, Ward I
Councilmember Mel Sowid, Ward II
Councilmember Anna Cline, Ward III, Mayor Pro Tempore

STAFF

Stephen J. Pauken, City Manager
Ashlee Coronado, City Clerk
Keri Bagley, Finance Director
Joelle Landers, Personnel Director
Matthew Gurney, Public Works Director
Logan Dodd, Public Works Operation Manager
Tim Cox, Police Chief
Jim Richardson, Fire Chief

CITY ATTORNEY

Joseph Estes

THE FOLLOWING ITEMS WILL BE DISCUSSED AND/OR CONSIDERED AT THESE MEETINGS:

1. Presentation by Reid Butler of CBC Financial Corporation on the Bid Proposal submitted on the Hillcrest Building.
Stephen Pauken, City Manager
Melissa Hartman, Planner
2. Presentation by Mark Gray on the Bid Proposal submitted on the Hillcrest Building.
Stephen Pauken, City Manager
Melissa Hartman, Planner
3. Discussion, Possible Approval or Direction on the Hillcrest Building.
Stephen Pauken City Manager
Melissa Hartman, Planner

ADJOURNMENT:

Individuals with hearing disabilities can contact the City Clerk's Office (520) 432-6012 to request an Assisted Listening Device, at least 24 hours before the meeting.

Anyone needing special accommodation to attend this meeting should contact Ashlee Coronado at (520) 432-6012 at least twenty-four hours before the meeting.

Public documents referred to herein may be viewed during regular business hours at the City Clerk's Office at 76 Erie Street, Bisbee.

Pursuant to A.R.S. § 38-431.03(A)(3), the Council may vote to enter executive session at any point during this meeting for discussion or consultation for legal advice with its attorney(s), who may appear telephonically.



REQUEST FOR MAYOR & COUNCIL ACTION

Session of: October 4, 2022

Regular Special

DATE ACTION SUBMITTED: September 29, 2022

REGULAR **CONSENT**

TYPE OF ACTION:
RESOLUTION **ORDINANCE** **FORMAL ACTION** **OTHER**

SUBJECT: **Presentation by Reid Butler of CBC Financial Corporation on the Bid Proposal submitted on the Hillcrest Building**

FROM: **Stephen Pauken, City Manager**
 Melissa Hartman, Planner

RECOMMENDATION:

PROPOSED MOTION:

DISCUSSION:

Mr. Butler will have the opportunity to present the Bid Proposal on the Hillcrest Building to Mayor and Council.

Mayor and Council may also ask questions pertaining to the presentation.

FISCAL IMPACT:

DEPARTMENT LINE ITEM ACCOUNT:

BALANCE IN LINE ITEM IF APPROVED:

Prepared by: Ashlee Coronado
 Ashlee Coronado
 City Clerk

Reviewed by: Stephen Pauken
 Stephen Pauken
 City Manager

BISBEE HISTORIC LOFT APARTMENTS

RFP PROPOSAL RESPONSE

**PROJECT SCHEDULE,
PURCHASE TERMS & TEAM
MEMBERS**

CBC FINANCIAL CORPORATION

COMPANY PROFILE & EXPERIENCE

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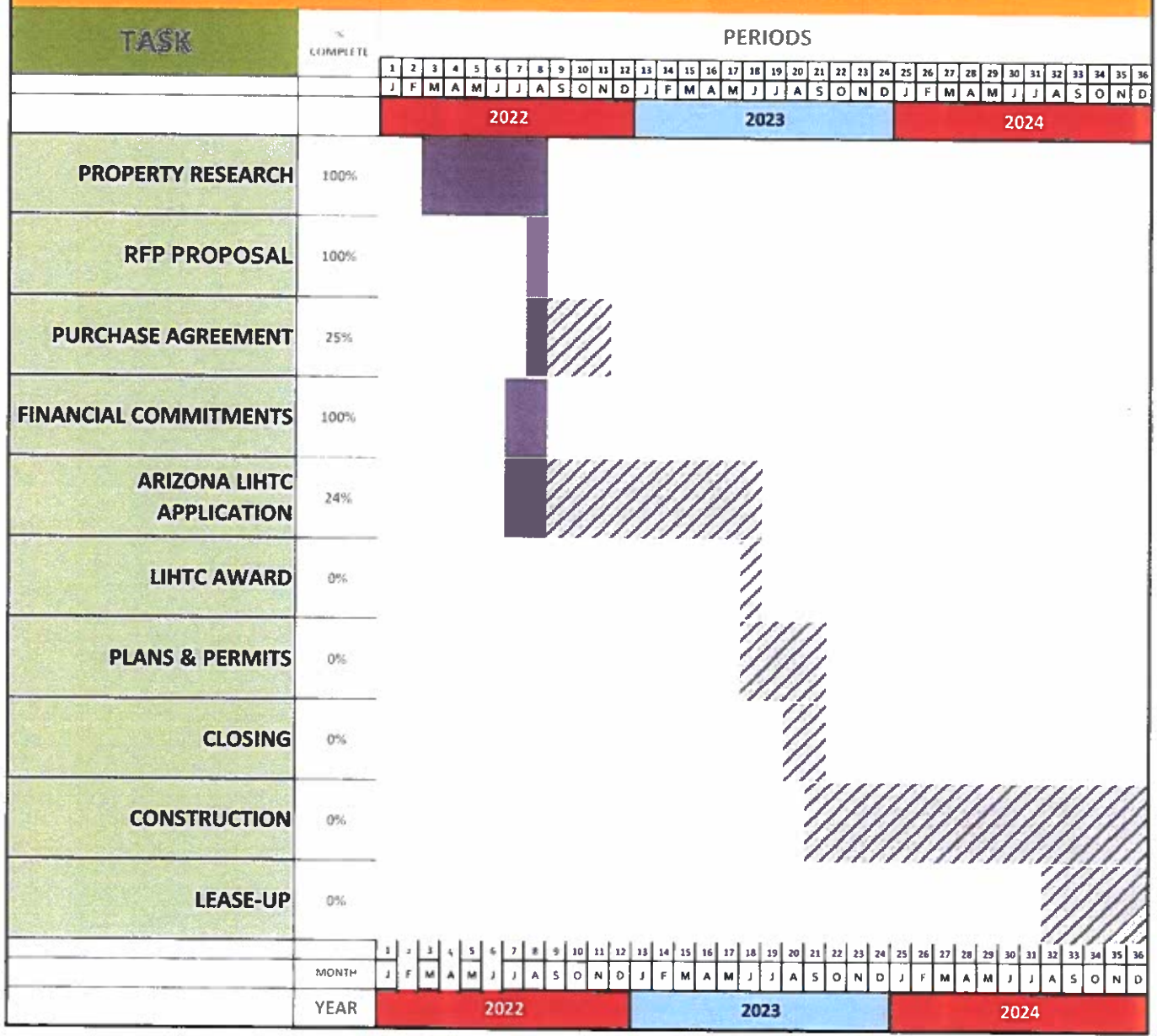
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BISBEE HISTORIC LOFT APARTMENTS

SCHEDULE of events

- | | |
|--|-----------------------|
| I. RFP from City of Bisbee | August 2022 |
| II. Selection of purchaser | September 2022 |
| III. Purchase Agreement Finalized | October 2022 |
| IV. Down Payment | October 2022 |
| V. ADOH application for LIHTC funding | April 2023 |
| VI. LIHTC Award announcement | June 2023 |
| VII. Closing | August 2023 |
| VIII. Start construction | September 2023 |
| IX. Finish Construction | December 2024 |
| X. Lease Up Complete | December 2024 |

BISBEE HISTORIC LOFT APARTMENTS



BISBEE HISTORIC LOFT APARTMENTS

Purchase price:	\$700,000
Deposit:	\$10,000
Terms:	1) \$450,000 at closing 2) \$250,000 loan at 2% per year as a C/F loan, 20 Year
Subject to:	LIHTC approval
BUYER:	Bisbee Lofts LLC
Environmental:	City to fund/reimburse the remediation, up to \$100,000
Roads:	City to provide paved Hillside road to the edge of the site
Ownership:	Non/Profit GP member for RE Tax purposes
Utilities:	Sewer and Water provided to the building site
Use:	Affordable housing tenants earning up to 80% of AMI
Commitment:	30 year commitment to affordable housing
Deposit/Hard :	August 2023
Closing:	September, 2023
P & Sale:	September 2022
Construction:	16 months
Lease-up:	4 months

PURCHASER / DEVELOPER

BISBEE LOFTS LLC

CBC FINANCIAL CORPORATION

COMPANY PROFILE & EXPERIENCE

EXPERIENCE OF
CBC FINANCIAL CORPORATION
&
JAMES DANAHER

LIHTC EXPERIENCE OF DEVELOPER AND MM

#	PROJECT	LOCATION	CONSTRUCTION	# UNITS	TYPE	YEAR	COMMENT/TEAM
1	Legacy Bungalows	1300 W Van Buren, Phoenix, AZ	NEW	200	Family	2001	Co-Developer/Butler/Legacy
2	Roosevelt Historic Homes	800 N 5th Ave., Phoenix, AZ	ACQ REHAB & NEW	48	Family	2005	Co-Developer/Butler
3	Heartland Senior Housing	610 Central Ave., Fort Dodge, IA	ADAPTITIVE REUSE	48	Senior	2013	CBC Developer
4	Arizona Sun Apartments	1895 E Don Carlos Rd., Tempe, AZ	ACQ REHAB	58	Family	2013	CBC/Butler/Thomas
5	Garfield Sacred Heart Housing	1110 N. 16th St., Phoenix, AZ	ADAPTIVE REUSE	100	Veterans	2014	CBC/Butler/DESCO
6	Highland Metro	912 W Highland., Phoenix, AZ	ACQ REHAB/NEW	62	Family	2014	CBC/Butler/DESCO
7	7th Avenue Commons	529 N 7th Ave., Tucson, AZ	ADP REUSE & NEW	50	Family	2015	CBC/Butler/Gardner
8	El Caro Seniors	8025 N 21st Ave., Phoenix, AZ	NEW	102	Seniors	2016	CBC/Butler/Gardner
9	Louden Housing	607 W Broadway Ave., Fairfield, IA	ACQ REHAB	44	Family	2020	CBC Developer

Mr. Danaher has extensive experience in the real estate and construction industry dating back to 1980. This includes the acquisition/renovation/management of over 2500 units of housing. Mr. Danaher received his degree in philosophy from MERU, Weggis, Switzerland and continued a real estate education at NYU, New York, NY and UCLA at Los Angeles, California. Below is a list of non LIHTC projects of Mr. Danaher.

<u>PROJECT NAME</u>	<u>#UNITS</u>	<u>DESCRIPTION</u>	<u>DATE</u>
• Danaher Construction Co. Kansas City, MO	330	Residential & Multi Family Renovation	1980-86
• Avon Park, Florida	36	Renovation, Student Housing	1992
• Detroit, Michigan	60	Renovation, Rental Housing	1993
• Boone Mountain Resort Boone, North Carolina	736 5500 Acres	Site Selection, New Construction Resort Development	1992-96
• Aqua Marine Avon Park, Ohio	270	Renovation, Student Housing	1993-94
• Fallchase Orlando Orlando, Florida	438 Acres	Theme Park Development Site Selection & Entitlements	1995-99
• Forest Park Apartments St. Louis, MO	108	Renovation, Rental Housing	1994-95
• Flagship Apartments Arlington, Texas	240	Renovation, Student Housing	1994-95
• The Santa Fe Dallas, Texas	392	Renovation, Rental Housing	1994-95
• Castlegate Apartment Atlanta, Georgia	375	Renovation, Rental Housing	1995-96
• Fairfield, Iowa	27K	New Construction, Office	2001-02
• Fairfield Iowa	27K	New Construction, Office	2005-06

INVESTOR PARTNER

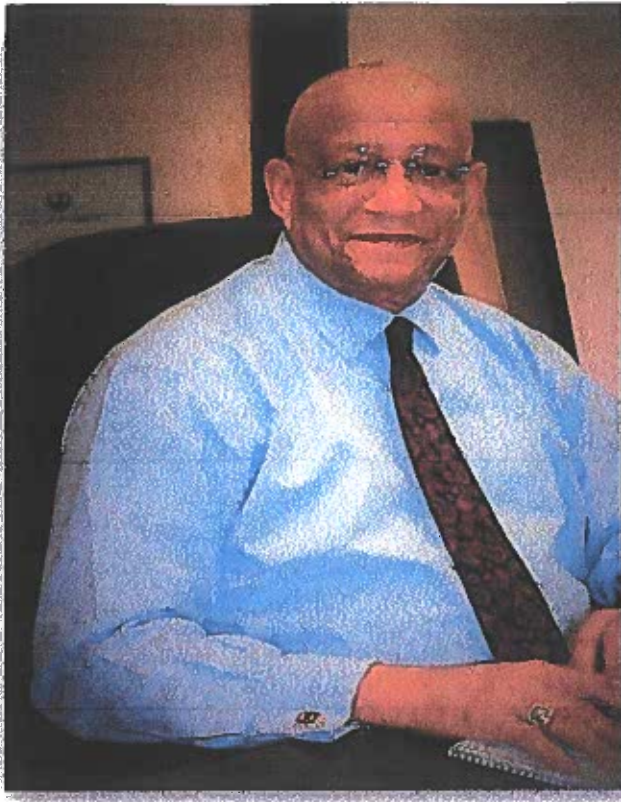
AFFORDABLE HOUSING
PARTNERS, INC.

A Berkshire Hathaway Company

GENERAL CONTRACTOR

W.E. O'NEIL CONSTRUCTION

COMPANY PROFILE & EXPERIENCE



HERBERT W. JACKSON, SR. JD
VICE PRESIDENT & HOUSING DIRECTOR

GREATER PHOENIX URBAN LEAGUE
1402 S. 7TH AVENUE
PHOENIX, ARIZONA 85007

Direct: 602.239.1451
Fax: 602.251.7339
E-mail: hjackson@gphul.org

www.gphul.org

Herbert W. Jackson, Sr. JD has been affiliated with the National Urban League since 1988. Mr. Jackson served as a Board Member for six years and Board Chair for two years with Greater Phoenix Urban League. He became an employee of the Greater Phoenix Urban League in 1992 and currently serves as Vice President and Housing Director. Mr. Jackson is a leading expert in Housing Counseling, Foreclosure Prevention and Affordable Lending practices.

Mr. Jackson is a decisive leader using technology solutions, which require industry best practices, to meet customer satisfaction objectives and profitability. Mr. Jackson's mediation/arbitration negotiation skills enhance his unique ability to build team spirit in diverse working environments. He is an experienced Executive Operations Manager with focus on organizations in distress.

Mr. Jackson holds the following certifications issued by HUD Certified Housing Counselor ID 9NJFST and NeighborWorks Center for Homeownership Education and Counseling (NECHEC): Homeownership Counseling for Program Managers & Executive Directors, Financial Capability, Foreclosure Intervention and Default Counseling Part 1 and 2, Homeownership Counseling Part 1 and Part 2, and Certificate of Completion of 40 Hours Financial Coaching & Training, Lending Basics for Homeownership Counselors, and Compliance with State and Federal Regulations.

Community involvement for Herbert W. Jackson, Sr., includes: Chairman of the Board for George Gervin Prep Academy, charter school (K-8), Founding President of 100 Black Men of Phoenix, Former National Secretary of the 100 Black Men of America, Past Board Chair and 10 Year Member of Planned Parenthood and Past Board Member of City Wide YMCA of Phoenix.

Quality of life within communities, enhancements in education and economic opportunities have all been guiding principles in Mr. Jackson's life.

Mr. Jackson served four years in the United States Navy, studied Electrical Engineering at Purdue University and graduated Cum Laude with a Juris Doctorate from the University of Laverne College of Law.

Mr. Jackson has been married 58 years to his wife Margaret. They have two sons, Herb Jr., a Captain with Southwest Airlines and Marvin, who is Enterprise Sales Manager for Gartner. He and his wife enjoy three wonderful grandchildren, graduates of Universities in the D.C., and Virginia areas.

Specialized Professional Experience

Executive Operations Manager with focus on organizations in distress. Decisive leader using technology solutions, which require industry, best practices to meet customer satisfaction objectives and profitability. On-site management, quality control procedure development, performance metrics and other essential business improvement tools are applied to achieve emergency gains. Management and staff skill audits are conducted to insure effective succession planning. Demonstrated Skill as mediator, mediation/arbitration and labor negotiator with organized labor groups; possess unique ability to build team spirit in diverse working environments. NeighborWorks Center for Homeownership Education and Counseling (NECHEC) certified in the following disciplines: Homeownership Counseling for Program Managers & Executive Directors, Financial Capability, Foreclosure Intervention and Default Counseling Part 1 and Part 2, Homeownership Counseling Part 1 and Part 2, and Certificate of Completion of 40 hours Financial Coaching & Training, HUD Certified Counselor ID 9WJSFT.

Representative Consulting and Speaking Assignments

- Provided on-site management of Philadelphia Gas Work's Customer Affairs Division-reorganized the divisions Call Center Unit, staffed the High Bills/dispute Resolution Unit, District Offices, and the Customer Accounting Unit. Repaired the working relationship with organized labor representatives, improved employee morale, and reduced sick leave usage by more than fifty per cent (50%).
- Managed the Philadelphia Water Revenue Bureau's customer service unit and instituted quality control procedures to improve call center operating performance and responsiveness to customers. Provided one-on-one guidance to Philadelphia Water Department supervisors and manager in operating Customer Service Unit. Performed business process reviews (BPR) and provided on-site management to the City of Philadelphia's Water & Water Revenue Departments in the development of their virtual Call Center.
- Managed United Airlines reservation office in Denver, CO with over 500 sales representatives and 100 customer service and support staff.
- Served as coordinating manager for World Athlete's travel to Olympic Games and the National Sports Festival (held during the three years between Olympic Games) for United Airlines.
- Provided on-site human resource and labor relations management to one of the largest independently owned Grocery Store Chains in Phoenix, Arizona.
- Provided seminar and one-on-one counseling on change management to business executives for the Sands Casino in Las Vegas Nevada.
- Provided management coaching on cultural diversity and change to Allied Signal's Phoenix operation.
- Conducted customer service training in teleservices and customer services for Philadelphia Call Center Personnel.

Other Professional and Business Experience

- Vice President-Housing Director Greater Phoenix Urban League
- Regional Manager of Reservations and Ticket Sales- United Airlines
- Supervisor of Reservations Sales-United Airlines
- Assistant to the Senior Vice President & General Manager-United Airlines
- In-flight Services Administrator (Chief Spokesperson for Flight Attendant negotiations at United Airlines)
- Human Resource consultant (30 store grocery chain)-Smitty's Super Value
- Arbitrator-United Food and Commercial Workers, Local 99 & Fry's Food Stores
- Mediator-United Food and Commercial Workers, Local 99 & Fry's Food Stores

Academic Background

Undergraduate studies at Purdue University in Electrical Engineering; Juris Doctorate, *Cum Laude*, University of Laverne College of Law (formally University of San Fernando Valley College of Law)

COMPLIANCE MONITORING PLAN

Dunlap & Magee Property Management Inc. shall follow the procedures outlined below to assure affordable compliance for Senior and affordable communities.

With the above definitions as a basis, Dunlap & Magee will monitor to assure that all residents are income qualified based on the current U. S. Department of Housing and Urban Development (HUD) income limits. Residents will not be allowed to move into the property unless they are income qualified under the HUD established income profile.

Dunlap & Magee or its agents shall not discriminate in the provision of housing on the basis of race, creed, color, sex, national origin, religion, marital status, age, handicap, familial status or the receipt of public housing assistance.

In determining qualifying income levels, all eligible sources of income (as defined by HUD) will be considered to include assets and income derived from assets.

Dunlap & Magee will have each prospective resident complete the necessary forms to verify income in writing to include employers, social security, asset, etc.

Each household is screened thoroughly by the on-site manager who then forwards the application and all associated verifications to the compliance officer for approval. The compliance officer must approve all applicants before they move in.

Dunlap & Magee shall keep records showing the following:

1. Total number of resident units in the building;
2. Percentage of low-income units in the building;
3. Rent charged on each residential unit in the building;
4. Low-income unit vacancies in the building and the rental of next available units;
5. Low-income certification of each low-income resident and supporting documentation;
6. Character and use of non-residential portion of the building.
7. Family self-sufficiency documentation and balances as applicable

Dunlap & Magee specializes in managing affordable housing properties and is well versed in handling the paperwork both on-site and in our central office located in Phoenix, Arizona. Site personnel receive extensive training with tax credits to assure compliance with the many diverse aspects of this program.

Dunlap & Magee provides on-going training and support utilizing both certified staff and outside training programs. An on-staff Compliance Specialist provides one-on-one training of new employees and holds monthly group trainings. All compliance personnel, regional and site managers, and leasing staff attend a minimum of one training per year provided by outside agencies.

HISTORIC RENOVATION PROJECTS

#	NAME	LOCATION	YEAR	RESPONSIBILITY	HISTORICAL WORK	BUILDING DESCRIPTION	BUDGET
1	George Hill Mansion	679 George Hill Road Lancaster, MA 01523	1987-1988	CONSULTANT Design and Construction Administration	Fasade Restoration, Roof and complete Interior Restoration	16,000 SF Historic Manison	\$2,360,000
2	Forest Park Hotel	Euclid St. St. Louis Missouri	1994-1995	PM of DEVELOPMENT CO. Part II, Part III, Construction Administration	Fasade, Lobby, Hallway and Restaurant Restoration	192 Room Historic Hotel conversion to Housing	\$3,600,000
3	TWA Office Building	1301 Baltimore Ave. Kansas City Missouri 64108	1991-1993	OWNER General Contractor	Fasade and Lobby restoration	88,000 SF Historic TWA Training Facility	\$1,650,000
4	Castlegate Hotel & Conference Center	Atlanta, Georgia	1995	PM of DEVELOPMENT COMPANY Construction Administration	Fasade, Roof, Lobby, Ballroom, Guest Room restoration	380 Room Hotel & Convention Center	\$4,835,000
5	Former Hilton Hotel	5600 N. Central Dallas Texas 75206	1997	PM of DEVELOPMENT COMPANY Construction Administration	Lobby, Ballroom and Room Restoration	392 Room Hotel	\$6,500,000
6	Roosevelt Historic Homes	800 N. 5th Ave. Phoenix, Arizona 85016	2004	CO-DEVELOPER Part I, Part II, Part III Construction Administration	24 Residential Home Restoration and 24 New Homes	24 Restored Single Family Residences and 24 New Apartments	\$8,640,000
7	Sacred Heart Home for the Aged	1110 N. 16th Street Phoenix, Arizona 85006	2013/2014	DEVELOPER/GP Part I, Part II, Construction Administration	Fasade, Roof, Chapel, Lobby and Hallway Restoration	110,000 SF Historic building. Nursing Home to Veterans Housing Conversion	\$20,750,000
8	Heartland Senior Housing	610 Central Ave. Fort Dodge, Iowa	2014/2015	DEVELOPER/GP Part I, Part II, Construction Administration	Fasade, Windows and Interior structural elements	70,000 SF Historic building. Sears warehouse conversion to 48 senior apartments	\$9,875,000
9	Louden Lofts	607 W Broadway Fairfield, Iowa	2019/2021	DEVELOPER/GP Part II, Construction Administration	Fasade, windows and interior elements	54,000 SF Historic building. Warehouse/Office conversion to 44 family apartments	\$10,440,000



REQUEST FOR MAYOR & COUNCIL ACTION

Session of: **October 4, 2022**

Regular Special

DATE ACTION SUBMITTED: September 29, 2022

REGULAR **CONSENT**

TYPE OF ACTION:
RESOLUTION **ORDINANCE** **FORMAL ACTION** **OTHER**

SUBJECT: **Presentation by Mark Gray on the Bid Proposal submitted on the Hillcrest Building**

FROM: **Stephen Pauken, City Manager**
 Melissa Hartman, Planner

RECOMMENDATION:

PROPOSED MOTION:

DISCUSSION:

Mr. Gray will have the opportunity to present the Bid Proposal on the Hillcrest Building to Mayor and Council.

Mayor and Council may also ask questions pertaining to the presentation.

FISCAL IMPACT:

DEPARTMENT LINE ITEM ACCOUNT:

BALANCE IN LINE ITEM IF APPROVED:

Prepared by: Ashlee Coronado
 Ashlee Coronado
 City Clerk

Reviewed by: Stephen Pauken
 Stephen Pauken
 City Manager

Project Proposal – One Hillcrest, Bisbee Arizona

The team is excited to submit this proposal to the City of Bisbee. Our aim is to preserve the rich history and continued presence of the structures at One Hillcrest. Our success would expand and improve the existing housing stock in our community.

There are three parts to this proposal: One Hillcrest, Affordable Housing, and Ancillary Projects.

One Hillcrest

Our purpose is to build 20 to 30 units for long-term and/or mixed commercial to meet local market demands. These market-rate residential units will vary between one and three bedrooms. Design considerations include new cabinetry, appliances, and composite flooring, with solid surface countertops, glass shower units, separate meters, and new energy efficient HVAC systems. Detailed design specifications will meet code and guidelines from the city and can be further developed according to local preferences. Construction of market rate housing at the Hillcrest site provides three benefits; first, it allows us to tap an existing local moderately upscale housing market; second, it allows a budget at the Hillcrest site commensurate with its demands to preserve its historical context and design elements; third, its success as a market rate housing site generates funds that can be used for entirely new purpose-built construction of low income housing in other locations nearer to shopping and transit. As an example, we are already providing occasional housing for hospital staff at the Canyon Rose Suites in Old Bisbee. In fact, the Medical Staff Coordinator told us today that the hospital's housing needs would be best met with higher end furnished accommodation for traveling nurses and recently hired doctors who are new to the area while they find permanent housing. By the same token, we anticipate that we could retain several full-time hospital staff as well. Importantly, these actual community needs-based housing opportunities preclude low-income housing use cases at the Hillcrest location.

Affordable Housing

Servicing the specific requirements of affordable housing would focus on the city owned 17 acres near Melody Lane. Our proposal is to run that project as a continuation of One Hillcrest, albeit as a separate project with a timeline pegged to the added complexity of making affordable housing compliant with the many federal, state, and city programs that both fund and govern such projects. Our proposal is to work closely with the city to realize a purpose build affordable housing community that conforms to the needs of the neighborhood. We anticipate that this affordable housing project could be partially funded with a partnership with the City of Bisbee in a proposed partnership with the Hillcrest project.

Ancillary Projects

Finally, the city also expressed interest in converting three city owned residential lots into more housing to accommodate the growing needs of the city, and key workers. We would be delighted to partner in this project as well, also run independently and financed separately in

accordance with existing programs. We are especially interested in providing affordable housing that blends in with the existing community.

Although we came to this project relatively recently, we are comfortable with our collective experience as developers and the details comprising our proposal. Most of our team is local to Bisbee and both understand the local market and the city. We have a successful track record in building and delivering projects in the city.

We are very confident that this project can successfully meet financial and housing ambitions of the City as well as meet the financial considerations that justify significant financial investment that preservation of the Hillcrest site requires.

Budget

The budget for this project is estimated between \$1,700,000.00 and \$2,200,000.00 depending on the finishing details, number of units, and our intent to preserve the remaining historical fabric of the building to the greatest possible extent.

This budget includes all construction costs, new windows to match the original, restoration of the elevator, new landscaping, and necessary furnishing for the new units.

Financial Considerations

We have tentatively secured a \$2,500,000.00 construction loan via secondary funding that would cover the needs of this project. Successful completion of this bid will be required to confirm the loan. This funding was secured based on the strong track record of the team, and the potential financial outcome as shared with our funding partner.

We propose to structure the purchase of the building in three stages:

- 1) We will provide a \$200,000.00 down payment to the City of Bisbee on the building upon successful completion of the contract.
- 2) We will pay \$400,000.00 more to the City of Bisbee over the two years that we estimate will take the project to reach profitability, payable in monthly or quarterly installments.
- 3) We will provide the city with a contractual entitlement to receive five percent of the profits on the project for the ten years following completion and profitability. This money could be used to supplement the affordable housing projects as described in this proposal.

The down payment will be paid out from funds immediately available with the remainder supplied via the construction loan indicated above.

Further discussion of the partnership and considerations for its use will be conducted with the city upon successful conclusion of this bid.

Funding and financing for 17-acre affordable housing project and the ancillary three lots will be carried out independently from this project, and compensation and cost-sharing for those projects will be conducted via additional contracts.

Preliminary Terms and Conditions

Several items came to light during the discovery portion of this bid. As these are material to our proposal and ultimate success of the project, we record these items in the following bullet points.

- The City can pave the driveway leading onto the property.
- Remediation has started on the adjacent mine tailings. The slope will be lessened to a 1:3 incline, and the area covered with topsoil within the next year.
- There is significant asbestos in the building. We found asbestos in the attic, smaller building basement, boiler room, and in a raceway in the main building. It is probably elsewhere, too. The City has suggested that funds are available to remediate asbestos in the building and the availability of that funding and the timeline for asbestos removal has a material impact on our proposal.
- An EPA inspection has been conducted, in relationship to asbestos and lead and lead paint presence. Final findings of this inspection may change timelines and budget for this project. We request a copy of this document and any other written information related to the condition of the property.
- While the elevator condition is unknown, it is a historic feature that we intend to preserve, if possible. A certification of operation is necessary before we can finalize this intent.
- We need to completely remove the water, gas, and electrical systems from the raceways and shafts and start again with just the concrete shell. The cost will be offset by metal scrap value and the results will be modern, code-compliant, and easier to manage solutions for electricity, water, and other utilities preservation and measurement.
- The city expressed in conversations that they had secured resources to fence the perimeter of the project; we will work with them on this to reduce the cost and effort to ensure the chosen fence is compatible with final designs for the project.
- It is our understanding that this project is not subject to DRB approval as this would have a material impact on our schedule.

Timeline

We estimate the construction to take between 10 and 16 months. We may be able to begin renting completed units before the end of the project as our progress allows. Additional timelines for city-provided and jointly developed projects can alter this estimate as well.

We propose the following general steps to complete this project:

- 1) Obtain ownership, remove the liability and responsibility from the city
- 2) Secure ongoing construction funding tranches
- 3) Work with the city to begin the Affordable Housing and Ancillary projects, with the aim to reduce City responsibility and workload.
- 4) Secure fencing and property with lighting, etc.
- 5) Mow and clear trash

- 6) Bring existing garages into working order
- 7) Get power to essential parts of the building, especially exterior for night lighting and for construction equipment
- 8) Connect some portions of building with water, sewer, and gas to support construction activities
- 9) Install landscaping and maintenance plan
- 10) Augment building plans with visual components and render historical information into narrative form in support of marketing activities
- 11) Obtain construction permits
- 12) Begin furnishing plan and soft goods purchasing
- 13) Build out a portion of the project for showroom, begin waitlist.

Team

The team for this project includes locals with an excellent track record and local relationships with labor, and a continues presence in the community, as well as interested investors. We are experienced in real estate, construction, and business. Below are relevant bios for the principals.

Esteban Kolsky is a successful software executive with 35 years' experience in the technology world, including a current position as a C-level executive at a global enterprise software firm. In addition, Mr. Kolsky owned and managed successful businesses in retail, services, consulting, and ecommerce over the last two decades.

Mark Gray is a Bisbee resident with several ongoing projects at 27 Subway Street and Bailey Hill. Mark brings with him 20 years' experience purchasing, rehabbing, and managing large scale commercial residential properties with direct experience in both low income and high-end projects.

Tomas Enriquez is a lifelong Bisbee resident and General Contractor working almost exclusively in the City of Bisbee. Tomas has earned an enviable reputation for quality work with over 40 years construction experience and dozens of significant projects to his name.

Communications

All respective communications on this bid and project should be directed to Esteban Kolsky, via email at esteban@estebankolsky.com, or via telephone or SMS at (916) 770-7560.



REQUEST FOR MAYOR & COUNCIL ACTION

Session of: **October 4, 2022**

Regular Special

DATE ACTION SUBMITTED: September 29, 2022

REGULAR **CONSENT**

TYPE OF ACTION:
RESOLUTION **ORDINANCE** **FORMAL ACTION** **OTHER**

SUBJECT: **Discussion, Possible Approval or Direction on the Hillcrest Bid**

FROM: **Stephen Pauken, City Manager**
 Melissa Hartman, Planner

RECOMMENDATION: **At Mayor and Council's Discretion**

PROPOSED MOTION: **At Mayor and Council's Discretion**

DISCUSSION:

Mayor and Council will have the opportunity to further discuss, approve or make recommendations to staff on the presented bids for the Hillcrest Building.

FISCAL IMPACT:

DEPARTMENT LINE ITEM ACCOUNT:

BALANCE IN LINE ITEM IF APPROVED:

Prepared by: Ashlee Coronado
 Ashlee Coronado
 City Clerk

Reviewed by: Stephen Pauken
 Stephen Pauken
 City Manager