



IN PARTNERSHIP WITH PROGRAM SPONSORS



## REQUEST FOR PROPOSAL (“RFP”) FOR OPPORTUNITY APPALACHIA PROJECT TECHNICAL ASSISTANCE

**Project Sponsor:** Wheeling Heritage, Wheeling, WV

**Project Name:** The Blue Church Redevelopment Initiative (Project Summary provided in Attachment B.)

**Release Date:** June 24, 2022

**Proposal Due Date:** July 22, 2022

**Selection Date:** July 29, 2022

**Contract Period:** August 1, 2022 – February 28, 2023 (or later)

## REQUEST FOR PROPOSALS

### ***Technical Assistance for Opportunity Appalachia Projects***

#### **I. Overview of Request for Proposals**

Appalachian Community Capital (ACC) seeks contractual support for specified Technical Assistance for real estate project development.

The Technical Assistance contractor will report to the Program Manager of Opportunity Appalachia. The requested Scope of Services is noted in Attachment A, and may involve:

- Architectural and engineering,
- Market research/demand assessment,
- Development of investment prospectus, preparation of pro forma financial projections, structuring of projecting financing,
- Feasibility assessment,
- Identification of project developers and/or business operators,
- Investor outreach for project finance/investment,
- And other types of support.

Entities interested in providing Technical Assistance must complete the Request for Qualifications RFQ, as noted on the [Opportunity Appalachia](#) webpage and found [here](#). Proposals will be evaluated on contractors' qualifications (per the RFQ), expertise, track record, Scope of Work, budget/timeline, and other project requests.

#### **II. About Opportunity Appalachia**

[Opportunity Appalachia](#) will provide technical assistance to develop and structure investable transactions, and it will create investment prospectuses and pitch decks that will be used to bring investment to rural and downtown communities. Investment priorities include projects focusing on downtown development, manufacturing, IT, healthcare, education, food systems, clean energy, heritage tourism, and recreation.

The program recently announced selection of 34 projects to participate in the program to bring jobs, business support, and investment to Central Appalachia. The selected projects propose to create over 1,600 permanent and 190 construction jobs and attract over \$177M in financing to develop textile manufacturing facilities; downtown development; community centers; health, wellness, and childcare centers; food and agricultural facilities; hotels; and retail enterprises in downtown and rural areas across Central Appalachia.

These proposed projects are signals of the growing investment potential in our rural and downtown communities in Central Appalachia. Opportunity Appalachia will work closely with private investors, banks, Community Development Financial Institutions, New Markets Tax Credits investors, Historic Tax Credit Investors, and Federal agencies to highlight participating communities and access financing for transactions.

Once project technical assistance is completed, a highly visible Investor Convening event will be held in early 2023 that will target both local and pre-vetted national investors, as well as federal and state funders. A curated

web-based platform hosting prospectus / pitch decks will also be made available to facilitate investor due diligence.

The program is supported by the Appalachian Regional Commission, the US Department of Treasury CDFI Fund, Truist, Goldman Sachs, and the Dogwood Health Trust.

### III. About the Appalachian Region

The Appalachian Region, as defined in ARC's authorizing legislation, is a 205,000 square-mile region that follows the spine of the Appalachian Mountains from southern New York to northern Mississippi. It includes all of West Virginia and parts of 12 other states: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, and Virginia. Forty-two percent of the Region's population is rural, compared with 20 percent of the national population.

The Appalachian Region's economy, which was once highly dependent on extractive industries, has become more diversified in recent times and now includes larger shares of manufacturing and professional services, among other industries. Appalachia has made significant progress over the past five decades: its poverty rate, which was 31 percent in 1960, had fallen to 16.3 percent over the 2013– 2017 period. The number of high-poverty counties in the Region (those with poverty rates more than 1.5 times the U.S. average) declined from 295 in 1960 to 98 over the 2013–2017 period.

These gains have transformed the Region from one of widespread poverty to one of economic contrasts: some communities have successfully diversified their economies, while others still require basic infrastructure such as roads, clinics, and water and wastewater systems. The contrasts are not surprising considering the Region's size and diversity—the Region extends more than 1,000 miles from southern New York to northeastern Mississippi, and it is home to more than 25 million people.

#### Target geography

Central Appalachia – North Carolina, Ohio, Tennessee, Virginia, West Virginia



## IV. Project Timeline

It is anticipated that the contractor will be selected by July 15, 2022 for an estimated contract start date of July 15, 2022 through February 28, 2023.

## V. Instructions to Submit a Proposal

Contractors seeking to provide the full suite of TA services should submit the items listed below. It is expected that one proposal should include all requested services, which may mean that multiple entities are providing services, with one identified lead contractor.

- Scope of Work (max 3 pages) describing proposed activities to be undertaken as requested in Attachment A, with identified staffing (lead and support) for each work element.
- Budget that defines deliverables, rates and proposed payment schedule including indirect costs. A Not to Exceed cost for the full engagement must be provided; costs not to exceed \$75,000. Payment Schedule to be based on deliverables / outcome milestones.
- Timeline for Scope of Work, with deliverable milestones.
- Biography/resume for all staff noted in proposal (or provided in RFQ response).
- References from current or prior clients, including name, title, organization, contact information, and a brief description of the relevant work performed (or provided in RFQ response).

Please submit responses via email in one pdf attachment by Proposal Due Date to Kathryn Coulter Rhodes [oa@acc1.org](mailto:oa@acc1.org).

## VI. Proposal Evaluation

ACC will select contractors through a competitive process based on the following criteria.

- Qualifications (per those provided in the RFQ), expertise, track record, and staff bios.
- Scope of Work and Timeline
- Budget
- Requests from project sponsors

## Attachment A

Requested Scope of Services

**Project Sponsor:** Wheeling Heritage

**Project Name:** The Blue Church Redevelopment Initiative

Project Summary provided in Attachment B.

### TA Requested

- Market Study with use cases.
- Engineering Conditions Assessments, preliminary architectural designs. Expertise with historic properties and repositioning for theater / entertainment use preferred.
- Financial feasibility / pro forma financial projections.
- Presentation of options for joint venture structure.

Note: this is a contributing structure in an Historic District.

## Attachment B

### Summary Information

**Lead Contact:** Betsy Sweeny

**Applicant Organization:** Wheeling Heritage

**Address:** 1400 Main Street, Wheeling, WV 26003

**Phone:** (304) 232-3087

**Email:** bsweeny@wheelingheritage.org

### Community Information

1. Communities targeted by this application (municipality(ies), county(ies), and census tract(s):

Note: See Appendix I for a list of eligible counties.

The project area for The Blue Church Initiative is the East Wheeling Neighborhood in the City of Wheeling in Ohio County, West Virginia. Located along the Ohio River, Wheeling was once home to the first coal mining operations in West Virginia but has continued to suffer from the long term decline in coal mining, steel production and related manufacturing. This shift has damaged the overall economic vitality of the region, contributing to population and job losses, housing deterioration, brownfields, blight, persistent human capital deficiencies, and related socioeconomic challenges. This project will focus primarily on continued efforts to boost the economic vitality of East Wheeling, one of Wheeling's most popular residential urban neighborhoods, within walking distance to Downtown. A contributing structure to the Monroe Street East Historic District, the property is located in Ohio County Census Tract 7 and is designated as a distressed area in fiscal year 2022 by the Appalachian Regional Commission. Distress factors include a median family income of \$37,115 (48.0% of U.S. AMI) a poverty rate of 37.9% (282.1% of U.S. avg.). In addition, the project is located in an ARC Transitional county. This area has a population of 941 (Census ACS, 2015-2019) and meets the definition of a persistent poverty tract. Wheeling, was originally built as an urban hub in the Ohio Valley, and is the seat of the Wheeling, WV-OH Metropolitan Statistical Area. At its peak, the City had a population of 38,878. Today, Wheeling has shrunk to just over half of our peak population to just under 27,000. East Wheeling is currently undergoing a process of transformation from a once blighted neighborhood of poorly maintained rental units, into a thriving historic neighborhood with a growing population of young homeowners investing in property. Despite these successes, Census Tract 7 significantly lags behind the city, state, and nation in many key socioeconomic indicators. Census Tract 7 has a poverty rate of 37.9%, nearly triple the city rate of 13.8% and the national rate of 12.3%, according to the U.S. Census Bureau. In addition, the median household income is only \$37,115, as compared to \$44,119 in Wheeling and \$65,712 across the United States. Census Tract 7 is also a historically black neighborhood, and was the epicenter of the City's urban "renewal" efforts in the midcentury. The successful reactivation of this property has the potential to enliven the entire city of Wheeling.

2. Service area of applicant (note if different than above, or note same): The Wheeling National Heritage Area (Wheeling Heritage) is the nonprofit entity which manages a congressionally-authorized National Heritage Area tasked to interpret and preserve the heritage of Wheeling through revitalization, historic preservation, and business assistance and entrepreneurial efforts. The Wheeling National Heritage Area boundary is the City of Wheeling, which includes neighborhoods like East Wheeling.
3. Community Development Strategy(ies): Wheeling Heritage seeks to redevelop The Blue Church in an effort to further the efforts of downtown development, job creation, and heritage tourism. Wheeling Heritage has been a leader in these sectors since its inception. Despite the challenges of aging building stock and changing industries, Wheeling is reinventing itself. Since 2014, downtown employment has increased by

50%. The Blue Church, while technically in East Wheeling, is within a block of downtown, and two blocks away from the Federal Courthouse, a major employer in the City. Because of its proximity to downtown, The Blue Church has the potential to enhance not only East Wheeling.. Wheeling has positioned itself as an economic and cultural magnet for the broader rural area, with many residents of neighboring rural communities in West Virginia, Ohio, and Pennsylvania commuting to Wheeling for employment, resources, and cultural amenities. In 2020, the Appalachian Regional Commission awarded Wheeling Heritage an ARC POWER grant to conduct a market feasibility and strategic plan for the “Wheeling Heritage Gateway” initiative. This identified the potential to attract 300,000 tourists annually, bring \$9.5 million in direct plus \$21 million in induced annual tourism spending, and create or retain 226 direct and induced spending jobs paying \$5 million in annual payroll and boosting state and local tax revenues by \$400,000 each year. This data shows us that heritage tourism has the potential to unlock immense growth in Wheeling’s economy. Reactivating The Blue Church landmark will not only provide an amenity for this community, but new employment opportunities. Wheeling Heritage has identified the most promising and desired reuses. Presently, the two potential uses for this property are proposed as either a food and beverage concept with live music, or, a 500-person entertainment venue. Understanding the highest and best use of this property requires further study, but both potential uses will provide additional employment opportunities for residents. In each case, jobs created will appeal to a wide range of potential employees, with openings for entry level, middle, and upper management providing opportunities for a wide range of levels of skill and education. Finally, perhaps the greatest potential in The Blue Church lies in its ability to create a totally unique user experience that will enhance heritage tourism efforts across the city.

## Project Information

### 4. Proposed Projects (list up to 3):

- I. **Name of Project, address:** The Blue Church Redevelopment Initiative, 1206 Byron Street, Wheeling, WV 26003

- **Size in Sq Ft.:** 11,070
- **Total anticipated financing need \$:** 6,000,000
- **Financing identified/anticipated, list source and dollar amount or note ‘None’:** Historic Tax Credits, New Market Tax Credits, Grants, Private Capital
- **Project description (include url link if available):**

The Blue Church Redevelopment Initiative began in 2021 when Wheeling Heritage identified the need to market this property beyond a local audience. In doing so, the organization engaged Steadfast City, a national economic development consulting firm, to assist in the creation and promotion of a Request for Proposals and project prospectus. This brought several qualified developers to the project, and Desmone Architects out of Pittsburgh and Morgantown were ultimately selected to prepare a formal proposal (attached). In doing this exercise, the potential developers and Wheeling Heritage became aware of the need for further study to 1. Provide updated structural and conditions assessments to garner realistic bids to inform a reliable financial model. And 2. To evaluate the most financially feasible use for the property while still accomplishing the organization’s and City’s goals.

The Blue Church offers 11,070 square feet of usable space. Due to the age of the building and the timber frame construction, multiple commercial contractors that toured the facility expressed an unfamiliarity with the building techniques used, and the need for an engineer’s assessment of the structure to determine their cost per square foot. Without this information,

the numbers that came back were not based in fact, and carried additional contingencies too high to ever be considered feasible. Additionally, after conversations with Rooney Sports and Entertainment Group and Desmone architects, it was determined that the highest and best use for the building may not be a restaurant concept, but an entertainment venue. In order to move forward with a reliable financial model ready to show potential investors, it was determined that an in-depth structural assessment and market study are the necessary next steps. we anticipate a total cost of \$59,176

A market study remains an essential first step in determining the use for this building, but any commercial redevelopment in this part of Wheeling will provide a positive economic impact to the area. Historically a redlined neighborhood, East Wheeling has seen lower property values and systemic disinvestment in the past. Today, it is a vibrant up and coming neighborhood hungry for additional amenities.

To view the RFP and Prospectus on Wheeling Heritage's landing page for the Blue Church, visit <https://wheelingheritage.org/project/blue-church/>

- **Community Impact (quantify / provide estimates):**

Jobs in the retail, food and beverage, and entertainment sectors all provide new employment opportunities to the area. In each of these scenarios, employment possibilities in entry level, middle, and upper-level management will be created, expanding and diversifying the employment opportunities that currently exist in East Wheeling.

Additionally, a substantial investment of this nature will spur more investment in the neighborhood's other historic commercial and mixed-use buildings. As is so often the case, this neighborhood is positioned for success, but waiting for that first catalytic project to show what is possible. Just two properties south of The Blue Church sits another prominent historic property contributing to the Monroe Street East historic district. 96 12th Street, built in 1881, is an excellent example of a picturesque eclectic home retaining excellent character. Currently only occupied on the first floor, but historically mixed use, this property is set to become available for redevelopment in 2023. Successfully reactivating The Blue Church would allow 96 12th Street, and many more properties like it, a much brighter future for redevelopment.

Wheeling Heritage is the owner of The Blue Church and Project Sponsor. Desmone Architecture is the interested developer. Rooney Sports and Entertainment Group in partnership with Stone Planning LLC have prepared a proposal for the market study.

- **Name(s) of project sponsors, developer, and/or business owner, if identified:**

Wheeling Heritage is the building owner and project sponsor

Desmone Architects is the interested developer and architect

Stone Planning in partnership with Rooney Sports and Entertainment Group would complete the market study.

- **Technical Assistance Needed:**

Wheeling Heritage is seeking Opportunity Appalachia funds to complete a community outreach and market study with Stone Planning, and a conditions assessment of the structural and financial feasibility of the project with Desmone Architects. Desmone, the interested developer in this project has identified these two components as the final pieces of information needed to inform a financial model that is ready to take to investors.



- **Describe the connection to other proposed projects listed on this form (if applicable):** N/A

5. **Clean Energy Focus:** The Blue Church Redevelopment Initiative intends to leverage historic tax credits at the state and federal level. In doing so, the act of preserving the building eliminates the environmental impact of demolition either for new construction or clearing the site. Additionally, Desmone Architects have broad experience in sustainable and LEED certified projects. They have successfully designed net-zero energy new construction, and recently completed a historic rehabilitation project at 2 Doughboy Square, resulting in Pittsburgh's first WELL certified gold structure, which now houses their offices. The Blue Church Redevelopment Initiative intends to employ any and all available sustainable solutions.
6. **Applicant Capacity:** What is the relationship of the applicant to the community? How has the community demonstrated its support of the project(s)? Describe the applicant's role and capacity for completing or overseeing project activities: Wheeling Heritage is a leading historic preservation organization in the state of West Virginia. Serving all neighborhoods within City limits, Wheeling Heritage has successfully surveyed and listed over a dozen National Register projects, operates a community subgrant program funded in part by the National Park Service, and provides historic preservation technical assistance to over 20 property owners and developers per year. As the operating organization for Wheeling's Main Street program, Wheeling Heritage has facilitated two market studies in 2018 and 2021, gauging public interest in downtown and neighborhood redevelopment. Each of these surveys engaged over 1,500 participants, and clearly pointed to a community demand for additional food and beverage and entertainment amenities in and around downtown. Additionally, Wheeling Heritage is the owner of The Blue Church. In the early 2010s, through public private partnerships, grant funding, and grassroots fundraising Wheeling Heritage purchased the property to save it from certain demolition. In the years following, the organization successfully held community events, performances, and workshops in the space until structural concerns deemed it no longer safe to do so. Since under their ownership, Wheeling Heritage has worked with the WV State Historic Preservation Office and other partners to stabilize the property, replace the roof and gutters, undertake masonry repairs, and engage in a community-driven process to identify vibrant potential reuses which can further establish Wheeling as a top-class heritage tourism destination. Beginning in 2021, Wheeling Heritage led a national marketing and Request for Proposals Campaign for the redevelopment of The Blue Church. Working with economic development consultant Steadfast City, the organization was able to reach new potential developers, and received interest from three qualified parties. Desmone Architects, out of Pittsburgh and Morgantown was selected to study and provide a formal proposal. It is through this process that the need for additional study and funding was discovered.