



IN PARTNERSHIP WITH PROGRAM SPONSORS



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

**Project Sponsor:** City of Zanesville, Zanesville, Ohio

**Project Name:** Pioneer School Redevelopment Project (Project Summary provided in Attachment B.)

<b>Release Date:</b>	<b>July 15, 2022</b>
<b>Proposal Due Date:</b>	<b>August 12, 2022</b>
<b>Selection Date:</b>	<b>August 19, 2022</b>
<b>Contract Period:</b>	<b>August 19, 2022 – February 28, 2023 (or later)</b>

## 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 August 19, 2022 for an estimated contract start date of August 19, 2022 through February 28, 2023 or later.

## 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:** City of Zanesville

**Project Name:** Pioneer School Redevelopment Project

Project Summary provided in Attachment B.

### TA Requested

1. Market Research - expertise with housing development required.
2. Preliminary Architectural drawings, Engineering review.
3. Financial Structuring, Investment Prospectus with financial projections. Experience with Low Income Housing Tax Credits and mixed income housing preferred.

Note: The 5th Street Gateway Project (Project #1), in Attachment B, is not part of this RFP.

## Attachment B

### Summary Information

**Lead Contact:** Matthew Schley

**Applicant Organization:** City of Zanesville

**Address:** 401 Market Street, Zanesville, Ohio 43701

**Phone:** (740) 617-4878

**Email:** matthew.schley@coz.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 primary community to receive the requested technical assistance is Zanesville, OH, a community in Central Muskingum County with a 2020 population estimate of 24,765.

<https://www.census.gov/quickfacts/zanesvillecityohio>

The subject properties (952 E Main Street and 115 N 4th Street) are located within the City of Zanesville Downtown Arts and Culture Overlay. The properties are owned by the Vaile family (Pioneer School Development Team) and the Muskingum County Convention Facilities Authority (in the order listed above). As the subsequent sections will depict, Zanesville, especially census tract 9119 has undergone severe de-industrialization along with most of the Ohio Valley. Population loss and rising poverty necessitate new approaches to economic development, and the City of Zanesville's focus on downtown renewal via entrepreneurship and unique housing options has been widely accepted as the community's greatest hope for new jobs and investment. As will be explained, the overall decline of coal and related industries in the area has been felt over the years which has led to disinvestment in what was once a vibrant downtown core of Southeast Ohio. This has led to a change in the culture and dynamics of how officials view downtown revitalization with a focus on housing, travel, and tourism. The City has been working with the aforementioned property owners on bringing the two properties from their current conditions into productive properties that will serve as cornerstones for future development.

2. Service area of applicant (note if different than above, or note same): same

3. Community Development Strategy(ies):

The City of Zanesville will focus on downtown redevelopment and entrepreneurship as pillars of its work for the foreseeable future. Much like many towns throughout the Ohio Valley, the City of Zanesville has suffered from severe de-industrialization and the resulting lack of investment within their historic downtown. The City of Zanesville Community Development Department has led a planning initiative focused on an entryway project known as the 5th Street Gateway. The Community has shown support for the district concept, beginning with the redevelopment of the Ohio Power Building (115 n 4th Street) into 1,600 square feet of unique real estate as the cornerstone of downtown redevelopment efforts. The end design desired by the Stakeholder Group is a version of the North Market in Columbus, Ohio that fits within the culture and heritage of Appalachia.

The City has developed a close partnership with the new building owner, the Muskingum County Convention and Facilities Authority, and is prepared to enter into the next phases of the project, supported by technical assistance.

In terms of Housing, the City has completed a comprehensive Housing Needs Assessment (HNA) which identified the gaps in housing. The Vaile Family purchased the Pioneer School after reading the assessment and understanding the critical need for housing in the City. The City has developed a sub-committee of City Council to help address these issues with creative and collaborative solutions. This project is a direct result of the planning that began in 2019. The Vaile Family's preliminary vision is to create 20 units of market-rate apartments to complement the overall vision of a new downtown district. Technical assistance services (e.g. a more in- depth pro forma analysis) will allow the development team to refine the size, style, and the number of units. Despite Zanesville's decline (more specific economic and demographic statistics are provided in Section 6), the community remains very confident in its location within a larger region with pockets of progress. Located only 23 miles from Newark and 53 miles from Columbus, Zanesville remains ideally situated for a unique retail and housing development within the US I-70 and US 40 corridors. While Zanesville has lost much of its manufacturing base, the community is focused on becoming more of a diverse economic setting attractive to residents and entrepreneurs who can join a regional economy.

## Project Information

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

I. **Name of Project, address:** The 5th Street Gateway Project, 115 N 4th Street, Zanesville, Ohio 43701

- **Size in Sq Ft.:** 1,600
- **Total anticipated financing need \$:** 4,000,000
- **Financing identified/anticipated, list source and dollar amount or note 'None':** none
- **Project description (include url link if available):**

The request for technical assistance comes in the form of two separate but connected projects within Downtown Zanesville. The first project involves the Ohio Power Building located at 115 N 4th Street. This 1,600-square-foot facility was originally constructed to serve as a service garage for the Ohio Power Company in the early 1900s. In the 1990s, the Muskingum County Convention and Facilities Authority (MCCFA) purchased the property with the goal of building a welcome center in Downtown Zanesville. The initial phase resulted in what is now known as the Zanesville Welcome Center and Chamber Building. However, the Ohio Power Building was not redeveloped during the initial phase and has since been utilized for storage.

In 2019, the City approached MCCFA regarding the future plans for the facility. Since then, the City has facilitated numerous stakeholders meetings and engaged with the design firm, Gossman Group, to provide visioning for the future of the site. The results of these meetings have led to a deep-level design for a multi-tenant structure to feature both retail space and restaurant/bar areas. Cost estimates for the project are in progress as well as a marketing portfolio to attract tenants. MCCFA is prepared to begin lease negotiations with prospective tenants. Additionally, some of the capital necessary for this project has been secured from local foundations. However, the City and MCCFA seek technical assistance to engage in capital investment/redevelopment partnerships to ensure this project becomes a reality.

- **Community Impact (quantify / provide estimates):**  
The general vision of the project is to build catalytic developments that will spur additional redevelopment of Downtown Zanesville. Like many communities in the Appalachian Region, deindustrialization has resulted in the loss of population and small businesses that supported a large industrial base. This has moved the thinking to how Appalachian economies, such as Zanesville, look at economic development. This shift centers on building destinations for visitors

to the region to shop and stay while encouraging people to move to these communities. In terms of the impact this project will have on Downtown the following socioeconomic topics play a key role:

1. **Income and Poverty:** Zanesville reported a staggering 2019 poverty rate of 30.1%, compared to 16% throughout Muskingum County (Census Quick Facts). Median Household Income similarly reveals how Zanesville continues to deal with poverty against the County: \$30,345vs. a county level of \$47,254.

2. **Housing Availability:** In 2019, the City conducted a housing needs assessment (HNA) to determine what the gaps were regarding housing. What was found was a much greater need than originally anticipated. Prior to the pandemic, there was a shocking 2.6% vacancy rate for rental housing and an even smaller vacancy rate for owner-occupied housing. Additionally, the majority of the housing stock was built in the 1920s and 1950s. However, housing was found to be needed across all income brackets with the highest level of need being in the market rate category. A lack of housing options puts the City behind compared to other communities and Muskingum County as a whole when attracting investment.

3. **Shifting Economics:** With the decline of manufacturing and coal-related industries in the region, many workers who once held strong jobs with little to no post-secondary education, are forced out of their current line of work with little to no prospects. One way to combat this decline is to invest in retail and service-based industries with a travel and tourism component. To capitalize on this would be the investment in the Downtown with a focus on travel and tourism. Additionally, with the introduction of the new Intel Chip Plant less than forty minutes from Downtown Zanesville, there is a great opportunity to revitalize the area with a new focus.

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

City of Zanesville, Muskingum County Convention and Facilities Authority (MCCFA)

▪ **Technical Assistance Needed:**

The project partners are in need of three general consulting services due to the breadth of opportunities presented by the unique spaces:

1. **Market Research & Prospectus Development** – Despite Zanesville’s severe poverty and unemployment levels, the City understands there is an opportunity to communicate the fact that their community is ideally situated within a dynamic region where renewal is occurring in communities like Athens, Chillicothe, and Newark. Through a creative description of traffic counts, infrastructure improvements, and regional economic development initiatives the City and MCCFA will be able to more aggressively market the Ohio Power Buildings value proposition in a variety of entertainment geared sectors. This will also aid in enabling the private developers in place for the Pioneer School Project to attract additional investors to the project. Through engaging with and communicating the need for housing and the viability of the project, this site can be utilized for market-rate housing.
2. **Architectural Renderings** – The City and the Pioneer Development Group have identified that architectural renderings will be needed when working with private investors. These will be used to highlight the opportunities necessary. The City and MCCFA have already secured renderings for the Ohio Power Building
3. **Investment Prospectuses** – The City’s Community Development Staff has a robust knowledge of real estate and redevelopment programs, but the City lacks experience in New Markets Tax Credits and Historic Tax Credits in order to develop a complete prospectus for either project. The development of hypothetical proforma development scenarios utilizing these tools would



be invaluable as the City, MCCFA, and the Pioneer School Development team engages with developers and investors in complex capital investment (i.e. major interior renovations) discussions.

- **Describe the connection to other proposed projects listed on this form (if applicable):** see below

II. **Name of Project 2, address:** Pioneer School Redevelopment Project, 952 E Main Street, Zanesville, Ohio 43701

- **Size in Sq Ft.:** unknown
- **Total anticipated financing need \$:** 1,500,000
- **Financing identified/anticipated, list source and dollar amount or note 'None':** none
- **Project description (include url link if available):**

The second project in this request is in reference to the Pioneer School located at 952 E Main Street. The school was abandoned in the early 2000s, but was redeveloped once to serve as an art studio with loft apartments. The site is currently under contract with new owners who have requested to be included in this project. The goal for the Pioneer School is to renovate the facility and build 20 new apartment units overlooking downtown Zanesville. The city has identified housing as a critical need that needs to be filled as soon as possible. The owner's goals for this project is to identify partners/investors and other incentives to aid in the redevelopment of the historic school. A portion of the project has been secured as private financing.

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

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tourism. Additionally, with the introduction of the new Intel Chip Plant less than forty minutes from Downtown Zanesville, there is a great opportunity to revitalize the area with a new focus.

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

The Vaile Family (Pioneer School Development Group)

- **Technical Assistance Needed:**

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- **Describe the connection to other proposed projects listed on this form (if applicable):** see above

5. **Clean Energy Focus:** The City has a strong desire to move in a clean energy-focused direction when working with new developments in and around the City. This is evident in the new solar panel system on the John McIntire Library and other projects throughout the City. The Community Development Staff has been working with both MCCFA and the Pioneer School Development Team to implement clean energy into their designs. The various development groups will be working to identify ways to incorporate green energy infrastructure into each project.
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: The City of Zanesville has a robust staff that will be available for consultations and serve as a facilitator and aid in both projects. The Staff includes Community Development Director, Matthew Schley, who has worked on large development projects in numerous communities throughout Ohio. The Staff also includes two City Planners and two Redevelopment Administrators who specialize in creative and collaborative solutions to revitalization. The Entire Community Development Staff will be available to help see these projects through.

