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

Project Sponsor: East Palestine Community Improvement Corporation, East Palestine, OH

Project Name: East Palestine Historic Train Depot Redevelopment (Project Summary provided in Attachment B.)

Release Date: June 12, 2024

Proposal Due Date: July 10, 2024

Selection Date: July 19, 2024

Contract Period: July 19, 2024 – February 28, 2025 (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](#) TA provider webpage. 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 8 projects to participate in the program to bring jobs, business support, and investment to Central Appalachia. The selected projects propose to create over 280 jobs and attract over \$27M in financing to develop and expand food business hubs; outdoor recreation; childcare centers; regional airport facilities; and hotels; in downtown and rural areas across East Tennessee and Southwest Virginia.

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.

As project technical assistance is completed, investor connections will be made between projects and 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, Dogwood Health Trust, Claude Worthington Benedum Foundation, US Bank, and M&T Bank.

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 – Kentucky, North Carolina, Ohio, Tennessee, Virginia, West Virginia



IV. Project Timeline

It is anticipated that the contractor will be selected by July 19, 2024 for an estimated contract start date of July 19, 2024 through February 28, 2025.

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 \$45,000**. Payment Schedule to be based on deliverables / outcome milestones.
 - *Please note:* to reduce administrative burdens and management costs, OA requires a maximum of 3 invoices per contract (the first may be a retainer/deposit totaling no more than ~20% of the contracted amount. Payments are made based upon satisfactory completion of deliverables and approval by the project sponsor.
- 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.

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 with anticipated deliverable and associated invoicing schedule
- Requests from project sponsors

Attachment A

Requested Scope of Services

Project Sponsor: East Palestine Community Improvement Corporation

Project Name: East Palestine Historic Train Depot Redevelopment

Project Description: Redevelopment of the vacant train depot following the 2023 train derailment and hazardous material burn to restore local pride and showcase small businesses and entrepreneurs. Total costs estimated at \$250,000 with creation of 4 permanent jobs.

Full project summary provided in Attachment B.

TA Requested

- Architectural schematics and cost estimates for the interior changes and installation of electrical, plumbing, and HVAC. Note that the depot does not currently have any utilities.
- Evaluation of using Historic Tax Credits for the project - due to the relatively low anticipated project cost, Parts I & II applications to the National Park Service may make little financial sense.
- Financial structuring to include recommendations for tax credits, grants, and other opportunities; Pro forma development should incorporate tenant build-out strategy for a discounted yet fair rent; Presentation deck(s) intended for prospective tenants and investors.
- Environmental assessment for the building to determine the existence of asbestos, etc., plus remediation plans if necessary.

Attachment B

Summary Information

Lead Contact: Mike Jacoby

Applicant Organization: East Palestine Community Improvement Corporation

Address: 85 N. Market St, East Palestine, OH 44413

Phone: (740) 704-9977

Email: mjacoby@brickergraydon.com

Community Information

1. **Communities targeted by this application (municipality(ies), county(ies), and census tract(s)):** East Palestine, Columbiana County, Ohio, census tract 9515
2. **Service area of applicant (note if different than above, or note same):** Village of East Palestine corporate limits
3. **Community Development Strategy(ies):** Following the Norfolk Southern train derailment in February 2023, the East Palestine community was rightfully focused exclusively on health and safety efforts to protect local citizens. As environmental progress was achieved, a comprehensive economic development planning process, facilitated by consultant Mike Jacoby of Bricker Graydon, began in September 2023 (<https://epohio.org/economic-development/>). The redevelopment of the historic train depot in the heart of downtown is a core project that emerged during initial discussions revolving around efforts to rebuild the downtown core as well as embark upon new industrial development largescale job creation efforts. The train depot project was further catalyzed by Norfolk Southern's commitment to rehabilitate the exterior of the structure and donation of the unique building to the Village and commitment of \$100,000 toward interior build out. Under the terms of the transaction, Norfolk Southern will retain ownership of the land, while the Village will retain ownership of the structure and have full discretion over interior renovations as well as any future tenant or equity investor relationships.

Train depot redevelopment became a priority project within a key strategy area that emerged during comprehensive planning – the creation of a Community Improvement Corp. (CIC) to lead economic development efforts for the Village. Formed in early 2024, the new CIC will be the dedicated vehicle for property acquisitions and sales as well as grant writing and public financing efforts to support job creation and a unique quality of life. With ongoing support from Bricker Graydon through 2027, the new CIC is well-prepared to engage in impactful redevelopment projects, beginning with the train depot.

Finally, East Palestine and Columbiana County are active members of their Appalachian Local Development District, the Ohio Mid-Eastern Governments Association (OMEGA), which oversees the region's Comprehensive Economic Development Strategy (CEDS). The train depot project will become a key effort within the CEDS' overall focus on region-wide historic downtown vitality and entrepreneurship development. OMEGA will also provide ongoing grant writing support to East Palestine for a variety of infrastructure, workforce, and downtown-focused economic development projects, including a recent revolving loan fund approval for a downtown retail business.

Project Information

4. Proposed Projects (list up to 3):

- I. **Name of Project, address:** East Palestine Historic Train Depot Redevelopment, 58 W. Taggart St. East Palestine, OH 44413
 - **Size in Sq Ft.:** estimate 2,400 sq. ft.
 - **Total anticipated Project Cost \$:** 250,000
 - **Financing identified/anticipated, list source and dollar amount or note 'None':** \$100,000 -- donated by Norfolk Southern for preliminary improvements
 - **Project description:** The train depot is a focal point within historic downtown East Palestine, due to the unique shape and exterior of the property as well as long history dating back to the 1890s. The building has been vacant for decades and was acquired by Norfolk Southern in 1998 when the company acquired the local rail line. In response to the 2023 train derailment, Norfolk Southern is supporting the local community's environmental and economic development efforts in many ways, including the donation of the depot to the Village, general exterior upgrades, and donation of \$100,000 toward depot redevelopment. <https://norfolksouthern.mediaroom.com/Norfolk-Southern-donates-historic-train-depot-to-East-Palestine-community>
<https://www.vindy.com/news/local-news/2023/05/norfolk-southern-donates-historic-train-depot-to-village/> <https://www.google.com/maps/@40.8352959,-80.5409393,3a,75y,55.12h,88.6t/data=!3m6!1e1!3m4!1s8byRvgYfG4uRsRA0-QWnEA!2e0!7i13312!8i6656?entry=ttu>

The newly-formed East Palestine CIC is focused on the depot redevelopment as a cornerstone property redevelopment project, thus allowing the CIC to gain traction and engage in other downtown and industrial development projects to rebuild the economic base. The regional economy was already distressed due to area power plant and pottery closures as well as other industrial contractions. The 2023 train derailment further inhibited East Palestine's ability to aggressively invest general fund resources into economic development. Therefore, the new CIC respectfully requests technical assistance resources to receive architectural concepts and structural feasibility, which will then be communicated through an investment prospectus targeted to regional entrepreneurs and/or property developers. The CIC's initial development plan is to present build-out scenarios whereby entrepreneurs/business owners would largely self-finance the creation of individual business spaces in exchange for deeply discounted rent to the non-profit CIC. The CIC looks forward to refining these initial design and development strategy concepts with expert consultants during an Opportunity Appalachia technical assistance program. The CIC will remain committed to aggressively marketing the resulting prospectus through various channels, including regional and state-level economic development partners.

- **Community Impact (quantify/provide estimates):** The small footprint is not designed to be a large-scale direct job creator, but this initial project within the comprehensive economic development plan is viewed to be one of the most impactful, catalytic East Palestine projects in generations. This project will be the first visible and tangible accomplishment toward downtown revitalization. Community leaders are confident that the uniqueness of the structure at a key physical intersection will result in a regionally significant tourist destination of which local residents can be very proud. Of course, the project inherently contains an emotional connection to one of the nation's worst train disasters in U.S. history, thus becoming a strong symbol of the community's determination to rebuild, honor its history, and inspire a new generation of entrepreneurs. Finally, the CIC is focused on this initial project as being a success story that catalyzes a large-scale downtown redevelopment program.

East Palestine contains several downtown buildings with varying levels of distress owned by willing sellers or landlords who need the services and vision of the new CIC. Downtown revitalization is one of the core goals of the economic development recovery plan for the Village. The Village has a preliminary Streetscape improvement concept. The Depot renovation has the ability to be the first rehab and new tenant space ready for entrepreneurs or small businesses in the downtown. The train depot success will allow the CIC to confidently explain its track record and trustworthiness to other downtown property owners over the next 2-3 years.

- **Name(s) of project sponsors, developer, and/or business owner, if identified:** East Palestine Community Improvement Corp. (CIC), www.epohio.org
- **Technical Assistance Needed (refer to Attachment A, page 5, for TA requested in this RFP):** The CIC proposes three areas of technical assistance to ensure future success in the areas of long-term structural integrity, architectural appeal, and a sustainable business model:
 - Structural Analysis and Basic Utility Installation Costs – Due to the age of the structure and many decades of vacancy, a thorough analysis of structural integrity and suitability for modern retail or office uses should be conducted. The analysis should include cost estimates of bringing water, sewer, electric/gas, and telecom services to the property to support the business tenant concepts that emerge from the architectural visioning process.
 - Architectural Visioning – The CIC is interested in working with an architectural firm to engage the community in envisioning interior design concepts that lead to the creation of a property/building that becomes a unique destination for local residents as well as tourists. The property should be a source of pride that reflects the village’s strong industrial heritage and 21st century entrepreneurship and unique quality of life. The architectural concepts should include preliminary cost estimates and will become a key part of the investment prospectus presented to prospective business tenants as they envision their unique business space and partner with the CIC to customize design features.
 - Prospectus / Redevelopment Strategy – The CIC’s initial redevelopment concept is to present the space to prospective tenants under a tenant build-out model that requires up-front tenant investment in exchange for very discounted rent. Technical assistance is needed to refine this general concept by incorporating the architectural/engineering cost estimates and also present opportunities for tax credits, unique grants, etc., as suggested by the consulting team. A marketable prospectus document is requested at the completion of these consulting services.

5. **Clean Energy Focus:** The CIC will consult with the procured architectural firm to focus on clean energy concepts and their associated cost estimates. Examples might include solar panels or electric vehicle parking and charging options. Additionally, recycled building materials will be a focus for all design concepts.
6. **Applicant Capacity:** While the CIC is newly formed in 2024, a board of directors has formed with a broad and deep level of business and construction experience, including an electric contractor, a business owner, and a non-profit organization CEO.. Further, the CIC will benefit from ongoing help from consultants and attorneys at Bricker Graydon through 2027 as Norfolk Southern funded an economic development plan for the Village for five years. Mike Jacoby, Director of Economic Development at Bricker Graydon, has been the lead consultant to the Village on this project. Mike brings 30 years of economic development experience in a variety of economic development real estate projects (<https://www.brickergraydon.com/team/mike-jacoby>). Finally, East Palestine will continue to benefit from free grant writing and overall project

development assistance from OMEGA. As the project unfolds, some items property issues, such as necessary infrastructure mainline upgrades, may not be suited for private investment. OMEGA's bench of subject matter experts regularly lead these types of grant writing efforts to facilitate downtown revitalizations and redevelopment.