

Request for Qualifications

The Sandusky Opportunity Zone Master Plan & Policy Recommendations

Due August 30th 3:00 PM

City of Sandusky, Ohio

The creation of the Federal Opportunity Zone program provides an opportunity to attract significant investment into Sandusky's Opportunity Zone, which includes Downtown Sandusky, the historic residential Kilbourne Plat neighborhood, including waterfront sites with dramatic views of Cedar Point.

What is an Opportunity Zone?

The Federal Tax Cuts and Jobs Act of 2017 included provisions for Opportunity Zones, which provide a tax advantage incentive for certain investments of private capital gains into designated areas of each state. <https://www.irs.gov/newsroom/opportunity-zones-frequently-asked-questions>.

What are the Benefits of Opportunity Zones?

The Opportunity Zones program offers three tax benefits for investing in eligible communities through a qualified Opportunity Fund:

1. A temporary deferral of inclusion in taxable income for capital gains reinvested in an Opportunity Fund. The deferred gain must be recognized on the earlier of the date on which the Opportunity Zone investment is disposed of or December 31, 2026.
2. A step-up in basis for capital gains reinvested in an Opportunity Fund. The basis is increased by 10% if the investment in the Opportunity Fund is held by the taxpayer for at least 5 years and by an additional 5% if held for at least 7 years, thereby excluding up to 15% of the original gain from taxation.
3. A permanent exclusion from taxable income of capital gains from the sale or exchange of an investment in an Opportunity Fund if the investment is held for at least 10 years. This exclusion only applies to gains accrued after an investment in an Opportunity Fund.¹

Below is an example of Opportunity Zone benefits and how investors can advantage themselves²:

- i. *Investor keeps capital gains proceeds invested in the Opportunity Fund for 5 years:*
 - Investor re-invests \$10,000 of capital gain proceeds into a Qualified Opportunity Fund ("QOF") within 180 days of disposition.
 - QOF investment is held for 5 years and sold in 2024 for \$15,000.
 - Basis in the QOF will be increased by an amount equal to **10%** of the deferred gain, or \$1,000.
 - Upon disposition in 2024, Investor recognizes both:
 - \$9,000 of deferred gain net of \$1,000 partial basis step-up, and
 - \$5,000 of gain determined with respect to the appreciation of the QOF investment.
 - =\$14,000 of Total Gain

¹ The Tax Benefits of Investing in Opportunity Zones, Economic Innovation Group, January 2018

² Deloitte Development LLC, National Multistate Tax Symposium, 2019

- ii. *Investor keeps capital gains proceeds invested in the Opportunity Fund for 7 years:*
 - Same as above except QOF investment is held for 7 years and sold in 2026 for \$17,000.
 - Basis in the QOF will be increased by an amount equal to **15%** of the deferred gain, or \$1,500.
 - Upon disposition in 2026, Investor recognizes both:
 - \$8,500 of deferred gain net of \$1,500 partial basis step-up, and
 - \$7,000 of gain determined with respect to the appreciation of the QOF investment.
 - =\$15,500 of Total Gain
- iii. *Investor keeps capital gains proceeds invested in the Opportunity Fund for 10 years:*
 - Same as above except QOF investment is held for 10 years and sold in 2029 for \$20,000.
 - Basis in the QOF will be increased by an amount equal to **15%** of the deferred gain, or \$1,500.
 - Upon disposition in 2029, Investor recognizes both:
 - \$8,500 of deferred gain net of \$1,500 partial basis step-up on December 31, 2026 and
 - \$0 gain excluded from taxation with respect to appreciation of the QOF investment
 - =\$8,500 of Total Gain

Any applicant should seek professional guidance from accountants and attorneys proficient in IRS §1400Z as well as any updated IRS Revenue Regulations to determine their eligibility under federal tax rules and regulations.

What are the Key Attributes of the Sandusky Opportunity Zone?

Sandusky, Ohio is undergoing a resurgence. Having recently completed the celebration of its Bicentennial in 2018, the City is in the midst of implementing the Bicentennial Vision Plan, a document informed by a year-long community process. The plan proposes projects, programs, and partnerships that will ensure Sandusky continues to evolve and thrive for an additional 200 years. Sandusky is a diverse city of 25,000 with historic housing stock and walkable neighborhoods. Sandusky was built on a strong manufacturing economy, but with a shift over the years is often viewed now as home to tourism economy, with over 10 million tourists visiting the region annually, is the home of Cedar Point (the largest seasonal amusement park in the United States) and one of the ports to the famous Lake Erie Islands.

Sandusky is currently experiencing over \$300 million of investment, including the construction of: new elementary schools, a new \$70 million indoor and outdoor sports complex, a citywide waterfront pathway, and over \$100 million of investment in its historic waterfront downtown, which is within the Federal Opportunity Zone. Over 20 buildings have been rehabilitated downtown and over 30 new businesses have opened in the past five years. Anchor projects include: a new Sandusky City Hall, the creation of a new higher educational facility that will bring 200 students to live and study downtown, and the transformation of the waterfront via a \$17 million public investment in the Jackson Street Pier and Shoreline Drive.

The Sandusky Opportunity Zone is located in a historic waterfront district that includes: downtown, a historic neighborhood platted in a masonic street grid, ample city parks and public spaces, a bike trail, and commercial corridor, all overlooking the scenic Sandusky Bay and Cedar Point.

The Sandusky Opportunity Zone will build on recent momentum in the downtown and adjacent neighborhoods. The Opportunity Zone will take a block by block approach to incremental progress while also leveraging large-scale development opportunities to attract investment. Investment in the

Opportunity Zone will benefit existing and new residents, attract new investment and economic development, and continue Sandusky's evolution as a diverse, destination city.

What will be the focus areas of the Sandusky Opportunity Zone Master Plan and Policy Recommendations?

The Sandusky Opportunity Zone Master Plan will include two main focus areas:

Physical Masterplan—what physical changes to the existing public realm will make the Opportunity Zone better able to attract investment?

A conceptual masterplan will include developing concepts, budgets, renderings and recommendations with specific focus on:

- Enhanced pedestrian connectivity through streetscape.
- Traffic calming through use of lane narrowing, bumpouts and other means.
- Bicycle and pedestrian infrastructure.
- How public transportation can be integrated into the Opportunity Zone and connect to neighborhoods and economic centers, including Cedar Point and Firelands Regional Medical Center.
- Long-term parking locations.
- Corridor improvements within the district, including Warren Street, Market Street and West Washington Street and connections to the neighborhoods at Columbus and Hayes Avenues and Shoreline Drive extended to and including the Shelby Street Boat Ramp.
- Identification of sites and opportunities for tactical placemaking & public art.

Deliverables:

- One hardbound copy and a digital and editable version of the Master Plan.
- Items to be mapped (Opportunity Zone and adjacent properties):
 - Base maps: aerial, tax map, zoning map, recent investment properties with associated dollars, demographics, housing units, identification of key anchors within the City, proximity to Cedar Point and the Lake Erie Islands and major transportation routes or ways.
 - Maps with recommendations: identification of possible tactical placemaking and public art locations, proposed long-term parking locations, future transit and water taxi routes.
- Scaled conceptual designs for physical infrastructure improvements with design and construction estimates. Streetscape improvement recommendations will include preliminary specifications and typical cross sections.
- Renderings to show impact of recommended improvements.
- Short accompanying narrative.

Policy Recommendations—what steps can the City, County, and civic partners take to ensure the Opportunity Zone is able to attract positive investment that will improve economic resiliency, competitiveness, and quality of life for Sandusky residents? What new programs and partnerships are necessary to ensure sustained investment and success? Taking a deep dive into needs, funding sources and operational partnerships necessary to ensure success, areas of emphasis could include:

- Infrastructure & Maintenance Funding—how will necessary infrastructure and maintenance improvements be funded? Analyzing existing TIFs and other opportunities including improvement districts and future parking revenues.
- Transportation & Mobility—what investments need to be made in transportation infrastructure to ensure that the Opportunity Zone is connected to potential workforce and other important economic centers?
 - Water Taxi System
 - Shuttle/Trolley Services
 - Bike Share System?
 - Parking Management
- Promotion, Programming, & Placemaking
 - Creation and implementation of a programming fund
 - Creation and Implementation of Marketing Program fund
 - Public Art & Placemaking
- Economic Development
 - Anchor Development Strategies
 - Small Business/Entrepreneur Support/Co-Work & Incubation
 - Attraction of new Businesses/Targeted Industry
 - Large Scale Development Sites
 - Utilization of Development Tools
- Housing & Neighborhood Development
 - Single Family Rehab
 - Infill Development
 - Exterior Beautification
 - Adaptive reuse
 - Upper floor redevelopment within the CBD
 - Zoning and Land Use Review: Zoning and Regulatory Process Analysis and Recommendations for maximizing Opportunity Zone impact and creating seamless experience for development partners
- Zoning and Land Use
 - Downtown Business District Expansion
 - CBD Expansion
 - DORA Recommendations
 - Parking Requirement Review
 - Overlay District Recommendations

Deliverables:

- One hardbound copy and a digital and editable version of a Comprehensive Policy Guide
- Guide should include program benefits, lead department, proposed budget, revenue sources and mechanisms, projected revenue amounts and policy/management principles and guidelines.

*****The two sections shall seamlessly be integrated into one hard copy document, one digital and editable version, and a power point presentation to take on the road.***

What type of firm(s) will be successful in this request for qualifications process?

Successful firm(s) will have the design and planning expertise necessary to develop concepts, renderings and budgets for the physical recommendations for the plan. Firms may submit for one or both the Opportunity Zone Master Plan and/or the Opportunity Zone Prospectus and Marketing Plan. The completed plan will serve as a template for infrastructure investments in the Opportunity Zone for the next decade or more and must be both ambitious and buildable.

Additionally, the successful firm(s) must have the ability to work closely with a strong executive steering committee of community partners, with assigned responsibilities and ad hoc committees for each of the areas of emphasis for policy. Staff and committee members will assist with policy research, recommendation, and narrative development but the selected firm(s) must have the ability to participate in strategic planning, consensus building, public presentations and the culmination and tabulation of all information into a well-designed, well-written report including all deliverables above.

The final report will be utilized to prepare the Opportunity Zone Prospectus and Marketing Plan.

Qualification Packet Instructions

Please include with the qualification packet:

- Experience of firm and personnel assigned to this project that will uniquely qualify your firm to complete this work, including résumés and locations of key project team members (max. 8 pages)
- Description of the firm's overall understanding of the project and recommended scope of services to accomplish the stated goals. (max. 4 pages)
- A project management schedule showing all milestones and completion dates based on "Schedule of Activities" (max. 2 pages)
- Project staffing plan (max. 1 page)
- References (max. 1 page)

The City of Sandusky will form a Selection Committee comprised of officials from the City to review Qualifications. The Selection Committee will evaluate and select the most qualified consultant(s). **Competitive price selection will not be utilized under the selection process.** The following criteria will be used in the consultant selection process:

- Strength of project manager and strength/experience of key team members and proposed subcontracted firms' key personnel
- Past performance and experience with projects of similar scope and size, including experience with facilitating dynamic community engagement and outreach process
- Demonstrated understanding of issues facing the City and region
- Innovative project approach, which includes all listed items in the Scope of Work
- Project schedule
- Location of key staff

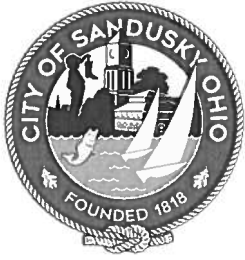
Based on the qualifications submitted, the Selection Committee may conduct interviews of firms that best demonstrate an understanding of the City's objectives and that adequately addressed all elements of the RFQ. Whether interviews are performed or not, the City shall enter into contract negotiations with the preferred firm to determine the final scope of services and project budget. If negotiations fail, the City shall enter into negotiations with the second highest ranked firm. This process shall continue until a contract is successfully negotiated or the City determines to issue a second RFQ. The contract must be approved by Sandusky City Commission.

All qualifications shall be considered without regard to race, color, religion, sex, national origin, citizenship, age, mental or physical disabilities, veteran/reserve/national guard or any other similarly protected status.

One original qualification packet and one electronic copy on CD or via email in PDF or MS-Word format shall be submitted by August 30, 2019, at 3:00 PM to:

**Angela Byington
Director of Planning
240 Columbus Avenue
Sandusky, Ohio 44870**

If under 10MB, the requested electronic copy can be emailed to Casey Sparks at csparks@ci.sandusky.oh.us. Questions will be answered via e-mail to abyington@ci.sandusky.oh.us



**Evaluation Form
City of Sandusky**

Professional Services Request

Sandusky Opportunity Zone and Policy Recommendations

Name of Firm:

Name of Evaluator:

	Criteria	Points	Score
1	Strength of project manager and strength/experience of key team members and proposed subcontracted firms key personnel	25	
2	Past performance and experience with projects of similar scope and size	20	
3	Demonstrated understanding of the project	10	
4	Innovative project approach, which includes all listed items in the Scope of Work	25	
5	Project Schedule	10	
6	Location of key staff	10	

Opportunity Zone

City of Sandusky



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