

**Request for Proposals:
Economic Analysis and Implementation Plan for
Hagerstown's Sustainable Community Plan
Hagerstown, Maryland**

I. Introduction

The City of Hagerstown (City) is soliciting proposals from highly qualified planning and economic analysis firms (Consultants) to assist with an economic analysis of the downtown revitalization objectives, strategies and tactics identified in Hagerstown's Sustainable Community Plan (SCP) and further developed in a community engagement exercise facilitated by the consultant, and development of an implementation plan to achieve the plan's objectives. The SCP incorporates the City's latest assessment of downtown's assets and detractions, vision for the future, and strategies for achieving that vision. This economic analysis and community engagement project is intended to provide the data and community support for realistic and achievable tactics that will allow us to focus on implementation in order to generate momentum and to help the City and investors make better plans and decisions to create value, manage risk, and improve our prospects for success. As a result, we anticipate this project including a cost benefit analysis and renderings of up to eight catalyst projects.

The selected firm must have a deep portfolio in market analyses of downtown economies and cost benefit analyses of revitalization strategies and catalyst projects proposed to improve the economic vitality of struggling downtown environments in small cities.

II. Project Goals and Objectives

The Consultants will review market conditions affecting Downtown Hagerstown and conduct an economic analysis of the feasibility and impact of the revitalization objectives and strategies for Downtown Hagerstown outlined in Hagerstown's 2012 Sustainable Community Plan and further developed in the project's community engagement process. This project will help the City develop realistic and achievable tactics and strategies to accomplish the SCP's objectives. A key aspect of the report will be a cost benefit analysis and renderings of up to eight catalyst projects intended to implement our plan for downtown. We foresee utilizing the implementation strategies in this report for marketing to potential investors in the private sector and to energize our community about our vision for downtown. The consultant will explore linkage opportunities between the downtown and surrounding areas and recommend specific strategies to improve these relationships. The consultant will lead a community engagement exercise to help further develop tactics and strategies to implement our plan and to garner community support for our vision. This report is intended to provide the data needed to assist the City in gaining wide spread public support for our downtown revitalization vision and in working with our community stakeholders to develop specific on-the-ground projects to implement that vision.

The City has a strong foundation of downtown planning which crystallized in our State-approved Sustainable Community Plan. The central tenet of all of our downtown revitalization planning efforts is the vision to see Downtown Hagerstown regain its role as the commercial, institutional,

and cultural heart of our community. These plans recognize that this vision can only be realized if the downtown's image is improved so that it is widely understood to be a viable place for investment and business and for use by the public and if the downtown contains a variety of unique destinations and admired aspects to draw people downtown for social, cultural, educational, and economic engagement. As our efforts evolved over the past 20 years, the following guiding principles have framed the specific strategies we've identified to achieve our vision:

- A. Enhance the public realm to make the downtown easier, "safer," and more attractive to navigate and visit for business patrons, employees and residents.
- B. Recruit new businesses and jobs to the downtown that support the unique atmosphere of our mixed-use downtown environment.
- C. Upgrade housing in and around the downtown to attract residents who will diversify the income mix downtown and will support downtown events and businesses.
- D. Create and support efforts that bring people downtown for events and to patronize businesses.
- E. Create and support amenities and assets that make Hagerstown unique and a place of choice to live and visit by all income groups - focus efforts on continued concentration and nurturing of arts, education, culture, and entertainment enterprises and protection of architectural assets and urban scale.
- F. Recruit residents with more discretionary spending power and more interest in the social engagement possible in a mixed-use downtown environment.
- G. Turn blighted conditions into opportunities for economic development and implementation of the community's goals for the downtown.

The City seeks consultant services to develop an implementation for the Sustainable Community Plan to include both strategies and tactics currently in the plan as well as new ones identified through the project. Consultant services will also include an analysis of the economic feasibility and the impact of implementation. It is an underlying intent for this project to help us build community support and attract investors to implement our vision for downtown.

III. Project Background

A. The City

Hagerstown is a older, industrial city of 39,662 located at the heart of a suburban metro area with a total approximate population of 90,000. The city initially developed in the early 19th century as crossroads town for the surrounding agricultural community. In the mid- to late-19th century, the city became a railroad hub which drew industries and additional commerce to the downtown area. Residential housing grew exponentially from the late 19th century to the early 20th century to keep pace with the demand for employment in the city's booming economy. By the early 20th century, Hagerstown and Cumberland to the west were vying for the claim of 2nd largest city in Maryland. Between 1950 and 2000, the suburbs around the city nearly quadrupled in size as area residents and businesses sought new locations outside the city. As a result, the city's urban core became concentrated with lower income households and our overall economic health steadily declined from its pre-1960 might. Today, the City works to diversify its economic environment and facilitate annexation of new land for growth in the city. Enhancing the economy, image and quality of life of Hagerstown is a core value for the City and revitalization of the downtown is a key aspect in that mission.

B. Downtown Context

Downtown Hagerstown developed as the heart of a mighty economic engine in the late 19th and early 20th century. The downtown was home to manufacturing enterprises, retail and other commercial businesses, theaters, hotels, financial institutions, churches, government institutions, apartments, and town homes. The City Center mixed-use zoning district, which includes the core central business district portion of downtown, is 162 acres in area. While suburbanization trends sapped the vitality from the downtown and urban core of the city, our downtown still contains a wealth of historic architecture from that earlier heyday of development. The downtown and three surrounding historic residential neighborhoods are protected with local historic zoning.

Of the 525 buildings in the downtown, 43% are commercial or mixed-use, 50% are residential, 6% are public or private institutions, and less than 2% are industrial. 13% of the buildings downtown are entirely vacant and 6% of the commercial and mixed-use buildings are vacant only on the upper floors. There are approximately 1,400 occupy-able dwelling units downtown with about 11% of the units vacant and 43% of the occupied units subsidized in some manner for low-income residents. Households with more economic means tend to be located in neighborhoods beyond the boundaries of the Sustainable Community Area and

in the suburbs surrounding the city.

Because Hagerstown is the County seat, the downtown still maintains a sizable share of government offices and government-related services (e.g., law firms). In 2012, there were 3,293 employees downtown with 35% of them in public administration and 21% in professional services.

Downtown also contains a significant concentration of our County's arts and cultural institutions – the Maryland Theatre, the Maryland Symphony Orchestra, the Washington County Free Library, the Washington County Arts Council gallery and offices, the Barbara Ingram School for the Arts, a children's theater group, a dinner theater, and private art galleries. Downtown is also home to the University System of Maryland Education Center at Hagerstown. Downtown contains many of the historic sanctuaries of our faith-based community and these organizations are very active in their efforts to improve the lives of the city's lower-income residents. 17.2% of the employees and volunteers working downtown are from these institutional and educational enterprises.

As the crossroads of the Hub City, downtown experiences significant daily traffic counts – 15,000-16,000 average annual daily vehicles on the two east-west US40 routes through downtown and 11,500 average annual daily vehicles on the major north-south route of Potomac Street.

C. The Hagerstown Market

Hagerstown is well situated in the heart of the Great Valley in Maryland in fairly close proximity to three major metropolitan cities – 70 miles west of Baltimore and Washington, DC and 156 miles southeast of Pittsburgh. The Hagerstown market has a strong transportation network with two intersecting interstate highways (I-70 and I-81), freight rail service by at least two providers (CSX and Norfolk Southern), a regional airport with daily commercial air service to Dulles and twice weekly service to Orlando, and within 70 miles of three international airports (BWI, Dulles, and DCA). Hagerstown is within a day's drive of half of the nation's population. With this excellent location, logistics, warehousing, and distribution are perfectly suited for the Hagerstown area.

There are approximately 90,000 people living in the Hagerstown metropolitan area within a six mile radius of Hagerstown's Public Square. The 2011 median EBI of our county was \$40,614. The Hagerstown market has been called a "retail mecca" and is ranked first in Maryland in retail shopping center space per capita. The Hagerstown/Washington County metro area draws its workforce from a tri-state region with a total regional workforce of nearly 800,000.

Our market is rich in quality of life amenities and opportunities. Within a 70 mile radius of Hagerstown there are more than 30 institutions of higher learning. The Hagerstown market is served by a state of the art health system with a brand new hospital, Meritus Medical Center, serving the tri-state region. Hagerstown Community College is the fastest growing community college in Maryland with a burgeoning focus on science, technology, engineering and math. The University System of Maryland Center at Hagerstown (USMH) in Downtown Hagerstown offers 20 undergraduate and graduate degree programs from five Maryland institutions of higher learning. Washington County Public Schools consistently rank among the top public school systems in Maryland. Our region is blessed with an abundance of parks, protected agricultural land, and heritage resources.

With all these services and amenities and with our extremely far reaching transportation network, the Hagerstown market is well positioned for economic development and can boast a comparatively affordable cost of doing business and of living.

IV. Anticipated Scope of Work

The City of Hagerstown has a diverse and capable team of staff in the Department of Community and Economic Development and the Department of Parks and Engineering that will be available to provide assistance on this project. In particular, staff are available to assist with data collection and facilitation of stakeholder interviews as needed for the project.

The respondents are given broad latitude to scope the project in a way that effectively achieves the stated objectives. The City's primary needs for Consultant support in this project include market analysis and economic analysis of the plan's recommendations for retail, housing, private sector office, and cultural/educational anchor development. Consultant value will be primarily measured in terms of the ability to undertake cost benefit analyses that demonstrate the financial feasibility and economic impact of specific development recommendations for this market. The City also needs the consultant to lead a community engagement exercise to further develop strategies and tactics to implement the SCP and to garner support and input on our vision for downtown.

The following outlines a minimum scope of work that each proposal should consider as guidance and context.

- A. *Analysis of Market Conditions* – through a collaborative process with City staff, Consultant will focus data collection and analysis on what is necessary to support this economic analysis report. The City has considerable downtown data on land use, occupancy, parking, traffic counts, employment, assets and liabilities, and redevelopment opportunities. In addition, our 2012 Downtown Parking Master

Plan provides an assessment of downtown parking conditions and forecasting of downtown parking needs. Examples of areas of need for this project include market analyses of retail, office, and housing for new demographic groups for the downtown.

- B. *Economic Analysis of Feasibility of Plan's Land Use Recommendations* – Consultant will analyze the feasibility of the recommendations for retail, housing, office, and institutional development and identify required steps or conditions necessary to execute such projects and attract private sector investment and recruit business tenants. As a part of this analysis, the Consultant will interview local stakeholders to gain a local perspective on market conditions and the Consultant's findings.
- C. *Cost Benefit Analysis of Identified Catalyst Projects* – Consultant will conduct a cost benefit analysis and prepare renderings of up to eight catalyst projects. The cost benefit analysis will consider both public and private sector benefits recognizing that many projects would be done with a public private partnership and would have greater impact than to just the property involved. The catalyst projects are intended to increase foot traffic downtown and help make the downtown a regional destination for arts, culture, entertainment and education. The cost benefit analysis would help our community understand the affect these projects could have on market conditions and gain a better grasp of the relationship between these projects and the other land use recommendations in the Sustainable Community Plan.
- D. *Exploration of Linkages* – Consultant will explore linkage opportunities between the downtown and surrounding amenities and neighborhoods and recommend possible improvements to realize selected linkage strategies.
- E. *Community Engagement* – Consultant will lead community engagement exercise to further develop strategies and tactics to implement the SCP and garner community support and input on our vision for downtown. In particular, input will be sought to help develop a list of potential catalyst projects to implement the objectives of the Sustainable Community Plan.
- F. *Implementation Plan* – Consultant will prioritize strategies and develop a detailed implementation plan that addresses phasing and execution challenges, so that projects are positioned to respond to the market, attract financing, and be executed, to maximize potential for long term success of these initiatives, and to facilitate marketing of the downtown to prospective investors and businesses.
- G. *Project Timeline* – the anticipated timeline for planning process completion is six months from initiation. We expect award of contract on November 26, 2013 and

project initiation on December 2nd. We anticipate the following timeline for deliverables:

1. Completion of the community engagement process by February 15, 2014;
2. Identification of the catalyst projects for assessment to occur by March 15th;
3. Delivery of the draft report by May 15th ;
4. Delivery of the final report and public presentation by June 15th.

The project timeline may be subject to adjustment upon agreement of the City.

- H. *Estimated Deliverables* – the Consultant will prepare an economic analysis of Hagerstown's Sustainable Community Plan and implementation tactics and strategies further developed as part of the project's community engagement process. The work will include a cost benefit analysis and renderings of up to eight proposed catalyst projects identified for the Downtown. The work will include recommended linkage systems between the downtown and surrounding areas. The work will include recommended phasing for implementation of projects recommended by the Plan's revitalization strategies. The final details of project team roles and Consultant deliverables will be negotiated between the City and the Consultant prior to award notification.

V. **Submittal Requirements**

Proposal packages shall include the components listed below and will be evaluated with the weights indicated.

A. **Team Qualifications and Experience (35%)**

Summary of the particular advantages of the team for this RFP and experience with the potential Scope of Work components listed above. Summary of the team's understanding of and experiences with downtown economic and real estate development and retail and residential analyses in urban settings. Examples of downtown revitalization projects. Provision of resumes for project manager and key team members.

B. **Project Approach (35%)**

Identification of specific duties of key personnel. Quality of the proposed work plan and the degree to which proposal responds to the components delineated in the Scope of Work. Proposed project schedule.

C. Quality of Performance History (15%)

Demonstration of effective cost control, work quality, adherence to schedules/deadlines.

D. Experience/Knowledge with Similarly sized and challenged Cities (15%)

Knowledge of key planning issues and influences impacting smaller cities in tertiary markets which are experiencing sluggish to depressed downtown economic markets.

E. References

VI. Selection Process

The City intends to use a combined RFQ/RFP (Request for Proposals) consultant selection process. City staff will review the responses to the RFQ/RFP and select a short list of firms to be interviewed by the City. Upon conclusion of the evaluation process, City staff will open the price proposals of the preferred firms. Unless extenuating circumstances come into play, the lowest bid of the preferred firms will be recommended to the Mayor and City Council for award of contract.

VII. Inquiries

Inquiries shall be submitted via email to the City's Accounting Department at ebonilla@hagerstownmd.org and a response will be prepared as an addendum to the RFP. The deadline for submittal of questions is October 9, 2013.

VIII. Submittal Instructions

Applicants must submit 5 identical copies of their RFQ/RFP package. Packages must be mailed or hand delivered to Ms. Donna Spickler, City Clerk, City Hall, 2nd Floor, One E. Franklin Street, Hagerstown, Maryland 21740 no later than 3:00 p.m. on October 30, 2013. Submittals received after the announced time and date will not be considered.

Price proposals must be placed in a separate, sealed, clearly marked envelope. Submittals will not be considered if the price proposal is included within the cover letter or within the technical proposal of the RFQ/RFP material.

IX. Attachments

- A. Map of Sustainable Community Area
- B. Map of Downtown with various boundary designations

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- C. Map of four locally zoned historic districts
- D. 2012 Sustainable Community Plan

Hagerstown's 2012 Sustainable Community Plan, past planning efforts, and additional context on the downtown are available on the City's website at <http://www.hagerstownmd.org>.