



APPALACHIAN STATE UNIVERSITY

REQUEST FOR INTEREST

INNOVATION DISTRICT MIXED USE DEVELOPMENT

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REQUEST FOR INTEREST (RFI)

I. DEVELOPMENT OPPORTUNITY

Appalachian State University (“App State” or “the University”) seeks to develop the Innovation District – a mixed-use development that will elevate the University’s applied research capacities and make it a more accessible partner to industry and the community. Located in Boone, NC, the University envisions the Innovation “District” as an ecosystem of new academic buildings, housing, and flex office/industrial space delivered across multiple University-owned sites. Neighborhood retail and public realm amenities will establish a sense of place and cohesive identity for the district sites. The following Request for Interest (“RFI”) provides additional information on the development plan and process to identify a qualified development partner(s) to deliver the multifamily housing component of the project and associated retail.

II. REQUEST

The University is seeking best-in-class developers that have the technical capability and interest in providing multifamily housing along with neighborhood-focused retail and amenities. The delivery of other District assets like office/flex space and academic facilities will be procured separately. The selection of the multifamily developer will include a two-part solicitation process which includes this RFI, a Request for Proposals (RFP), and interviews as shown by the schedule below. In the invite-only RFP, App State will request short-listed developers to provide information on the development concept and proposed partnership and financial structure to facilitate the University’s selection of a preferred partner(s).

The University will host an optional informational meeting with interested developers on October 7 to provide insight on the vision and development plan, as well as answer questions on the process. If interested, please send an e-mail to Kevin Mara (kmara@bdconnect.com) to receive meeting information.

All questions related to the RFI or selection process must be sent to Kevin Mara (kmara@bdconnect.com) by October 12 at 5:00pm ET.

Schedule

The following schedule represents the intended milestones for this process. The University will make every effort to adhere to this schedule, and any adjustments to the schedule will be announced via an amendment.

Monday, October 4, 2021	Request for Information Launch
Thursday, October 7, 2021	Optional Informational Meeting
Tuesday, October 12, 2021	RFI Questions Due
Friday, October 15, 2020	RFI Question Response Addendum Posted
Monday, October 25, 2021	RFI Response Due
Friday, October 29, 2021	Short-Listed Notified / Request for Proposal Released
Tuesday, November 23, 2021	Proposals Due
Week of November 29, 2021	Developer Interviews

III. GENERAL INFORMATION

a. Background Information

Appalachian State University, an institution of the University of North Carolina System, is a top regional university with a national reputation for excellence in teaching and applied research and leadership in sustainable and resilient development. Over 20,000 students are enrolled at its campus in the Blue Ridge Mountains. The University and the adjacent town of Boone form an economic, cultural, and tourism hub for Western North Carolina, and provide an access point to the region's abundant outdoor opportunities.

The Board of Governors of the UNC System has designated a substantial portion of App State-owned land to be Millennial Campus, which gives universities regulatory flexibility to finance projects and collaborate with industry and the private sector on innovative ventures. App State intends to utilize the Millennial Campus designation of specific undeveloped and infill parcels to facilitate development of Innovation District components. The District itself may be understood as an ecosystem, providing for the mingling of multiple academic disciplines, industry, and residential and commercial activity without the physical and cultural barriers of the traditional academy structure.

b. Development Advisor

App State has engaged Brailsford & Dunlavey, Inc. to serve as the Development Advisor for this Project. B&D is a national advisory and program management firm dedicated to serving educational institutions, public agencies, professional sports organizations, and non-profit clients.

IV. INNOVATION DISTRICT DEVELOPMENT PLAN

a. Site Plan & Project Goals

The University embarked on an initiative to assess development opportunities for multiple Millennial Campus parcels in Boone and the surrounding Watauga County. The process focused on identifying buildable areas and defining opportunities that aligned with the University's strategic purpose and market opportunities. As a result, the University decided to create a network of developments on its main campus and on nearby University-owned land. The Innovation District assets are intended to fully integrate into the life of App State rather than function as a discrete or disconnected "research park." The Innovation District overall must meet ambitious standards for sustainable and resilient development, such as Living Community designation, and the multifamily housing component will be important to achieving that goal.

The sites being considered to include housing development are shown in Attachment 1. Sites will be finalized in the RFP to be issued to shortlisted firms.

The following strategic objectives guided the University in its decision to pursue market opportunities, and will continue to guide decisions throughout the partner selection process. App State's priorities align with the following criteria:

- The District should foster collaboration and provide a clear access point to campus for industry and the broader Western North Carolina community;
- The District must respond to the needs of App State and the market, meeting gaps to the benefit of the University community;
- The District must implement leading principles for sustainable and resilient development;
- The District must perform financially; and,
- The University should function as Master Developer to control the District as it relates to edge condition/adjacencies, architectural standards, and placemaking.

b. Development Plan and Market Information

The Innovation District will amplify App State's impact on the surrounding region through applied research and engagement with industry and the community. Limited buildable land and tight housing and office markets in Boone and the surrounding area have made it difficult to attract, retain, and grow talent. By strategically leveraging its buildable land, App

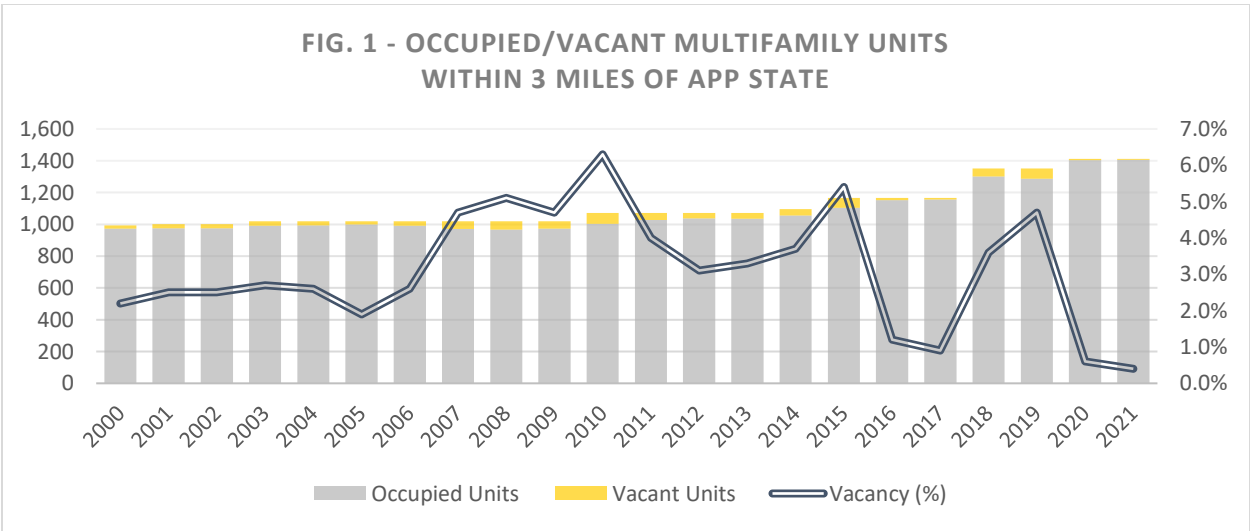
State can create a mix of uses that will provide a venue for more people and organizations to engage with the University.

Anchored by new academic research facilities and housing that will enable the University to recruit talent to the area, the Innovation District will also incorporate office and flex space that will facilitate the collocation, incubation, and growth of industry partners aligned with the University’s strengths. Retail and public-realm amenities will create a sense of place and establish the District as a desirable place to live and work. Through public-private partnerships, the University can work with private partners to implement a self-sustaining business strategy for the District.

The development opportunities leverage existing demand generators, including high traffic volume on Highway 105 and US-321, access to 23,000+ University students and employees on the main campus, and proximity to stable, existing residential and retail areas. Additionally, Boone benefits from its status as a regional destination for shopping and dining for the surrounding counties. The Highway 105 site in particular benefits from significant visibility and had attracted interest from numerous enterprises hoping to establish a presence at this location.

Multifamily Residential

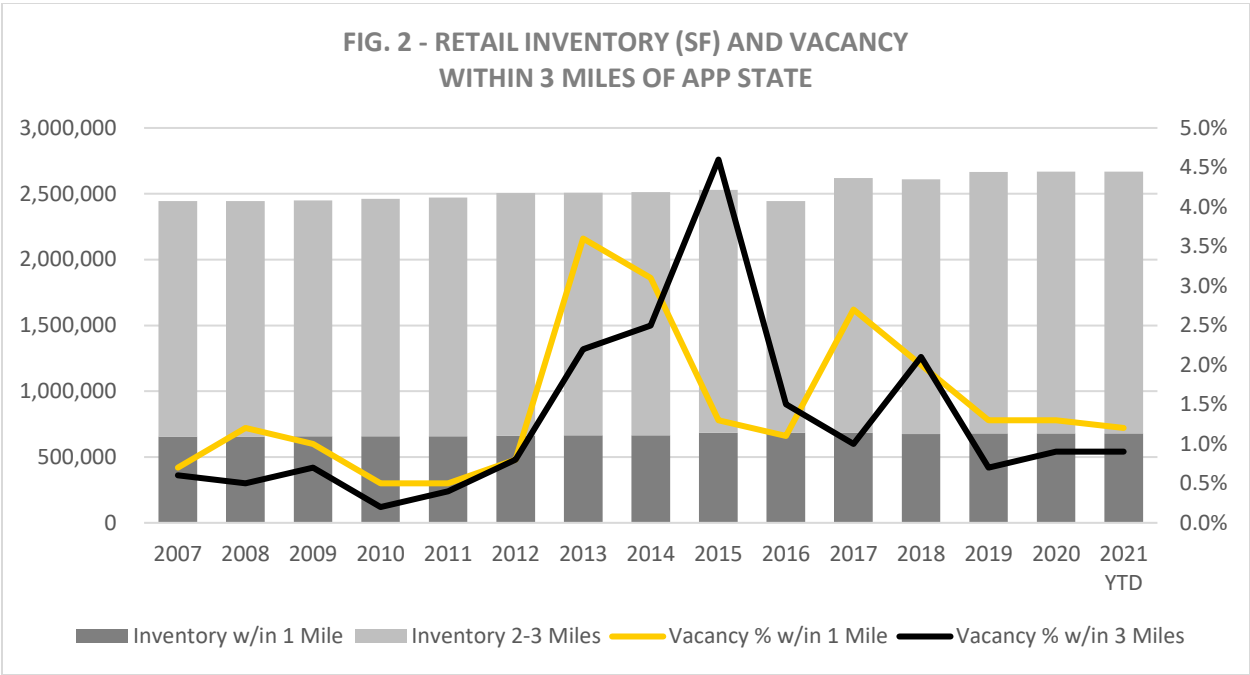
The University envisions that the Innovation District will be a key resource for attracting faculty, staff, and graduate students to Boone, where high and increasing housing costs have become an impediment to recruitment. As shown in Figure 1, vacancy in the Boone multifamily market has decreased to a historic low, while relatively little inventory has been added in recent years, making it difficult to obtain housing within a reasonable distance of campus. To that end, the multifamily rental housing will primarily serve the University community.



Rental housing within the Innovation District should reflect the aesthetic of campus and integrate into the surrounding mountain community. The site plan currently includes opportunities for housing on the Broyhill, Convocation Center Parking, and Highway 105 sites, which will be refined through an on-going Master Planning process. The University may consider other sites for housing if prudent. In particular, proximity to the University Nature Preserve is seen as a potential amenity for new housing on the Broyhill site.

Retail

The retail development plan includes a mix of unique and high-quality retail tenants targeted towards restaurants, shops, and neighborhood amenities. Current retail activity in Boone relies on activity from both local residents and App State students, trade from surrounding areas, and tourism. As such, the retail must provide destination-quality tenants and neighborhood support services.



Retail will be integrated with housing and office development at scales appropriate for the demand captured onsite. Retail inventory has historically been low in Boone (see Figure 2), both immediately adjacent to campus and further away, indicating unmet market opportunity – though parking must be thoughtfully considered as part of a successful retail strategy. Greater retail presence is anticipated on the Highway 105 Site, to take advantage of significant vehicular traffic. Highway 105 averages 21,500 cars per day and nearby US-321 averages more than 23,000 cars per day; both roads serve as primary arteries for accessing Boone from the south and west. The University envisions Highway 105 site tenants to be high-quality brands with facilities that attract the App State campus

community and neighbors, developing a sense of place. Developers will be tasked with navigating the tension between creating an attractive walkable location and ensuring that the development concept effectively accounts for parking and vehicular ingress/egress. Retail integrated with other sites on main campus will be more focused on serving the University campus community with neighborhood amenities.

Additional Context

For-Sale Residential

Subsequent phases of the Innovation District are envisioned to include for-sale housing that will enable the University to recruit and retain faculty and staff interested in homeownership. The for-sale housing will follow faculty-and-staff housing models implemented at other leading universities, with governance provisions for long-term affordability and University control over the land.

Research, Office & Flex Space

The University has identified need for approximately 240,000 square feet of academic facilities and is seeking public funding to develop facilities for several programs within the District. The buildings will include research and teaching facilities for key programs such as Chemistry & Fermentation Sciences, Biology, and Sustainable Technology & the Built Environment, as well as spaces to facilitate collaboration with industry and across disciplines.

Office and flex space included in the district will provide scalable opportunity to incubate, attract, and grow businesses in Boone. The University aims to strategically foster collaboration between industry partners, new academic facility capacities, and existing campus strengths.

c. Partnership Overview

A variety of funding sources will be required for the Innovation District, including public funds to support research and infrastructure improvements that are central to the University's mission, and private-sector funding for revenue-generating assets. The University will seek public-private partnerships and alternative financing structures to deliver revenue-generating improvements in the District but will retain responsibility for implementing the overall District plan.

Additionally, App State is committed to serving the southern Appalachian region and acting as an economic catalyst for the North Carolina high country. To this end, the University seeks to balance financial return with accessibility of Innovation District resources to the

App State and Boone communities. Through this process, the University is seeking competitive partnership structures that deliver upon this vision while maintaining its ownership of the land.

V. PROCESS

a. Statement of Interest

The University requests interested developers to provide a Statement of Interest expressing interest and preferred capacity to deliver the multifamily housing and/or supportive retail described in the development plan above.

b. Technical Capability

In addition to the Statement of Interest, the University requests Developers to demonstrate their experience by providing the following information for three (3) recent multifamily rental housing projects:

- Title of the project, location, and acknowledgment if the project is affiliated with a college or University;
- If not proprietarily owned, describe the structure of the contract with the owner. For any developments that involve revenue sharing or profit splitting with the owner(s), provide a summary of the structure of the general financial arrangement with the owner;
- Square footage of total development. Include square footage by asset class (e.g., retail vs. residential) if applicable.
- Total project cost of development constructed on the site;
- Construction timeline and opening date; and,
- Photographs of the completed project or if the project has not been constructed, architectural renderings of the project.

c. Financial Capability

All statements of interest must provide specific evidence that the developer has the appropriate financial resources available or access to financing for a project by providing the following information:

- Current available financial resources, access to capital (debt, equity, other) in the current capital market, and number of transactions in the past two years.

- If applicable, please also include any experience using national or regional tax incentives or financing tools for real estate development (i.e. Opportunity Zone, tax increment financing districts, etc.).

VI. SUBMISSION PROCESS

a. Statement of Interest Submission

To be considered in this selection process, please send the letter of interest and documents demonstrating technical and financial capability to Kevin Mara (kmara@bdconnect.com) by October 25. The submission must include company background, desired development role, technical capability for development role, and financial capability. All materials must be received by 5:00 p.m. ET on Monday, October 25, 2021.

VII. ADDITIONAL INFORMATION:

For more information regarding App State's Innovation district and master planning documents, please visit:

<https://www.appstate.edu/appalachians-future/building-physical-infrastructure/innovation/>.

Note that the Innovation District concept has expanded beyond the initial vision of the Broyhill site that is shown on the webpage.

Attachment 1

SITES CONSIDERED FOR HOUSING DEVELOPMENT

