



IN PARTNERSHIP WITH PROGRAM SPONSORS



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

Release Date: April 10, 2020

Proposal Due Date: April 30, 2020 (extended thru May 8)

Selection Date: May 15, 2020

Contract Period: May 15, 2020 – January 30, 2021

Request for Proposals:

Technical Assistance for Opportunity Appalachia OZ Projects

I. Overview of Request for Proposals

Appalachian Community Capital (ACC) seeks contractual support for specified Technical Assistance for Opportunity Zone project development.

The Technical Assistance contractor will report to the Project Director of Opportunity Appalachia. The requested Scope of Services is noted in Attachment A, and may involve:

- development of investment prospectus, preparation of pro forma financial projections, structuring of projecting financing,
- market research
- demand assessment, operations planning, identification of project developers / business operators
- architectural and design
- outreach to OZ investors / public and private project finance
- other types of assistance.

Entities interested in providing Technical Assistance must complete the Request for Qualifications RFQ, as noted on the [Opportunity Appalachia](#) web page.

Proposals will be evaluated on contractors' qualifications (per the RFQ), expertise, track record, Scope of Work, budget/timeline, and OZ project requests.

II. Background

About Opportunity Zones

Opportunity Zones (OZ) were established by the U S Congress in the Tax Cuts and Jobs Act of 2017 to encourage long-term investments in low-income communities. The tax incentive provides relief to individuals and businesses that have significant capital gains if they elect to invest into Opportunity Funds or Qualified Opportunity Zone businesses.

Federal Opportunity Zones present the Appalachian Region with a unique opportunity to bring investment to areas that have historically struggled to attract investment and resulting development. To maximize this opportunity, the Region must deploy a holistic approach to marketing, business support services, alignment of state laws and local incentives, capital investment and attraction strategies, as well as engagement of community-based development and service partners.

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.

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 Opportunity Fund investment to rural coal communities. Investment priorities include projects focusing on downtown development, manufacturing, IT, healthcare, education, food systems, clean energy, tourism, and recreation.

The initiative recently announced selection of 16 projects to participate in the program to bring jobs, business support, and investment to Central Appalachia. The selected projects propose to create over 1,800 jobs and attract over \$365M in financing to develop manufacturing facilities, downtown development, tech business, agricultural facilities, hotels, broadband deployment, and retail enterprises in federally designated Opportunity Zones.

These proposed projects are particularly important at this challenging time as local economies look to restart once public health concerns resolve. Opportunity Appalachia will work closely with both private investors and Federal agencies that have prioritized support for Opportunity Zone (OZ) communities, an essential component of our national economic recovery.

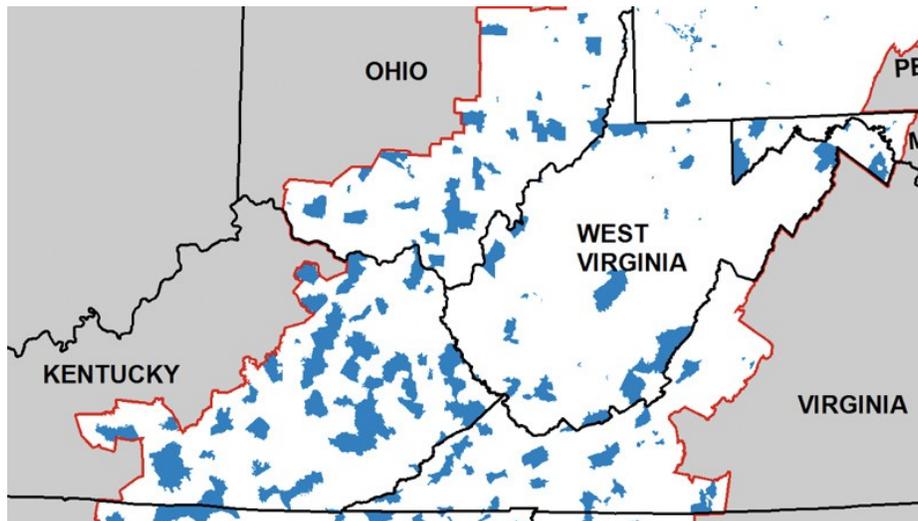
Once project technical assistance is completed, a highly visible OZ Investor Convening event will be held in late 2020 that will target both local and pre-vetted national investors, as well as

federal and state funders. A curated web-based platform hosting prospectus / pitch decks will also be made available to facilitate investor due diligence.

Opportunity Appalachia is a [Forbes Opportunity Zone 20 Catalyst](#), which designates the Opportunity Appalachia program as a top national example of community-focused efforts to revitalize distressed communities using the new Opportunity Zone (OZ) investment tool.

The program is supported by a POWER grant from the [Appalachian Regional Commission](#) with additional support from the [Benedum Foundation](#).

Central Appalachian Opportunity Zones – Ohio, Virginia, West Virginia



158 OZs in Central Appalachian coal-impacted communities in WV, OH and VA.

III. Project Timeline

It is anticipated that the contractor will be selected by May 15, 2020 for an estimated contract start date of May 15, 2020 through January 30, 2021.

IV. Instructions to Submit a Proposal

Contractors seeking to provide these services should submit the following:

- 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.**
- Timeline for Scope of Work, with deliverable milestones

- Biography/resume for all staff noted in proposal (or provided in RFQ)
- 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).

Please submit responses via email in one pdf attachment by Proposal Due Date to Ray Daffner oa@accl.org.

V. Proposal Evaluation

ACC will select contractors through a competitive process based on the following criteria.

- Qualifications (per the RFQ), expertise, track record, and staff bios.
- Scope of Work and Timeline
- Budget
- Requests from OZ project sponsors

Attachment A
Requested Scope of Services

Project Sponsor: City of Galax

Project Name: Vaughan Furniture Building

Project Summary provided below.

TA Requested:

- Market research with feasibility assessment to prepare the framework of investment opportunities that can be realistically supported for this building. The feasibility assessment can run concurrent with the final phase of the Brownfield Assessment already underway.
- Preliminary architectural report (PAR) building upon the feasibility assessment.
- Identification of developer(s).
- Development of investment prospectus and support for capital raise, perhaps QOF investment to secure site control for development.

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LEAD CONTACT:

Keith Barker

APPLICANT ORGANIZATION:

City of Galax

ADDRESS

111 East Grayson Street
Galax, VA 24333

WORK PHONE

(276) 236-5773

MOBILE PHONE

(276) 233-5382

EMAIL

kbarker@GalaxVa.com

Narrative Responses

Note: Narrative responses to each question are limited to 2,500 characters unless otherwise noted.

1. OZ COMMUNITIES TARGETED BY THIS APPLICATION (MUNICIPALITY(IES), COUNTY(IES) AND OZ CENSUS TRACT(S):

City of Galax, Carroll County, 701.01 and 701.02

Applicant City of Galax is approximately 8 square miles and is the geographic center as well as the employment and shopping hub for a 924 square mile region with surrounding counties of Carroll and Grayson. All three localities are targeted rural Opportunity Zone eligible communities for Opportunity Appalachia. All three will benefit by the jobs created from this project.

Every day, approximately 15,000 employees come in from the surrounding counties to work in the City of Galax. The vast majority of the workers are from the counties of Carroll and Grayson, which are also Opportunity Zone rural communities.

The 440,000 square foot gateway building that is the subject of this application is on State Road 58, a major highway and designated corridor of statewide significance that transects the region. Redevelopment of the property will create jobs for the Galax-Carroll-Grayson region.

2. SERVICE AREA OF APPLICANT (NOTE IF DIFFERENT THEN ABOVE, OR NOTE SAME):

City of Galax, Carroll County, 701.01 and 701.02

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3. COMMUNITY DEVELOPMENT STRATEGY(IES):

Galax Community Development Strategies targeted in this application include downtown development; heritage tourism and recreation; healthcare; food systems; manufacturing; education; and business and entrepreneurial development and support.

The property is a landmark, gigantic furniture building, with approximately 10 acres under roof. It is an anchor gateway building for Galax and Downtown, situated along State Road 58, a major highway and corridor of statewide significance. Directly across the street is the trailhead for the New River Trail, a 57-mile flat trail and state recreational park. The Virginia Tech Office of Economic Development completed a 122-page Vaughan Furniture Redevelopment Proposal in May 2019 which outlines mixed-use redevelopment. (Please see the proposal in the linked document folder.)

“Galax is a vibrant, diverse, friendly, citizen engaged community that pursues a culture of excellence” begins Vision 2020, Galax City Council’s recently adopted mission and strategic plan. Vision 2020 promotes Galax as destination location for visitors and residents and supports economic and community development, including housing. Specifically, Vision 2020 identifies the project of this application, the Vaughan Furniture Building, with a work plan and timetable. (Please see linked document folder for Vision 2020 for references to the Vaughan Furniture Building.) With regular meetings of City Council and frontpage regional newspaper coverage, the City and the community have placed high priority on this project.

The project of this application is within an Enterprise Zone and an Opportunity Zone in Galax Downtown. The Historic District will be extended to include the building and state and federal historic tax credits will add to a lucrative mixed-use redevelopment package. The project is less than a year old with accelerated levels of community involvement and support as well as targeted development with initial preparation, phase I Brownfield Assessment with phase II underway, and a Virginia Tech Office of Economic Development report. The City requests specialized technical assistance to first conduct market research with a feasibility assessment and second, to develop a preliminary architectural report.

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

I. NAME OF PROJECT, ADDRESS, OZ CENSUS TRACT

Vaughan Furniture Building, 100 T. George Vaughan Jr., Galax, Virginia 24333; 701.01

| SIZE | TOTAL ANTICIPATED FINANCING NEEDED: | FINANCING ALREADY IDENTIFIED |
|--------|-------------------------------------|------------------------------|
| 440000 | 40000000 | None |

PROJECT DESCRIPTION:

Opportunity Appalachia Application Form

<https://www.dropbox.com/sh/ujybnvbqgs9z6mi/AADzuaJMNNqeUvqptUPV6Kzsa?dl=0>

The mixed-use redevelopment of this anchor building with approximately 10 acres under roof will create a vibrant new landmark destination for Galax and Downtown. It is anticipated that one-half of the redeveloped building, 220,000 square feet, will be residential. One-half will be retail, including lodging, dining, commercial uses, event spaces, and shared work spaces or business incubators. The Virginia Tech Office of Economic Development completed a 122-page Vaughan Furniture Redevelopment Proposal in May 2019 which outlines this mixed-use redevelopment. (Please see the proposal in the linked document folder.)

A Virginia Department of Environmental Quality Brownfield Assessment has been completed in the first phase. A second and more thorough Brownfield Assessment phase II is currently underway. A work group comprised of City Council members and Vaughan Furniture Company Board have been meeting regularly. The Virginia Community Capital Corporation is facilitating a community convening meeting March 30.

At this stage, market research with a feasibility assessment is an essential and necessary analysis required to better understand the communities needs as they relate to housing, business development, dining, etc. While initial projections of redevelopment are one-half residential and one-half retail, the feasibility and financial review might determine that the better use is sixty percent housing, for example. The feasibility assessment can run concurrent with the phase II Brownfield Assessment underway so that they both would be completed in early summer 2020. Then a preliminary architectural report could then target the redevelopment areas specifically and hone the plan.

COMMUNITY IMPACT (QUANTIFY / PROVIDE ESTIMATES):

The property is a unique, gigantic furniture building, with approximately 10 acres under roof. It is an anchor gateway building for Galax and Downtown, situated along State Road 58, a major highway and corridor of statewide significance. Directly across the street is the trailhead for the New River Trail, a 57-mile flat trail bordering creeks and river and is a state recreational park.

Construction to redevelop this 440,000 square foot building will likely cost \$100 per square foot or at least \$40 million. On the retail side, redevelopment is expected to generate between \$1 million to \$1.5 million investment per acre on the 5 acres of retail and at least 10 jobs per acre or 50 jobs. While the nature and character of the jobs will depend on the feasibility assessment requested in this application, service industry jobs average \$10 per hour with benefits. The average prevailing wage for Galax is \$15.23 per hour with benefits.

Galax City Council has been meeting regularly with Vaughan Furniture Company Board for the mixed-use redevelopment of this gateway, anchor building. (Please also see the linked document folder for Vision 2020 and the Vaughan Furniture Building Redevelopment Proposal.)

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The redevelopment of the Vaughan Furniture Building has enormous potential to become a vibrant, landmark destination for Galax and Downtown, to create new economic diversification and to increase the tax base.

NAME(S) OF PROJECT SPONSORS, DEVELOPER, AND/OR BUSINESS OWNER, IF IDENTIFIED:

Property owners are the Vaughan Furniture Company Board. Galax City Council has been regularly meeting with and working directly with the Vaughan Furniture Company Board. Both the Vaughan Furniture Company Board and Galax City Council expect and are planning that the redevelopment of the Vaughan Furniture Building to be a lucrative and attractive investment prospect for Opportunity Zone investors.

TECHNICAL ASSISTANCE NEEDED:

The City requests technical assistance in two forms. First, market research with a feasibility assessment is needed to prepare the framework of investment opportunities realistically supported for this huge building. The feasibility assessment can run concurrent with the final phase of the Brownfield Assessment already underway. Second, the City requests a preliminary architectural report (PAR) building upon the feasibility assessment.

Proposed OZ Project:

II. NAME OF PROJECT, ADDRESS, OZ CENSUS TRACT

| SIZE | TOTAL ANTICIPATED FINANCING NEEDED: | FINANCING ALREADY IDENTIFIED |
|----------------------|-------------------------------------|------------------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

PROJECT DESCRIPTION:

COMMUNITY IMPACT (QUANTIFY / PROVIDE ESTIMATES):

NAME(S) OF PROJECT SPONSORS, DEVELOPER, AND/OR BUSINESS OWNER, IF IDENTIFIED:

TECHNICAL ASSISTANCE NEEDED:

Proposed OZ Project:

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III. NAME OF PROJECT, ADDRESS, OZ CENSUS TRACT

| SIZE | TOTAL ANTICIPATED FINANCING NEEDED: | FINANCING ALREADY IDENTIFIED |
|----------------------|--|-------------------------------------|
| <input type="text"/> | <input type="text"/> | <input type="text"/> |

PROJECT DESCRIPTION:

COMMUNITY IMPACT (QUANTIFY / PROVIDE ESTIMATES):

NAME(S) OF PROJECT SPONSORS, DEVELOPER, AND/OR BUSINESS OWNER, IF IDENTIFIED:

TECHNICAL ASSISTANCE NEEDED:

5. APPLICANT CAPACITY:

Applicant City of Galax enjoys credible and valuable relationships with the community and state and federal funders. Vision 2020, the City's mission and strategic plan, begins with the mission that "The City provides high quality public services to sustain an excellent community in which to live, work and play." A framed copy of the first page of Vision 2020 appears in every City office.

This project has been the subject of several City Council meetings. It has received multiple frontpage regional newspaper coverage. City Council members and the Vaughan Furniture Company Board have been meeting monthly with architects and consultants as well as with state and federal funders. Virginia Community Capital Corporation will facilitate a convening community meeting is on March 30, 2020. The City and the community are fully invested in the fruitful outcome of these plans.

The City has a small, but powerful, cohesive and competent professional staff. The newest addition to City staff is a highly qualified Project Manager who was hired for this project. James Moss has 17 years local government experience in this area. He is a certified Building Official and President of the Virginia Building and Code Officials Association; Erosion and Sediment Control Administrator, Inspector and Plan Reviewer; and a Stormwater Combined Administrator.

The lead contact City Manager, Keith Barker, is a licensed architect, a certified building official, and a zoning administrator with more than 25 years local government experience in project and

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construction management on housing, utility and government construction projects.

The City has extensive experience in managing state and federal grant awards. Among the many and varied grant projects, the City is on the second of multiyear awards for Department of Housing and Community Development Neighborhood Revitalization Project. This multi-million-dollar project involves stormwater drainage, housing rehabilitation and commercial improvements. The City won Best Housing Revitalization Effort at Governor’s Housing Conference for this project. In 2018, the City was recognized as the first ever Locality of the Year Award by the Salem District of the Virginia Department of Transportation.

The City is confident staff has the capacity, competency, experience and expertise to undertake this project. The City will exceed performance expectations and positively impact the economic growth of the region with this project.

6. Provision of Technical Assistance:

The types of technical support to be provided by the Opportunity Appalachia program include: development of investment prospectus, preparation of pro forma financial projections, structuring of projecting financing, market research / demand assessment, identification of project developers and business operators, feasibility assessment, outreach for project finance / OZ investors, and other types of support. This support will be provided on contract by experienced business and development partners. It is anticipated that support of \$30,000 - \$75,000 will be provided for each OZ applicant, averaging \$50,000 per applicant. The Scope of Work timeline for provision of technical support is anticipated to be 6 - 12 months, from March 2020 to March 2021, with capital raise activities beginning in Q3 2020 - Q1 2021.

Applicants may choose to use technical assistance providers offered by Opportunity Appalachia or may work with technical assistance providers they have identified.

AMOUNT IN \$ OF TECHNICAL ASSISTANCE SUPPORT REQUESTED / ANTICIPATED FROM OPPORTUNITY APPALACHIA, OR STATE ‘UNKNOWN \$’.

\$70000

Please complete either b) or c), below. No preference is given in the Opportunity Appalachia selection process to either 6(b) or 6(c).

b) If known, please provide name(s) and contact information of Technical Assistance provider(s) you prefer to support the above project activities.

Note: Each TA provider must complete the Request for Qualifications, see Appendix III, to be eligible to provide TA for this program. If your OZ project is selected to participate in

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Opportunity Appalachia, proposals from Technical Assistance providers will be required, which will be reviewed for adequacy.

NAME 1: CONTACT NAME

COMPANY NAME

ADDRESS

EMAIL

PHONE

URL

NAME 2: CONTACT NAME

COMPANY NAME

ADDRESS

EMAIL

PHONE

URL

NAME 3: CONTACT NAME

COMPANY NAME

ADDRESS

EMAIL

PHONE

URL

C) TECHNICAL ASSISTANCE PROVIDERS HAVE NOT YET BEEN IDENTIFIED.

- The Applicant requests Opportunity Appalachia identify / recommend suitable technical

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support organizations.

7. MATCH REQUIREMENT:

KEB

8. ATTESTATION:

03/02/2020

Keith E. Barker

City Manager

City of Galax