



IN PARTNERSHIP WITH PROGRAM SPONSORS



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

Release Date: April 9, 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.

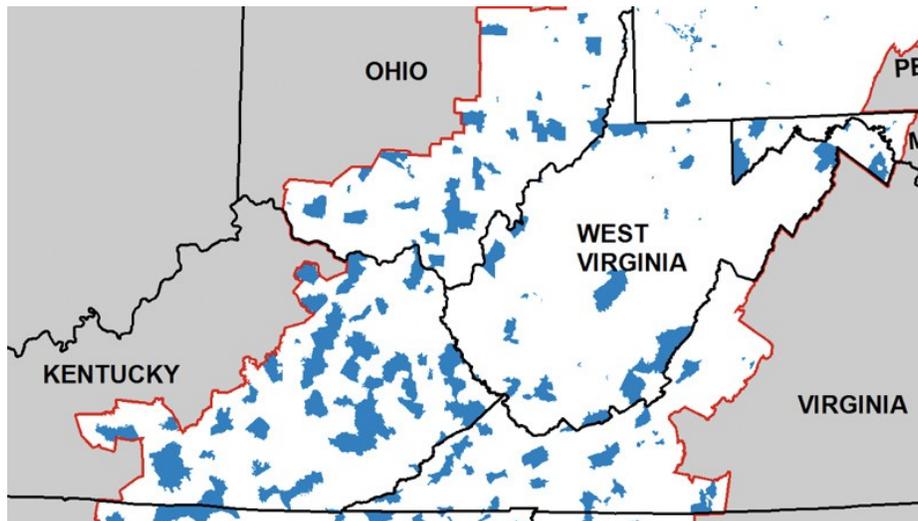
Once project technical assistance is completed, a highly visible OZ Investor Convening event will be held in late 2020 that will target both local and pre-vetted national investors, as well as

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 Huntington

Project Name: Hotel Prichard project

Project Summary provided below.

TA Requested:

- Technical assistance to help fill \$3.5 million in capital financial gaps by recommending how to blend a variety of sources into the existing stack of state/federal Historic Tax Credits, LIHTC incentives, and bank debt, which could include Opportunity Funds, New Market Tax Credits, HUD Section 108, HUD HOME funding, WV Housing Development Trust Fund support, and community development grant funding.

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LEAD CONTACT:

Cathy Burns

APPLICANT ORGANIZATION:

City of Huntington, WV

ADDRESS

City Hall, 800 Fifth Avenue
Huntington, WV 25701

WORK PHONE

(304) 696-5540

MOBILE PHONE

(304) 544-7216

EMAIL

BurnsC@huntingtonwv.gov

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):

Census Tract 109, City of Huntington, Cabell County, WV

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

Same

3. COMMUNITY DEVELOPMENT STRATEGY(IES):

This Opportunity Appalachia request builds upon the City of Huntington's previous economic and community development efforts, including the "Huntington Innovation Project" (HIP) Plan that formed the basis for the City being designated America's Best Community in a national challenge contest in 2017 (www.cityofhuntington.com/residents/americas-best-communities).

The Census Tract 109 area, the City's Opportunity Zone covering the downtown and central business district, features multiple historically and architecturally significant buildings that were constructed and placed into service in the early 20th century, but have become vacant, underutilized and distressed over past decades. One such jewel is the Hotel Pritchard, a 141,000 square foot building that was once a destination hospitality building with a rich and illustrious history.

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In 2017, the City devoted a portion of its ABC Grand Prize winnings to retaining the National Development Council (NDC), a leading national not-for-profit economic and community development organization, to provide financial advisory services for its prioritized developments. NDC identified the restoration of the vacant Prichard Hotel as a key for catalyzing mixed-use development as a means of recreating the downtown market with expanded residential, retail, and commercial office opportunities.

Also in 2017, community and faith leaders of Huntington formed “Cornerstone Community Development Corporation” (<https://ccdcwv.com/>) with a mission to uplift local families and the poor through affordable housing, community-serving commercial development, and social impact improvements in Huntington. Cornerstone purchased the Hotel Pritchard in downtown Huntington, and resolved to restore this long-vacant structure as a cornerstone of community revitalization.

To support this cornerstone plan, the City of Huntington sought the designation by the West Virginia Governor and the U.S. Treasury of the downtown Huntington census tract 109 as a certified federal Opportunity Zone, to support projects like the Hotel Prichard restoration. In 2019, Huntington joined with its regional economic development partner Advantage Valley to create an “Opportunity Pitchbook”, which featured the Hotel Prichard as one of the city’s top priorities for Opportunity Fund investment. http://advantagevalley.com/pdf/pitchbook_2019.pdf (p. 30).

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

I. NAME OF PROJECT, ADDRESS, OZ CENSUS TRACT

Hotel Prichard Revitalization, 603 9th Street, Huntington, WV 25701, Cabell Tract 109

SIZE	TOTAL ANTICIPATED FINANCING NEEDED:	FINANCING ALREADY IDENTIFIED
141,000	\$36,000,000	\$32,500,000, including a commercial loan, Federal Historic Tax Credit equity, WV Historic Tax Credit equity, Low Income Housing Tax Credit equity, Federal Home Loan Bank Affordable Housing Program grant, and developer equity

PROJECT DESCRIPTION:

Cornerstone has partnered with Winterwood to completely restore the historic Hotel Prichard, to

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provide affordable workforce housing and community-supporting commercial development in partnership with regional anchor institutions.

The Prichard is investment-ready with ~90% of financing secured, and will be shovel-ready for construction in Spring 2020. The Prichard will have 50,000 sq. ft. of community-serving commercial/retail development on the first two floors, which could include Mountain Health Network facilities for wellness and health services, a new facility for the Marshall University Center for Family & Community Health including direct geriatric support & addiction counseling, and storefront retail enterprises and community space. Floors 3-13 will provide 100 units of 1- & 2-bedroom housing that will either be fully LIHTC supported or, will mix workforce, affordable, market rate housing, and a Marshall “Scholar House” component.

OA will enable the stakeholders to fill the financing gap on the project, and promote the optimal mix of residential and commercial uses:

- 1.) Guidance from NDC on Capital Attraction & Blending: Use NDC’s community financing expertise to recommend strategies for how Opportunity Funds, New Market Tax Credits, HUD Section 108 funds, HUD HOME, FHLB Affordable Housing Program funds, and/or other sources can be blended to fill the project’s \$3.5 million financing gap.
- 2.) Boosting Optimal Mix of Housing & Commercial Use: As the project will be stronger and better for the community if the 100-unit Prichard housing mix incorporates not only low income LIHTC units, but also workforce, intergenerational and market rate housing, OA funding will enable NDC to help fill additional gap, beyond the \$3.5 million, that may be created by reducing the LIHTC mix & subsidy from 100%. This will be critical to the long-term sustainability of Prichard operations. Further, Huntington will use Sustainable Strategies DC to create a “Resource Roadmap” to leverage additional grant funding to boost the value of the Prichard mix, which could include HHS Community Economic Development grants, WV Community Works lending, AEP Foundation grants, WV Affordable Housing Trust Fund forgivable loans, ARC support, and other resources.
- 3.) HVAC Engineering Challenge: OA can help with the engineering of an HVAC system for the future Prichard, an imposing challenge to completing this project, with a design fee of \$353,000 for the HVAC upgrade.

COMMUNITY IMPACT (QUANTIFY / PROVIDE ESTIMATES):

The Prichard closed as a hotel 50 years ago in 1970 and, since then, has been a blighted and underutilized structure plagued by code violations and drug activity that has not seen any hope until Cornerstone took on this mission. Success at filling the finance gap and building a better development mix at the Prichard would bring tremendous community impacts including:

□ Restoring a grand building erected in 1925 and individually listed on the National Register of Historic Places. The WV legislature recently enacted a major increase in state Historic Tax Credits to 25% of eligible capital costs, and a showcase success like the Prichard utilizing these

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state incentives could support extension of this state credit.

- Bring 50,000 sq. ft. of community-serving commercial development by two anchor institutions (Marshall University & Mountain Health Network) that are paramount to Huntington's economy and future. This will help build a culture of health, wellness and education in a locality and state that unfortunately rank very low for those critical attributes.
- The Prichard will provide 40-100 units (depending on the final mix) of affordable and workforce housing in an OZ Census tract with 51.6% of people living below poverty and 409 vacant housing units.
- The Prichard will help spark a resurgence in downtown housing. Downtown Huntington has the retail, commercial, civic and institutional infrastructure to support up to 1,000 more downtown units, as estimated by NDC. . While the Advantage Valley OZ Pitchbook identifies many other large, downtown buildings suited for housing and commercial development the Prichard qualifies as the most "development ready," and can be the basis for further mixed-use and mixed-income programming for these buildings, and catalyze investment and development interest from developers throughout the region.
- The Prichard will demonstrate the potential of a passionate and committed community development corporation - Cornerstone - to make a meaningful difference in Appalachian communities like Huntington.
- Another meaningful benefit of this Prichard OA project will be a more robust presence and role of key regional and national organizations in Huntington and the broader West Virginia region, namely NDC and Winterwood. Success at the Prichard through Opportunity Appalachia assistance will help build momentum on further OZ and community revitalization investments.

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

This Opportunity Appalachia project is sponsored by the City of Huntington and its Huntington Municipal Development Authority, working in collaboration with the development partners, Cornerstone Community Development Corporation, and Winterwood Property Management (<https://winterwoodonline.com/>). Winterwood, a vertically integrated and accomplished developer from Lexington, KY, has developed and/or managed 265 multifamily housing projects in communities across Appalachia, providing affordable and workforce housing for thousands of families.

TECHNICAL ASSISTANCE NEEDED:

- Technical assistance to help Winterwood fill \$3.5 million in capital financial gaps by recommending how to blend a variety of sources into the existing stack of state/federal Historic Tax Credits, LIHTC incentives, and bank debt, which could include Opportunity Funds, New Market Tax Credits, HUD Section 108, HUD HOME funding, WV Housing Development Trust Fund support, and community development grant funding.

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funded by the Huntington Municipal Development Authority as match to the OA resources.

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:

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:

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TECHNICAL ASSISTANCE NEEDED:

5. APPLICANT CAPACITY:

The applicant is the City of Huntington, and we believe we are highly supported in the community on the effort to leverage Opportunity Zone projects to pursue the Huntington Innovation Project / HIP plan, and particularly in the restoration of the Hotel Prichard. Since the launch of the HIP Plan, Huntington has leveraged over \$30 million in federal, state, philanthropic and other funding to fulfill the vision to be one of America's best communities including in the revitalization of the distressed, minority Fairfield neighborhood along Hal Greer Boulevard; the revitalization of Huntington's West End in partnership with Coalfield Development Corporation, the Foundation for the Tri-State Community and other partners; and the revitalization of 75 acres of blighted brownfields in the "Huntington Brownfield Innovation Zone" (H-BIZ). All of these projects have included managing grants and technical assistance, procuring contractors, supervising projects, and maintaining timelines and budget for success. The Opportunity Appalachia lead on this project, Cathy Burns of the Huntington Municipal Development Authority, has successfully served as City Manager of Huntington, the Executive Director of the Huntington-Cabell County Chamber of Commerce, and the manager of the Huntington-HUD Empowerment Zone, among other leadership roles.

Further, Winterwood has financed, developed, and/or managed more than 265 multifamily and affordable housing projects, many with commercial and community components, and some larger in scale than the Hotel Prichard 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

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OPPORTUNITY APPALACHIA, OR STATE 'UNKNOWN \$'.

\$75,000

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 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

Pc

PHONE

URL

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om

/

NAME 3: CONTACT NAME

COMPANY NAME

ADDRESS

EMAIL

PHONE

(

URL

7. MATCH REQUIREMENT:

CB

8. ATTESTATION:

02/02/2020

Cathy Burns

Executive Director

City of Huntington / Huntington Municipal Development Authority