



IN PARTNERSHIP WITH PROGRAM SPONSORS



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

Release Date: April 15, 2020

Proposal Due Date: May 15, 2020

Selection Date: May 29, 2020

Contract Period: May 29, 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.

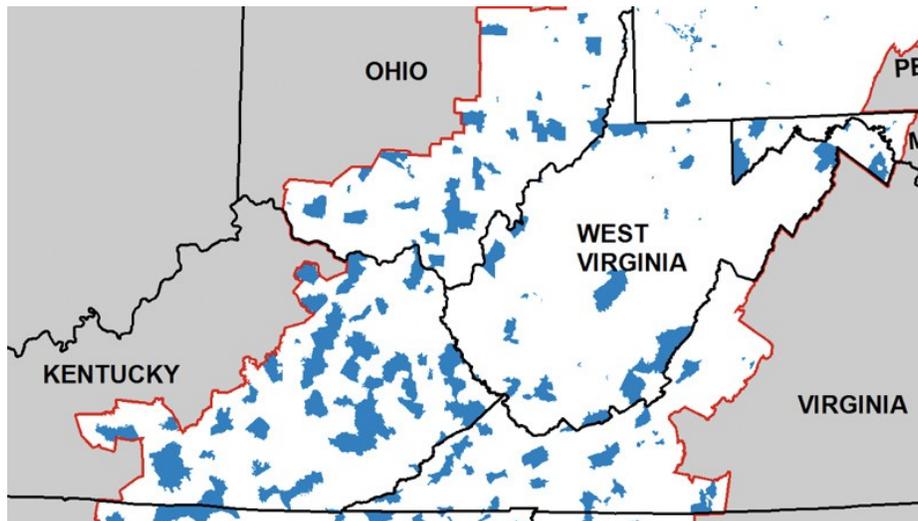
Once project technical assistance is completed, a highly visible OZ Investor Convening event will be held in late 2020 that will target both local and pre-vetted national investors, as well as

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: Crawford Holdings

Project Name: Staats Building

Project Summary provided below.

TA Requested:

- Architectural and Engineering for conceptual design and floor plans
- Preparation of pro forma financial projections and capital stack analysis
- Development of the investment prospectus
- Support for capital raise

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LEAD CONTACT:

Tighe C Bullock

APPLICANT ORGANIZATION:

Crawford Holdings, LLC

ADDRESS

303 Washington Street W
Charleston, WV 25302

WORK PHONE

(304) 553-6343

MOBILE PHONE

EMAIL

tighe.bullock@gmail.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):

OZ Communities Targeted: Charleston WV Census Tract 8. Census Tract 8 holds, per capita, the largest concentration of population in the state, the highest concentration of minorities, and the highest concentration of poverty. <https://datausa.io/profile/geo/charleston-wv/>

This neighborhood was identified in the 1985 community revitalization plans prepared by Charleston Renaissance Corporation and the City of Charleston. The City invested in public improvements such as streetscaping and off street parking. Charleston Renaissance Corporation and the Charleston Urban Renewal Authority (CURA) promoted voluntary compliance with building improvements through development of design guidelines and loan programs. Throughout the years, some improvements were made in the area but because of uncooperative owner(s), the Staats Building was never improved.

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

Service Area of Applicant: The service organizations that we partner with serve both the Advantage Valley region (Charleston-Huntington metro region) and the Kanawha Valley metro area. Crawford Holdings, LLC focuses in the Elk City Historic District, however, the company also has some holdings in the nearby neighborhoods. But, given Crawford's specialty in historic preservation, the company focuses on the Elk City Historic District, which lies directly between

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the main downtown of the city, and the West Side neighborhood.

3. COMMUNITY DEVELOPMENT STRATEGY(IES):

Community Development Strategy and Engagement: Neighborhood Commercial District Revitalization.

CD Strategy: Redevelopment of the historic Staats Hospital building is the lynchpin project for the revitalization of the Elk City Historic District-a small neighborhood mixed use district adjacent to downtown Charleston WV.

Community Engagement: The property was acquired in 2014 by Crawford Holdings. Local development organizations including Charleston Area Alliance, Charleston Urban Renewal Authority (CURA), and West Side Main Street provided significant financial and technical support to help the owners stabilize and begin the restoration process. In 2016 CURA identified and included the Elk City Historic District as a high priority in its updated redevelopment plan. Through a \$150,000 loan provided by Charleston Area Alliance, \$150,000 loaned by CURA, \$150,000 loaned from private banks, and \$60,000 grant for façade restorations provided by CURA, the owners were able to leverage an additional \$105,000 in grants from the State Historic Preservation Office to replace the roof and a portion of the windows. The WV Brownsfield Assistance Center was also pivotal in providing asbestos remediation support, which is now 100% complete. In addition to the public sector funding and guarantees, Crawford Holdings has also invested approximately \$100,000 of its own funds in the project.

https://www.wvgazetteemail.com/news/photos-staats-hospital-building-facade-unveiled-on-west-side/article_7e58dcb4-b69f-58f2-b921-e3ce208160b7.html

https://www.wvgazetteemail.com/news/staats-hospital-set-for-purchase-redevelopment/article_15837a2e-4c05-5310-b162-ed03ce963636.html

In terms of commercial real estate development, the Elk City Historic District is now considered one of the city's sought after locations for small business development, and eating and drinking establishments. It is estimated that a total of \$15,000,000 has been reinvested in the Elk City Historic District in the past five years as a result of the investments made by Crawford Holdings and others that they have inspired.

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

I. NAME OF PROJECT, ADDRESS, OZ CENSUS TRACT

Proposed OZ Project: Staats Building Project
Address: 123 Washington, St., W., Charleston, WV 25302
Charleston WV Census Tract 8

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SIZE	TOTAL ANTICIPATED FINANCING NEEDED:	FINANCING ALREADY IDENTIFIED
Approximately 32,000 sf	\$6,000,000-7,000,000	To date, approximately \$715,000 has been spent on phase one stabilization. Based upon the developers' prior development experience, it is estimated that the total project cost will be between \$6-7 million, with State and Federal Historic tax credits at a face value of \$2,700,000-\$3,150,000. Even with tax credits, the project is in need of other sources of funding. This application is intended to analyze how Opportunity Zone funding may fill this gap.

PROJECT DESCRIPTION:

Description:

1st floor: 10,000 sf, open space, indoor farmer's market-style venue with multiple local, regional, and statewide goods with a particular focus on fresh food and West Virginia value added products (quilts, furniture, honey, pottery, and other goods provided by local artisan coops and businesses). Discussions with local businesses, artisan coops, and other entrepreneurs, as well as market studies conducted by the developers, lend to this plan. Currently, demand is high and supply is low for business storefronts in the Elk City Historic District, and the developers have had to turn down prospective clients based on this fact. This project would remedy this problem.

2nd, 3rd, and 4th floors: develop as 1 and 2 bedroom apartments, catered to various incomes, maximizing the space in accordance with the Secretary of the Interior's Standards for the Treatment of Historic Properties; approx. 7,000 sf per floor. Funds from this grant request will allow Crawford to determine exactly how many units may be placed in the space, according to Department of Interior historic standards.

COMMUNITY IMPACT (QUANTIFY / PROVIDE ESTIMATES):

Community Impact: This is a key project for not only the West Side but for the entire region. The redevelopment of Staats would greatly impact the area by creating a more vibrant community, deliver rental housing units identified as a great need in both qualitative and quantitative

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studies, save a very important historic structure, enhance the walkability of the Elk City District and create jobs.

The addition of 15-20 new residential units that can potentially house 30-40 new residents will have a very significant impact on this neighborhood. The following economic impact for this project is based on the 2015 Bowen Research report's methodology to determine the financial impact of new downtown housing. The table below summarizes estimated assessed property taxes, B&O taxes, and retail spending attributed to the project. Charleston's 2015 residential supply and demand market study by Bowen Research determined that there is a high demand for market rate downtown housing and senior housing. This study is currently being updated, but we anticipate the same high demand.

The Staats Building Project is expected to employ multiple architects and engineers before ground is broken. It is expected that 40 union construction workers will be employed from 18-24 months at an average wage of \$60k per year. The first floor of Staats is expected to employ, conservatively, 10-15 full time employees, at an average salary of \$40k per year. One full time maintenance employee will be needed at \$40k per year, with dental and medical benefits, with additional help employed as needed, at prevailing construction wages.

The county assessor uses an income approach to assess the full market value of rental properties. The property value in this approach is based on the Net Operating Income (NOI) divided by the prevailing capitalization or "Cap" rate. Based on an industry standard ratio, operating expenses are estimated at 35%. Occupancy rate is estimated at 90%. Commercial Levy Rate is .275/\$100.

Total Annual Revenue

Commercial Space: 10,000 sf at \$15/sf = \$150,000

Residential Units: (Assuming) 20 units at \$1500/unit x 12 = \$360,000

Total Revenue = \$510,000

NOI of 35% = \$331,500

Based on levy rates, the annual property taxes will be approximately \$8,500.

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

Project Sponsors: Crawford Holdings, LLC, Advantage Valley, Charleston Area Alliance, Charleston Urban Renewal Authority, United Bank, NCIF, Charleston Main Streets, WV Brownsfield, Preservation Alliance of West Virginia, West Virginia State Historic Preservation Office.

TECHNICAL ASSISTANCE NEEDED:

Technical Assistance request: \$62,000

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Scope of work Timeline: 4-6 month

Type of Support: Crawford Holdings will need assistance in the development of an investment prospectus for financiers, OZ funders, and tax credit syndicators, including the preparation of pro forma financial projections and capital stack analysis, derived from conceptual design and floor plans. Given the complications of overlaying historic tax credit investors with opportunity zone investors, including ownership structure, puts, calls, and IRR analysis, Crawford will need assistance in structuring the ownership and related finance of the project.

Technical Assistance requested:

Development of the investment prospectus

Architectural and Engineering for conceptual design and floor plans

Preparation of pro forma financial projections and capital stack analysis

Proposed OZ Project:

II. NAME OF PROJECT, ADDRESS, OZ CENSUS TRACT

SIZE	TOTAL ANTICIPATED FINANCING NEEDED:	FINANCING ALREADY IDENTIFIED
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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
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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:

Since 2014 the principals of Crawford Holdings, Tighe and John Bullock, have also acquired the building adjacent to Staats, which is being developed into a distillery. This project is part of the larger acquisition and renovation of 10 additional buildings and the startup of 14 new businesses with 80+ new jobs within a two block radius of Staats - over 100,000 square feet, in total. Tighe and John have over 50 years of combined commercial construction experience. Tighe holds a General Contractor's license, and operates under this license for all of his redevelopments. Tighe is also an accountant and licensed attorney. John Bullock is also an accountant, and a Professional Engineer managing over 400,000 acres throughout West Virginia. Crawford Holdings has been in operation since 2014, but Tighe and John have been in the redevelopment industry since founding their first company, Washington West, in 2004. Tighe and John are in excellent standing both professionally, and in their track record as finishing projects to finality.

In 2005 and 2012 the building was listed on Preservation Alliance of West Virginia's Most Endangered Historic Sites list. The community rallied around the property as it was threatened with demolition by its then owners. The building, built in 1922, was designed by West Virginia's first African American architect, John C. Norman. The demolition of the Staats building would call into question the viability of the entire district as a historic district. This project would not only preserve the character of the neighborhood, but also provide much needed quality housing.

<https://revitalization.org/article/guest-article-restoring-a-depressing-eyesore-sparks-revitalization-in-west-virginia/>

<https://www.ncifund.org/who-we-fund/borrower-profiles/60-bullock-properties>

<https://www.calvertimpactcapital.org/calvert-impact-portfolio/appalachian-community-capital-co>

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orporation

<https://www.bowlesrice.com/newsroom-visions-609.html>

https://www.register-herald.com/special/tighe-bullock-wants-to-aid-diversified-businesses/article_4e8376c0-5cef-5c75-a627-35b928cb41d2.html

See also: Question 3b

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 \$'.

\$62,000

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

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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

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7. MATCH REQUIREMENT:

The \$5,000 match will be provided by the West Virginia Brownsfield Assistance Center. A commitment letter has been issued and can be provided upon request.

8. ATTESTATION:

02/28/2020

Tighe C. Bullock

President/Managing Member

Crawford Holdings, LLC