



IN PARTNERSHIP WITH PROGRAM SPONSORS



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

Release Date: April 9, 2020

Proposal Due Date: May 8, 2020

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.

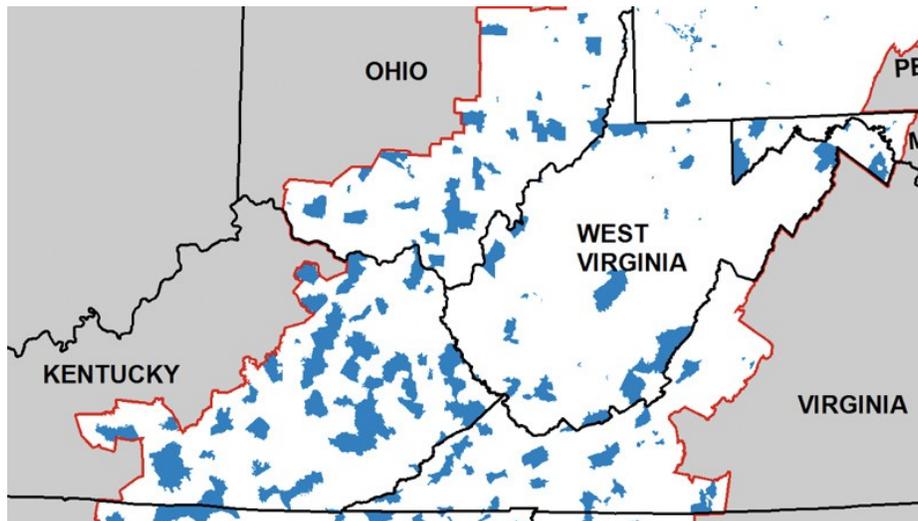
Once project technical assistance is completed, a highly visible OZ Investor Convening event will be held in late 2020 that will target both local and pre-vetted national investors, as well as

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: mount Terra

Project Name: Virginia Avenue Warehouse, Virginia Avenue Hotel

Project Summary provided below.

TA Requested:

- Financial pro forma development
- Financial structuring of transaction
- Architectural drawings
- Capital Raise

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LEAD CONTACT:

Kim L Ross

APPLICANT ORGANIZATION:

mount TERRA LLC

ADDRESS

PO Box 4104
Bluefield, WV 24701

WORK PHONE

(304) 250-9151

MOBILE PHONE

(304) 960-0855

EMAIL

info@mountterra.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):

Census Tract 202, Tazewell County, Virginia, Town of Bluefield, Virginia.

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

Same

3. COMMUNITY DEVELOPMENT STRATEGY(IES):

Our Community Development Strategies are: downtown development with a focus on Main Street development, job/career training, employment, clean energy, historic preservation and tourism. The project goal is to help boost and sustain economic growth with a vibrant lifestyle centered around the downtown area, making Bluefield an economic hub for Tazewell County VA. The purpose is to preserve the significance of a historic downtown by providing modern services, increasing foot traffic and movement beyond 5:00 pm, and cultivating an economically vibrant location for commerce and tourism.

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

I. NAME OF PROJECT, ADDRESS, OZ CENSUS TRACT

VA Ave Warehouse

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416 Virginia Ave Bluefield, VA 24065
Census Tract 202, Tazewell County, Virginia

SIZE	TOTAL ANTICIPATED FINANCING NEEDED:	FINANCING ALREADY IDENTIFIED
19,162	2,000,000	None

PROJECT DESCRIPTION:

This project is to renovate/preserve a historic 1900's warehouse located on main street Bluefield VA, into a multi-use facility with modern improvements and businesses to better serve today's society. The property will house a Community marketplace, Community Workspace, Hair Care Academy and Salon and potential to lease Retail Space.

Creation of an indoor "Marketplace" or food hub located at the street level of the warehouse building to store, distribute and market locally and regionally produced food products. Virginia has deep roots in agriculture, and according to Virginia Tech University, the demand for local and regionally identified foods continues to grow in Virginia and throughout the United States.

Creation of a "Blow Dry Bar" Hair Salon and Academy, focusing on wavy, curly and textured hair care. In 2018, Virginia legislature passed a full exemption (Virginia Code § 54.1-701) from state occupational license for those who only want to wash, blow-dry and style hair. Also known as "blow dry bars," these businesses offer customers a fast and affordable hair wash, dry and style experience. Unlike traditional hair salons, blow dry bar employees can only wash, dry, and style the hair using natural methods and tools like hairdryers and curling irons. Research conducted by L'Oréal Cosmetics company states that up to 65 percent of American women have wavy or curly hair, thus a salon business model that specifically focuses on blow drying and styling with no requirement for lengthy training hours as a licensed cosmetologist could serve a large population, and prove as a lucrative career for many.

Creation of a community work space or co-working space will offer shared "office spaces" and amenities, making it more affordable to start, launch and grow a business locally, without the high cost of overhead, thus cultivating a culture of enterprise and economic growth.

Project url: <http://mountterra.com/projects/>

COMMUNITY IMPACT (QUANTIFY / PROVIDE ESTIMATES):

The community impact is the creation of commerce, careers, economic diversification and preservation of historic landmarks on main street.

>Food Systems: Our goal is to provide a year-round space for local and regional farmers, artisans and producers to sell their products to residents within the greater Bluefield

Opportunity Appalachia Application Form

micropolitan area. By focusing on locally sourced options, we intend to foster and promote a healthier lifestyle through healthier food options. The result of this, is financially rewarding to the producers, and also rewarding in the form of a healthier community.

>Training/Job Creation: This salon/academy will offer training and education, as well as a financially rewarding career to individuals who are not able to attend or complete a traditional college degree or licensing due to personal or environmental setbacks (i.e poverty, addiction, etc), but wish to thrive in a rewarding career. According to the State of Virginia Employment Commission, the median annual wage for Hairdressers/Hairstylists as of 2015 is \$29,100, with a projected job growth of 2,201 up to year 2024. In fact, Hairstylists are in the high-growth occupational category by educational attainment. Within the first year of opening, our anticipated goal is to train up to 20 applicants (offering need-based cost waivers), and employee 10 out of the 20 within the salon. The others will have the knowledge, skill and support to either start their own business or be an independent contractor. Using the industries median annual wage of \$29,100, and 10 skilled stylists, this will result in an estimated projection of \$300k in additional wages annually.

>Community Workspace: Self-employment is on a steady rise and has led to an explosion in demand for co-working spaces, for freelancers, entrepreneurs, and remote workers. This community workspace will offer approx. 20-30 shared "office spaces" at a monthly rate of \$50-\$100, making it more affordable to start, launch and grow a business locally, without the high cost of overhead. As reported by Statista.com, it is projected that the majority (over 50%) of the U.S. workforce will be freelancing in 2027. This will also help incubate the entrepreneurial success of the region, making it an ideal location to potentially launch the next big startup for local job creation.

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

Melvin and Kim Ross
mount TERRA LLC, Real Estate Development Company

TECHNICAL ASSISTANCE NEEDED:

Some assistance may be accessible through the Town of Bluefield's planning grant. Below is our proposed technical assistance needed:

Financial pro forma development
Financial structuring of transaction
Architectural drawings
Capital raise

Proposed OZ Project:

II. NAME OF PROJECT, ADDRESS, OZ CENSUS TRACT

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VA Ave Boutique Hotel
406 Virginia Ave Bluefield, VA 24065
Census Tract 202, Tazewell County, Virginia

SIZE	TOTAL ANTICIPATED FINANCING NEEDED:	FINANCING ALREADY IDENTIFIED
22,848	6,000,000	None

PROJECT DESCRIPTION:

This project is to renovate a historic 3 story early 1900's warehouse located on main street Bluefield VA, into a stylish boutique hotel with modern amenities to better serve tourists and travelers.

The project will offer the potential of up to 48 300sq ft units with a focus on energy efficient and clean energy concepts such as: led lighting, room occupancy sensors, solar panels and water conservation technology.

Given a low-figure estimate of 25% monthly occupancy at \$115 per night, this would generate approx. \$41,400 in monthly revenue or approx, \$500,000 annually.

Given a median-figure of 40% monthly occupancy at \$115 per night, this would generate approx. \$66,240 in monthly revenue or approx. \$800,000 annually.

Project url: <http://mountterra.com/projects/>

COMMUNITY IMPACT (QUANTIFY / PROVIDE ESTIMATES):

Serving as the only lodging in downtown, this project is anticipated to employ 6-10 individuals with a mixture of full and part-time positions, creating between \$100-\$200k in salaries. This project will preserve and beautify a vacant "1905" building on main street in downtown Bluefield VA, along with the VA Ave Warehouse project that is located next door (roughly 200ft) from this location. The hotel will serve as an attraction and feeder business to existing and future downtown businesses due to lodging of tourists/travelers. The Town of Bluefield will receive a "wow" factor, economic growth, a diverse business culture, and sustainability in the future of its downtown, making it more attractive to future investment opportunities. Currently, there is only one hotel located in Bluefield VA, but none in downtown.

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

Melvin and Kim Ross
mount TERRA LLC, Real Estate Development Company

TECHNICAL ASSISTANCE NEEDED:

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Proposed OZ Project:

III. NAME OF PROJECT, ADDRESS, OZ CENSUS TRACT

SIZE

**TOTAL ANTICIPATED
FINANCING NEEDED:**

**FINANCING ALREADY
IDENTIFIED**

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:

Melvin and Kim Ross are husband and wife of 10+ years, Bluefield residents of almost 20 years, and are 100% dedicated to spearheading and overseeing the projects to final completion. They are a part of the community Rally committee, which has decided to use their grant towards a "downtown" focused project. (Rally SWVA is an action learning mini-grant program that engages community leaders in working together to make their community a better place for small businesses). They are listed as project team members for the Town of Bluefield's Downtown Revitalization Planning Project - Community Development Block Planning Grant. The Town of Bluefield is currently conducting a planning process to assess needs for the downtown area, and to develop ideas to revitalize or "redevelop" downtown to ensure a bright future for the town and its residents and businesses. The Town is also in the process of submitting a Historic Register Application for the downtown and has received matching funds to assist with the application. Anticipated date, April 2020.

Applicant's capacity for completing or overseeing project activities:

In 2011, Mrs. Ross received her bachelor's degree in business administration - major in

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marketing and started a Business Development Company that specializes in Branding, Marketing, and Public Relations. The company has continued to see financial growth year after year and has worked with clients in industries such as: Law, Higher Education, Cosmetics, Energy, Hospitality and Non-Profit sectors, just to name a few. The agency will be able to provide in-kind services such as: market research, brand development, business and marketing plan development, website development, and public relations (i.e. press releases, multi-media campaigns, etc.) - thus resulting in a huge amount of on-going project savings. Mr. Ross also studied business administration - major in management. Since 2011 has served as a contractor for Appalachian Electric Power's energy efficiency program in their WV & VA footprint. In his role, he currently oversees outreach for the commercial program with a network of over 150 contractors who specialize in electrical, HVAC, and general contracting services. Mr. Ross successfully manages the relationship between the contractors and AEP's clients including big names such as: Lowe's, Walmart, Days Inn. His experience combined with the valuable contacts will serve greatly during all phases of the 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 \$'.

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

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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

PHONE

URL

NAME 3: CONTACT NAME

COMPANY NAME

ADDRESS

EMAIL

PHONE

URL

C) TECHNICAL ASSISTANCE PROVIDERS HAVE NOT YET BEEN IDENTIFIED.

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- The Applicant requests Opportunity Appalachia identify / recommend suitable technical support organizations.

7. MATCH REQUIREMENT:

KLR

8. ATTESTATION:

03/02/2020

Kim L Ross

Lead Contact/Co-Manager

mount TERRA LLC