



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.

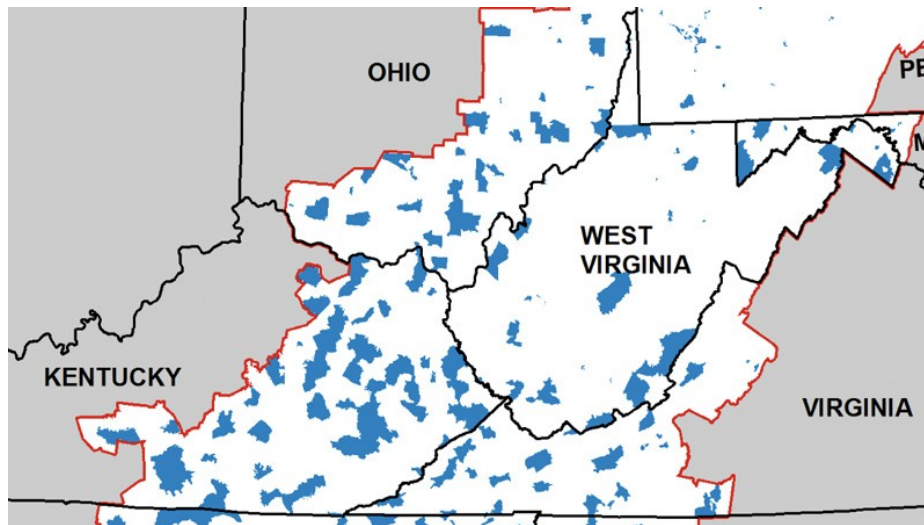
Once project technical assistance is completed, a highly visible OZ Investor Convening event will be held in late 2020 that will target both local and pre-vetted national investors, as well as

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: Morgan County Improvement Association

Project Name: 1) E. Jefferson Ave hotel and 2) expansion of regional grocer.

Project Summary provided below.

TA Requested:

- Hotel feasibility study with pro formas and market assessment is prepared. To be reviewed by TA provider for additional size / location options.
 - TA to be provided for capital structuring and capital raise.
- Grocery expansion to include:
 - Financial structuring.
 - Market assessment/feasibility assessment
 - Architectural drawings
 - Support for capital raise if needed.

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LEAD CONTACT:

Carl Raines

APPLICANT ORGANIZATION:

Morgan County Improvement Corporation ("MCIC")

ADDRESS

155 East Main Street
McConnelsville, OH 43787

WORK PHONE

(740) 624-6607

MOBILE PHONE

EMAIL

Carl.RainesMCIC@hotmail.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):

Opportunity Zone Census Tract # 9689-Morgan County (Ohio); Tract GEOID # 3911568900.
Morgan County Economic status: 110, "At-Risk".
Morgan County-population 15,000
Villages of Malta and McConnelsville with a combined population of 2300

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

Main service area McConnelsville and Malta villages and the North State Route 60 Business Corridor-all within the designated Opportunity Zone.

3. COMMUNITY DEVELOPMENT STRATEGY(IES):

Downtown development and the North State Route 60 Business Corridor in regards to perspective hotel project (Feasibility Study completed indicating 42 room project at an estimated cost of \$4.4 million) as well as a large-regional grocer to expand here.

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

I. NAME OF PROJECT, ADDRESS, OZ CENSUS TRACT

42-50 Room Hotel Project: Site to be determined or East Jefferson Avenue, McConnelsville, OH,

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OZ Census Tract 9689

Expansion of existing regional grocer/Kroger: Site to be determined on East Jefferson Avenue, McConnelsville, OH, or The North State Route 60 Business Corridor. OZ Census Tract 9689

SIZE	TOTAL ANTICIPATED FINANCING NEEDED:	FINANCING ALREADY IDENTIFIED
Estimated: 18,000	\$4,500,000	None

PROJECT DESCRIPTION:

42 to 50 room hotel to be constructed on East Jefferson Avenue, McConnelsville. A 2.4 acre site previously housed the razed M&M High School and only 2-blocks from the public square.

COMMUNITY IMPACT (QUANTIFY / PROVIDE ESTIMATES):

Impact:
 Largest county employer (Austrian firm: MIBA Bearings and MIBA Sinter with nearly 600 employees) sending trainees and business related people to other areas given the lack of a hotel.
 20,000 acres of Ohio Department of Natural Resources land within minutes from McConnelsville available for large influx of deer hunters from September thru the end December as well as hiking and fishing-with only primitive camping available on the property. Hotel would assist with overnight travelers, tourism
 Creation of 18 jobs.

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

Morgan County Improvement Corporation ("MCIC").
 Some local interest with local business people and potential investors to be a part of the ownership structure.

TECHNICAL ASSISTANCE NEEDED:

We have the hotel feasibility study completed with pro forma, market assessment.
 NEED assistance with capital to be raised to complete the hotel project.

Proposed OZ Project:

II. NAME OF PROJECT, ADDRESS, OZ CENSUS TRACT

Expansion of existing super regional grocer, Kroger, into a large building.

SIZE	TOTAL ANTICIPATED FINANCING NEEDED:	FINANCING ALREADY IDENTIFIED
15,000	\$900,000	\$300,000 from the Morgan County Improvement

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Corporation

PROJECT DESCRIPTION:

Construct a larger grocery store building on behalf of Kroger in order to have a competitive lease program and an expanded presence within our community. Current Kroger store is the smallest in the US at 6,000 feet. The MCIC would own the property and building and lease to Kroger. We would partner or permit another entity the same project given the OZ area and benefits associated with such a project.

COMMUNITY IMPACT (QUANTIFY / PROVIDE ESTIMATES):

The existing Kroger store in McConnelsville is the smallest store in the US at 6,000 feet. By expanding into a larger facility, estimated at 15,000 feet, our MCIC is willing to provide a portion of the capital necessary to appease Kroger's lease program. The expansion would not only save 22 existing jobs with Kroger but create an estimated 15 additional jobs.

Project supports diversification with only one other small grocer in the area and the follow up investments with a larger Kroger store and Kroger's presence could increase the opportunities for additional amenities within our community.

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

Morgan County Improvement Corporation ("MCIC") a 501c4 organization formed in 1967 to promote and encourage economic development within Morgan County.

TECHNICAL ASSISTANCE NEEDED:

Financial structuring.
 Market assessment/feasibility assessment
 Architectural drawings

Capital-Our MCIC should be able to raise or borrow the required funds to construct a 15,000 facility. However, if larger based upon market and feasibility assessments and willingness of Kroger to expand, we may need additional funding sources, ie CDBG given new jobs created, and other sources.

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:

The MCIC is a 501c4 organization ("CIC"), formed in 1967 to promote and encourage economic development and expansion within Morgan County.

MCIC would have 0 to limited funds to contribute to a hotel project.

MCIC would have \$300,000 to invest in the larger Kroger store facility with an aggressive lease program with Kroger real estate division.

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 \$'.

Unknown

Please complete either b) or c), below. No preference is given in the Opportunity Appalachia

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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

PHONE

URL

NAME 3: CONTACT NAME

COMPANY NAME

ADDRESS

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EMAIL

PHONE

URL

C) TECHNICAL ASSISTANCE PROVIDERS HAVE NOT YET BEEN IDENTIFIED.

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

7. MATCH REQUIREMENT:

Yes

8. ATTESTATION:

02/18/2020

Carl Raines

Executive Director

Morgan County Improvement Corporation