APPALACHIAN COMMUNITY CAPITAL

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

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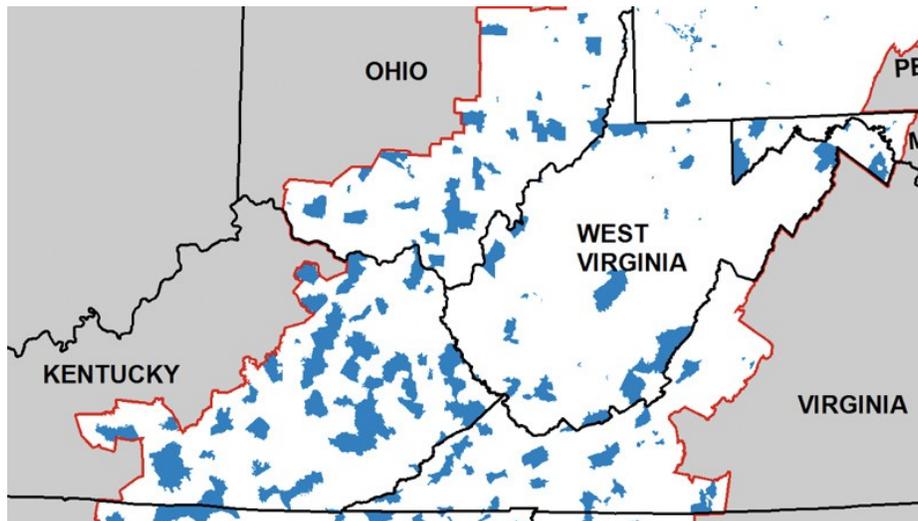
Once project technical assistance is completed, a highly visible OZ Investor Convening event will be held in late 2020 that will target both local and pre-vetted national investors, as well as

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@acc1.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: Thundercloud
Project Name: Thundercloud Fiber Network and Data Center

Project Summary provided below.

TA Requested:
Comprehensive business plan, suitable to present to prospective providers of capital for the Data Center and Fiber Network project. This will include financial pro forma development, market assessment and the identification of funding alternatives.

Development of investment prospectus and support for capital raise from public and private sources.

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LEAD CONTACT:

Robert Plymale

APPLICANT ORGANIZATION:

Thundercloud, Inc

ADDRESS

PO Box 5425
Huntinton, WV 25701

WORK PHONE

(304) 638-7147

MOBILE PHONE

EMAIL

plymale@econdevt.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):

The opportunity zone communities targeted by this application are:
• Cabell County, WV
• Kanawha County, WV
• Wayne County, WV

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

Thundercloud, Inc. primary service area is the same as the Opportunity Zone communities listed above but also the counties making up the Huntington-Ashland-Ironton (WV-KY-OH) and Charleston (WV) MSAs.

3. COMMUNITY DEVELOPMENT STRATEGY(IES):

The overarching goal of Thundercloud activities is to engage community anchor institutions to connect rural West Virginians to 21st century economic, medical, and educational opportunities. Thundercloud will consist of two initial segments: 1) a micro-trenched fiber network first running from South Charleston to Huntington and then extended to the other southwestern West Virginia counties and 2) a Tier 3 data center in downtown Huntington that will leverage industry-leading practices for server administration, virtualizing, and management to save costs, improve service levels, and minimize data security risks.

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The Thundercloud Fiber Network and Data Center will make the area more attractive to businesses looking to expand or relocate. This is especially critical for attracting industries like manufacturing and technology that will create high-paying jobs, as the need for high-speed internet, security, and redundancy are foundational to their operations. Existing firms will also benefit from access to data center storage and services including cost savings, redundant power and cooling systems, higher levels of security, and remote hands.

Partnering efforts for development will occur in the Information Technology (IT), Healthcare and Education sectors. In IT, the projects look to 1) help startup and small business establish a low-cost server hosting that is affordable and scalable to support their growth; 2) connect existing businesses with fiber to facilitate collaboration among businesses in the area and 3) offer a secondary, disaster recovery focused, copy of business operational systems to assist continuity planning. Strategies in Healthcare include: 1) connecting the region's healthcare institutions with high bandwidth network capacity to enable data sharing, imaging transfers, and telemedicine capabilities; 2) providing connectivity to underserved areas of the region to deliver telehealth services; and 3) enabling redundant data center services to ensure reliable and secure access to health information. Education strategies seek to provide 1) training and development of highly-in-demand skills, conducting workshops and educational training; while 2) housing research computing facilities in support of grants and projects that require high level of security and reliability like research in Cyber Security, Forensics and Big Data analytics.

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

I. NAME OF PROJECT, ADDRESS, OZ CENSUS TRACT

Name: Thundercloud Fiber Network and Data Center
Location: 1125 6th Avenue, Huntington, WV 25701
County: Cabell
Census Tract Code: 54011010900

SIZE	TOTAL ANTICIPATED FINANCING NEEDED:	FINANCING ALREADY IDENTIFIED
48000	9000000	The City of Huntington has donated $200,000 of equipment for the data center provided through a Cisco grant. Architectural designs have already been completed by Edward Tucker Architects funded by ATTI Foundation for $20,000

PROJECT DESCRIPTION:

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The centerpiece of the project includes an "Edge Data Center". Edge data centers differ from the massive data centers found in large metropolitan areas in that they are meant to serve smaller populations at, "the edge" of service areas. Their proximity to the smaller service area reduces the latency in sending and receiving data and are critical to the operation of the Internet of Things (IoT) devices and autonomous vehicles. An edge data center will allow the accelerated adoption of these technologies in rural communities.

An edge data center also allows local industries, businesses, and public entities of all types to leverage the economies of scale to improve cyber security and protect critical data that would otherwise be comprised in the event of a natural disaster. The Small Business Administration reports that 60% of small business that suffer a cyber-attack or lose their data will fail within six months. An edge data center serving this community will enable and support the creation and growth of new technology-based businesses and help protect existing businesses.

COMMUNITY IMPACT (QUANTIFY / PROVIDE ESTIMATES):

The data center and corresponding fiber network will also help the creation of new businesses and the expansion of existing businesses by providing cloud base data services that reduce start-up cost and lower operation expenses for compute. The new data center is designed to meet current needs and will scale as demand increases.

It is anticipated that initial direct employment at the Data Center will include a staff of six information technology professionals requiring advanced education and skills. That figure has the potential to double (to twelve) within the first year.

In addition to community economic diversification, the data center will provide high paying jobs with quality benefits in the Information Technology sector. Each of the four occupations quantified below are more than 60 percent higher than the WV annual median wage of $42,370. These are anticipated to include (with Bureau of Labor Statistics, May 2018 annual median wages for WV):
• 15-1142 Network and Computer Systems Administrators ($68,980)
• 15-1122 Information Security Analysts ($84,620)
• 15-1143 Computer Network Architects ($92,060)
• 11-3021 Computer and Information Systems Managers ($119,430)
These occupations are also below equilibrium representation in West Virginia. Using Bureau of Labor Statistics estimates from May 2018, location quotients for these occupations range from 0.28 (for Computer Network Architects) to 0.71 (for Network and Computer Systems Administrators). This suggests that regional needs are being outsourced an opportunity for development and entrepreneurship exists locally.

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

Thundercloud, Inc.

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TECHNICAL ASSISTANCE NEEDED:

> Thundercloud is seeking technical assistance to develop a comprehensive business plan, suitable to present to prospective providers of capital for the Data Center and Fiber Network project. This will include financial pro forma development, market assessment and the identification of funding alternatives.

Proposed OZ Project:

II. 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:

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):

Opportunity Appalachia Application Form

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

TECHNICAL ASSISTANCE NEEDED:

5. APPLICANT CAPACITY:

Thundercloud is a 501(c)(4) organized and operating exclusively for the promotion of social welfare and economic development purposes. Regional partners including the City of Huntington, Marshall University, Marshall Health and Mountain Health Systems have embraced the formation of Thundercloud and have supplied representation to its Board, donated equipment and funded architectural renderings.
Thundercloud Board Members:
Chair - Robert Plymale, Appalachian Transportation and Technology Institute Foundation
Vice Chair – Dennis Lee, Mountain Health Systems
Secretary/Treasurer - Michael McCarthy, Marshall Health
Member – Edward Aractingi, Marshall University
Member – Charlie Dennie, Alpha Technologies, Inc.
Partners:
Alpha Technologies, Inc.
Appalachian Transportation and Technology Institute Foundation
City of Huntington
Marshall Health
Marshall University
Mountain Health Systems
In addition to the expertise and regional connections available through these anchor institutions, Thundercloud's capacity is supported by robust technological proficiencies from its private sector partner, Alpha Technologies, Inc. Alpha has developed a superior reputation for delivering technologically advanced and cost-effective solutions to the broadband and renewable energy industries.

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.

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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 $'.

$55,000

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

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EMAIL

_____

PHONE

URL

NAME 3: CONTACT NAME

COMPANY NAME

ADDRESS

EMAIL

PHONE

URL

C) TECHNICAL ASSISTANCE PROVIDERS HAVE NOT YET BEEN IDENTIFIED.

7. MATCH REQUIREMENT:

RHP

8. ATTESTATION:

03/02/2020

Robert H. Plymale

Chair

Thundercloud, Inc.