

A photograph of a historic street scene, likely in a small town. A yellow awning with the text 'FINE FURNITURE' is visible. Two people are walking away from the camera on the sidewalk. A sign on the left reads 'THERE'S A GOOD CHANCE YOU'LL LEAVE INSPIRED.' with an arrow pointing right. The background shows historic buildings and trees.

WELCOME TO THE **Opportunity Appalachia: Ohio Launch**



OhioSE
ECONOMIC DEVELOPMENT



Zoom Recording

[Click here](#) to view the recorded Webinar.

Passcode: Fa71*F!2

[Click here](#) to view the Q&A

Agenda

10:00-10:15 AM Welcome and Introductions

- Katy Farber, OhioSE Brief Welcome and Intro
- John Carey, Director, Governor's Office of Appalachia
- Donna Gambrell, ACC

10:15-10:35 Overview of Opportunity Appalachia

- Kathryn Coulter Rhodes, Rural Support Partners

10:35-10:55 How to Put a Project Together

- Hotel Swisher Video and brief commentary from Michelle Robinson
- Doug Rasmussen, Steadfast City, The Anatomy of a Project: Idea to Investment

10:55-11:10 Funding Options

- Jessica Firmstone, Wesbanco
- NMTC and New Markets Loan Program

11:10-11:20 No Wrong Doors: Other project assistance partners

- Misty Crosby Buckeye Hills Regional Council overview of additional support opportunities, including RISE Ohio, LDDs, ODOD

11:20-11:30 Q&A and Closing

Opportunity Appalachia

*BRINGING INVESTMENT TO CENTRAL APPALACHIAN COMMUNITIES,
CREATING NEW JOBS AND BUSINESSES FOR SUSTAINABLE GROWTH*

Presentation Preview

1. **Opportunity Appalachia Overview**

- What, Who, Timeline

2. **Opportunity Appalachia Deep Dive**

- Types of Projects
- Who Should Apply
- Types of Technical Assistance Provided
- Matching & Pay it Forward Requirements
- Investor Connections
- Selection Criteria
- Submission Deadline & Selection Announcements

3. **Submit Questions in the Chat or Q&A**

What is Opportunity Appalachia?

Purpose: Build strong and diverse local economies where local businesses thrive, quality jobs are created, and communities are supported to address the Covid downturn.

A \$3M+ expanded program that will:

- Support 40 downtown & rural development real estate projects
 - **5-States: WV, OH, TN, NC, VA (Appalachian Counties)**
- Provide \$2.25M to fund direct technical assistance
 - **\$30,000 – \$75,000 per project**
 - **Prepare projects for investment**
- Raise over \$400M of new investment for targeted communities
 - **Investors Convening – Connecting with potential investors**

Opportunity Appalachia Steering Committee



**Ohio
Southeast**
ECONOMIC DEVELOPMENT



**OPPORTUNITY
SWVA**

**mountain
bizworks** 



Opportunity Appalachia is supported by funding from:



Appalachian
Regional
Commission



General Timeline

Information
Opportunity
Appalachia
Webpage

State-Level Launch Meetings

February & March

Apply

February 10th – April 15th

Projects Selection Announced

May 23rd

Receive TA

June-2023

Connect With Investors

2023

What Types of Projects Supported?

Downtown or Rural Development Real Estate Projects

- **That support broader community-identified plans or priorities**
- **The Project is investable: it has the ability to repay an investor's principal and a rate of return**

Investment priorities include projects focusing on

- Downtown development
- Manufacturing
- IT
- Healthcare
- Education
- Food Systems
- Clean Energy
- Heritage Tourism & Recreation

Phase 1 (2020-2021): 17 Projects

Hotel Swisher, Somerset, OH. \$3.2M historic boutique hotel, 15 rooms in downtown, locally owned, supporting tourism and outdoor recreation in drivable 'gateway' community adjacent to metros. Project Sponsor: Village of Somerset. TA Team: The Clay Christensen Group, LOCUS, Schooley Caldwell, HVS.

Cohen Building, Grafton, WV. \$10M redevelopment of historic downtown building for use by identified for-profit and non-profit tenants. Project Sponsor: Unleash Tygart, Inc. TA Team: People Incorporated Financial Services, Thrasher Engineering, CohnReznick.

Vaughan Furniture Building, Galax, VA. \$92M redevelopment of historic downtown anchor building, to include 220,000 SF of residential, and 220,000 SF of retail, commercial, business incubator, and event space. Project Sponsor: City of Galax. TA Team: Summit Design and Engineering, Opportunity Virginia / LOCUS, National Main Street Center.

Full Project List @ Opportunity Appalachia Webpage (see chat)

Who Should Apply? (Types of Entities)

Organizations eligible to apply to participate include:

- For-profit Project Sponsors including developers and businesses
- Multi-county regions
- Counties
- Municipalities
- Economic and community development organizations (e.g. Main Street organizations)
- Other non-profit organizations
- Educational institutions

Who Should Apply? (Geographic Location)

All counties in the Appalachian portions of North Carolina, Tennessee, Ohio, Virginia, and West Virginia are eligible, except for ARC-designated Competitive and Attainment counties*

All Appalachian counties in OH are eligible EXCEPT Clermont and Holmes Counties

Prioritized Communities include:

- ARC-designated Distressed areas and At-Risk areas
- Persistent Poverty Communities (defined as any community (county or census tract) that has had 20% or more of its population living in poverty over the last 30-year period)
- Rural communities – meeting any of the federal definitions
- Federal Opportunity Zones and New Markets Tax Credit census tracts
- ARC-designated Coal Impacted Communities (dependence, impact, or risk)

* Some exceptions exist thanks to availability of local funding. Check with State Partners



Types of Technical Support Provided

Development of investment prospectus

Market research, demand assessment

Preparation of financial projections, structuring of project financing

Architectural & engineering

Business plan preparation, operations planning

Identification of project developers

Investor outreach

Other types of assistance targeted at investment readiness

Who Provides the Technical Assistance?

1. Opportunity Appalachia (OA) Has 40+ Approved TA Providers
 - See Webpage of approved list of TA providers
 2. Projects Can Identify Specific TA Providers
 - Part of the application
 - Provider needs to be vetted & approved
-
- **\$30,000 – \$75,000 per project**
 - **6-12 month TA completion timeline**

OA Continues To Seek TA Providers

TA Application Available on OA Webpage

Match Requirements & Pay It Forward

1. **Matching Support: Required \$5,000**

- Funding or In-kind

2. **Pay It Forward: Help Sustain Opportunity Appalachia**

- Projects that successfully close on project financing within three years
- Repay Opportunity Appalachia at the lesser of either:
 - A. The total TA project grant amount provided by Opportunity Appalachia, or
 - B. 1% of the project's closed financing amount

For Example:

A project received \$50,000 in TA support. The project closes on \$1MM in financing in year 2.

This project will repay \$10,000. Generally, rolled in as part of their financial closing.

- $1\text{MM} \times 1\% = \$10,000$ (is less than 50k)

Connecting with Investors

Dedicated
Outreach by:

- Opportunity Appalachia
- TA teams

Investors
Convening With:

- Project Representatives
- TA providers
- Investors

Public Loan Funds & Grantors



Appalachian
Regional
Commission



Investors

CDFI and Other Investor Partners



Bank Investors



Opportunity Zone Investors



Chestnut
Funds



RENAISSANCE EQUITY PARTNERS



New Markets Tax Credits Investors



CEI Capital
National Trust Community
Investment Corporation
a subsidiary of the
National Trust for Historic Preservation

What is the Project Selection Criteria?

1. Identified community strategy(ies) and engagement
2. Clearly Identified project(s) & vision
3. Community Impact
4. Capacity and Track Record
5. Suitability for investment
6. Identify existing community resources and identify gaps
7. Clean Energy focus

Submission Deadline & Project Selection

- **February 10** – Application is open.
 - *Online submission on Opportunity Appalachia website:*
<https://appalachiancommunitycapitalcdfi.org/oa-program/opportunity-appalachia-2022-2024/>
 - **April 15, 5pm EDT** – Application submission deadline.
 - **May 23** – Selected OA projects announced.
- *Second Call for Applications This Fall – Date TBD*

For more information, please contact the lead partner in your state:

Tennessee	Stacey Swiger-Patterson University of Tennessee Vice President for Research, Outreach and Economic Development vpresearch@Tennessee.edu
Ohio	Katy Farber Vice President OhioSE katy@ohiose.com
Virginia	Courtney Conner-Stringer Director of Community & Business Development University of Virginia at Wise cstringer@uvawise.edu
North Carolina	Steve Lockett Program Manager Mountain BizWorks steve@mountainbizworks.org
West Virginia	Ray Moeller Northern WV Brownfields Assistance Center raymond.moeller@mail.wvu.edu

For Application & More Information

<https://appalachiancommunitycapitalcdfi.org/oa-program/opportunity-appalachia-2022-2024/>

An aerial photograph of a city street, likely in Savannah, Georgia, showing historic brick and white-painted buildings, palm trees, and a street with cars and pedestrians. The image is overlaid with a semi-transparent dark teal border and a large white title. A solid orange vertical bar is on the right side.

THE ANATOMY OF A PROJECT

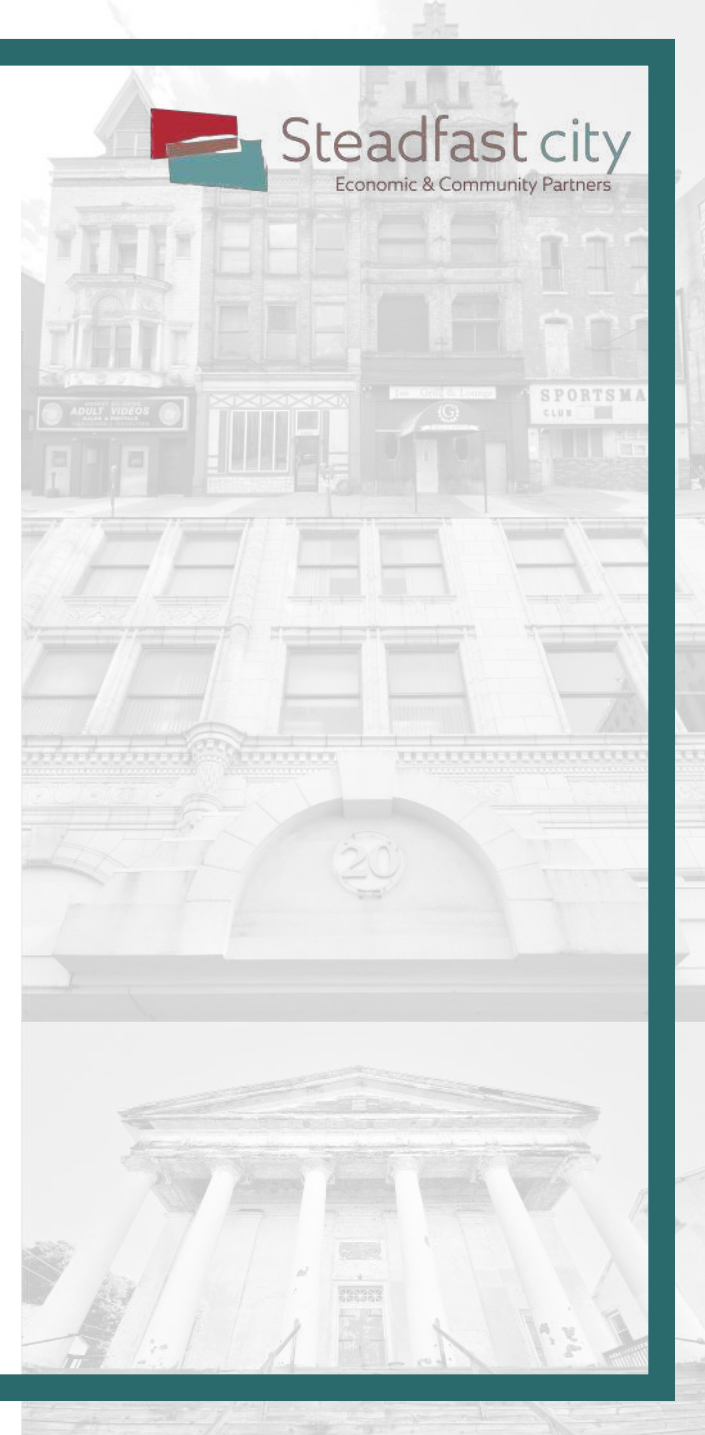


Steadfast city
Economic & Community Partners

THE ANATOMY OF A PROJECT

The Starting Point / Conceptual Development:

- If only we could fix THIS?
- What is the “Pathfinder Project(s)”?
 - The highest impact project(s) for the lowest cost?
 - Identification of the most iconic and meaningful community project(s) that will move the neighborhood/community and asset forward in a new trajectory.



THE ANATOMY OF A PROJECT

From Concept to Reality (Further Due Diligence & Refinement of Concept & Feasibility):

1. Historical and Demographic Research:

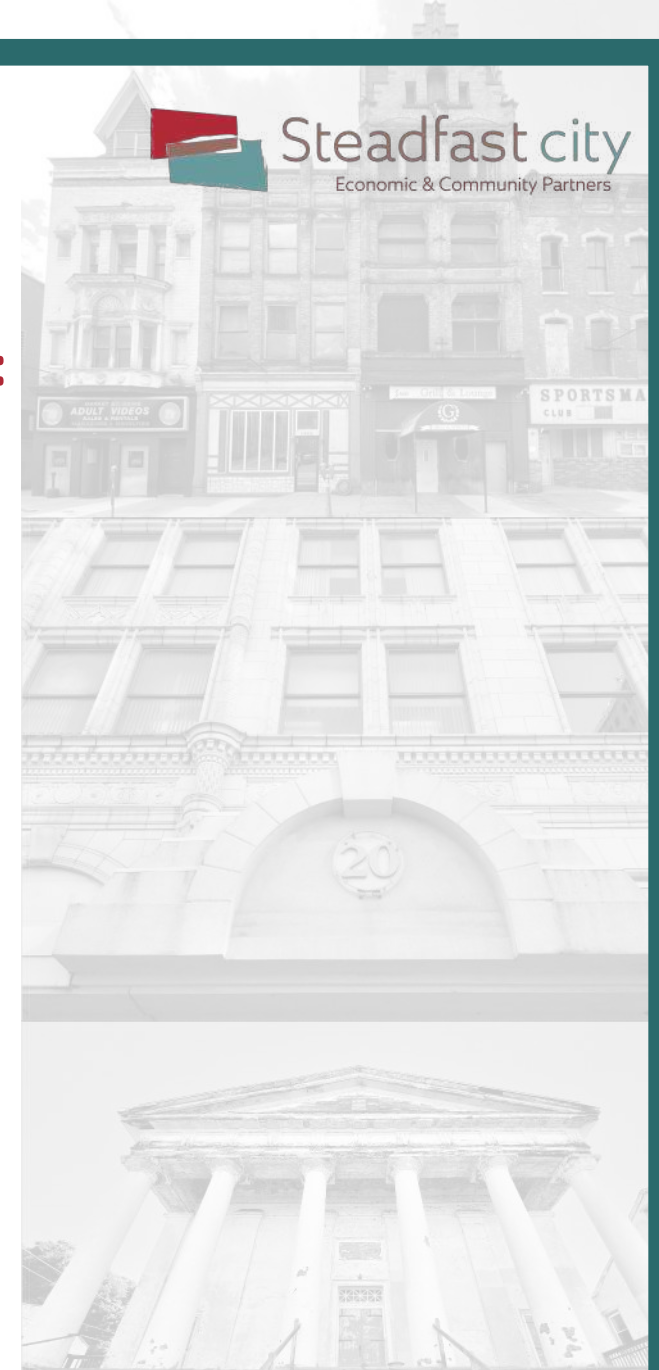
- Including background data research, document and literature review, website review, and online research regarding the local context of the Project (neighborhood and historical development and land-use patterns).

2. Stakeholder Interviews and Needs Analysis:

- Meetings with local community leaders, government officials, economic development officials, civic leaders, real estate professionals, social service providers, and neighborhood stakeholders, and community members to identify area strengths, community needs and opportunities, development programs and ideas that will attract capital and investors, and threats to further refine goals and redevelopment strategy.

3. Due Diligence Identification:

- Identifying specific documents and studies that exist or should be undertaken to advance potential redevelopment of the Project (as-built architectural drawings; Phase I environmental study, hazardous materials analysis, historic asset identification, building systems assessment; off-street parking, etc.).



THE ANATOMY OF A PROJECT

From Concept to Reality (Further Due Diligence & Refinement of Concept & Feasibility):

4. Community Partnership Inventory:

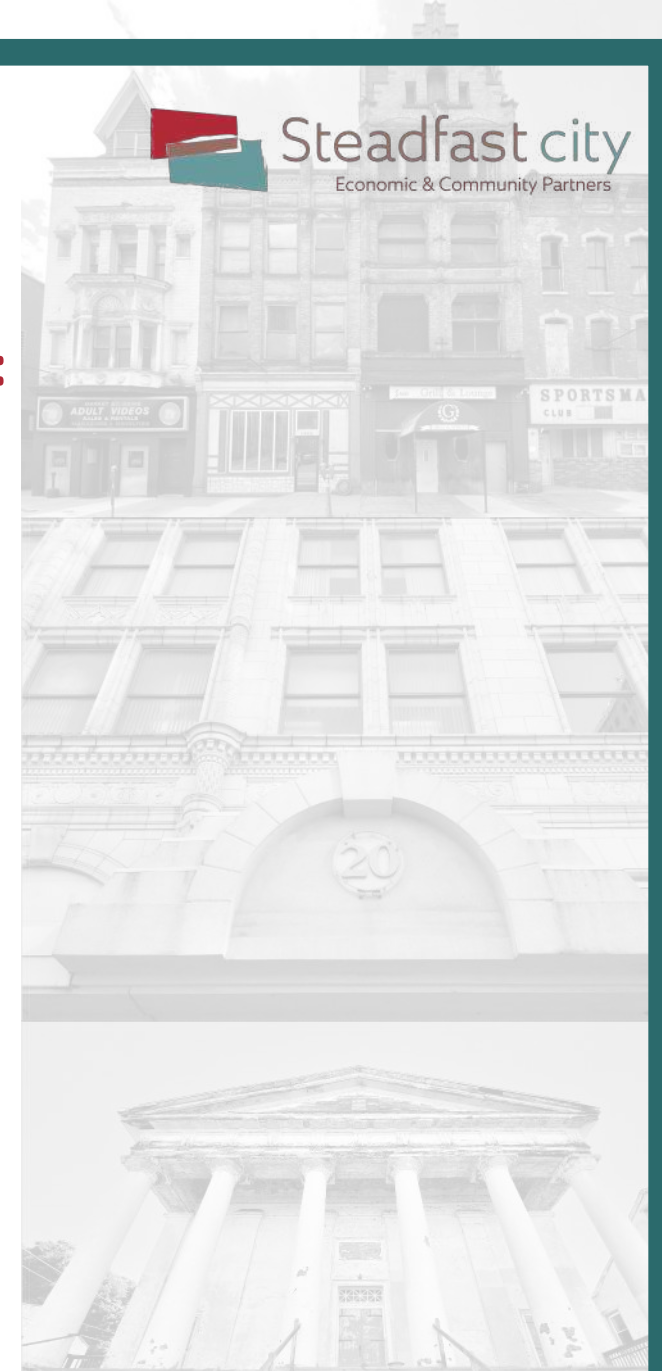
- Identifying parties at the local, regional, state, and federal levels that express interest in participating in or otherwise supporting the Project.

5. Investment Strategy and Financial Structure:

- Identifying available economic incentives and subsidy programs for which the Project is eligible, including development of a base financial development model to support findings/market redevelopment recommendations.

6. Physical Conditions Audit:

- Site visits and assessments, data and map review, zoning code review, City staff interviews, and performance of physical conditions audit and land use audit through lens of vacancy, infrastructure, potential for land assembly and redevelopment opportunities.



THE ANATOMY OF A PROJECT

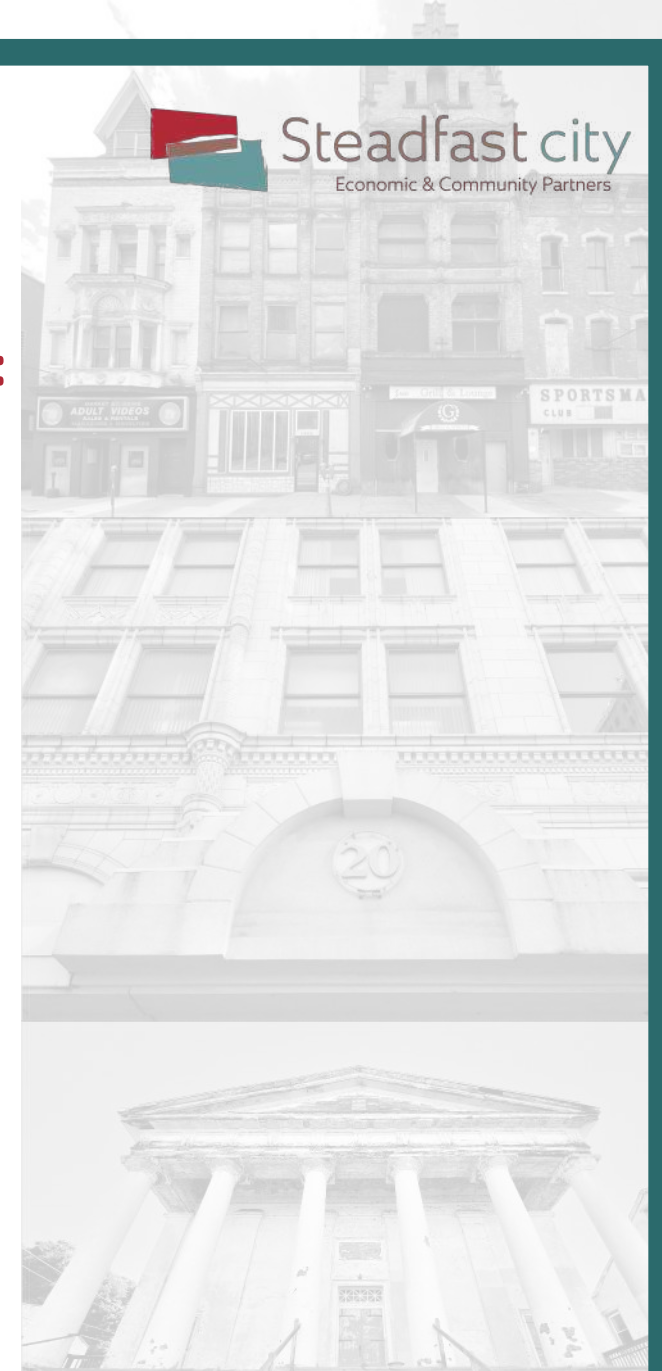
From Concept to Reality (Further Due Diligence & Refinement of Concept & Feasibility):

7. Priority Identification:

- From 1-6 above, potentially refine the “Big Ideas” and Pathfinder project or approach to the Project.

8. Market Analysis and Development of Marketing Prospectus:

- Based on 1-7 above plus additional market research, creation of a detailed real estate data sheet prospectus deliverable (10-15 pages designed with highest form of graphic design/maps) outlining the recommended development opportunity/scenario, demographic trends and demand drivers, public incentives assistance, sites, and a base-level real estate model formulated around Pathfinder development scenario(s).



THE ANATOMY OF A PROJECT

Investment & Execution (One Approach):

1. **Creation of Developer RFP and Solicitation Creation of a Project RFP:**
 - Identifying local, regional, and national developers
 - Soliciting developer interest
2. **Developer Solicitation and Selection:**
 - Issuing a Project RFP to identified developers and selection of a suitable redeveloper

Opportunity Appalachia can help you & your community take some or all of the above steps.



New Markets Loan Program

February 2022



Jessica Firmstone, DFCP

New Markets Compliance Officer

Jessica.Firmstone@wesbanco.com

(304) 905-7025

Introduction – New Markets Tax Credit Program

What Is It and What Does It Do?

The NMTC Program is jointly administered by the CDFI Fund and the Internal Revenue Service (IRS).

The NMTC Program incentivizes community development and economic growth through the use of tax credits that attract private investment to distressed communities.

The NMTC Program attracts private capital into low-income communities by permitting individual and corporate investors to receive a tax credit against their federal income tax in exchange for making equity investments in specialized financial intermediaries called Community Development Entities (CDEs). The credit totals 39% of the original investment amount and is claimed over a period of seven years.

Introduction – New Markets Tax Credit Program

How Does It Work?

- NMTCs provide a credit against Federal income taxes for investors that make Qualified Equity Investments (QEI) in certified financial intermediaries called “Community Development Entities (CDEs).”
- NMTCs are awarded to CDEs, not to individuals or businesses.
 - To qualify as a CDE, a domestic corporation or partnership must apply for and receive certification from the CDFI Fund.
- CDEs, in turn, use the proceeds of these QEIs to make Qualified Low-Income Community Investments (QLICs), such as business loans, in Low-Income Communities.
 - Any capital or equity investment in, or loan to, a “Qualified Active Low-Income Community Business” (QALICB).
 - Purchase of a loan from another CDE if the loan is a QLICI.
 - Any equity investment in, or loan to, a CDE.
 - “Financial Counseling and Other Services” (FCOS) to businesses located in, or residents of, Low-Income Communities (LICs).

New Markets Loan Program - WBCDC

- The New Markets Loan Program (NMLP) is made possible through New Markets Tax Credit (NMTC) allocations awarded to WesBanco Bank Community Development Corporation (WBCDC) by the CDFI Fund. WesBanco's Investment into the NMLP is used to finance businesses and breathe new life into neglected, underserved and distressed communities.
- The New Markets Loan Program helps support development in highly distressed communities in Indiana, Kentucky, Ohio, Pennsylvania, Maryland and West Virginia.
- In the past five years, the New Markets Loan Program assisted in total projects in excess of \$78,100,000, impacting over 1,800 jobs
- Prioritized projects include those in rural counties and underserved states as well as loans less than \$2,000,000. However, we will accept and consider all applications for projects that are located in qualified geographies.
- The WBCDC program makes traditional loans and does not seek investors for projects

2021 Winner



Features of the NMLP

- Loan rate of 50% below market (fixed for 7 years)
- No loan origination fees

Other Optional Features:

- Interest-only for construction financing up to 24 months
- Higher than standard Loan to Value
- Non-traditional forms of collateral
- Lower than standard Debt Service Coverage Ratio
- Extended amortization periods –
 - 7 years for non-real estate loans
 - 25 years for real estate loans

In expansion efforts and the low market rate, lack of origination fees and flexible credit terms can assist in allowing the companies to grow faster and on a larger scale, while in revitalization efforts, these same features can allow for financing companies that may struggle in obtaining conventional financing.

(loans remain subject to credit approval)



Qualifications for the NMLP

- Business or project must be located in a qualified census tract.
- Create and/or maintain quality and accessible jobs for low-income residents.
- Provide goods and services to low-income community residents.
- Projects that are part of a larger, comprehensive neighborhood or revitalization plan
- Projects that are anticipated to catalyze additional private investment in the area
- Projects that demonstrate a need for NMLP financing
 - What benefit does NMLP financing bring to this project's success (examples: community benefits, need to fill budget gap, inability to obtain conventional financing, inadequate other funding sources available in a timely manner)?

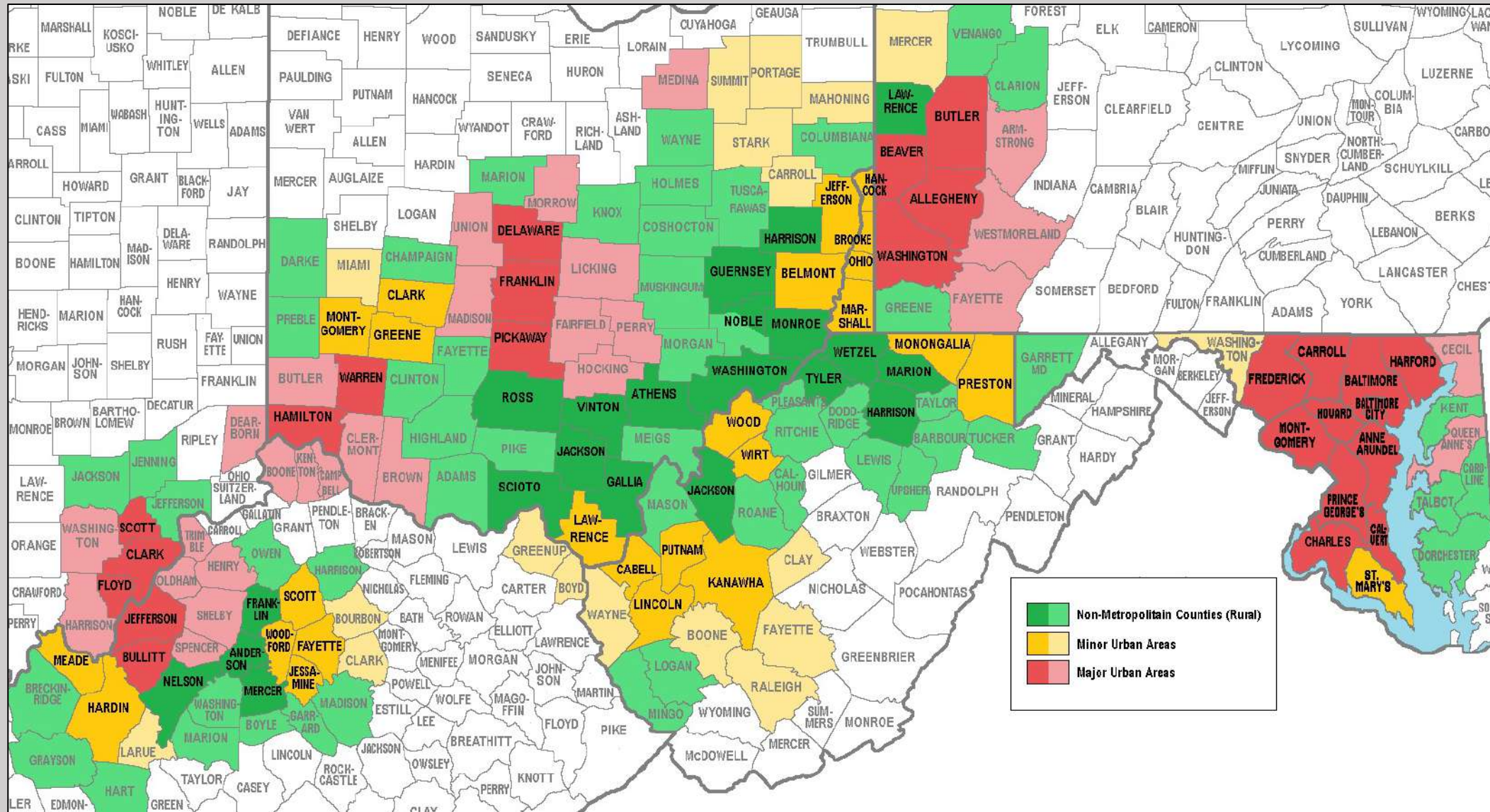


FOCUSING ON RURAL AREAS

WBCDC is a Rural CDE

To be a Rural CDE, an organization must:

- Have a track record of at least 3 years of direct financing experience
- Have dedicated at least 50% of its direct financing activities in the last 5 years to Non-Metropolitan Counties
- Commit that at least 50% of QLICs will be directed to Non-Metropolitan Counties.



Disqualifications

Projects not located in a NMTC eligible census tract (severely distressed area)

Businesses that perform the following services:

- Massage Parlor
- Hot Tub Facility
- Suntan Facility
- Country Club
- Racetrack or other facility used for gambling
- Sale of alcoholic beverages for off-site consumption
- Development or holding of intangibles for sale
- Private or commercial golf course
- Farming, in certain instances

Other Disqualifiers of note:

- Government entities as borrowers
- Most instances of refinance
- Unidentifiable community impact
- 100% residential projects



Loan Amount:	\$199,800
Total Project:	\$224,000
Job Creation:	20
Job Retention:	0
Living Wage Jobs:	65%
Accessible Jobs:	45%

Community Impact:
This project increased capacity of current preschool children from 20 to 100, increasing child readiness for kindergarten in a highly distressed area.

Project/Company Description: The borrower is a preschool that accepts children ages 1-5 with a mission to work with families on early childhood development, as well as provide a quality preschool education to increase the number of kindergarten-ready children in their low to moderate neighborhood. In outgrowing their facility, the borrow needed to purchase a new location to allow them to accept over 75 children to their program, creating 20 jobs.

Purpose of Loan: Property acquisition and renovation

Need for NMLP Financing: The borrower would not qualify for this loan conventionally due to financing 90% of the purchase price. The borrower also needs the low 7 year fixed rate, no origination costs in order to pursue this project.



Living Wage is defined as the Living Wage for 2 Adults and 1 Child based on the MIT Living Wage Calculator for the County in which the Project is located (<http://livingwage.mit.edu/>).
Low Income Accessible Job means a job that is available to individuals who possess a high school diploma or equivalent education.

Loan Amount:	\$1,742,000
Total Project:	\$2,117,000
Job Creation:	71
Job Retention:	20
Living Wage Jobs:	92%
Accessible Jobs:	92%

Community Impact:

This project created a significant number of quality and accessible jobs.

Project/Company Description: The owner has operated the borrowing entity for 15 years in several different facilities, most notably the purchase and renovation to a new facility from residential to commercial use. Financing was used for construction of a retail facility to provide auto service center along with operations of a towing business

Purpose of Loan: Construction of new facility

Need for NMLP Financing: Financing would have proved difficult without the NMLP and the client would have needed to sell a location. It would not be able to cash flow its current facility while doing construction on the new location. Without the NMLP, combined cash flow exceeded bank standards.



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Loan Amount:	\$1,079,500
Total Project:	\$1,285,311
Job Creation:	58
Job Retention:	32
Living Wage Jobs:	100%
Accessible Jobs:	36%

Community Impact:

The borrower provides outpatient alcoholism, drug addiction, mental health and interment services. They currently provide care for approximately 150 patients a week with some of these patients receiving care for more than twelve months. The new facility will allow them to contact approximately 250 patients per week and 13,000 patients annually. This will allow a positive impact on the drug and opioid crisis in the community.

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Low Income Accessible Job means a job that is available to individuals who possess a high school diploma or equivalent education.

Project/Company Description: The borrower was remodeling a facility to fit the needs of a new lessee, an outpatient facility whose mission is to support and assist individuals who are experiencing distress in their lives and assist people to recover from substance abuse disorders. The borrower provided a need for the lessee, who will in turn provide a positive impact and service to our community

Purpose of Loan: Property renovation

Need for NMLP Financing: The lower cost financing provided by the NMLP program allows the borrower to provide a reduced lease payment to the proposed tenant; therefore, providing them the ability to greatly expand their program to help curb the opioid epidemic in this area.





WESBANCO BANK COMMUNITY
DEVELOPMENT CORPORATION

Loan Amount:	\$8,000,000
Total Project:	\$8,000,000
Job Creation:	0
Job Retention:	750
Living Wage Jobs:	91%
Accessible Jobs:	49%

Community Impact: The market served has a slightly declining population of approximately 135 thousand. It is also the second poorest county in the state of Pennsylvania. In addition, the Hospital represents the largest nongovernmental employer in the area making it a vital part of the community both from a health and an economic perspective.

Project/Company Description: A large healthcare system was seeking financing for an Electronic Medical Record System installations at a recently acquired community hospital. As part of this acquisition, the community hospital needed to switch electronic medical record systems to the standard platform used across the healthcare system in order to improve patient care across the span of health care services throughout the state of West Virginia and now Pennsylvania.

Purpose of Loan: Purchase and installation of medical record system software

Need for NMLP Financing: The Hospital became operationally and financially distressed in recent years as a result of a failed relationship with another large healthcare system along with the realities of operating an independent, rural hospital in the current healthcare industry. The new relationship will stabilize and enhance the availability of healthcare services in the community and promote the services not otherwise available locally.



Living Wage is defined as the Living Wage for 2 Adults and 1 Child based on the MIT Living Wage Calculator for the County in which the Project is located (<http://livingwage.mit.edu/>).

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WESBANCO BANK COMMUNITY
DEVELOPMENT CORPORATION

Loan Amount RE: \$247,500
Loan Amount OE: \$350,000
Total Project: \$800,000
Job Creation: 9
Job Retention: 0
Living Wage Jobs: 100%
Accessible Jobs: 67%

Community Impact: 50% of the target population was being underserved by the single competitor in the county. The borrower anticipates providing 12,345 commercial goods and services and 950 community services (in the form of immunizations and medication therapy management) to the distressed community.

Project/Company Description: The borrower is a start up pharmacy offering a variety of pharmacy services including customary prescription provisioning, individual consultations with in-house pharmacist(s), and private counseling for disease state management in a private consultation room. In addition, the borrower provides immunizations, comprehensive medication reviews, and top-notch personal care for patients.

Purpose of Loan: Real estate loan for construction of building. Operating entity loan for start-up expenses.

Need for NMLP Financing: The increased LTV limits on real estate loans as well as the low fixed interest rate allowed the pharmacy to focus on hiring the staff needed to serve the community and generate sufficient cash flow to support the repayment of debt, as well as support the ongoing operations. Keeping the startup cost low also allowed the borrower to focus on business development.



Living Wage is defined as the Living Wage for 2 Adults and 1 Child based on the MIT Living Wage Calculator for the County in which the Project is located (<http://livingwage.mit.edu/>).

Low Income Accessible Job means a job that is available to individuals who possess a high school diploma or equivalent education.

Contact Information

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New Markets Compliance Officer
Community Development

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NO WRONG DOOR





BUCKEYE HILLS
**regional
council**

MISTY CROSBY

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NO WRONG DOOR



OHIO'S DEVELOPMENT PARTNERS



Department of
Development



Governor's Office
of Appalachia

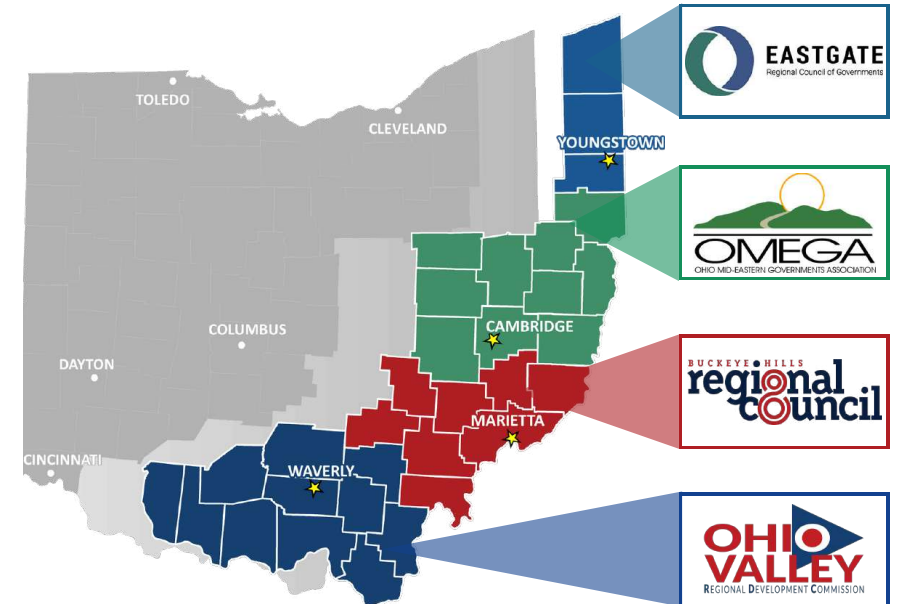


Ohio
Southeast
ECONOMIC DEVELOPMENT

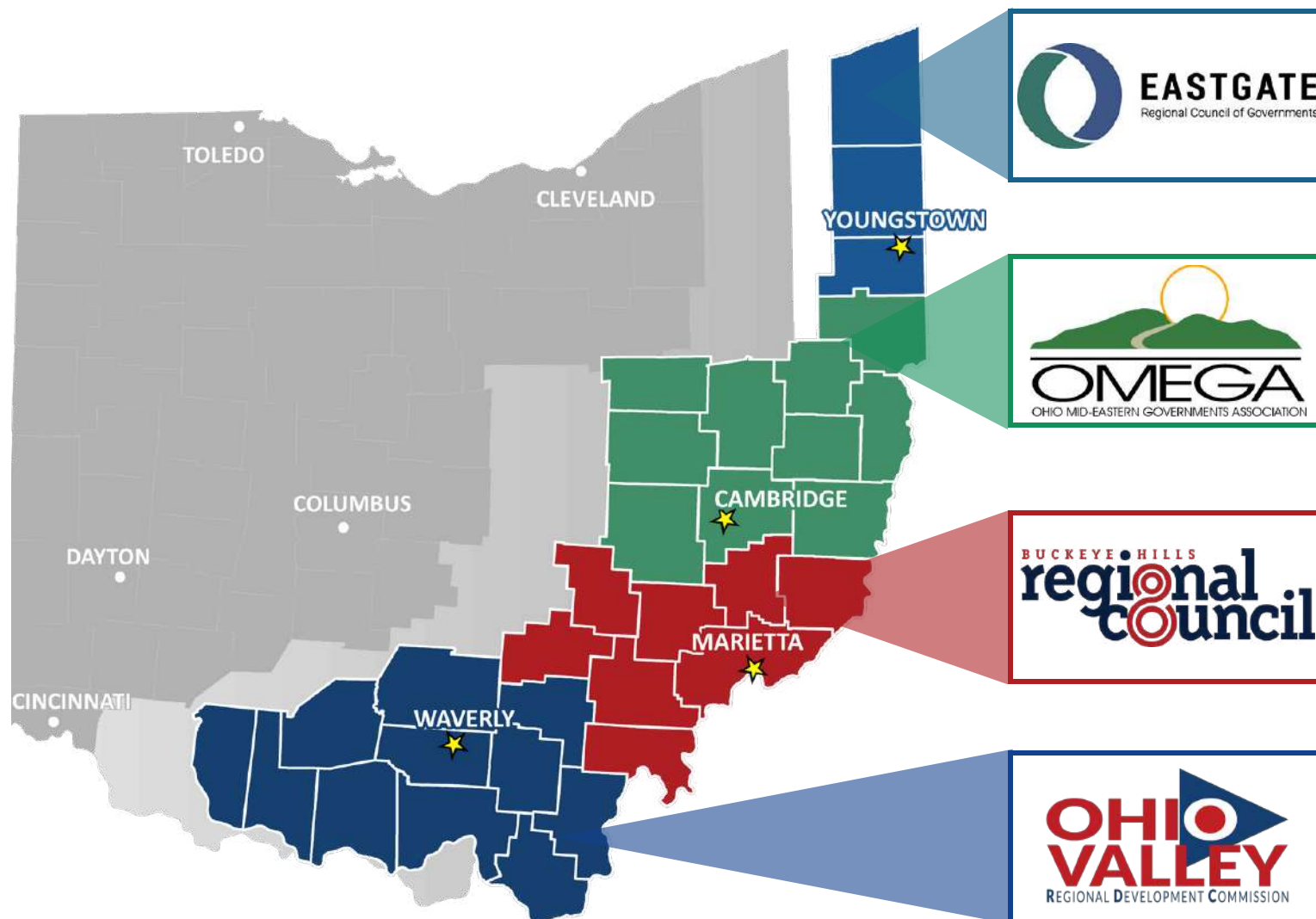


OHIO
UNIVERSITY

VOINOVICH SCHOOL
OF LEADERSHIP AND PUBLIC AFFAIRS



OHIO'S LOCAL DEVELOPMENT DISTRICTS



 eastgatecog.org

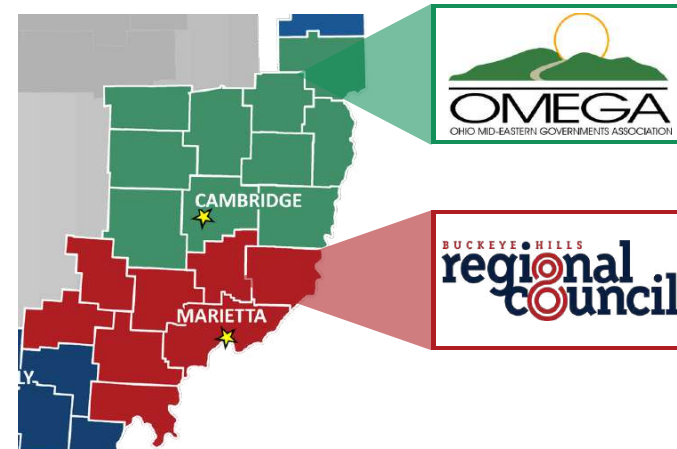
 omegadistrict.org

 buckeyehills.org

 ovrdc.org

RISE OHIO

- Resilience Initiative for Southeast Ohio
- Support from U.S. EDA to Ohio University Voinovich School, Buckeye Hills Regional Council and Ohio Mid-Eastern Governments Association (OMEGA)
- Focused on:
 - Economic Diversification
 - Opportunity Zone Planning
 - Development & Investment
 - Technical Assistance for Coal-impacted Communities



buckeyehills.org/rise-ohio

OHIO DEPARTMENT OF DEVELOPMENT

- **Tax Incentives**

- Transformational Mixed-Use Development (TMUD) Program
- New Market Tax Credits
- Ohio Enterprise Zone Program
- Local Job Creation Tax Credits
- Historic Preservation Tax Credits
- Community Reinvestment Areas
- Tax Increment Financing
- Downtown Redevelopment Districts
- Joint Economic Development

- **Loans**

- Ohio Statewide Development Corporation 504 Loan Program
- Regional 166 Direct Loan

- **Grants**

- Roadwork Development (629) Funds



Department of
Development



development.ohio.gov



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