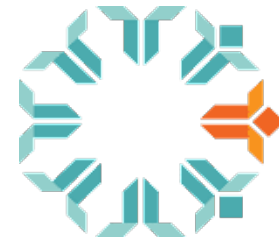




UVA WISE



**OPPORTUNITY
SWVA**

Opportunity Appalachia

Virginia Launch Event

March 2, 2022

Zoom Recording

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

Passcode: 6^R@Qidk

Agenda

10:00-10:15 AM Welcome and Introductions

- Shannon Blevins, Vice Chancellor for Administration, Government Relations & Strategic Initiatives
- Dr. Tamarah Holmes, DHCD, Director, Office of Broadband
- Donna Gambrell, Appalachian Community Capital

10:15-10:35 Overview of Opportunity Appalachia

- Kathryn Coulter Rhodes, Rural Support Partners

10:35-10:50 Phase I Project Examples

- Vaughan Furniture Building in Galax, VA and commentary from Craig Wilson, Planner AICP
- Hotel Swisher in Somerset, OH and commentary from Mayor Tom Johnson

10:50-11:10 Keynote Speaker

- Renee Haltom, Federal Reserve Bank of Richmond

11:10-11:40 Funders Discussion

- Sara Williams, Tobacco Commission
- Sandy Ratliff, Virginia Community Capital
- Craig Barbrow, USDA
- Bryan Phipps, People Inc.

11:40-12:00 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 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



Opportunity Appalachia is supported by funding from:



Appalachian
Regional
Commission

Goldman
Sachs

TRUIST 



DOGWOOD
HEALTH TRUST

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 VA are eligible EXCEPT Bath and Botetourt 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



U.S. ECONOMIC DEVELOPMENT ADMINISTRATION



OSDC



VIRGINIA COALFIELD ECONOMIC
DEVELOPMENT AUTHORITY



Investors

CDFI and Other Investor Partners



Partner
Community
Capital™



Virginia Community Capital
Let's do more, together.



fahe
Strength in Numbers



Invest
APPALACHIA

Bank Investors



Huntington



WOODFOREST®
NATIONAL BANK



PNC



REGIONS

Opportunity Zone Investors



Enterprise™



Catalyst

Opportunity Zone Impact Fund

LLSC



Chestnut
Funds



PNC

ARCTARIS
IMPACT INVESTORS

RENAISSANCE EQUITY PARTNERS



BOULOS
CAPITAL MANAGEMENT



THE PEARL FUND
A QUALIFIED OPPORTUNITY ZONE+VENTURE FUND



COMMUNITY CAPITAL
MANAGEMENT

New Markets Tax Credits Investors

The

INNOVATEFUND

Transforming Communities



People inc.

Building Futures
Realizing Dreams™



CEI Capital



Pathway
Lending

Financing Businesses. Strengthening Communities.



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	Vickie Ratliff Director of Community & Business Development University of Virginia at Wise VRatliff@mecc.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

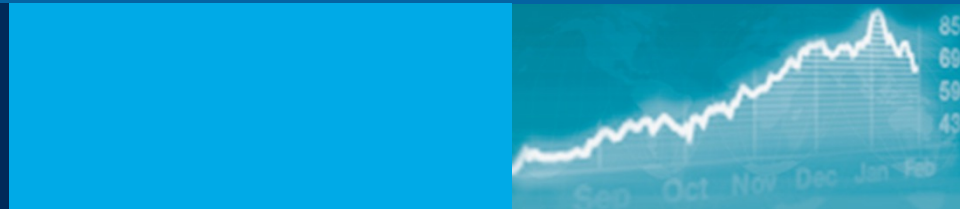
For Application & More Information

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



The Recovery and Rural America *Opportunity Appalachia – VA State Outreach Meeting*

March 2, 2022



Renee Haltom
Vice President and Regional Executive
Federal Reserve Bank of Richmond



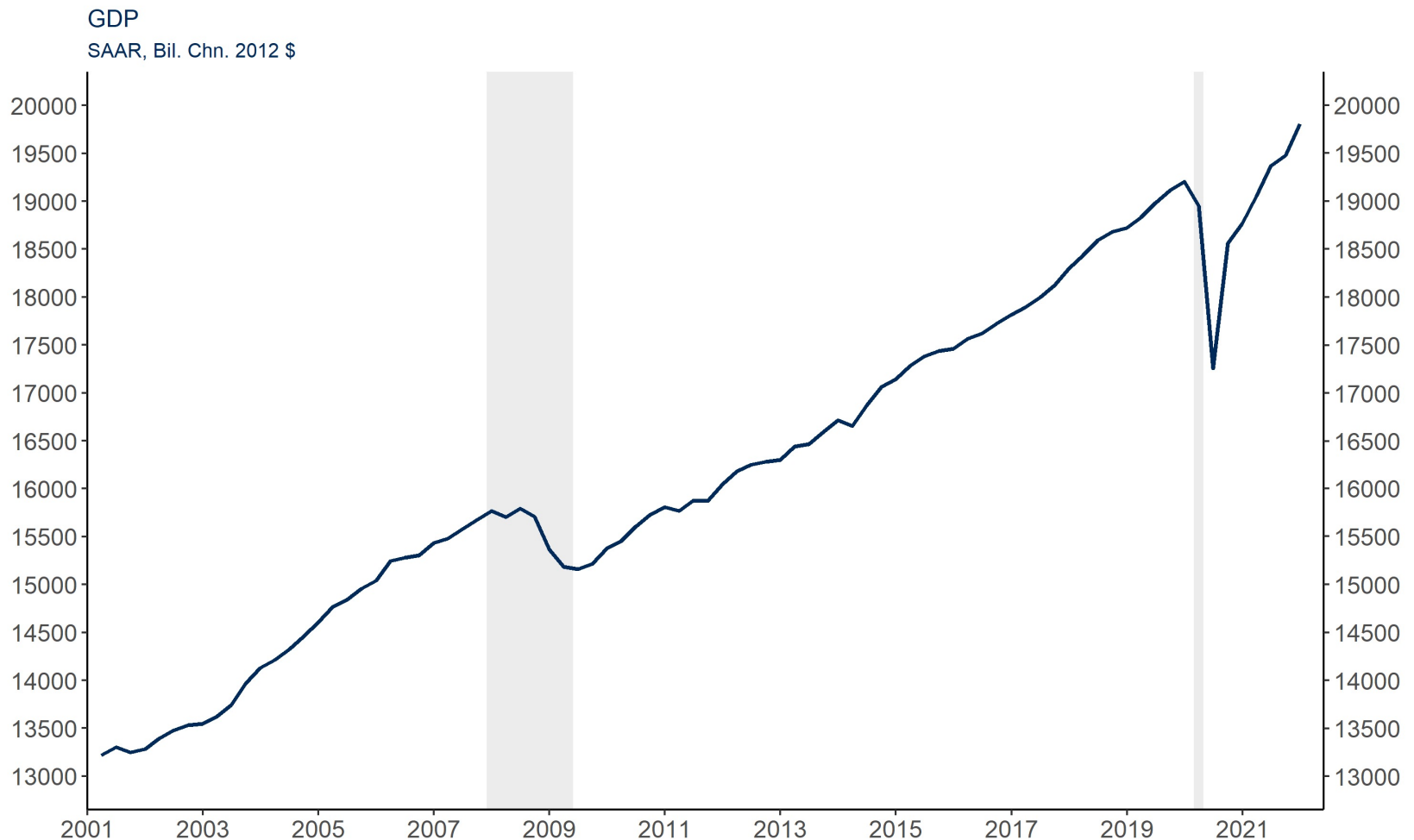
The views and opinions expressed herein are those of the author. They do not represent an official position of the Federal Reserve Bank of Richmond or the Federal Reserve System.

But wait, why does the Fed care about rural?

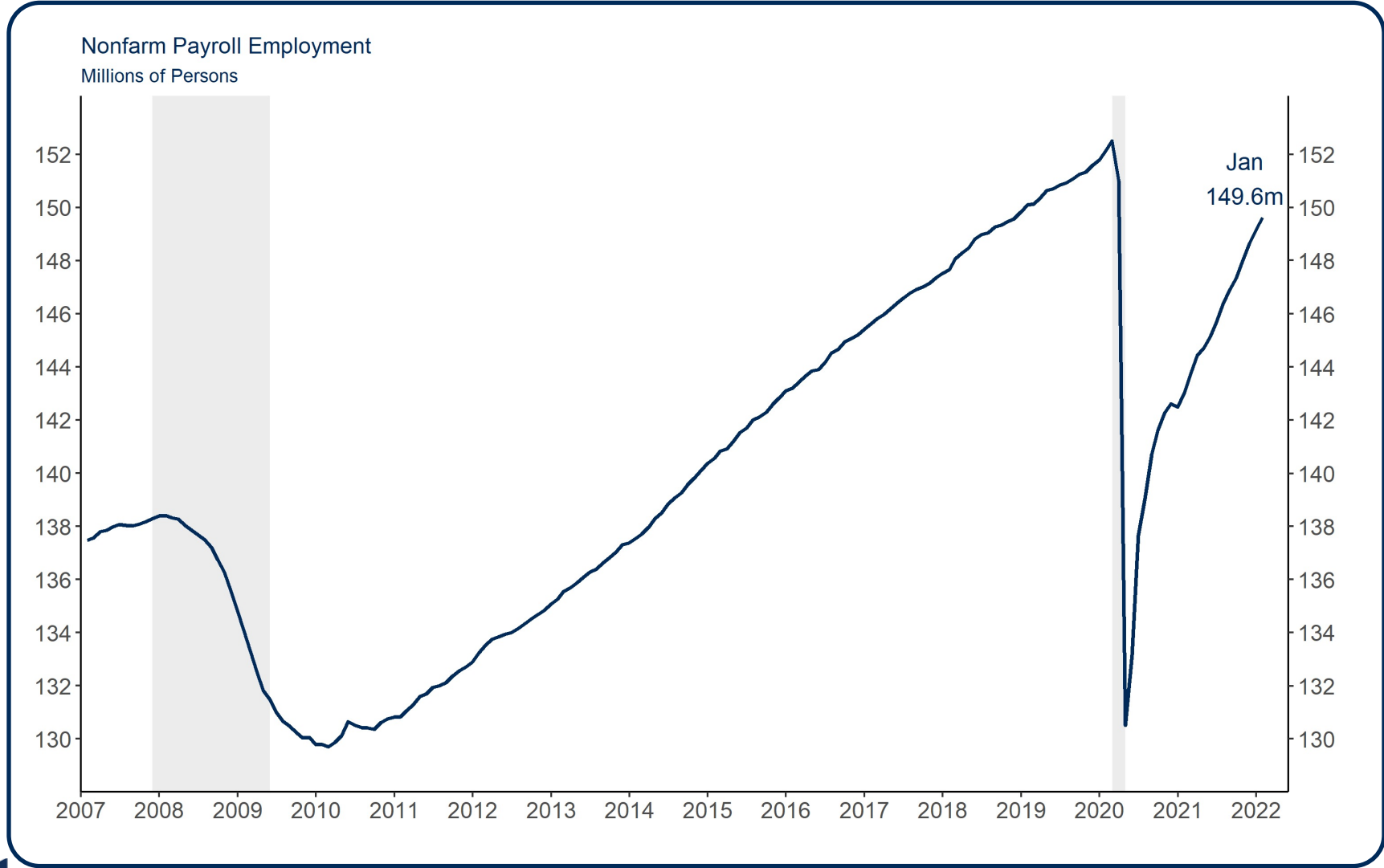
1. Our “maximum employment” mandate
2. Community development mandate
3. A strategic focus of the Richmond Fed

What is the rural-urban divide?

The overall recovery looks good enough...



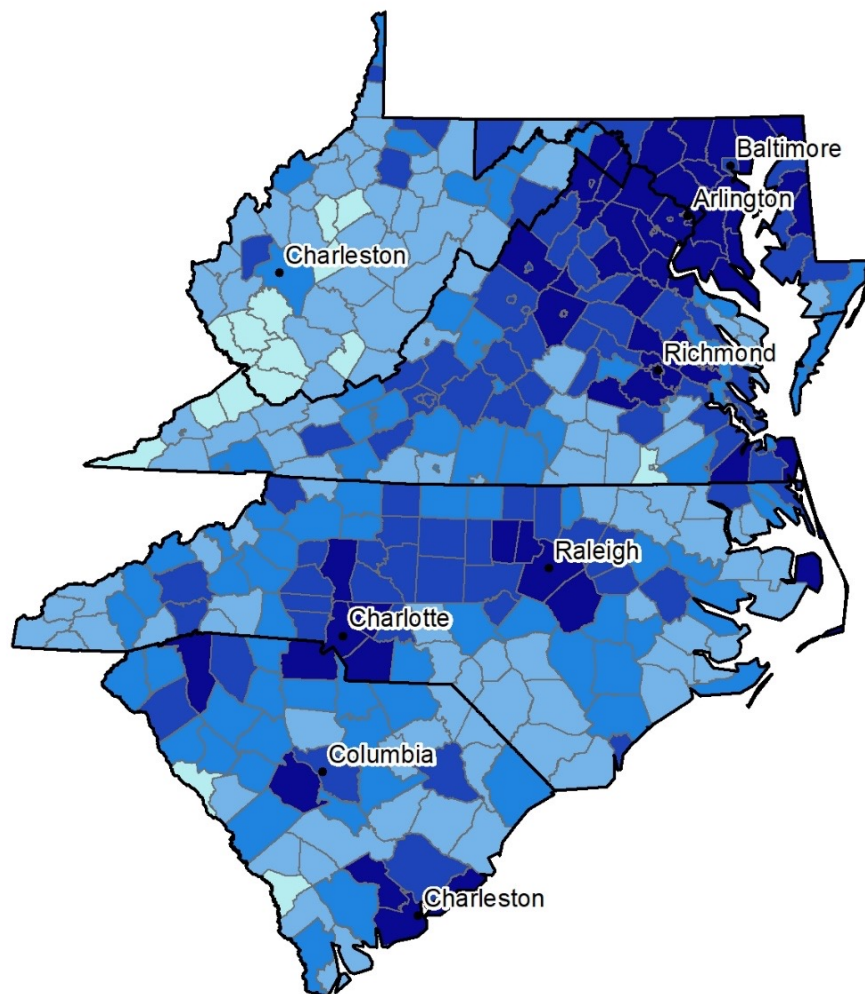
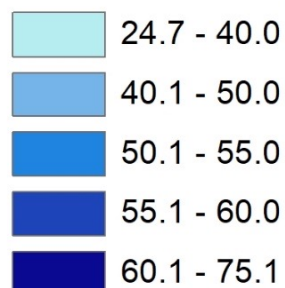
... but the jobs recovery is lagging



Source: Bureau of Labor Statistics/Haver Analytics

And aggregate numbers mask a lot of variation

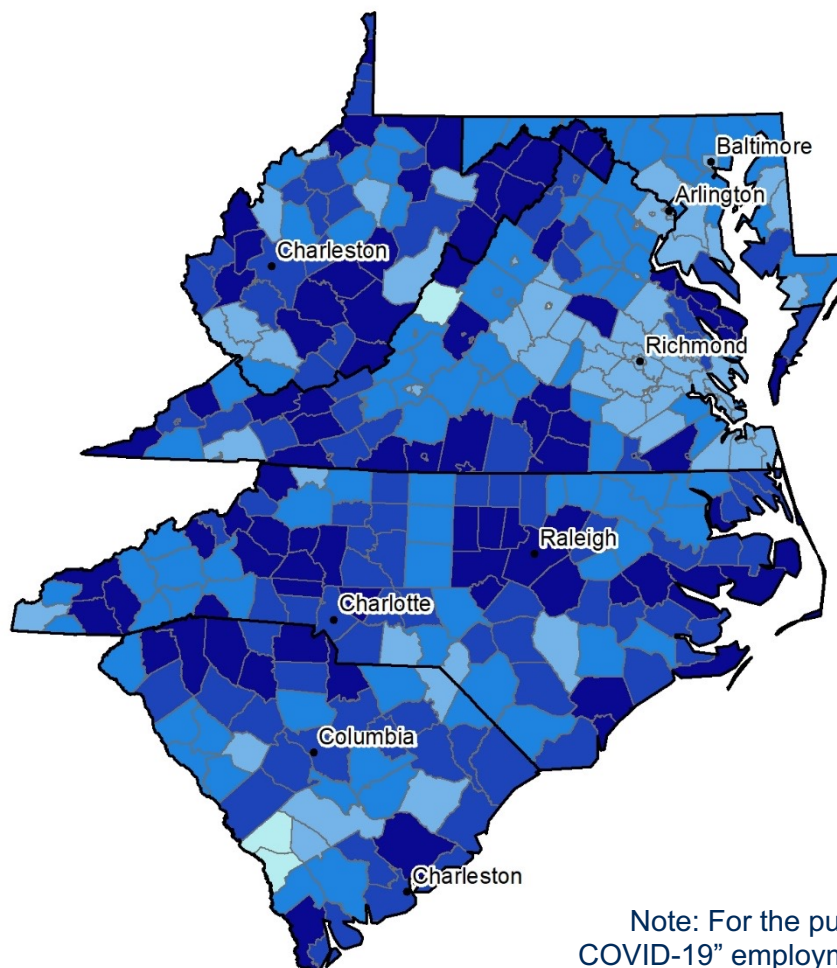
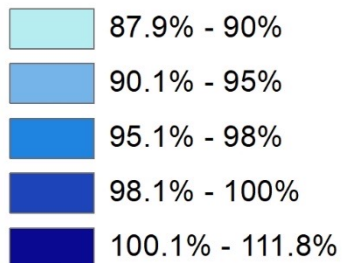
Employment to Population Ratio (16 Years and Over)



Source: *Census Bureau American Community Survey 2019 5-Year*

Covid may have narrowed rural-urban gaps some

**Dec. 2021 Employment
as a Percentage of
Pre-COVID-19
Employment**



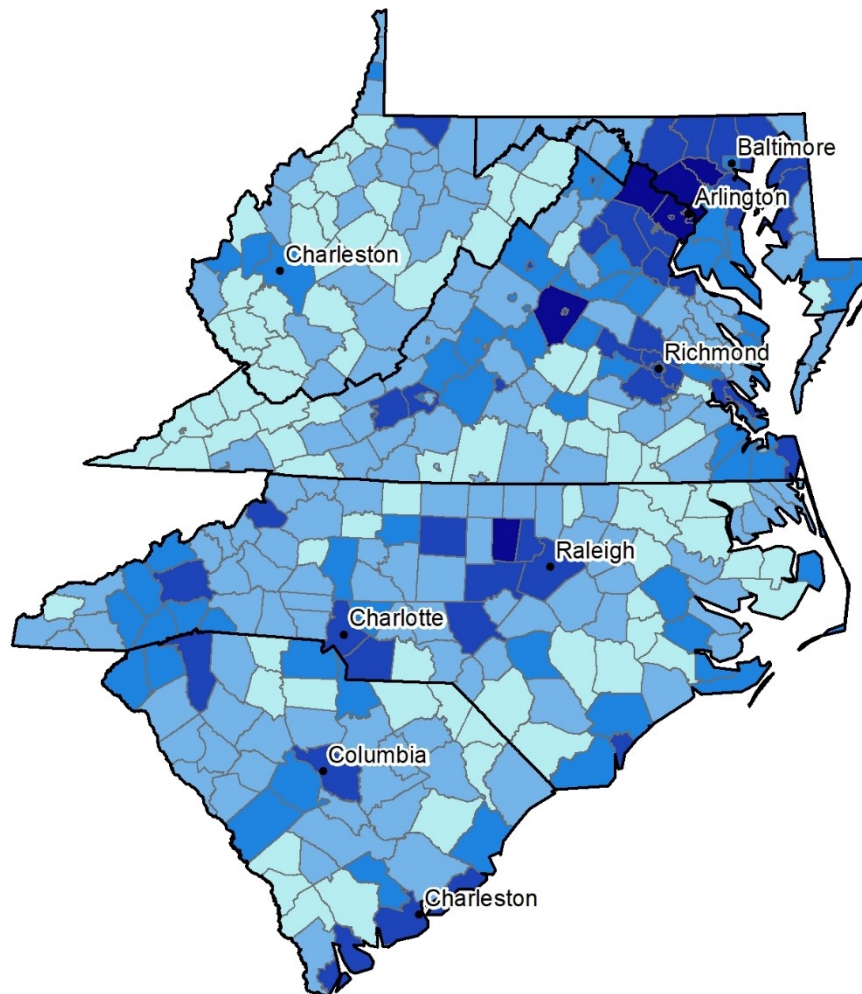
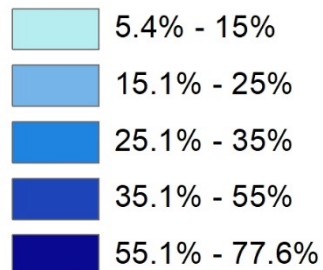
Note: For the purposes of this map, "Pre-COVID-19" employment is equivalent to Feb. 2020 employment.

Source: Bureau of Labor Statistics Local Area Unemployment Statistics, Civilian Employment

What's behind the divide?

1. Education: Ed attainment lower in rural areas

Percentage of Adult Population (25+) with a Bachelor's Degree or Higher



Source: U.S. Census Bureau, 2019 ACS 5-Year Estimates

Education matters for individuals, but also for regions

- Makes workers and firms more productive
- Makes the region more attractive to companies looking for talent
- Agglomeration economies: Evidence suggests all benefit from having more skilled workers around

Opportunity: Early childhood ed access; school quality; career pathways; funding

2. Connection to jobs

- Without access to jobs, people will leave or flounder
- Connection means:
 - Firms that are hiring rural residents (there or remotely)
 - Training/pathways to those jobs
 - Housing / Transportation / Broadband to access work

Opportunity: Fund connectors like Community Colleges; career pathways; infrastructure like broadband

3. Isolation (lack of density)

- Lack of density/scale to make institutions more viable
- Leads to deserts: broadband, banking, higher ed, food, health, child care, etc.
- Exacerbated where there is decline

Opportunity: Coordination to leverage funds; leadership; wraparound support

4. Participation in the labor force

Lots of things keeping people on the sidelines:

- Opioid addiction
- Disability
- Benefit cliffs (incentives to work)

Covid has made things worse

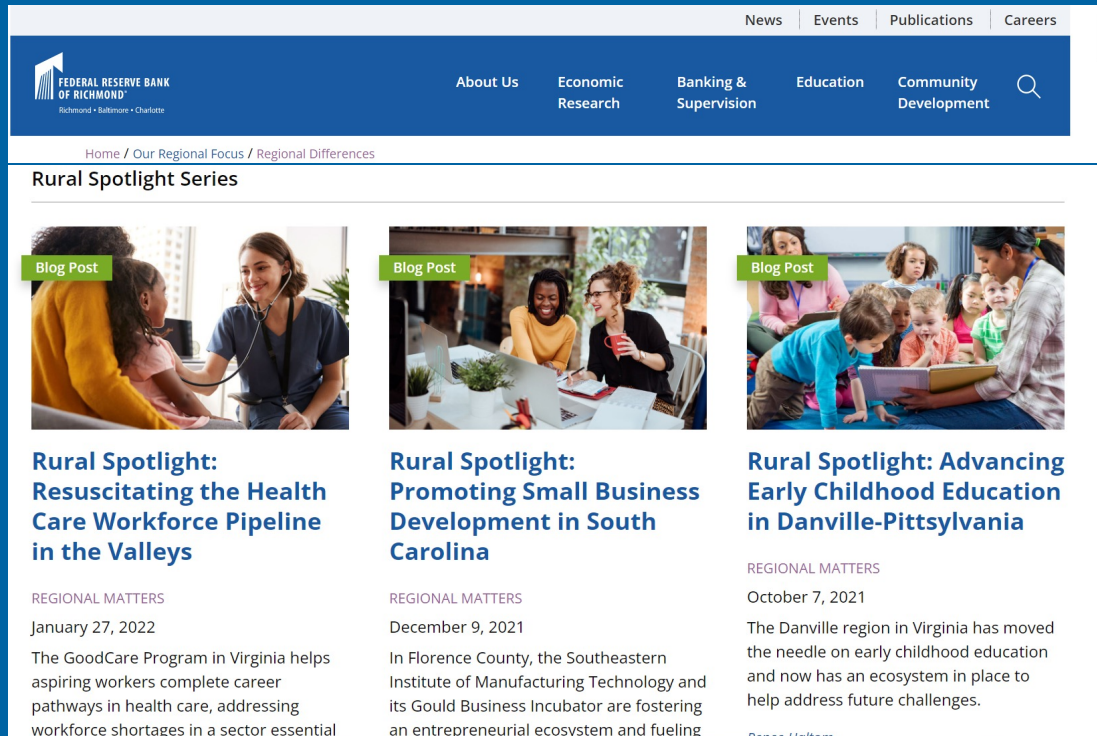
- Worsened existing problems – e.g. overdose deaths spiked
- Workers left unemployed / out of the labor force

Opportunity: Addition-to-work; mitigate benefits cliffs; retraining for workers; childcare for working parents

What can be done?

Series on rural innovations
from our region:

Richmondfed.org/topics/regional-differences/rural-communities



The screenshot displays the Federal Reserve Bank of Richmond website. At the top, there is a navigation bar with links for News, Events, Publications, and Careers. Below this is a dark blue header with the bank's logo and name, and a secondary navigation bar with links for About Us, Economic Research, Banking & Supervision, Education, and Community Development. The main content area is titled "Rural Spotlight Series" and features three featured articles, each with a "Blog Post" label and a photograph. The first article, "Rural Spotlight: Resuscitating the Health Care Workforce Pipeline in the Valleys," is dated January 27, 2022, and discusses the GoodCare Program in Virginia. The second article, "Rural Spotlight: Promoting Small Business Development in South Carolina," is dated December 9, 2021, and discusses the Southeastern Institute of Manufacturing Technology and its Gould Business Incubator. The third article, "Rural Spotlight: Advancing Early Childhood Education in Danville-Pittsylvania," is dated October 7, 2021, and discusses the Danville region's early childhood education ecosystem. The website footer includes the Federal Reserve Bank of Richmond logo and the text "Richmond • Baltimore • Charlotte".

News | Events | Publications | Careers


FEDERAL RESERVE BANK OF RICHMOND®
Richmond • Baltimore • Charlotte

About Us | Economic Research | Banking & Supervision | Education | Community Development

Home / Our Regional Focus / Regional Differences

Rural Spotlight Series

Blog Post




Rural Spotlight: Resuscitating the Health Care Workforce Pipeline in the Valleys

REGIONAL MATTERS

January 27, 2022

The GoodCare Program in Virginia helps aspiring workers complete career pathways in health care, addressing workforce shortages in a sector essential

Blog Post




Rural Spotlight: Promoting Small Business Development in South Carolina

REGIONAL MATTERS

December 9, 2021

In Florence County, the Southeastern Institute of Manufacturing Technology and its Gould Business Incubator are fostering an entrepreneurial ecosystem and fueling

Blog Post



Rural Spotlight: Advancing Early Childhood Education in Danville-Pittsylvania

REGIONAL MATTERS

October 7, 2021

The Danville region in Virginia has moved the needle on early childhood education and now has an ecosystem in place to help address future challenges.

Depece Halton

What's a rural area to do?

No silver bullets, but what we see regions doing:

- Regional cooperation
- Play to strengths
- Tell a good story – create a sense of place
- Leadership / grit
- Long-term view

Rural areas are in a unique moment

- Trillions in government stimulus
- Broadband necessity no longer in question
- New attitudes toward remote work/living
- New attitudes toward quality of life
- Hot housing market pushing people outward

Events like Opportunity Appalachia are critical to helping communities access these opportunities and more.

Some Richmond Fed offerings

- We listen and learn (so keep inviting us back 😊)
- Research on smaller communities
 - Subscribe: RichmondFed.org/email (I recommend “Around our District”)
- Programming
 - Investment Connections
 - Benefits Cliffs
 - **** Investing in Rural America conference ****

***Register today at
RichmondFed.org***

Audiences: Business Leaders, Community Advocates,
Community Investors, Policymakers



Conference

Wed., March 30, 2022

Investing in Rural America Conference

8 a.m. - 3:30 p.m.

The Grandover Conference Center
Greensboro, NC

Questions?

Renee.Haltom@rich.frb.org

... and thank you!

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