

APPALACHIAN COMMUNITY CAPITAL

IN PARTNERSHIP WITH PROGRAM SPONSORS



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

Project Sponsor: Clay County Rural Development Authority, Hayesville, NC

Project Name: Lake Chatuge Boutique Hotel (Project Summary provided in Attachment B.)

Release Date: June 20, 2022
Proposal Due Date: July 22, 2022
Selection Date: July 27, 2022
Contract Period: July 29, 2022 – February 28, 2023 (or later)

REQUEST FOR PROPOSALS

Technical Assistance for Opportunity Appalachia Projects

I. Overview of Request for Proposals

Appalachian Community Capital (ACC) seeks contractual support for specified Technical Assistance for real estate project development.

The Technical Assistance contractor will report to the Program Manager of Opportunity Appalachia. The requested Scope of Services is noted in Attachment A, and may involve:

- Developer solicitation and selection
- Review / update existing market research/demand assessment
- Commercial property real estate appraisal
- Financial structure with expertise in New Market Tax Credits and Opportunity Zones
- Structure the sale and/or lease agreement
- And other types of support

Entities interested in providing Technical Assistance must complete the Request for Qualifications RFQ, as noted on the [Opportunity Appalachia](#) webpage and [here](#). Proposals will be evaluated on contractors' qualifications (per the RFQ), expertise, track record, Scope of Work, budget/timeline, and other project requests.

II. 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 investment to rural and downtown communities. Investment priorities include projects focusing on downtown development, manufacturing, IT, healthcare, education, food systems, clean energy, heritage tourism, and recreation.

The program recently announced selection of 34 projects to participate in the program to bring jobs, business support, and investment to Central Appalachia. The selected projects propose to create over 1,600 permanent and 190 construction jobs and attract over \$177M in financing to develop textile manufacturing facilities; downtown development; community centers; health, wellness, and childcare centers; food and agricultural facilities; hotels; and retail enterprises in downtown and rural areas across Central Appalachia.

These proposed projects are signals of the growing investment potential in our rural and downtown communities in Central Appalachia. Opportunity Appalachia will work closely with private investors, banks, Community Development Financial Institutions, New Markets Tax Credits investors, Historic Tax Credit Investors, and Federal agencies to highlight participating communities and access financing for transactions.

Once project technical assistance is completed, a highly visible Investor Convening event will be held in early 2023 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.

The program is supported by the Appalachian Regional Commission, the US Department of Treasury CDFI Fund, Truist, Goldman Sachs, and the Dogwood Health Trust.

III. 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.

Target geography

Central Appalachia – North Carolina, Ohio, Tennessee, Virginia, West Virginia



IV. Project Timeline

It is anticipated that the contractor will be selected by July 18, 2022 for an estimated contract start date of July 18, 2022 through February 28, 2023.

V. Instructions to Submit a Proposal

Contractors seeking to provide the full suite of TA services should submit the items listed below. It is expected that one proposal should include all requested services, which may mean that multiple entities are providing services, with one identified lead contractor.

- 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. Payment Schedule to be based on deliverables / outcome milestones.
- Timeline for Scope of Work, with deliverable milestones.
- Biography/resume for all staff noted in proposal (or provided in RFQ response).
- 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 response).

Please submit responses via email in one pdf attachment by Proposal Due Date to Kathryn Coulter Rhodes oa@acc1.org.

VI. Proposal Evaluation

ACC will select contractors through a competitive process based on the following criteria.

- Qualifications (per those provided in the RFQ), expertise, track record, and staff bios.
- Scope of Work and Timeline
- Budget
- Requests from project sponsors

Attachment A

Requested Scope of Services

Project Sponsor: Clay County Rural Development Authority

Project Name: Lake Chatuge Boutique Hotel

Project Summary provided in Attachment B.

TA Requested

- Review and update as needed the market research/demand assessment that was completed in 2021
- Commercial property real estate appraisal to define the value of the property
- Developer solicitation and selection, including identification of hotel Operator. Support for preparation and execution of MOUs. Preparation of related contracts as required.]
- Financial structuring, expertise with New Market Tax Credits, Opportunity Zones, and Federal guarantees
- Legal counsel for structure of sale and/or lease agreement with developer/operator. The current need is to understand the various options for the sale and/or lease of the property. Formal negotiation / preparation of such agreements not currently required.

Attachment B

Summary Information

Lead Contact: Steve Hindsman

Applicant Organization: Clay County Rural Development Authority

Address: 260 Golf Course Rd., Hayesville, NC 28904

Phone: (828) 361-7625

Email: shindsman@frontier.com

Community Information

1. Communities targeted by this application (municipality(ies), county(ies), and census tract(s):
Note: See Appendix I for a list of eligible counties.

Hayesville, NC, Clay County, NC, Census Tract 9502.01 (Opportunity Zone)
2. Service area of applicant (note if different than above, or note same): The service area would be focused on Hayesville, NC, and Clay County, NC, but would also serve neighboring counties and communities.
3. Community Development Strategy(ies): This project aligns with the community's priorities on downtown development and heritage tourism and tourism, including Clay County's 5-year strategic plan. This project supports the Clay County Chamber of Commerce's strategies around tourism and recreation. Tourism continues to be a growing sector of the Clay County economy, and this project would allow for increased tourism retention and economic impact throughout the year. The Clay County Rural Development Authority has been working on this project in connection with the City of Hayesville, Clay County government, the Clay County Communities Revitalization Authority, and the Southwest Commission. The effort to develop a boutique hotel in Clay County is in line with the Comprehensive Economic Development Strategy for the Southwestern Commission region. Goal 1: Objective 2 Strategy 1 is to 'Leverage the region's history, cultural heritage, and natural assets to extend the visitor's stay in Region A'. Clay County has tremendous natural assets with regional attractions such as Lake Chatuge and Jack Rabbit Mountain Trail system. It is also home to the John C. Campbell Folk School which provides instruction to participants on a variety of cultural arts. While these assets attract numerous visitors to the county, the county lacks accommodations that would enable it to maximize that experience for visitors and contribute to the economy of the county. This project would allow visitors to extend their stay in the region and grow Clay County as a destination vacation location.

Project Information

4. Proposed Projects (list up to 3):
 - I. **Name of Project, address:** Lake Chatuge Boutique Hotel, 260 Golf Course Rd., Hayesville, NC 28904
 - **Size in Sq Ft.:** To be determined
 - **Total anticipated financing need \$:** 20,000,000
 - **Financing identified/anticipated, list source and dollar amount or note 'None':** None identified at this time, but the project is within an Opportunity Zone
 - **Project description (include url link if available):**
Development of a new 65 room boutique hotel in Hayesville, NC, on the shores of Lake Chatuge and adjacent to the Chatuge Shores Gold Course. Clay County does not currently have any full-

service hotel accommodations. An upscale resort property with lake access, year-round golf, and access to trails in addition to the area's numerous recreational, historical and commercial amenities would be well received in the regional marketplace. This hotel would also serve neighboring communities and counties and help to increase the number of tourist and outdoor recreation enthusiasts to the region.

The project as envisioned would include a three-story structure with 65 guest rooms, a full-service restaurant and bar, flexible indoor meeting space with approximately 800 – 1,000 sq ft, an outdoor pool with seasonal food service, work out room, lake access, and a golf pro shop that is integrated with the golf course. A non-climatized outdoor pavilion will be located on the property to serve as an event space for weddings and other functions, suitable for up to 100 people. The hotel would have direct views of Lake Chatuge.

The goal is to connect this project with a national hotel chain that is affiliated with smaller boutique hotels who can market and manage the property. Without a place for visitors to stay, Clay County loses out on millions of dollars in tourism dollars annually. The only other current lodging options in Clay County are two small motels, a variety of camping experiences, and some VRBO rental homes. This project will provide the desperately needed lodging capacity to the county. By providing a location for tourists to stay overnight, and for several days, this project will bring increased tourism dollars to the county. This project will also help provide a source of revenue (through lease of the land) back to the Development Authority, which will serve as a source of funding that would be put into other development projects that will benefit the Hayesville and Clay County communities.

- **Community Impact (quantify / provide estimates):**
This project would create jobs for construction of the hotel, as well as create new long-term jobs for those who will work in the hotel. This project would support community economic development plans by providing a place for tourists to stay while they are visiting Clay County, which will result in increased hospitality taxes, sales taxes, and revenue for nearby locally owned businesses. The project would create 85 jobs (hotel & restaurant) and \$200,000 plus tax revenue (property tax, room tax and sales tax).
- **Name(s) of project sponsors, developer, and/or business owner, if identified:**
Clay County Rural Development Authority
- **Describe the connection to other proposed projects listed on this form (if applicable):** N/A

5. **Clean Energy Focus:** During the scope of this project, all efforts will be made to ensure that the project and hotel are utilizing as many energy efficient measures as possible.

6. **Applicant Capacity:** What is the relationship of the applicant to the community? How has the community demonstrated its support of the project(s)? Describe the applicant's role and capacity for completing or overseeing project activities: Clay County Rural Development Authority Board is lead applicant. However, it is the desire of the Development Authority to identify an organization that would serve as the developer, project manager, and potentially as hotel owner for this project. This is the first area of Technical Assistance that will be needed for this project. The Development Authority owns the land on which this project will be completed. The CCRDA has the authority to operate this project, based upon North Carolina statute and legal review conducted by Parker Poe.