

# APPALACHIAN COMMUNITY CAPITAL

IN PARTNERSHIP WITH PROGRAM SPONSORS



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

**Project Sponsor:** Blue Note Junction, LLC, Asheville, NC

**Project Name:** Blue Note Junction - A Community Health and Business Incubator (Project Summary provided in Attachment B.)

**Release Date:** June 29, 2022

**Proposal Due Date:** July 29, 2022

**Selection Date:** August 3, 2022

**Contract Period:** Aug 3, 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:

- Architectural and engineering,
- Development of investment prospectus, preparation of pro forma financial projections, structuring of projecting financing
- Identification of project developers and/or project management support
- Investor outreach for project finance/investment
- Legal support on ownership structure with experience in employee and/or community-owned models
- 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 found [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 29, 2022 for an estimated contract start date of August 3, 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](mailto: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:** Blue Note Junction, LLC

**Project Name:** Blue Note Junction - A Community Health and Business Incubator

Project Summary provided in Attachment B.

## TA Requested

- Project prospectus for real estate development, to include financial projections. Note: business planning support for tenant operating business to be provided by local partners.
- Architectural and design
- Legal guidance on business structuring to include employee or community ownership. Note: this is for both the real estate development and tenant businesses.
- Developer or Project Management solicitation with an interest in mentoring or partnering with the project sponsor/leadership team. Assistance with selection and contracting.
- Capital raise including grant funding and financing. Note: project team has identified support for crowdfunding.

## Additional Notes

- There is an existing 2-dimensional site plan drawn to scale
- Preliminary financial projections have been prepared.

# Attachment B

## Summary Information

**Lead Contact:** Sharon "Safi" Martin

**Applicant Organization:** Blue Note Junction, LLC

**Address:** 21 Mardell Circle, Asheville, NC 28806

**Phone:** (828) 301-0166

**Email:** safi@hoodhuggers.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.

Buncombe, surrounding counties, and visitors (including City of Asheville). The project is located at 54 Burton St. in Census tract 11, Block Group 1.

2. Service area of applicant (note if different than above, or note same): same

3. Community Development Strategy(ies):

Downtown development (West Asheville/Haywood Rd. area); Education; Food systems; Clean energy; Heritage tourism & recreation; Creative response to Environmental Justice designation. Community support for the project includes, but is not limited to, the following: Burton Street Community Association (and neighborhood residents); BNJ Fundraising and Advisory Committee - made up of project partners, Burton Street residents, and community fundraising experts; Asheville Creative Arts, a sister organization and creative partner in the project; The New Classical Academy (local community school) - students selected Blue Note Junction as their annual fundraiser recipient and raised over \$2,300 to support the project; Blue Note Junction Function - a community celebration and introduction to the project (held in Nov. 2021); Spring Liberation Celebration Weekend - a 2-day series of events and talks to raise additional community awareness, engagement, funds for the project: April 23rd & 24th.

The project aligns seamlessly with the following plans and priorities identified by the immediate neighborhood, the City of Asheville, Buncombe County, and NCDOT.

Burton Street Neighborhood Plan (2010 & 2018), formally adopted by the City of Asheville  
2010 Plan: Goal 3: Create New Community Spaces; Goal 5: Create New Economic Activity within the Community

2018 Plan: Theme 1 - The Burton Street community strives to be a sustainable neighborhood with complete, sufficient and inclusive infrastructure, affordable housing, and walkable access to transit and neighborhood-oriented commercial development; Theme 2: A Healthy Community - The Burton Street community strives to be a stable, economically and socially healthy neighborhood that fosters the physical health and well-being of its residents through the provision of accessible parks and green spaces; opportunities for social interaction, personal education and development; and a safe environment.

Asheville City Council's 2023 Priorities & 2036 Priorities & Vision: Resilient Neighborhoods Living Asheville Community Plan - Priority Strategies: project aligns with 14 of the 39 priority strategies.

City of Asheville Code of Ordinances - Haywood Road Form-Based District (H-3, Corridor)  
NCDOT designation of Burton Street Neighborhood as Environmental Justice Community

Buncombe County Strategic Plan 2025 - Four Focus Areas: Educated & Capable Community, Environmental & Energy Stewardship, Resident Well-Being, Vibrant Economy

Project Information

4. Proposed Projects (list up to 3):

I. **Name of Project, address:** Blue Note Junction - A Community Health and Business Incubator, 54 Burton St., Asheville, NC 28806

- **Size in Sq Ft.:** 5,850 sq. ft. for brick & mortar building (2 stories), additional 2,250 sq. ft. of greenhouse attached to building.
- **Total anticipated financing need \$:** 4,500,000
- **Financing identified/anticipated, list source and dollar amount or note 'None':**
  - DeWayne Barton & Sharon "Safi" Martin are contributing \$75k (from Hood Huggers International LLC)
  - We have raised an initial \$24K through individual contributions to the project
  - We have launched a crowdfunding campaign with the goal of raising an additional \$360k
  - Submitted \$250k grant through Healthy Food Financing Initiative (invitation only)
  - Submitted \$500k application to City of Asheville ARPA funds
  - Submitted \$1.5m application to Buncombe County ARPA funds
  - Submitting to Glass Foundation - \$200k
  - Submitting to Canon Foundation - \$75k
  - Submitting to Tourism Product Development Fund (Asheville/Buncombe County) - amount to be determined.
  - Submitting to Dogwood Health Trust - amount to be determined
  - Also seeking Corporate Sponsorships and/or other investments - amount to be determined
  - Current BNJ fundraisers - "Flower Buckets" by UNCA intern, "Spring Liberation Celebration" by Hood Huggers and Peace Gardens & Market - combined goal of \$50k
- **Project description (include url link if available):**  
<https://www.hoodhuggers.com/blue-note-junction>  
<https://www.facebook.com/bluenotejunction>  
<https://www.indiegogo.com/projects/support-bipoc-community-through-blue-note-junction>

Blue Note Junction sits at the intersection of health and business - a destination where the health and wealth of the BIPOC community takes center stage. For nearly a decade, the leadership at Hood Huggers International have envisioned a brick and mortar hub that would serve as an economic engine and health catalyst for the BIPOC community. In light of the COVID-19 pandemic and the I-26 expansion that will claim portions of our neighborhood, there is an increase in need within our community that has expedited our plans to break ground on this revolutionary and holistic new space, creating an ecosystem that promotes health, wellness and economic security. It will address our community's need for healthy foods that combat food insecurity, and offer myriad channels for economic stability to neighborhood residents by creating opportunities for sale of cottage goods and crafts, as well as employment that comes from jobs created to build and maintain the facilities and day-to-day operations. In the near and far term, this project will create paid opportunities for BIPOC and other residents (including youth), contracts for Black-owned businesses, ongoing business support and training to BIPOC entrepreneurs, and diverse health-centered programs designed to support the BIPOC

community.

Project Plan: Multi-phased project over 5 years

Phase I (current - for which we are seeking funding):

- \* Land Acquisition: Existing Letter of Intent to purchase
- \* Strategic Planning & Consultation: legal, architectural, engineering, and financial planning
- \* Securing Financing

Phase II (years 1 - 4, for which we are seeking funding):

-Breaking ground on brick & mortar space that will include and house the following:

- \* Sustainable design (reuse of existing materials [shipping containers], solar panels/solar power, rain water retention/reuse, etc.)
- \* 1st Floor - Buy-local fresh produce and retail market featuring local BIPOC makers and growers with attached greenhouse
- \* 1st Floor - Garage for Hood Tours fleet (black history tours - [www.hoodhuggers.com](http://www.hoodhuggers.com))
- \* 1st Floor - Commercial Kitchen
- \* 2nd Floor - Multipurpose performance/meeting space & black box theater
- \* 2nd Floor - Business incubator & co-working space
- Engaging BIPOC businesses & key partners
- Phased soft opening of all Phase II elements

▪ **Community Impact (quantify / provide estimates):**

-This project will create quality jobs at or above living wage with benefits. This project will create at least 40 living wage (or higher) jobs - 20 of those being permanent positions as part of the Blue Note Junction operations. Buncombe County's current living wage is \$17.70/hour.

-The project includes 5 unique elements that will showcase and support local communities, creatives, and aspiring entrepreneurs, with a focus on the BIPOC community.

\* Hood Tours - a social enterprise bringing the region's Black History alive and reinvesting profits back into those same communities (currently visits and reinvests in over 15 different BIPOC-led businesses and organizations)

\* Peace Gardens & Market - an all-local retail marketplace that highlights and supports local BIPOC growers & makers, while simultaneously providing more access to fresh, local produce and healthy food options (will partner with at least 20 local BIPOC-led growers and makers annually)

\* Commercial Kitchen - available to local food entrepreneurs at discounted rates (will support at least 5 food entrepreneurs monthly)

\* Black box theater & multi-use performance space - supporting at least 6 creatives annually from concept to production

\* Co-working and business incubator space - supporting at least 20 existing & aspiring entrepreneurs annually - with both office space and business development services

-Supports future job creation and entrepreneurship (focusing on BIPOC community): In total, we anticipate supporting and/or helping launch at least 20 existing or aspiring entrepreneurs annually.

-Provides jobs and internships with training and advancement opportunities: the project intends to use the design and build portion to engage youth and adults in the community in paid hands-on learning and training opportunities (at least 15 people annually).

-Increases access to local food and value-added products: through the all-local retail market and the commercial kitchen, the project will support at least 20 local growers, makers, and farmers



annually. We also plan to support double-SNAP benefits within the retail market providing additional access to fresh, local produce to low-income households.

-Supports community economic diversification: we will be incubating and supporting businesses

in at least 6 different industry categories (landscaping, crafts, farming/gardening, food (value-added and fresh prepared), tourism, retail, and theater/arts).

▪ **Name(s) of project sponsors, developer, and/or business owner, if identified:**

DeWayne Barton & Sharon "Safi" Martin, husband and wife - co-founders of Blue Note Junction LLC.

Abby Felder/Asheville Creative Arts

▪ **Technical Assistance Needed:**

- Financial pro forma development - we have preliminary financial projections; however, welcome assistance with fleshing out detailed break-even analysis, cash flow projections, etc.
- Structuring of the business - to the extent possible, we would like to develop employee and/or community ownership of the business or businesses within the project. Legal guidance on business structure options, including how to move to employee owned from traditional LLC structure.
- Architectural renderings of the project - we have a 2-dimensional site plan drawn to scale; need 3D renderings to fully conceptualize the space to the community and potential funders.
- Capital raising - links to potential funding sources/investors, development of a professional pitch-deck, etc.
- Project Management

▪ **Describe the connection to other proposed projects listed on this form (if applicable):** N/A

5. **Clean Energy Focus:** The Blue Note Junction project is committed to clean energy as a central component of this project - we plan to use photovoltaics and solar hot water systems to power the project, as well as creative re-use in the design and build to minimize environmental impacts and reduce the need for new products (which require new energy to produce) as part of the build. If funding allows, we will explore geothermal energy to power the project.

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:

-DeWayne Barton: Gulf-war veteran and 3rd generation resident of the historically Africa American Burton Street neighborhood where the project is located. In 2003, with his wife (Safi), she co-founded Peace Gardens & Market. And out of that space in 2008, with Dan Leroy, he co- founded Green Opportunities - a green jobs training program targeting local residents who have barriers to employment. In 2010, as president of the Burton Street Community Association (BSCA), he spearheaded the creation of the community's first neighborhood plan. He founded Hood Huggers

International (HHI) and Hood Tours in 2015 and has overseen a 300% increase in revenue in the last year alone. In 2017, he was selected as Robert Wood Johnson Foundation Culture of Health Leader. He is the newly elected president of the Burton Street Community Association and currently an Appalachian Regional Commission Leadership fellow.

-Sharon "Safi" Martin, M.E. (Masters of Entrepreneurship): 20+ year resident of the Burton Street neighborhood where the project is located. In 2003, with DeWayne, she co-founded Peace Gardens & Market - which will become one of the anchor retail spaces in the project. For over 20 years, she worked in North Carolina's behavioral health landscape, with the last 10 years as Executive Director of a multi-million dollar, statewide organization. From 2019 to 2021, she served as President for the NC Providers Council. In 2021, she left her career in mental health to join DeWayne with HHI and launch the Blue Note Junction project.

-Abby Felder/Asheville Creative Arts: ACA is a two-time recipient of federal funds via the National Endowment for the Arts and is experienced with the associated procurement, tracking and reporting. ACA and HHI have just received notification of a recommendation of funding from NEA's Creative Placemaking program, Our Town, and will receive 75k over 2-years for a jointly managed project to install public art in the Burton Street Neighborhood. Additionally, ACA ED, Abby Felder, has managed the finances for multi-million dollar, multi-year capital projects for NYC based organizations, including Queens Council on the Arts and Theater of the Oppressed NY.