

APPALACHIAN COMMUNITY CAPITAL

IN PARTNERSHIP WITH PROGRAM SPONSORS



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

Project Sponsor: Eagle Market Streets Development Corporation, Asheville, NC

Project Name: Catawba Vale Community Center (Project Summary provided in Attachment B.)

Release Date: June 15, 2022
Proposal Due Date: July 13, 2022
Selection Date: July 20, 2022
Contract Period: July 20, 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,
- Market research/demand assessment,
- Development of investment prospectus, preparation of pro forma financial projections, structuring of projecting financing,
- Feasibility assessment,
- Identification of project developers and/or business operators,
- Investor outreach for project finance/investment,
- 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 15, 2022 for an estimated contract start date of July 15, 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: Eagle Market Streets Development Corporation

Project Name: Catawba Vale Community Center

Project Summary provided in Attachment B.

TA Requested

- Architectural and engineering services and drawings, including assistance with permitting
- Financial structuring of the transaction; expertise in New Markets Tax Credit financing a priority
- Capital raise support

Attachment B

Summary Information

Lead Contact: Stephanie Swepson Twitty

Applicant Organization: Eagle Market Streets Development Corporation

Address: 38 South Market St., 3rd Floor Suite, Asheville, NC 28801-3757

Phone: (828) 281-1227

Email: stephanie.emsdc@gmail.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.

Old Fort, NC. McDowell County, NC. Census Tract: 37111970700

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

Asheville, Buncombe County:

19-46 Eagle and South Market Street and 70 South Market Street--operates residential and commercial leasing and small business development programming;

19-46 Eagle and South Market Streets, Eagle Market Place, LLC, residential--62 units and commercial office/retail lease space--9K sq. ft.

70 South Market Street, commercial office/retail lease space--2,400 sq.ft.

3. Community Development Strategy(ies):

CVCC's proposal addresses Opportunity Appalachia Community Development Strategies: Downtown development, manufacturing and education. Over the last five years, Old Fort has seen an increase in economic development, community development, and business growth. Due to its location off of I-40, its proximity to Asheville, NC, and its proximity to outdoor recreation opportunities, Old Fort has seen an increase in business investment and tourism, sparking a rise in the local economy. At the same time, Old Fort has a strong and growing community of engaged citizens who have been working for years to improve the level of community engagement, outreach, and equity in Old Fort. These forces have combined such that Old Fort currently has an engaged business community that is cognizant of, respectful of, and engaged with, the community organizations in Old Fort that are bringing visibility to the assets, challenges, and leadership of communities of color in Old Fort. This project is the culmination of the business/community alliances in Old Fort, as this project is a partnership between Eagle Market Streets Development Corporation, CDC, Camp Grier-G5 Collective, People on the Move for Old Fort and Kitsbow Apparel, these entities are working "collaboratively" to establish the CV Community Center for the benefit of all the citizens of Old Fort. This project aligns with the regional Comprehensive Economic Development Strategy (CEDS) as established by the Foothills Regional Commission. Goal 2 of the CVCC is "Develop Targeted Industry Clusters" with Manufacturing being one of the three targeted industry clusters. This project will assist in the expansion of Kitsbow Apparel and its textile manufacturing operations, as well as have the potential to house light manufacturing operations on the first floor of the building once it is upfitted. Goal 3 of the CVCC is to "Create Pathways to Economic Foundations" with workforce development and education, as well as community wellness, as subsets of this goal. This project will include components that will

provide workforce education opportunities, and this project in and of itself is an effort to improve the community wellness of Old Fort.

Project Information

4. Proposed Projects (list up to 3):

I. **Name of Project, address:** Catawba Vale Community Center, 96 Commerce St., Old Fort, NC 28762

- **Size in Sq Ft.:** 60,000
- **Total anticipated financing need \$:** 5,100,000
- **Financing identified/anticipated, list source and dollar amount or note 'None':**
None--Awaiting Appraisal to begin potential 1st-in from Mt. BizCap, CVCC EMSDC has also received favorable interest from Dogwood Health Trust and TD Bank
- **Project description (include url link if available):**
The Old Fort Community Building is an innovative project to produce a community-owned asset that provides lease income to be recycled back into the community, while also enabling education, workforce development, retail operations, and innovative artisan production in the center of Old Fort, NC. Eagle Market Streets Development Corporation, CDC (EMSDC CVCC) and Kitsbow Apparel, PBC, are partnering together on this project for the benefit of the Old Fort community. Kitsbow is a public benefit corporation that is majority-owned by employees. This project is for the purchase and development of a 60,000 sq ft warehouse with 30,000 sq ft on each of two floors, in the center of Old Fort, NC. Currently used for dry storage by the current owner, this facility was constructed in 1962 and is made of concrete block walls, and a steel, pitched roof. It has a sprinkler system, but is not insulated or air conditioned, and does not have an elevator.
The first phase of the project will be securing the purchase of the building. Then work will begin on upfitting the second floor of the building so that Kitsbow can expand part of its operation to the premises. Once Kitsbow is operational, Phase II will be the upfit of the first floor of the building. The plan for the first floor is to lease space to a locally owned restaurant, lease retail space, lease space for a Montessori school, and provide common space for entrepreneurs, start-ups, and/or other community organizations to meet.
Dependable income from the founding tenant Kitsbow helps support financing for acquisition and upfit of the building, combined with an initial investment from impact investors to fuel the necessary improvements to bring the building to a basic level of utility for office space and light industrial use. As retail and restaurant tenants are secured, their specific improvement needs will be negotiated as part of their lease agreements.
Kitsbow will become the first tenant of the building when it occupies the second floor. As the first floor is being built out—upfitted, other tenants will be welcome to apply to lease space, provided that their business or organization is consistent with EMSDC CVCC’s overall mission and vision for the Old Fort community. This project lies within an Opportunity Zone.
- **Community Impact (quantify / provide estimates):**
This project will establish community ownership by a nonprofit CDC of a large, strategic property in the center of the downtown and at the center of the recent economic growth sparked by Hillman Beer and Kitsbow. It will ensure that under-represented startup businesses and non-profits are not relegated to the distant borders of downtown Old Fort as the economic growth continues, but indeed have a place in the “center of the action.” This project aims to eventually generate a financial return that can be re-invested in community projects in and around Old Fort in future years. The project also supports Kitsbow and McDowell Technical Community College (MTCC) in their efforts to host and operate the Old Fort Industrial Sewing Academy, an

innovative on-ramp to careers in a revitalized apparel industry in the region. 50% of the building (the second floor) is already leased by Kitsbow, a public benefit corporation that is majority-owned by employees.

This project aims to create quality jobs in Old Fort, that will pay at or above average wage for the region. The total number of jobs to be created is difficult to estimate at this time, however it is anticipated that jobs will be created for Kitsbow, and for future tenants of the building. EMSDC will look to attract and support BIPOC and women owned businesses, and the multiple jobs that these businesses will create. Approximately 75-100 above living wage jobs will be retained or created.

Very few rural areas are fortunate enough to have the level of partnership and community engagement that is already in place around this project. EMSDC, the West Marion Community Forum (both minority- led community development nonprofits in McDowell County), Camp Grier and it's G5 Trail Collective program, and others, have partnered together to form the Catawba Vale Collective, to impact the health and economy of the local community and position local residents, specifically communities of color, with the tools and resources to take advantage of the new economy through entrepreneurship, business development, and targeted outreach. This project will further support these efforts and will have tangible community and economic impact in and around Old Fort, NC.

- **Name(s) of project sponsors, developer, and/or business owner, if identified:**
Eagle Market Streets Development Corporation (EMSDC) - Owner, Developer, Manager
Mountain Housing Opportunities is serving as a partner and Project Manager, effective April, 2022
- **Technical Assistance Needed:**
 1. Financial structuring of transaction—Predevelopment/Construction/Permanent Financing
 2. Architectural assistance—Design/Development: Sketches/Schematics/Final Drawings and Blueprints
 3. Capital raising—Project Management Consulting—MHO (In-kind provider)
- **Describe the connection to other proposed projects listed on this form (if applicable):** N/A

5. **Clean Energy Focus:** During the scope of the upfit of this building, all effort will be made to include energy efficient efforts in the process. At a minimum the project will explore the use of solar panels to promote energy efficiency.

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: EMSDC will own, manage and operate CVCC, in partnership with the anchor tenant. EMSDC, is a mature 501(c)(3), non-profit with decades of experience providing community economic and property development, small business and workforce development in Western North Carolina. Eagle Market Streets s has a proven track record of and expertise in community economic development and engagement. Agency assets--\$21.8M--acquisition of Community Building increases assets to \$25M and positions EMSDC as the single largest real property owner of color in downtown Old Fort. The CDC in partnership with Mountain Housing Opportunities, Inc. combined efforts to design, develop and complete the Eagle Market Place, LLC complex—Asheville's only urban infill development to date. The development—a 20.8M project consisting of a block of real estate—Asheville's downtown historic African American Commercial Business District: 62 units of mixed income rental housing units, 9K sq. ft. of commercial office and retail lease space and 7K sq. ft. of community space. The two agencies enjoy a 50/50

partnership on both the residential and the commercial programs. The complex is 100% leased up—since 2019—residential vacancy rates are typically @ 5% or less. Additionally, EMSDC owns property at 70 South Market St, Asheville and 37 W Main St Old Fort—Incubation facilities for emerging BIPOC businesses, Asheville and Artist and Crafts persons from the region, Old Fort. EMSDC has managed commercial real estate project, properties since 2004. The agency also manages two business acumen/TA programs for small business support. Kitsbow is a public benefit Corporation, with a majority of ownership by employees, not only making premium apparel here in the United States instead of overseas (unlike 98% of the apparel sold in the U.S. which is made offshore). The company has pioneered training a workforce with no prior experience to make beautiful apparel, and is applying for certified B Corp status. Kitsbow and the Old Fort Industrial Training Academy will occupy the top floor, with Kitsbow providing careers with above-median wages and the Academy enabling innovative workforce development to provide an onramp to those careers.