

APPALACHIAN COMMUNITY CAPITAL

IN PARTNERSHIP WITH PROGRAM SPONSORS



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

Project Sponsor: New Jackson, LLC, Sylva, NC

Project(s) Name: Sylva Stay and Monitor (Project Summary provided in Attachment B.)

Release Date: June 10, 2022
Proposal Due Date: July 8, 2022
Selection Date: July 15, 2022
Contract Period: July 15, 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: New Jackson, LLC

Project(s) Name: Sylva Stay and Monitor

Project Summary provided in Attachment B.

TA Requested

- Architectural and engineering services* and drawings, to include:
 - Review of Historic Tax Credit eligibility and certification application if suitable
 - Architectural drawings consistent with historic requirements, if HTC eligible
 - Consultations for permitting requirements (fire rating, etc)
 - Rooftop monitor engineering feasibility
 - Incorporation of solar and green building design
- Business plan support and assessment of use cases for the Monitor space.
- Capital structuring to include:
 - Preparation of bank lending package, with financial projections
 - Preparation of community development grant applications (e.g., local façade grant), as available.

* Project Sponsor has identified architects of potential interest. If you haven't yet identified an architect to include in your proposal, consider reaching out to the project sponsors.

Attachment B

Summary Information

Lead Contact: Greg McPherson

Applicant Organization: New Jackson, LLC

Address: 498 West Main Street, Sylva, NC 28779

Phone: (828) 508-1008

Email: sylvalization@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.

Sylva, NC in Jackson County, NC.
2. Service area of applicant (note if different than above, or note same): same
3. Community Development Strategy(ies): This application to redevelop the third and fourth floors of a downtown building on Main Street in Sylva would support the goals and objectives of the Comprehensive Economic Development Strategy for the region. Goal Objective 1 Strategy 1 is to "Increase Revitalization and historic preservation efforts in the downtown areas of communities in the region." Additionally, the NC Main Street and Rural Planning Center, within the NC Department of Commerce, has identified "finding new economic uses for traditional Main Street buildings." As such, the Economic Development Committee of the Sylva Main Street Association has been working to identify possible project targets and has included the Sylva Stay hotel project on their working agenda. Also, due to the mountainous topography of the region, Sylva is landlocked in terms of available property to grow and expand. Taking advantage of already existing buildings that have access to infrastructure is a great way for towns to grow their tax base and to satisfy some of the needs of the community. Not only would this project satisfy this need in Sylva but would serve as a model for other communities in the region for the impact that this kind of development can have on a downtown corridor.

Project Information

4. Proposed Projects (list up to 3):
 - I. **Name of Project, address:** Sylva Stay, 498 West Main Street, Sylva, NC 28779
 - **Size in Sq Ft.:** 8,000
 - **Total anticipated financing need \$:** 800,000
 - **Financing identified/anticipated, list source and dollar amount or note 'None':**
Refinancing/Borrowing
 - **Project description (include url link if available):**
Restoration of a 1925 Main Street Hotel in downtown Sylva. The upper two floors, known historically as The New Jackson Hotel and later as the Hotel Carolina, operated from 1925-1953. The Main Street and Mill Street levels were used, and are still used, as commercial spaces. We are currently renovating 1/3 of the upper two floors as an apartment and operate one successful Airbnb on the Main Street level. Our plan is to renovate the remaining 2/3 of the upper two floors (approximately 8,000 square feet) into a vibrant mixed use expansion of Sylva's economy. In addition, we would like to look into facade restorations including a fire escape and awnings,

both historical features. Also see Project 2.

- **Community Impact (quantify / provide estimates):**
This project will return underutilized space on the upper floors of a downtown building to its original intention, although on a smaller scale. Once completed, the project will provide living wage jobs for employees of the hotel with opportunities for training and advancement. The project will bring people into our downtown where they will spend money thus uplifting the local economy. Housing opportunities are scarce in Jackson County so we proposed a mixed use approach to the hotel with a number of apartments for longer term rentals.
As a tourist town, each overnight stay generates a significant amount of revenue to the community through retail sales, restaurants/bars, sales tax and occupancy taxes. Since we have a high accommodations occupancy rate already, we need more accommodations in Jackson County, especially in downtown Sylva. As a result, this project aligns perfectly with the Town of Sylva's economic development goals. The Main Street Sylva Association is comprised of all of the downtown district merchants and community volunteers. Our community contributes to all 4 of the Main Street pillars, and this particular initiative falls under the Economic Vitality committee's goal to generate more foot traffic and revenue for the downtown district.
- **Name(s) of project sponsors, developer, and/or business owner, if identified:**
Greg and Jenny McPherson
- **Technical Assistance Needed:**
Feasibility assessment, both financial and architectural. Life safety plan. Business plan and grant development. Green energy assessment.
- **Describe the connection to other proposed projects listed on this form (if applicable):** The monitor (see Project 2) will be on the top floor of the Sylva Stay.

II. **Name of Project 2, address:** Monitor, 498 West Main Street, Sylva, NC 28779

- **Size in Sq Ft.:** 3,000
- **Total anticipated financing need \$:** 200,000
- **Financing identified/anticipated, list source and dollar amount or note 'None':** Refinance
- **Project description (include url link if available):**
Historically the building included a monitor on the roof: the footprint can be seen in the rafters on the top floor.
We propose to recreate the monitor to serve as a gathering space on the rooftop overlooking Sylva. The Monitor would be two stories: Floor 1 would be a public space serving our hotel guests and the Floor 2 would be a penthouse apartment.
- **Community Impact (quantify / provide estimates):**
Project 2 has much the same needs and economic impact as Project 1. The monitor will return underutilized space on the roof of this downtown building to its original intention with the addition of a communal space. Once completed, the monitor will provide amenities for guests of the hotel and a unique addition to Sylva's downtown. It will also add living wage employment opportunities.
- **Name(s) of project sponsors, developer, and/or business owner, if identified:**

Greg and Jenny McPherson

- **Technical Assistance Needed:**
Requirements include an engineering feasibility study, a life safety plan and architectural drawings. If workable, complete a plan to make the roof accessible and green.
Engineering and architectural consultations for permitting issues, green energy consultation, historic preservation grant research and writing.
- **Describe the connection to other proposed projects listed on this form (if applicable):** The monitor will be on the top floor of the Sylva Stay.

5. **Clean Energy Focus:** The current proposed renovation area is electrically dormant. Ideally, the 5,500 square foot roof will utilize new technologies and be available for solar panels and green space.
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: As a town board commissioner for the past seven years, Greg has been actively involved in guiding the future of Sylva. Jenny served on the Main Street Board for five years and operated the downtown Sylva Farmers Market for four years. We both work for Western Carolina University. Jenny works as a librarian in the Special and Digital Collections, preserving the history of Southern Appalachia. Greg holds a faculty position at WCU and serves as the exhibition designer and public art liaison for the Fine Art Museum. We are routinely asked about future plans for the building. Sylva is a small town with room for growth on the upper floors of its buildings. We hope to demonstrate that restoring upper floors of existing buildings is feasible in Sylva and beneficial to both the community and to the building owner. Since 2007, when we purchased the building, we have had a chance to renovate over 11,000 square feet of existing commercial space. Our first project was to build an apartment which now serves as a successful Airbnb. Currently we are in the final stages of the renovation of a 3000 square ft apartment which we owner occupy. We have the skills required to do most renovation tasks, and have the flexibility in our jobs to be available to oversee renovations.