

# APPALACHIAN COMMUNITY CAPITAL

IN PARTNERSHIP WITH PROGRAM SPONSORS



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

**Project Sponsor:** Paul's Fan Company, Grundy, VA

**Project Name:** Paul's Fan Company Daycare Center (Project Summary provided in Attachment B.)

**Release Date:** June 23, 2022  
**Proposal Due Date:** July 22, 2022  
**Selection Date:** July 29, 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:

- Market research & feasibility assessment
- Development of investment prospectus, preparation of pro forma financial projections, and capital structure
- Investor outreach for project finance/investment
- Project Management for renovation/facility upfit. Expertise with childcare facilities preferred
- 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](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:** Paul's Fan Company

**Project Name:** Paul's Fan Company Daycare Center

Project Summary provided in Attachment B.

## TA Requested

- Market / Feasibility Assessment, and Operating Plan with pro forma financial projections
- Assistance with licensing requirements. Expertise with childcare facilities required.
- Loan packaging and assistance with grant identification/application.
- Project Management for renovation/facility upfit. Expertise with childcare facilities preferred.

## Attachment B

### Summary Information

**Lead Contact:** Courtney McCowan

**Applicant Organization:** Paul's Fan Company

**Address:** 3354 Southern Gap Road, Grundy, VA 24614

**Phone:** (276) 530-7311

**Email:** courtney@paulsfans.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.

The communities targeted by this project includes Buchanan County, Virginia, as well as adjacent counties of Dickenson, Russell and Tazewell. The proposed facility will be located at the Southern Gap Industrial Park in Buchanan County, within census tract 103.

2. Service area of applicant (note if different than above, or note same): The service area for Project Childcare includes each of the counties outlined above (Buchanan, Dickenson, Russell and Tazewell), with the anticipation that services will be provided primarily to those individuals employed in or near the Southern Gap Industrial Park in Buchanan County, Virginia. According to the American Community Survey data for 2015-2011, the population for Buchanan County, Virginia was 21,788. The civilian labor force includes 6,903 individuals, with a participation rate of 37.6%. Of individuals 25 to 64 in Buchanan County, Virginia, 12.1% have a bachelor's degree or higher which compares with 33.5% in the nation. The median household income in Buchanan County, Virginia is \$31,956 and the median house value is \$72,300.
3. Community Development Strategy(ies): Project Childcare will support community efforts for economic development within the region, by providing a much-needed support service to meet childcare needs of those employed within the region. Buchanan County and its surrounding localities are making every effort to diversify the economy of the region that was once heavily dependent upon the mining industry. The Growth and Diversification Plan for GO Virginia Region One, which includes those counties outlined herein, identifies four industry clusters as priorities for growing the economy of Southwest Virginia: Advanced Manufacturing, Agriculture and Food and Beverage Manufacturing, Information and Emerging Technologies and Energy and Minerals. While the focus is to grow these industry sectors within the region, the ability to meet the workforce needs to support this growth is hampered by a lack of childcare services. Although there are individuals willing and able to work, familial obligations often prevent them from joining the workforce. With a labor force participation rate of only 37.6%, employers within the region are committed to finding a solution to increase the availability of skilled workers to support their workforce demands. This project is designed to meet this need for those companies located within the Southern Gap Industrial Park.

### Project Information

4. Proposed Projects (list up to 3):
  - I. **Name of Project, address:** Paul's Fan Company Daycare Center, 3354 Southern Gap Road, Grundy, VA 24614
    - **Size in Sq Ft.:** 7,000
    - **Total anticipated financing need \$:** 700,000

- **Financing identified/anticipated, list source and dollar amount or note 'None':** none
- **Project description (include url link if available):**  
 Project Childcare will create a daycare facility at the Southern Gap Industrial Park, at the newly constructed Paul's Fan Company facility. Although located adjacent to Paul's Fan Company, the facility will provide childcare services to not only the employees of Paul's Fan Company, but to others working within the region.  
 Licensed childcare services within the area are almost non-existent, often resulting in employee absences or employee turnover when there is a lack of available family or friends to care for their young children. These problems were exacerbated during the recent pandemic when many families were forced to make employment changes across all sectors of the Buchanan County economy as the result of school closures and lack of available childcare. While Paul's Fan Company makes every effort to meet the needs of its employees, the challenge of childcare remains a problem. To address this need, Paul's Fan Company is committed to developing a licensed childcare facility that will serve approximately 50 children.
- **Community Impact (quantify / provide estimates):**  
 Project Childcare will have both a direct and indirect impact on job creation within the region. The direct impact will result through the creation of approximately five new positions at the childcare facility, including a full-time Center Manager, 3 full-time credentialed childcare providers and two part-time support staff. Each of the positions will be compensated with a competitive salary and benefit package for employees within the region.  
 This project has the potential to have an even greater indirect impact on employment within the region. The availability of an untapped employee base would be possible when potential employees no longer consider themselves unemployable due to a lack of childcare services. Increasing the labor participation rate within the county is a potential community impact that would make a significant improvement to the region's economy.
- **Name(s) of project sponsors, developer, and/or business owner, if identified:**  
 Todd Elswick owns Paul's Fan Company.
- **Technical Assistance Needed:** Project Childcare asks for the following technical assistance: feasibility assessment, pro forma financial projections, and outreach for project finance/investment.
- **Describe the connection to other proposed projects listed on this form (if applicable):** N/A

5. **Clean Energy Focus:** The proposed Childcare facility will utilize an energy-efficient design and take all measures possible to include clean energy features.

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: Paul's Fan Company was founded in 1958 by Paul Elswick. The company manufactures, installs, services and repairs large and complex ventilation systems. Paul's Fan Company serves a variety of industries ranging from mining to large commercial factories, manufacturing facilities and refineries. The company has installed over 5,000 ventilation systems all around the United States as well as Canada and Mexico. It is also ISO 9001 certified. Paul's Fan Company has 40-50 employees and projects to increase that number to 70 within the next two years. The company's President, Todd Elswick, will personally oversee this project. Todd is a resident of Buchanan County, and is committed to enhancing

and diversifying the region's economy. Todd is involved in many outreach programs through his church and serves on several boards in the county. He is the son of Paul Elswick and has been involved and leading the company for over 30 years.