

APPALACHIAN COMMUNITY CAPITAL

IN PARTNERSHIP WITH PROGRAM SPONSORS



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

Project Sponsor: Ashland Holdings, LLC, Morristown, TN

Project Name: Ashland Holding Project and DeBord Enterprises Project (Project Summary provided in Attachment B.)

Release Date: July 1, 2022
Proposal Due Date: July 29, 2022
Selection Date: August 5, 2022
Contract Period: August 5, 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

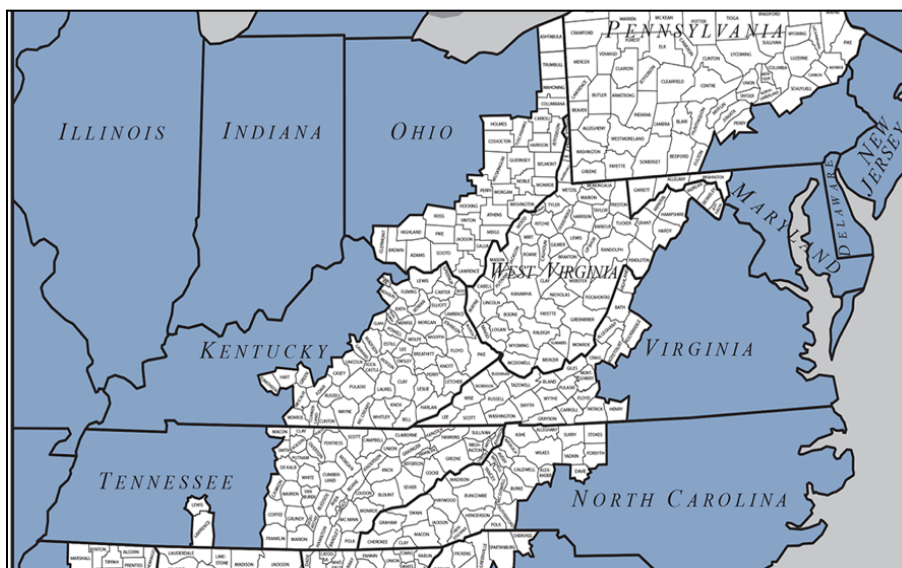
The Appalachian Region, as defined in ARC's authorizing legislation, is a 205,000 square-mile region that follows the spine of the Appalachian Mountains from southern New York to northern Mississippi. It includes all of West Virginia and parts of 12 other states: Alabama, Georgia, Kentucky, Maryland, 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: Ashland Holdings, LLC

Project Name: Ashland Holding Project and DeBord Enterprises Project

Project Summary provided in Attachment B.

TA Requested

- Project 1, Ashland Holdings Project (three addresses): Architectural drawings to meet LEED certification and Historic requirements. Assistance with LEED certification.
- Project 2, 167 W Main. Architectural drawings to meet LEED certification. Assistance with LEED certification.

Note: Asbestos testing and remediation has been completed for Project #1. Project #2 167 W Main was upgraded in 2008 on first floor.

Attachment B

Summary Information

Lead Contact: Mark Harrell

Applicant Organization: Ashland Holdings, LLC

Address: 470 Ashland Oaks Dr., Morristown, TN 37813

Phone: (423) 748-7653

Email: mharrelledmd@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.

The focus of this project is restoration and revitalization of historic downtown Morristown. In an effort to drive more tourism to downtown and therefore create an ongoing economic platform that will have a return on the investment. Morristown is the central hub of Hamblen county which serves Grainger, Jefferson, Hawkins, Cock, Claiborne, and Greene Counties. We are a certified Main Street Program in the heart of downtown. We are in an Opportunity zone with a few remaining blighted buildings and our goal is to change that. We have a Skymart, this overhead system of sidewalks that connect the upper floors of Morristown's historic downtown buildings to pedestrian traffic, as well as serving as a concrete umbrellas for street-level traffic, was conceived as a novel way to lure in shoppers from the newly built shopping mall. This sounds like a modern story of battling urban sprawl, and it is : it's a "mid-century modern" story. The soaring sidewalks were built in the 1960s with a multimillion dollar investment from both business owners and the city. It has been made a key element in the greenway master plan for the region.

2. Service area of applicant (note if different than above, or note same): Every county in East Tennessee and Southeastern Kentucky will benefit from the economic development of Historic Downtown Morristown. Hamblen County will become a destination location bringing in tax revenue and tourism dollars. This can be spurred through the Morristown area Chamber of Commerce.
3. Community Development Strategy(ies): Our goal is to work with the City and County to develop more residential and commercial space in the Historic Downtown area. Solar is being installed this Spring on 133 W Main street building. The solar will be used to help power the residential portion of the building and provide backup in the event of power failure. We would also like to add electric vehicle charging stations. As part of the project we plan to buy a blighted historical building and add solar to that also. The plans for this building is the possibility of short term rental and/or Boutique hotel. We would also like to partner with Walter State, our local community college to utilize their culinary arts and hospitality program to provide the necessary job opportunities that will come from this project. Through the past history with the County Commission and Chamber of Commerce we are aware that the downtown is the soul of the entire community. Through repair of blighted structures we will be adding to the attraction of historic downtown for both tourism and residential living. By having these additional properties and retail establishments this project will provide a significant return on investment through taxation and tourism. This will encourage and enable more community events in the Historic Main Street.

Project Information

4. Proposed Projects (list up to 3):

- I. **Name of Project, address:** Ashland Holding Project, 133 W Main Street, 127 W Main Street, and 119 W Main Street, Morristown TN 37814

- **Size in Sq Ft.:** 25,000
- **Total anticipated financing need \$:** 5,000,000
- **Financing identified/anticipated, list source and dollar amount or note 'None':** none
- **Project description (include url link if available):**

This project is part of a Tennessee Main Street and on the National Historic Registry. We are in an Opportunity Zone and in a severely distressed census tract. Downtown Morristown is part of Crossroads Downtown Partnership and in the heart of Opportunity Appalachia. We have already purchased 127 and 133 W Main Street. Our plan is to add retail on the lower levels and residential living to the top two floors. Solar is being installed this spring and we are returning the exterior to the building back to an architectural style true to period. See attached URL. Then we are acquiring 119 W Main Street to restore for mixed use. We would like to use the upper levels for short term rental or a Boutique hotel. Based on past experience we would want to equip this building with solar and energy efficient build out.

<https://sites.google.com/view/ashlandholdingsproject/home>

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

Through the past history with the County Commission and Chamber of Commerce we are aware that the downtown is the soul of the entire community. Through repair of blighted structures we will be adding to the attraction of historic downtown for both tourism and residential living. By having these additional properties and retail establishments this project will provide a significant return on investment through taxation and tourism. This will encourage and enable more community events in the Historic Main Street. We have a letter intent for an Ice Cream shop at 127 W Main Street and a Live Music venue at 133 W Main Street. 127 W Main Street is currently considered a Non-Contributing building and we would like to take it back to its original three story and try to make it a contributing building on the National Register of Historic Places. We are under serviced on residential units in Hamblen County, 127 and 133 W Main Street would add 6 residential units. The building located at 119 W Main Street has the potential to add 11 units. These projects would create up to 60 hospitality and retail jobs. A minimum of \$180,000 in taxable employment opportunities as well as \$200,000 in retail sales tax generation. The property tax could be as much of \$13,000 in added revenue.

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

Co-Owners Mark Harrell and Randy DeBord.

- **Technical Assistance Needed:** We would request TA for LEED certification and architectural drawings as well as environmental survey.

- **Describe the connection to other proposed projects listed on this form (if applicable):** see project below.

II. **Name of Project 2, address:** DeBord Enterprises Project, 167 W Main Street, Morristown, TN 37814

- **Size in Sq Ft.:** 13,000
- **Total anticipated financing need \$:** 3,000,000
- **Financing identified/anticipated, list source and dollar amount or note 'None':** none
- **Project description (include url link if available):**

This project is part of a Tennessee Main Street, these buildings are in an Opportunity Zone, is a part of Crossroads Downtown Partnership, and is in the heart of Opportunity Appalachia. Downtown Morristown is part of the National Historic Registry. This project would add residential living downtown. The first building 167 W Main Street could add six 1,283 square feet residential units. The second building 148 W Main Street could add six 1,100 square feet apartments.

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

We are under serviced on residential units in Hamblen County. The spaces we are wanting to develop are undeveloped and unused. Our goal is to work with the City and County to develop more residential space in the Historic Downtown area. 167 W Main Street has had Solar since 2010 it is a 26 kw solar array. 148 W Main Street has had solar installed since around 2016 it is 27kw solar array. The solar will be used to help power the residential portion of the building and reduce peak times for electrical production on the grid. Through the past history with the County Commission and Chamber of Commerce we are aware that the downtown is the soul of the entire community. Through repair of blighted structures we will be adding to the attraction of historic downtown for residential living. By having these additional residents downtown it will contribute to the sales and retail establishments which will lead to a significant return on investment for years to come.

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

Randy DeBord

- **Technical Assistance Needed:** We would request TA for LEED certification and architectural drawings.
- **Describe the connection to other proposed projects listed on this form (if applicable):** see above project.

5. **Clean Energy Focus:** 12K Solar Array is being installed this summer on 133 W Main Street building. Replacement of an energy efficient storefront is currently in the works. Our desire is to make all three buildings LEED certified if achievable.

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: Randy DeBord and Mark Harrell have both lived here all their lives. Mark has been chief of staff at Morristown Hamblen hospital. He is Associate Medical Director in the local Emergency Room at Morristown Hamblen Hospital. Mark is Medical Director of the Paramedic Program at our local Community College, Walter State. He is Chairman of the Board at Crossroads Missions. Mark is also on the Hamblen County EMS board. He is on the Board of Trustees for Johnson University. Previous Medical Director at Helping Hands, clinic for uninsured residents in Hamblen County. Mark also owns two duplex complexes for over 15 years. He also owns a building in downtown Kingsport. Randy owns multiple buildings and businesses on Main Street. Randy is past Chamber Chair 2012-1013 and current Hamblen County Commissioner District 8. Randy is the owner of McFarland Apothecary Long Term Care Pharmacy, McFarland Retail Pharmacy, and McFarland Uniform and Shoes, Patient's Choice Medical, and 1/3 owner of Exigency LLC, a transitional care provider with a focus on reducing recidivism to the hospitals. Exigency also provides medical access to rural residences of East Tennessee who have otherwise had reduced access to care. He also owns Debord Enterprises, a real-estate holdings company, with locations at 144 W Main Street, 148 W Main Street, and 167 W Main Street which will be incorporated into this project. Debord Enterprise also includes three residential rental properties throughout East Tennessee. Randy has solar installed on all three of Main Street properties and his experience goes back more than a decade with solar on these properties. Randy also served as a Board Member for Crossroads Downtown Partnership. Overseeing and completing these projects are not new to us with considerations of previous jobs we are poised to complete the job with the highest standards possible. We have the knowledge to oversee the project from planning to completion. We also have the experience of running multiple businesses, residential, and commercial rental properties.