

# APPALACHIAN COMMUNITY CAPITAL

IN PARTNERSHIP WITH PROGRAM SPONSORS



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

**Project Sponsor:** Candice Meade, Shady Spring, WV

**Project Name:** N. 600 Boutique Hotel (Project Summary provided in Attachment B.)

<b>Release Date:</b>	<b>July 8, 2022</b>
<b>Proposal Due Date:</b>	<b>August 8, 2022</b>
<b>Selection Date:</b>	<b>August 12, 2022</b>
<b>Contract Period:</b>	<b>August 12, 2022 – February 28, 2023 (or later)</b>

## 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 August 12, 2022 for an estimated contract start date of August 12, 2022 through February 28, 2023 or later.

#### 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:** Candice Meade

**Project Name:** N. 600 Boutique Hotel

Project Summary provided in Attachment B.

### TA Requested

- Preliminary architectural design.
- Investment Prospectus, to include Sources, Uses, capital structure and final financial pro formas. Experience with New Markets Tax Credits required.
- Support for capital raise, to include New Markets Tax Credits, Opportunity Zone investment, public grants, local crowdfunding, and loan packaging.
- Support for project management / mentorship with project development process and construction.
- Solicitation for hotel operators. Support for evaluation and contracting.

Note: a Feasibility Study, market study, preliminary financial proformas, environmental assessment and asbestos evaluation have been completed, and a preliminary engineering report is in progress.

## Attachment B

### Summary Information

**Lead Contact:** Candice Meade

**Applicant Organization:** Candice Meade

**Address:** 238 Viscaya Drive, Shady Spring, WV 25918

**Phone:** (304) 673-2592

**Email:** meadecandice@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.

City Of Beckley/ Raleigh County

Surrounding counties Fayette, Nicholas, Summers, Greenbrier, Mercer, Wyoming

All of Southern WV

2. Service area of applicant (note if different than above, or note same): same
3. Community Development Strategy(ies): Downtown Redevelopment/ Revitalization of Downtown Beckley is a top priority for the City of Beckley. When approached with this idea, they were on board from that introduction. They see this project as the anchor to create the city of Beckley into a destination. The City of Beckley, the New River Gorge Regional Development Authority, The WV Hive, WVU Tech, Southern WV CVB and the Beckley/Raleigh County Chamber of Commerce are 100% behind this project. The project will enhance tourism by providing an experienced based Boutique hotel. Hotel to include amenities such as a Bakery with café/gift shop , drive through, specialty occasion bakery department. Additional evening restaurant with rooftop dining and entertainment.

### Project Information

4. Proposed Projects (list up to 3):

I. **Name of Project, address:** N. 600 Boutique Hotel, 600 Neville St., Beckley WV 25801

- **Size in Sq Ft.:** approx. 60,000
- **Total anticipated financing need \$:** 10,000,000
- **Financing identified/anticipated, list source and dollar amount or note 'None':** none
- **Project description (include url link if available):**

The N.600 project will renovate an existing vacant building that was previously a bank. The building was built in early 1970s. N.600 will be the first and only Women developed and owned Boutique Hotel in Downtown Beckley. N.600 being the name of the entire property, the umbrella name. The Gem @ N.600. An upscale luxurious hotel." Appalachia's Rural Couture." A hotel/hospitality market study is currently underway to determine the total project size. It is estimated the total rooms will be between 40 to 60 rooms, at this time. This study will also include proformas and financial projections for the project. Amenities to enhance the stay and also open to

our local community include the morning/daytime bakery café, Posh Manna Cake Art Bakery & Café @ N.600. The bakery will include a drive through, outdoor garden seating, and indoor dining with a viewing window into the bakery to watch cake artists and bakers create. The Café will also include a gift shop area which will showcase local artisans and products.

Also, planned is an evening Speakeasy restaurant/lounge, The Rabbit Hole @ N.600. This not only will enhance the overnight stay but the customers can also enjoy a stylish, yet comfortable, dining experience. The restaurant will feature a menu of tapas, small plates with specialty cocktails, mocktails, fine wines, and craft beers. And, our fine selection of desserts will be a customer favorite.

A rooftop area, The Queen's Garden @ N.600 will feature a smaller menu and have a focus on entertainment and large gatherings, such as corporate and private events and weddings.

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

Hotels are an industry of opportunity and we are at a critical moment for our region and development. We can use this opportunity to create an original, unique face for WV to represent the hospitality and tourism.

Studies from American Hotel and Lodging Association, show hotels support more than 1 in 25 American jobs. Hotel guest spending in WV is currently \$2 billion. The total share of jobs supported by the hotel industry in WV is only 3.7%<sup>4</sup>

Here is an example of the impact from a quality hotel according to AHLA.

1. A representative hotel with 50 occupied rooms create more than 150 local jobs and generate \$9.2 million in guest spending.

2. For every \$100.00 a hotel guest spends on lodging, another \$222.00 is spent at the destination - totaling \$278 billion per year spent on transportation, dining, shopping, etc. during their stay.

We intend to provide quality jobs with lasting opportunities. We intend to offer profit sharing, bonuses, retirement plan, and health insurance to our employees. The estimated number of employees at this time is 75.

Teaming with the WVU Tech campus, located in the City of Beckley, we will work with their culinary and hospitality departments to provide internships and quality careers for graduates. Additional skill training for employees to move up in position, such as line cook to pastry chef, bar staff to craft cocktail mixologist.

We will work with Workforce WV, utilizing programs available. Particularly the programs that help those who are unemployed, underemployed and facing barriers to employment. It is our goal for this project to not only provide a tourist destination but also provide a lifetime employment culture for our employees.

The entire project vision is experience based, providing a complete experience for all patrons. Thus, conveying our Appalachian culture of hospitality and strong family roots. This will show through our "family of staff", we want to provide a sense of ownership and pride for our employees.

Another aspect of the experience is art and craftsmanship. This will be provided through displaying and selling local artisans products from canvas, pottery, jewelry, candles, etc. A different version of the Tamarack.

And, as much as possible sourcing farm to table local food.

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

- **Technical Assistance Needed:**

Our need is focused on identifying funding, developing a plan to access that funding and raising the capital. So, a capital raise plan from ground zero is what we need. Due to the location of the project, it will qualify for tax credits and we want to make sure that we work with someone who can utilize any and all available credits, as well as find traditional and nontraditional funding to make this project a reality. In conjunction architectural and engineering technical support is needed. Due to the nature of the project and the remodel and build on to the current structure all the technical support (capital stacking, architectural and engineering) and the current hotel/hospitality feasibility study should work together simultaneously to ensure the most successful outcome.

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

5. **Clean Energy Focus:** We are exploring and plan to implement solar panels, energy-efficient windows, energy-efficient heating and cooling system/ plumbing systems , and energy-saving light fixtures that can be controlled by sensors. The architectural renderings will indicate where and how these will be utilized. The impacts of these measures cannot be quantified at this time but it will be substantial due to the current systems in place are not energy efficient. This is a list of areas we will be exploring.

Mechanical:

- high efficiency split systems
- ice storage cooling
- increase insulation
- occupancy sensor room controls

Electrical:

- solar power

Plumbing:

- rain water harvesting
- low flow fixtures/motion sensors
- gas instant hot water heating

General:

- recycling programs/recycled materials
- daylighting
- there are several LEED guidelines we could achieve or even energy star compliance ( like appliances)

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: Candice Meade is a 6-year business owner of Posh Manna Cake Art in Raleigh County and has gained support from all who she has approached regarding this project. Although this project is a new undertaking for Candice, she has worked in the real estate field for over 20 years. That includes real estate investment, construction, and sales. The City of Beckley has offered help with infrastructure needs, such as sewer and water upgrades, if needed. The New River Gorge Regional Development Authority / Jina Belcher believes in this project to the point they are in the process of purchasing the building to hold while we structure the project for success. Meanwhile NRGRDA has funded a hotel/feasibility study currently being done by Greg Hanis / Hospitality Marketers International Inc. They have also purchased an Environmental Inspection through Greenbrier Environmental Group. Phase 1 & 2 , and asbestos evaluation complete. No environmental concerns and very minimal asbestos reported. The Hive/ Peni Adams is the project advisor which provides constant support. Resource gathering, troubleshooting and problem solving nearly day to day as the project is growing. Silling and Associates Architects has provided original full blueprints for the current building structure free of charge. Their contribution was provided because they wish to see the building utilized and expanded into the phase 2 multiple story building of which the original architect designed. And, they want to encourage new growth and development for WV. Paramount Builders / Derick Foster is the contractor we are working closely with. He and his team are knowledgeable and experienced. Recently finished the Corduroy Inn boutique hotel at Snowshoe WV. They are willing and ready to start developing construction plans according to feasibility results. Omni Architects/ Adam Rohaly has worked with Paramount Builders and is part of the team. He provided preliminary drawings thus far and will complete the building design and structure. Partner Community Capital/ Hannah Vargason is another resource partner. She is providing guidance, networking resources and is willing to be a potential lending portion. Taylor Hospitality / Sean Taylor is excited and eager for assisting in development and managing all departments of the final business. They are actively involved and have run financial proformas and projections that are very thorough , conservative and promising.