

APPALACHIAN COMMUNITY CAPITAL

IN PARTNERSHIP WITH PROGRAM SPONSORS



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

Project Sponsor: Village of Byesville, Byesville, OH

Project Name: The Byesville Business Incubator (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

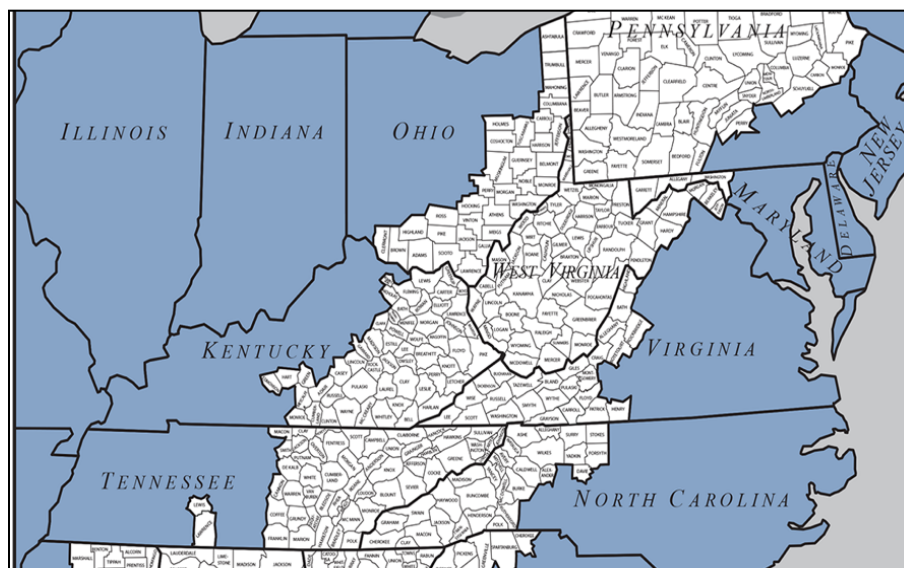
The Appalachian Region, as defined in ARC's authorizing legislation, is a 205,000 square-mile region that follows the spine of the Appalachian Mountains from southern New York to northern Mississippi. It includes all of West Virginia and parts of 12 other states: Alabama, Georgia, Kentucky, Maryland, 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 \$25,000. 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: Village of Byesville

Project Name: The Byesville Business Incubator

Project Summary provided in Attachment B.

TA Requested

- Business Plan to include pro forma projections. Expertise with business incubator development required.
- Identification of Business Incubator operator / partner.

Attachment B

Summary Information

Lead Contact: Brennan Dudley

Applicant Organization: Village of Byesville

Address: 221 E Main Ave., Byesville, Ohio 43723

Phone: (740) 685-0800

Email: bdudley@byesvilleoh.gov

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 targeted community is Byesville, OH (2020 Census population: 2,319), specifically its historic downtown, which has experienced accelerated recent growth. The community strongly relies on entrepreneurship and small business development for job creation and fiscal health. By developing the 11,068 square foot soon-to-be vacated elementary school on the edge of downtown, the Village hopes to continue to support local and regional entrepreneurs and further the evolution of Downtown Byesville into an eastern Ohio destination.

A recent newspaper article regarding the project:

<http://omegadistrict.org/wp-content/uploads/2022/04/Byesville-Daily-Jeff-Article.pdf>

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

3. Community Development Strategy(ies):

Village Council and Administration are strong partners with the Guernsey County CIC, Port Authority, and Community Development Corporation on a variety of industrial and small business development initiatives to aid overall job stability and economic resiliency. Byesville's unique local economy is very dependent on the vitality of its historic downtown core to maintain a vibrant small business culture. Our many stakeholders, including Rolling Hills Local Schools, have embraced this overall economic development strategy. Rolling Hills officials are currently in the process of constructing a new central elementary school and have engaged with us in proactive discussions regarding a transfer of the property to the Village following the procedure outlined in Ohio law. All partners understand that the long-term vision for the property will be the development of a dynamic business incubator to complement the downtown business district. The incubator vision will be realized via long-term Village ownership or the Village's sale of the property to a private development team, under a firm agreement that the incubator concept will be sustained into the future. Successfully implementing this development process necessitates consulting services described in the Technical Assistance section below. The business incubator will build upon a very successful Byesville development strategy known as Project Phoenix. Initiated in 2018, Project Phoenix offers a privately funded partner grant that provides matching funds for economic initiatives in the historic downtown area of Byesville. As of the end of 2021, Project Phoenix has provided nine grants to property and business owners. Those funds have been matched with \$225,000 in private equity. The result has been seven buildings that have been rehabilitated creating an estimated \$700,000 in increased property value. The Project Phoenix initiative has led to nearly 90% occupancy in buildings that comprise our historic core. There are currently 21 retail and professional firms throughout the historic district, employing over 46 full and part-time employees, with 18 new businesses either relocating to, or starting within the district since 2019. Byesville has become the central attraction for entrepreneurs in Guernsey County. The

Village is very focused on continuing this great momentum, creating more business development and employment opportunities for our citizens.

Project Information

4. Proposed Projects (list up to 3):

- I. **Name of Project, address:** The Byesville Business Incubator, 212 Main St., Byesville, OH 43723
 - **Size in Sq Ft.:** 11,068
 - **Total anticipated financing need \$:** To be determined.
 - **Financing identified/anticipated, list source and dollar amount or note 'None':** To be determined.

- **Project description (include url link if available):**

The subject property is a 3-story elementary school containing a total of 11,068 square feet. Rolling Hills Schools is currently in the process of constructing a new elementary school in a more centralized location outside of the Village corporation. Village Administration has engaged in productive, substantive discussions with School officials as they prepare for official closure of the school as part of a district-wide facility improvement plan. It is anticipated that the school will be vacated and ready for transfer to the Village in 2025. The Village seeks technical assistance in advance of the property transfer date in order to expedite the incubator development.

Based on the Village's preliminary tours and analysis of the property, it appears that a variety of business (professional, retail, or even light manufacturing) could co-exist within a creative layout. Architectural and prospectus development services are therefore requested to validate and refine our preliminary vision.

With the financial and architectural analyses in hand by June 2023, the Village is very confident that incubator development (interior renovations and initial leasing) can begin under public or private ownership beginning in 2025. The Village will also remain very open to consulting advice regarding a permanent public-private partnership model whereby the Village might retain ownership and grant a master lease to an incubator management team.

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

As described above, our downtown development efforts have yielded quality job creation, and this is a trend we are focused on continuing with the incubator project. We further hope and expect that success of the incubator will be part of consistent improvement in our local economy's wage-earning potential. This is an area that we must continue to address, as Byesville's estimated poverty rate (29.5%) is more than double Ohio's 2020 census rate of 12.6%. Similarly, our median household income of \$33,077 lags far behind the statewide value of \$58,116.

<https://datausa.io/profile/geo/byesville-oh/?msckid=e8c984deb5af11ec95714e429465187c>

The area's reduction in opportunities due to the decline in the use of fossil fuels, industrial regression, and post graduate opportunities have caused considerable economic hardship over the past 30 years.

From a regional standpoint, we believe the incubator represents a wonderful opportunity to put this key Ohio crossroads (Byesville sits at the intersection of I-70 and I-77) firmly on the map of

Ohio tourism. We will continue to pursue the vision of historic downtown Byesville being the ultimate day trip for travelers from the east and west in the Columbus (OH) and Pittsburgh (PA) markets. Village administration is focused on facilitating a diverse local economy, and the incubator will be a critical component in our small business and tourism plans.

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

- **Technical Assistance Needed:**

Two types of technical assistance are requested to aid the Village in achieving the incubator vision:

1. Architectural rendering services, depicting interior layout concepts (office spaces, retail areas for the public, co-working spaces, etc.); and
2. Prospectus Development – as the Village is considering marketing the property to a private sector incubator development team, a prospectus that includes a general cashflow analysis (based on the architectural layout of leasable spaces) and the overall market opportunity would be invaluable as the Village engages in discussions with private sector developers.

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

5. **Clean Energy Focus:** The Village is committed to implementing various renewable energy and/or energy conservation strategies into the building renovation process. These strategies will be an important fiscal strategy if the Village maintains ownership and strives to minimize energy costs. Secondly, cutting-edge energy strategies will be consistently showcased in order to encourage Ohio's energy sector entrepreneurs to consider leasing space in the facility.
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: The Village's capacity to oversee a project such as this has been proven by its recent developments. The Village, through Project Phoenix, has proven its ability to influence private equity and partnerships to make improvements both materially and economically. Since 2018, over \$245,000 of private capital has been invested into our historic downtown and we are prepared to continue this momentum into a successful incubator project. In 2021, the Village sold a downtown building that it acquired in 2016. The new owner is in the process of a complete renovation and already has a prospective tenant. The Village is also a vital partner for water and sewer utility resources in the southern portion of Guernsey County. Over 60% of the Village's daily water production serves several industries including Colgate Palmolive, AMG Vanadium, and Kerry Foods. Recently the Village worked with developers of the new Guernsey Power Station to provide water and sewer service that was instrumental in securing the 1.5-billion-dollar development for the County. The Village is fiscally secure with a 2022 General Fund budget of \$830,000 utilizing a 1% Village income tax. The Village will continue to use its Federal Opportunity Zone designation to entice investors and promote future development.