

APPALACHIAN COMMUNITY CAPITAL

IN PARTNERSHIP WITH PROGRAM SPONSORS



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

Project Sponsor: Maxwell’s Hospitality Group, Somerset, OH

Project Name: Maxwell’s Pizza Somerset (Project Summary provided in Attachment B.)

Release Date: July 15, 2022

Proposal Due Date: August 12, 2022

Selection Date: August 19, 2022

Contract Period: August 19, 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 August 19, 2022 for an estimated contract start date of August 19, 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 \$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: Maxwell's Hospitality Group

Project Name: Maxwell's Pizza Somerset

Project Summary provided in Attachment B.

TA Requested

- Design Intent Package, to include elevations, finishes and design work needed for Historic Preservation Tax Credit applications.
- Application for State of Ohio Preservation Tax Credits, submission Fall 2022.
- Application for D5L Liquor License.
- Legal support for corporate / ownership restructuring.

Notes: A business plan and financial projections have been completed, and most financing has been secured. Federal HTC Part 1 & 2 applications are pending. The current business structure is an LLC - subchapter S.

Attachment B

Summary Information

Lead Contact: Paul Kearney

Applicant Organization: Maxwell's Hospitality Group

Address: 102 East Main Street, Somerset, Ohio 43783

Phone: (330) 998-3401

Email: paul@maxwellpizza.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 our project include Perry, Morgan, and Fairfield counties. We intended to provide both construction work, as well as restaurant service and living spaces.

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

3. Community Development Strategy(ies):

We plan on opening a restaurant focused on the development of the community of Somerset, as well as its youth through job training and character development. Somerset is in need of a place that can revitalize the downtown area with new lively business invested fully into the community. We are working closely with the Mayor of Somerset and their Council to ensure we meet all expectations, as well as provide an elevated experience to the community. This project is part of and supports Somerset's Downtown Revitalizations, which has been ongoing for several years with other business owners coming together to see what best can be done. Its Business Plan was a first place project winner in Somerset's Downtown Business Plan Competition in 2020, which allowed us to begin this process.

Project Information

4. Proposed Projects (list up to 3):

- I. **Name of Project, address:** Maxwell's Pizza Somerset, 102 East Main Street, Somerset, Ohio 43783

- **Size in Sq Ft.:** 5,300
- **Total anticipated financing need \$:** 1,000,000
- **Financing identified/anticipated, list source and dollar amount or note 'None':** \$700,000
- **Project description (include url link if available):**

The building at 102 East Main Street is being renovated for commercial and residential use. The building is located in the Somerset Historic District, a mixed-use district which consists primarily of mid-to-late 19th century commercial and institutional buildings surrounding, and extending out from the historic public square. These buildings reflect the history of Somerset, distinct for being one of the most intact examples of an early county seat. The project will renovate the vacant two-story downtown commercial building and additions, with proposed renovations to create a restaurant in the ground floor spaces, three renovated apartments on the second floor, renovated street frontage and new outdoor dining space in the rear of the property.

The west half of the building is an Italianate commercial building, constructed in 1873 (PER-0086-04). While a one-story wood frame building originally abutted this building to the east beginning in at least 1895, the present first floor portion to the east of the 1873 building was constructed between the 1940s and 1970s, with interior connections between sides. All of the masonry on the primary facade will be gently cleaned, minor repointing and rebuilding will occur on the exterior brick, and new painted lettering will be applied above the storefront. The non-original masonry infill will be removed and new, historically-appropriate storefronts installed in both buildings. All windows, which are non-original vinyl windows, will be removed and new, aluminum-clad wood windows installed in the restored original openings on the 1873 building and new openings on the circa 1960s building. The building's 1873 original wood cornice will be restored and painted, and the circa 1960s facade will be clad in fiber cement/engineered wood siding, terminating in a solid Aztec type cornice/parapet cap. All roof areas will receive a new roof.

The primary historic spaces at 102 East Main Street are being preserved in their original volume and plan, including the front-most portion of the retail storefront bays. The west storefront bay will contain a lounge and bar, connecting to the east storefront bay which will be a dining room for the restaurant. Service spaces will be renovated to support the seating areas, such as public restrooms, a commercial kitchen, and mechanical and storage rooms in historically back-of-house areas. Renovated apartments will occupy the second floor.

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

Our project will create 14-20 new construction jobs, as well as 30-40 restaurant type jobs. These jobs range in pay from 10-20 dollars an hour. Our company has started to work on both health care, and 401 incentive programs for our employees. Most of our upper level management team was hired from within which promotes growth not only in our company, but in the communities our company serves. Our company routinely supports the community in a variety of different ways from donating to school booster programs, discounts for law enforcement and veterans, cleaning up local road during earth day and much more. Our concept offers both a restaurant, and living quarters which Somerset is in need of. We bring a youthful, vibey feel to our stores that is unseen in the more rural areas. Two members of our team grew up in Morgan county, and understand what these areas need in terms of things to do, and places to live.

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

Maxwell's Hospitality Group. We have support from the Mayor, Mr. Tom Johnson as well as the Somerset City Council. All entities of the business will be run by myself and my team, Maxwell's Hospitality Group. We have a contractor (Sean Suttles) in place, as well as an architect (Schooley Caldwell) and designer (Kimberly Orr) lined up.

- **Technical Assistance Needed:**

We need technical assistance for the start up costs including Architect and Design work. These are big upfront costs that can cripple the start of a project on both the cashflow side as well as the timeline. We have also submitted an application for the complete portion of the Ohio Historical Tax preservation credit in order to mitigate some of the costs of the project. This decision has not been made yet, but we are hoping to hear the results of the application in the coming months.

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

5. **Clean Energy Focus:** One of our company's core values is care, care for others and the environment. In order to carry this out we have switched to using completely energy efficient LED light bulbs on timers. All of our packaging and paper products are biodegradable, as well as made from recycled materials. Some of our building techniques allow us to drastically reduce our air conditioning usage in the summers. In all of our bathrooms we provide high pressure hand dryers as an alternative to paper towels, as well as high efficiency two button commodes. We regularly have big earth day cleanups with our staff and community. As far as quantifying these numbers, we anticipate cutting our normal electric and water bills by 35-45% of normal use buildings. Again, these accommodations require bigger upfront costs, but have big long term advantages in terms of cleanliness to our environment and the community.
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: We were reached out to by the mayor of Somerset to buy the building (project) before it was demolished. We have letters of recommendation from the mayor himself, as well as the city council. As project manager of the Maxwell's Hospitality Group I have helped open 4 stores in 5 years. In addition to that, we have recently put in place a team that includes Architecture, Designer and general contractor all of whom have been informed about the upcoming project. Once a project has begun, we have a 0% quit rate, meaning we have never had to not open a store once the process has begun.