

APPALACHIAN COMMUNITY CAPITAL

IN PARTNERSHIP WITH PROGRAM SPONSORS



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

Project Sponsor: Grayson County, VA

Project Name: Baywood School and Property (Project Summary provided in Attachment B.)

Release Date: January 24, 2023
Proposal Due Date: February 21, 2023
Selection Date: March 3, 2023
Contract Period: March 3, 2023 – September 30, 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. 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 8 projects to participate in the program to bring jobs, business support, and investment to Central Appalachia. The selected projects propose to create over 280 jobs and attract over \$27M in financing to develop and expand food business hubs; outdoor recreation; childcare centers; regional airport facilities; and hotels; in downtown and rural areas across East Tennessee and Southwest Virginia.

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.

As project technical assistance is completed, investor connections will be made between projects and 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 March 2023 for an estimated contract start date of March 15, 2023 through September 15, 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: Grayson County, VA

Project Name: Baywood School and Property

Project Summary provided in Attachment B.

TA Requested

- Feasibility study to identify highest and best use for the property, to include priority consideration of childcare uses and affordable housing. Community charrette / public forum process is envisioned to obtain community feedback and buy-in. Study to include a plan for who will own and operate each piece of the project.
- Existing architectural conditions assessments including layout measurements.
- Preliminary architectural designs.
- Site master plan that situates the existing building with the recreational space, future housing, and addresses parking needs.

Attachment B

Summary Information

Lead Contact: Mitchell L. Smith

Applicant Organization: Grayson County, VA

Address: PO Box 217

Independence, VA 24348

Phone: 276-773-2471

Email: msmith@graysoncountyva.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 proposed project is located in the Baywood community within census tract 601.02 of Grayson County, Va.

Baywood lies within the Oldtown District at the far southeastern end of the County. The land is a mix of open, rolling pastures and timber. Both main roads in the county run through this District. Highway 89 is the direct North/South route to and from North Carolina and the Blue Ridge Parkway and into the City of Galax. Highway 58 is the East/West highway corridor transecting the district.

Grayson County, located in Southwest Virginia, is the most mountainous county in the state with 446 square miles of mountainous terrain and home to the two highest peaks in Virginia, White Top and Mount Rogers, in addition to several miles of the New River, hundreds of acres of national forest, and Grayson Highlands, one of Virginia's most popular State Parks.

The population is 15,333. The unemployment rate is 5.5% compared to the state average of 4%. Median family income is \$47,900, which is 58% of the median for Virginia, of \$81,947. According to the 2018 Mt. Rogers Planning District Commission Comprehensive Economic Development Strategy, Grayson has the lowest median income in the service area, and ties with Galax for the lowest weekly wages. Further, Grayson joins Bland County and Galax City in highest percentage of residents working outside of the county/city, with each above 35 percent.

The County ranks highly distressed with a Distressed Communities Index of 91.6, reflecting indicators of percent obtaining a high school diploma, poverty rate, median household income, employment, and housing vacancy. Kids Count (2018) data indicate 27.5% of children live in poverty compared to 13.8% for VA.

As Va. Tech Economist, Dr. Sheryl Bailey shared, the pandemic delivered "deep blows to minorities, low-wage workers, women, and workers with less than college degree." Workers with lower education are experiencing a greater impact of COVID. In applying this within the context of Grayson, 21% of Grayson residents age 25+ have less than HS graduation compared to 13% in US, and 10.7% age 25+ have a bachelor's degree or more education compared to 30.3% in US. Small and minority owned businesses are always more vulnerable: about 40% of Grayson's small businesses are owned by women.

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

Same

3. Community Development Strategy(ies):

This project is revitalizing a ‘just outside of downtown’ community.

Residents share that the Baywood community has gone downhill since the 2018 school closure. Repurposing the school is a priority of the Board of Supervisors, and the opportunity now posed by Hope Inc. to include affordable housing brings the possibility of creating a dynamic hub for economic growth. Residents informally share repurposing ideas of childcare, wellness/fitness, and small business space.

The top three priorities of Grayson are EMS communications, childcare, and housing. The previous #1 priority of broadband is well underway.

This project responds to the County’s Comprehensive Plan regarding development of housing options with guiding principles of:

- Ensuring a variety of quality housing types for all income levels
- Encouraging a sense of community by incorporating features that enhance interaction
- Ensuring neighborhoods are inclusive of all races, ages, and incomes
- Fostering a climate that is hospitable to affordable housing developments
- Supporting public-private partnerships for the provision of affordable housing
- Recognizing local community plans in countywide planning efforts
- Protecting historic resources and the natural environment
- Preserving character of individual communities

The American Community Survey indicates Grayson housing consists of single unit, detached homes and mobile homes. With only 3% of housing being multiunit attached homes, and over 40% of renters paying more than thirty percent of income for housing, there is a need for affordable housing. An oft heard comment from residents is that increased prices and little to no available rentals has driven the cost of housing beyond the means of their children to afford living and working in their home county.

The project further responds to 1) Grayson Senior Advocacy Group’s recommendation to encourage area developers and builders to consider alternative housing opportunities; 2) the Comprehensive Plan Land Use goal to offer a variety of housing choices and convenient access to neighborhood shopping, schools, parks, and other services; and 3) the Population and Housing goal to enhance neighborhoods through preservation, revitalization, and create quality affordable housing and mixed-use development in higher population areas. The Old Town district has the county’s most dense population, which includes the City of Galax.

Project Information

4. Proposed Projects (list up to 3):

I. **Name of Project, address:**

Baywood School and property (nine acres)
247 Grammer Ln, Galax, VA 24333

- **Size in Sq Ft.:** 24,900
- **Total anticipated financing need \$:** \$1.5M
- **Financing identified/anticipated, list source and dollar amount or note ‘None’:**

We rely on work of Hope Inc. and project team in renovation and projected housing costs and

identifying and facilitating funding strategy. Hope, Inc. indicates potential of \$100,000 for predevelopment work once a community plan is approved. This would be in the form of an interest free predevelopment loan, and should the project turn out not to be feasible, would become a grant and be forgiven. Grayson will pursue recommendation of Hope Inc. for Va. Housing Planning Grants to help fund next steps in these foundational stages of the project, and Hope Inc. will bring Va. Housing and DHCD to the planning group once the proposed project has been approved. A Phase I Environmental Site Assessment (ESA) was conducted in 2017 by Terracon Consultants of Greensboro, NC, and previous expenses to maintain the property include: \$115,000-new roof; \$21,400-ACM removal; \$1,950-gym/open space floor repair. A Master Site Plan and Individual Plans were developed in early 2022 in consideration of possible first floor renovations with a previously suggested multiuse. The previous project did not involve essential steps of documented feasibility and community voice; Opportunity Appalachia provides a timely and valuable opportunity for this kickstart to a priority project in SWVA. Sources of Construction Funds: depending on allocations of projected county budgets, there is potential funding of up to \$700,000 in development and tax revenue. The BOS and Administration will be guided by community voice and demonstrated feasibility/sustainability.

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

A project team composed of Hope Inc., Hill Studio, Hurt & Proffitt, and Sprout Financial has expressed interest in working with Grayson in repurposing Baywood School and development of affordable housing on the adjacent land around the old ballfield and playground field. The property is currently owned by the county.

Residents informally share repurposing ideas of childcare, wellness/fitness, and small business space. The field between the school and Old Baywood Rd could become an outdoor recreation area, including a walking track, a multi-use field, and a picnic shelter. The land on the other side of the school could be developed into multi-family housing, such as townhomes.

The team will take the project through the preliminary design, planning, and due diligence of site work. Their proposal includes working directly with the community, board of supervisors and other stakeholders through meetings, charettes, open forums and other engagement to determine the community's desire for the use of the site and the feasibility of identified uses, to develop a concept design for approval.

Through further community planning, feasibility, proforma, and approvals, the team will engage the county in next steps of bringing the project to fruition from necessary site design and building design. The team will map out potential funding sources for various steps of the full process.

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

The overarching impact of renovations and housing will serve as a catalyst for further economic growth and community wellbeing. Baywood will serve as the center of a vibrant community hub attracting future development of associated services and amenities while filling a critical housing need for residents to continue to live and work in the county, as well as attracting new businesses. A recent AARP Livability Update cited research by the Brookings Institution that improving quality of life for all ages is the most sustainable path to community prosperity; it is the key ingredient for economic success.

Repurposing of the properties responds to infrastructure priorities that were brought strongly to

light during the COVID-19 pandemic, specifically childcare, fitness/wellness, and small business support. The property surrounding the school building has been suggested for uses such as outdoor recreation including a walking track, multi-use field, and picnic shelter, with land on the opposite side of the building developed for affordable townhomes. These needs are also priorities of the County Comprehensive Plan and are expressed as critical needs by residents in daily conversations and social media.

Recent studies by United Way SWVA, Rooftop, and Childcare Aware VA all indicate a critical need for childcare in Grayson; as United Way childcare specialist shared, it's challenging to find childcare data for the county when there is no childcare. Grayson looks to the issue as a major support of economic development for families and the businesses that employ them, as well as attracting new businesses to the county. The very few local childcare providers currently do not have the needed space for increasing capacity, and although United Way provides free training, those interested in starting a childcare business do not have space to do so. Similarly, a childcare business in a neighboring county would like to expand to Grayson with the only roadblock being building space.

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

A project team composed of Hope Inc., Hill Studio, Hurt & Proffitt, and Sprout Financial has expressed interest in working with Grayson in repurposing Baywood school and the adjoining land that is currently owned by the County. Jordan Stidham of Hope, Inc. went to school at Baywood; he appreciates the need and potential of the project.

- **Technical Assistance Needed:**

The scope of requested TA is feasibility assessment for highest and best use, and master site planning to develop a project design the community and county support and to bring it to the point where the next funding would be for technical work, such as engineering, detailed drawings, and blueprints, etc.

Proposed products include 1) Programming Plan to identify highest and best use for the building, including high-level spatial planning. Includes public forums, county meetings, feedback sessions, and progress report updates, \$20,000; 2) Preliminary Architecture Report with Architectural Survey of the existing building, Conditions Assessment Report with recommendations for preservation plan, conduct field measurements of existing building, and drawing production of existing conditions for preliminary conceptual design, \$15,000; and 3) Site Master Plan that incorporates the existing building and its relationship to the recreational space, future housing, and parking. This site plan will be adjusted after input is received from community stakeholders, \$30,000. Timeline for completion of preliminary work is approximately seven to eight months.

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

5. Clean Energy Focus:

As we are in the initial stages of identifying specifics, the Project Technical Assistance providers will address Clean Energy features in the ensuing designs of both the newly renovated multiuse facility and affordable housing options.

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:

As the applicant, Grayson County, representing the County Board of Supervisors, Administration, and public voice, will engage and work directly with Hope, Inc. and the project team, who will be delivering the Technical Assistance.

Community members have participated in Board of Supervisors meetings, informal conversations with Supervisors and County Administrators, community group gatherings and through social media in sharing ideas and desire for both renovation of Baywood School and the critical need of affordable housing. This proposal is a direct response to those voices in bringing needed Technical Assistance of facilitating and translating community input into a strong, fundable project for community wellbeing and economic development.

Mitchell Smith, Deputy County Administrator and Interim County Administrator, is the Authorized Organizational Representative and has served on five previous CDBG projects. Mr. Smith is a lifelong resident of Grayson County and has served as Deputy County Administrator for 14 years along with representing Grayson County on various boards. He is currently working with Mount Rogers Planning District Commission on another housing project in Grayson. One of his passions as a county leader is to improve the viability of living for our current and future citizens of the county.

Leesa Gayheart, County Finance Director, oversees finance and compliance, and has served on five CDBG projects. Mrs. Gayheart is a lifelong resident of the community and has served as a volunteer with several area organizations including twenty years with an organization in the Baywood Community. She also served on the former Grayson Children's Center Board of Directors and fully appreciates the need for childcare within the county and recognizes the economic impact of the lack of childcare. Mrs. Gayheart has worked in various aspects of county government for her entire career with the last eleven being with county finance.