



APPALACHIAN
COMMUNITY CAPITAL

IN PARTNERSHIP WITH PROGRAM SPONSORS



Coastal Enterprises



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Southeast**
ECONOMIC DEVELOPMENT



**OPPORTUNITY
SWVA**



THE UNIVERSITY OF
TENNESSEE
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REQUEST FOR PROPOSAL (“RFP”) FOR OPPORTUNITY APPALACHIA PROJECT TECHNICAL ASSISTANCE

Project Sponsor: Richwood Scientific, Richwood, WV

Project Name: G.C. Murphy Building (Project Summary provided in Attachment B.)

Release Date: June 12, 2024

Proposal Due Date: July 10, 2024

Selection Date: July 17, 2024

Contract Period: July 17, 2024 – February 28, 2025 (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](#) TA provider 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, Dogwood Health Trust, Claude Worthington Benedum Foundation, US Bank, and M&T Bank.

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 – Kentucky, North Carolina, Ohio, Tennessee, Virginia, West Virginia



IV. Project Timeline

It is anticipated that the contractor will be selected by July 17, 2024 for an estimated contract start date of July 17, 2024 through February 28, 2024.

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 \$10,000**. Payment Schedule to be based on deliverables / outcome milestones.
 - *Please note:* to reduce administrative burdens and management costs, OA requires a maximum of 3 invoices per contract (the first may be a retainer/deposit totaling no more than ~20% of the contracted amount. Payments are made based upon satisfactory completion of deliverables and approval by the project sponsor.
- 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 with anticipated deliverable and associated invoicing schedule
- Requests from project sponsors

Attachment A

Requested Scope of Services

Project Sponsor: Richwood Scientific

Project Name: G.C. Murphy Building

Project Description: Rehabilitation of the former department store into a mixed-use concept to include 15 right-priced housing units, a co-working space, and retail or hospitality. Total costs estimated at \$7.7 MM with creation of 15 permanent positions.

Full project summary provided in Attachment B.

TA Requested

- Refinement of existing financial projections and related project components to complete investor prospectus
- Solicitation of occupants for the building
- Oversight of existing architectural drawings to full design by current licensed architect

Please Note:

- Project sponsor will have architectural schematics and existing draft financial projections completed by August.

Attachment B

Summary Information

Lead Contact: Amy Baker

Applicant Organization: Richwood Scientific

Address: 31 East Main St., Richwood, WV 26261

Phone: (304) 848-0112 (o); (304) 288-9540 (m)

Email: abaker@mvpbanking.com

Community Information

1. **Communities targeted by this application (municipality(ies), county(ies), and census tract(s)):**
Richwood (Nicholas County WV, census tract 54-67-9505.00): A Moderate income census tract in a county that is designated as distressed by ARC. The area has a median income by household that is 71.02% of the national average, a 2020 estimated median family income of \$38,351, and a poverty rate of 27.3%. Richwood itself has a lower median income at \$30,962 and a 30.6% poverty rate. It is a Qualified HubZone and is located adjacent to a Qualified Opportunity Zone.

<https://www.ffiec.gov/Census/report.aspx?year=2023&state=54&msa=&county=067&tract=&report=demographic>

https://data.census.gov/profile/Richwood_city,_West_Virginia?g=160XX00US5468116

2. **Service area of applicant (note if different than above, or note same):** Same
3. **Community Development Strategy(ies):** Richwood Scientific, the nonprofit entity which currently owns the G.C. Murphy building, is working with the community to restore and repurpose the building in a mixed use fashion to include commercial/office space, housing, service, and co-working space. Richwood specifically lacks viable workforce and market rate housing, which is critical in attracting and retaining young professionals and remote workers, making it viable for them to live and work where they play; this project would build out 12-15 units across two floors with a mix of studio, one, and two bedroom units

Located at 8 East Main Street, Richwood, West Virginia, the G.C. Murphy Building was constructed circa 1921 as two separate buildings. In 1951, renovations combined them to become the G.C. Murphy Co. general store, a community staple; today the building is part of the Downtown Richwood Historic District (National Register of Historic Places). The 27,000 square foot building has three stories above grade with a full basement. Redevelopment of this downtown anchor will energize the local economy and inspire city residents, visitors, and prospective community business investors. In efforts to secure the structural envelope and preserve the building for redevelopment, a new roof was added in 2020 through local investment. Additionally, numerous technical studies, environmental reviews, and reuse assessments have been undertaken.

The City's population grew by 9.3% in 2021, those who grew up in Richwood want to move home, and nearby employers require workforce housing. Richwood requires additional housing options to meet these needs, which the Murphy Building could provide. The shrinking of key industries has also negatively impacted our local economy: employment declined by 6.15% in 2021. Creating a retail/hospitality space and remote working space in the Murphy Building could help to address this

trend. Furthermore, as Richwood reinvents itself as an outdoor recreation and arts community, this kind of local economy will require more opportunities for housing, remote work, and tourism activities.

Project Information

4. Proposed Projects (list up to 3):

- I. **Name of Project, address:** G.C. Murphy Building
 - **Size in Sq Ft.:** 27,000 sq. ft.
 - **Total anticipated Project Cost \$:** \$7,672,011
 - **Financing identified/anticipated, list source and dollar amount or note 'None':** Congressionally Directed Spending (applied for/pending) \$2,800,000 Anticipated Financing: Net WV Historic Tax Credit Equity \$1,352,065 Net Federal Historic Tax Credit Equity \$1,009,542 Net New Market Tax Credit Equity \$1,079,400 Debt Financing/Other \$1,367,004
 - **Project description:** The G.C. Murphy Building is a historic structure that has been vacant since its tenure as a department store ended in the early 1980s. Though there were brief uses over the years, nothing sustainable has developed, and the building remains empty. The project supported by this request would enable the building to be put back into mixed reuse with a purpose that addresses the needs and goals of the community, including developing quality right-priced housing. Housing stock in Richwood is notably aged and flood impacted - this plan will provide up to 15 units of needed contemporary living spaces. Additional development of the other two floors in the building are slated to be mixed use retail/hospitality, with a co-working space that when built out, would be the only such space in the county. Adjacent to the building is an empty lot that has the potential to become parking space with support of the Richwood City Building Commission.

It cannot be overstated how impactful the successful reuse of this particular building will be to the citizens and leadership of Richwood. The community has been engaged in organized civic development efforts for the last decade, featuring considerable economic, beautification, arts, and visitor success. While Main Street has seen a number of formerly vacant buildings brought to life, the largest of these, and the asset with the most potential for impact, has languished in spite of our best efforts. This significant anchor building is a stark, daily reminder to the community of what Richwood "used to be." The time has come to build upon the local investments of time, talent, and treasure to now turn the Murphy Building into a downtown centerpiece of what Richwood is "becoming!"

- **Community Impact (quantify/provide estimates):** Similar to numerous other small, rural communities that served as regional centers of commerce, Richwood has faced a variety of obstacles, which have specifically led to today's needs. The extensive flooding of 2016 devastated our community, requiring numerous housing structures to be removed or be deemed not viable due to the expansion of the identified floodway. Richwood has served as an example to other rural West Virginia communities over the last six years as a leader in local entrepreneurship, with over 45 new, locally owned businesses subsequent to the flooding. Richwood boasts a vibrant and growing Main Street with an art gallery (Bloomfield Richwood), coffee shop with locally roasted beans (Rosewood), yoga studio (Vibes), a locally owned pharmacy (Cornerstone Pharmacy after recent loss of Walgreens), toy store (One Stop Toy Shop), video game cafe (Glitch n Grind), as well as numerous restaurants and hospitality accommodations.

With other West Virginia and U.S. rural communities having similarly vacant main street assets, this project could serve as an example of successful mixed use redevelopment as it would be the only project in the Region IV Planning and Development Council, Mon Forest Towns, or Mountain Lakes

region footprint to address a need for workforce/market rate housing in a historic structure. The addition of workforce/market rate housing would assist in diversifying the local economy, provide economic stability, and opportunities for additional commercial growth. Richwood is in the process of updating the comprehensive plan; however, the current plan, adopted in 2016, specifically included the need to enhance the city housing stock to allow for sustained growth.

As previously stated, Richwood is an economically disadvantaged community that has struggled to find an identity after losing jobs, population, and economic stability with reduced extraction industry employment. By investing in local assets and fostering economic activity at the grassroots level, place-based initiatives contribute to overall economic growth and competitiveness. Strong local economies serve as building blocks for a resilient national economy. Additionally, investment in this project would help to address regional disparities by providing investment and resources to help alleviate economic challenges. We anticipate that this project will create 10 to 15 permanent jobs through retail, commercial, and workforce training opportunities in the building.

- **Name(s) of project sponsors, developer, and/or business owner, if identified:** Richwood Scientific is the building owner
- **Technical Assistance Needed (refer to Attachment A, page 5, for TA requested in this RFP):** Thus far, the project team has secured technical assistance funding for architectural analysis and preliminary design, a housing and remote worker readiness study, and a partner to assist with preparing the project capital stack and funding solicitation. We have applied for federal appropriation funding to assist this project in achieving economic sustainability. We intend to apply for funding through the EDA for a feasibility/market study.

5. **Clean Energy Focus:** As this is a historic building, our project will incorporate green building practice where feasible and practical. The roof is oriented in an optimal fashion for incorporation of a solar array; however, we will need to secure structural analysis to assure the project can accommodate. While these intentions are fully agreed upon within the team, we are not able to quantify the outcome at this juncture. We have and will continue to discuss sustainability options with partners like the Rocky Mountain Institute.
6. **Applicant Capacity:** Richwood Scientific is a non-profit organization with strong ties to the community and strong leadership capacity from its board.

Chuck Toussieng, Founder, President - Chuck has a demonstrated capacity for job creation and economic development in remote work and software development. Chuck has created and implemented training programs designed to increase the skill set for local residents to obtain jobs in the software industry.

Jeromy Rose, Vice President - Jeromy brings the experience of an impactful former Mayor and project manager. In his time serving the City of Richwood, Jeromy led numerous projects from infrastructure, building development, to arts and culture.

Stacy Thomas, Board Member - Stacy brings community and economic development experience from her role as Community Coaching Programs Director at The WV Community Development Hub. Stacy also brings experience managing and recruiting partners to projects and ensuring community engagement.

Amy Baker, Board Member - Amy is Vice President, Corporate Communications & Marketing for MVB Bank. Her volunteer service includes being a leader of the Building Resilient Economies in Coalfield Communities team for Richwood, helping to create an economic diversification plan for the city and representing the team at the NACo Rural Action Caucus and the BRECC Capstone in Washington, D.C.

Katie Toussieng, Board Member - As Medical Director, VIP PetCare and a trained veterinarian who also develops educational training programs, Katie brings educational knowledge and passion to the team.

Jourdan Deitz, Special Projects Liaison - Jourdan is a retired member of the U.S. Coast Guard, serves on Richwood City Council and has been developing construction skills as an apprentice.

The Board will also be supported by community members who participated on the Building Resilient Economies in Coal Communities project team, the Richwood Building Commission, the City of Richwood, Richwood Area Chamber of Commerce, and other local organizations. The project has strong partnerships with the New River Gorge Regional Development Authority, WV Community Development Hub, Mon Forest Towns Partnership, Northern Brownfields Assistance Center at WVU, Region IV Planning & Development Council, and USDA.

Several partners are willing to provide fee based management services to oversee the project while mentoring a local project manager, who would receive knowledge and capacity building with intention of mana