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

Project Sponsor: Bluefield Arts and Revitalization Corporation, Bluefield, WV

Project Name: Green Book Properties (Project Summary provided in Attachment B.)

Release Date: June 10, 2024

Proposal Due Date: June 21, 2024

Selection Date: June 26, 2024

Contract Period: June 26, 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, The 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 June 26, 2024 for an estimated contract start date of June 26, 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 \$55,000**. 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: Bluefield Arts and Revitalization Corporation (BARC)

Project Name: Green Book Properties

Project Description: Rehabilitation of two historic Green Book hotels to transform into 21 affordable apartments along with community space featuring exhibits of African American history. Total costs estimated at \$4.5 MM and creation of 15 construction and 3 permanent jobs.

Full project summary provided in Attachment B.

TA Requested

- Financial structuring for the redevelopment of two buildings: Evaluation and recommendations as to the financing structure for two similarly programmed buildings, both transactions using Historic Tax Credits. Activities should include a review of transaction economics and financial modeling as well as advising on other tax and business issues related to the transactions, and preparation of a Benefits Schedule for Historic Tax Credit investment.
- For the Hotel Thelma Building only – legal agreement to formalize the developer role for BARC with the owner of the Hotel Thelma, Hotel Thelma Corporation.

Attachment B

Summary Information

Lead Contact: Brian Tracey

Applicant Organization: Bluefield Arts and Revitalization Corporation

Address: PO Box 4044, Bluefield, WV 24701

Phone: (304) 716-1646

Email: tracey.brian@outlook.com

Community Information

1. **Communities targeted by this application (municipality(ies), county(ies), and census tract(s)):**
Bluefield, West Virginia; Mercer County, West Virginia

Project 1 (Travelers Hotel) and Project 2 (Hotel Thelma) are both located in census tract 54055001900 which is considered severely distressed, with a poverty rate of 29.8% and median family income of \$31,620:

<https://www.policymap.com/newmaps#/widget/117/4D2AFE10710D41918F180775F0A353F2>

2. **Service area of applicant (note if different than above, or note same):** Same - Bluefield and Mercer County, West Virginia
3. **Community Development Strategy(ies):** Housing
The proposed projects will create much needed rental housing in Bluefield, consistent with the city's master plan.

Project Information

4. **Proposed Projects (list up to 3):**

- I. **Name of Project, address:** Travelers Hotel, 602 Raleigh Street, Bluefield, WV 24701
 - **Size in Sq Ft.:** 6,700 Sq. ft.
 - **Total anticipated Project Cost \$:** \$2,375,000
 - **Financing identified/anticipated, list source and dollar amount or note 'None':**
Sources -
 - Contribution of building \$40,000 appraised value at time of donation December 2022;
 - Grant from Community Ventures (CDFI) \$10,000 Received;
 - Recoverable grant from Invest Appalachia \$25,000 Committed, funding pending documentation;
 - Grant from Mercer County Commissioners \$50,000 Request submitted, decision pending;
 - Proceeds from investor (state and federal historic tax credits) \$700,000 Project is eligible for historic credits, proceeds from investor are projected;
 - AHP funding from Federal Home Loan Bank \$500,000 - Project is eligible for AHP funding, application opens late June;
 - Contributions from city government and local foundations \$250,000 Fundraising underway;
 - WV Build Act tax incentives;
 - \$50,000 Project is eligible for incentives;
 - To be determined funding source \$750,000
 - Total sources \$2,375,000

- **Project description:** The project will preserve the historic Travelers Hotel and convert this former Green Book property to rental housing, creating new apartments in downtown Bluefield for the first time in decades. Rental rates at the project will be set such that the apartments will be affordable to individuals at a range of income levels. A study of the city’s housing market prepared last year by Virginia Tech concluded there is significant demand for safe, decent, and affordable rental housing in Bluefield. The study found that the owner of the largest number of professionally managed apartments in the Bluefield market reports a vacancy rate of less than 1% in its portfolio.

The Travelers Hotel building, a contributing structure in Bluefield's downtown commercial historic district, was built in the early 1920s. The building is a four-story brick rectangular structure. The York Masonic Investment Corporation, a Black organization, bought the property in 1921 and operated the Travelers Hotel, marketing the hotel as “catering exclusively to colored people,” according to a listing in a Bluefield business directory from that period. The property was included in the Green Book, the annual guidebook for African American travelers. The building is the oldest remaining example in the Bluefield region of Black entrepreneurship in the hospitality business.

Since the 1990s, the property has been vacant. Prior to BARC taking ownership in December of 2022, the roof had failed and water damage to the interior structure was severe. Because of structural damage to the interior, the upper floors can no longer be safely accessed. The only salvageable features of the interior are tin ceiling tiles on the first floor. The project will demolish the interior, including floors, ceilings, and interior walls. The four exterior walls, which are structurally sound, will be stabilized and preserved. The roof will be removed and replaced. The construction which will follow this work will build ten one-bedroom and studio apartments within the existing space. On the ground floor, a portion of what was once the lobby of the Travelers Hotel will be used as community space featuring exhibits of African American history, including Black entrepreneurship, in Bluefield. All construction will be within the existing four walls. The front entrance and storefront windows facing Raleigh Street will be restored to their appearance when the building was used as a hotel.

- **Community Impact (quantify / provide estimates):** The project will benefit West Virginia, Mercer County, and Bluefield by 1) bringing new rental housing to downtown Bluefield, which is a priority of the city's comprehensive master plan, 2) restoring the legacy of the Travelers Hotel, recognizing the importance of Black entrepreneurship in Bluefield, 3) creating construction and permanent jobs for local residents, 4) advancing the community's efforts to create a livable downtown, and 5) increasing the tax base of Mercer County.

The project will create ten new affordable apartments in downtown Bluefield, the first such development in decades. Bluefield's planning commission has identified the lack of rental housing options as an impediment to economic growth in the community with the city's comprehensive plan citing the development of rental housing as a priority.

The project will build on existing economic and development efforts in the city, including the adjacent Granada Theater and Raleigh Street Cinemas which are owned by the developer of this project, furthering the city's objective to create a livable downtown. In addition to the theaters, the project is within a two block radius of five restaurants, the public library, an art gallery, and downtown's largest employer, Alorica/Intuit, with more than 300 on-site employees.

The project will make use of an existing vacant building, a contributing structure in Bluefield’s downtown commercial historic district. Built in the early 1920s, the building was owned by the York

Masonic Investment Corporation, a Black organization, which operated the Travelers Hotel providing lodging to Black travelers in the segregated South. A local utility company acquired the property in 1953, converting it to an office building.

The project is an opportunity to recognize the historical significance of this property, which has been largely forgotten since its conversion to an office building in the 1950s, restoring the legacy of the Travelers Hotel building and the rich history of Black entrepreneurship in Bluefield. The project will include in the building's lobby exhibits on the history of Black entrepreneurship in Bluefield. Our hope is that this legacy will act to inspire current citizens to become business owners.

The project will create jobs during construction (10 to 15). After the project is completed, permanent property management jobs will be created (2 to 3).

- **Name(s) of project sponsors, developer, and/or business owner, if identified:** The developer of the project is the Bluefield Arts and Revitalization Corporation (barc.wv.org). BARC has successfully completed two complex real estate development projects in the last three years: 1) the restoration and renovation of the Granada Theater, an historic 1928 vaudeville and movie theater, which had been closed since the 1970s, and 2) the Raleigh Street Cinemas, a creative adaptive reuse project, which includes two 50 seat theaters, retail space, and teaching labs for job training programs. Both projects relied on multiple sources of funding, similar to how the proposed project will be financed. The Granada Theater was financed in part by state and federal historic tax credits, sources of funding for which the proposed project also qualifies. The project manager for both the Granada Theater and Raleigh Street Cinemas was Brian Tracey, BARC's executive director. Mr. Tracey will also be the project manager for the Travelers Hotel project. Prior to joining BARC, Mr. Tracey was an executive at a major financial institution for more than twenty years where he led a group of real estate professionals in providing debt and equity financing for affordable housing and other community and economic projects nationwide.
- **Technical Assistance Needed (refer to Attachment A, page 5, for TA requested in this RFP):**
Funding is needed for the following predevelopment expenses:
 - Architectural and engineering work [already underway]
 - Environmental reports [planned via support of Brownfields Assistance Center]
 - Preliminary estimate of construction costs to determine the feasibility of the project [already underway]
 - Tax credit projections by an accounting firm with experience in historic tax credit investments
 - Sourcing of a tax credit investor
 - Legal fees for structuring the transaction prior to marketing the project to investors

The project will rely on a recent housing study by Virginia Tech commissioned by Bluefield's city government as part of the master plan process. As a result, a market study will not be needed.

II. **Name of Project 2, address:** Hotel Thelma, 1047 Wayne Street, Bluefield, WV 24701

- **Size in Sq Ft.:** 6,900 sq. ft.
- **Total anticipated Project Cost \$:** \$2,100,000
- **Financing identified/anticipated, list source and dollar amount or note 'None':**
Sources:
 - Grant from Community Ventures \$5,000 Received;
 - Individual contributions \$15,000 Received;
 - Proceeds from investor (state and federal historic tax credits \$630,000 Project has applied for

- historic designation, proceeds from investor are projected;
 - AHP funding from Federal Home Loan Bank \$550,000 Project is eligible for AHP funding, application opens late June;
 - Contributions from city government and foundations \$250,000 Fundraising underway;
 - WV Build ACT \$45,000 Project is eligible for incentives;
 - To be determined funding source \$605,000
- **Project description:** The project will preserve the historic Hotel Thelma and convert this former Green Book property to rental housing, creating new apartments in the city's historic Black community for the first time in decades. Rental rates at the project will be set such that the apartments will be affordable to individuals at a range of income levels. A study of the city's housing market prepared last year by Virginia Tech concluded there is significant demand for safe, decent, and affordable rental housing in Bluefield. The study found that the owner of the largest number of professionally managed apartments in the Bluefield market reports a vacancy rate of less than 1% in its portfolio. The project will also feature a restaurant in the first floor of the building.

The building is a two-story rectangular structure with a concrete block exterior painted white constructed around a single-family house which was built in the early 1920s. The roof is flat but for the pitched roof of the house at the center of the building. The interior shows no evidence of the incorporation of the house into the larger structure, which was built in the mid-1940s.

The application process to include the property on the National Register of Historic Places was started in 2023 by BARC and the West Virginia State Historic Preservation Office (SHPO). The next step in the process is to submit to the National Park Service (NPS) an application for historic designation. The state has hired a consultant to prepare applications for several Green Book properties in West Virginia, including the Hotel Thelma. According to the SHPO, designation by the NPS for the Hotel Thelma is expected late summer of this year.

The building was purchased in the mid-1990s by a local Black church which used the building as a Christian education center. As the church's membership declined, the congregation no longer had need of the building, and with no funds available to maintain the structure, the building's condition deteriorated such that today the interior is no longer usable. The building and its history were largely forgotten. During Black History Month in 2022, a news report from Bluefield's television station featured an interview with Thelma Stone's grandniece who recounted stories from her childhood of spending time with her great aunt at the property. From that, a small group of Bluefield residents, led by the church's pastor, have been working to preserve and reuse the building.

- **Community Impact (quantify / provide estimates):** The project will benefit West Virginia, Mercer County, and Bluefield by 1) bringing new rental housing to the East End neighborhood of Bluefield, which is a priority of the city's comprehensive master plan, 2) restoring the legacy of the Hotel Thelma, an example of Black female entrepreneurship in Bluefield, 3) opening a restaurant to Bluefield's historically Black neighborhood, which will be the only food service facility in the community, 4) creating construction and permanent jobs for local residents, and 5) increasing the tax base of Mercer County.

The project will create eleven new apartments in the city's East End neighborhood, a priority identified in the city's master plan.

The project will build on existing economic and development efforts in the city, including the construction of the Grant Street bridge, a \$10 million project which greatly improved access to the East End.

The project will create jobs during construction (10 to 15). After the project is completed, permanent property management jobs will be created (2-3). The project will revive the legacy of Thelma Stone, a Black female entrepreneur who opened the business as a hotel for Black travelers. Remarkably, given the segregated society prevailing in the South in the 1940s, Stone obtained a construction loan from Flattop National Bank in Bluefield, and used the proceeds to develop, own, and operate her business, which grew over the years to include a restaurant and a market. The building served as a community center for the neighborhood, even for some time used as a polling place for local elections.

The building was purchased in the mid-1990s by a local Black church which used the building as a Christian education center. As the church's membership declined, the congregation no longer had need of the building and with no funds available to maintain the structure, the building's condition deteriorated such that today the interior is no longer usable. The building and its history were largely forgotten. During Black History Month in 2022, a news report from the local television station featured an interview with Thelma Stone's grandniece who recounted stories from her childhood of spending time with her great aunt at the property. From that, a small group of Bluefield residents, led by the church's pastor, have been working to preserve and reuse the building.

Our hope is that Thelma Stone's legacy will act to inspire current citizens to become business owners.

- **Name(s) of project sponsors, developer, and/or business owner, if identified:** The property was purchased by Infirmary Prayer Service in 1996, which used the building as a Christian education center. The building is no longer in use and has been vacant for some time. In 2023, the church transferred ownership to a newly established 501(c)3 – Hotel Thelma Project Corporation (<https://www.facebook.com/people/The-Hotel-Thelma-Project/100092393748301/>). The board chair of the non-profit is the church's pastor, Rev. James Mitchell.

The proposed developer of the project is the Bluefield Arts and Revitalization Corporation (barcww.org). BARC has successfully completed two complex real estate development projects in the last three years: 1) the restoration and renovation of the Granada Theater, an historic 1928 vaudeville and movie theater, which had been closed since the 1980s, and 2) the Raleigh Street Cinemas, a creative adaptive reuse project, which includes two 50 seat theaters, retail space, and teaching labs for job training programs. Both projects relied on multiple sources of funding, similar to how the proposed project will be financed. The Granada Theater was financed in part by state and federal historic tax credits, sources of funding for which the proposed project also qualifies. The project manager for both the Granada Theater and Raleigh Street Cinemas was Brian Tracey, BARC's executive director. Mr. Tracey will also be the project manager for the Hotel Thelma project. Prior to joining BARC, Mr. Tracey was an executive at a major financial institution for more than twenty years where he led a group of real estate professionals in providing debt and equity financing for affordable housing and other community and economic projects nationwide. Mr. Tracey is a board member of the Hotel Thelma Project

non-profit.

▪ **Technical Assistance Needed (refer to Attachment A, page 5, for TA requested in this RFP):**

Funding is needed for the following predevelopment expenses:

- Architectural and engineering work
- Environmental reports
- Preliminary estimate of construction costs to determine the feasibility of the project
- Tax credit projections by an accounting firm with experience in historic tax credit investments
- Sourcing of a tax credit investor
- Legal fees for structuring the transaction prior to marketing the project to investors

The project will rely on a recent housing study by Virginia Tech commissioned by Bluefield's city government as part of the master plan process. As a result, a market study will not be needed.

5. Clean Energy Focus:

Both projects will make use of energy efficient appliances.

The use of solar panels will be explored at both projects - the rooftop for the Travelers Hotel and, for the Hotel Thelma, the rooftop and an adjacent lot which will be used for parking.

6. Applicant Capacity: The Bluefield Arts and Revitalization Corporation (BARC) is a community-based non-profit. BARC's mission is to use the arts to create opportunities for education, employment, and entertainment in downtown Bluefield, WV. BARC manages the Granada Theater - an historic venue in Bluefield's downtown; Raleigh Street Cinemas - two new movie theaters in the lower level of the Granada; and the Paine Gallery - an exhibit space in Bluefield's Old City Hall. BARC Opportunity Appalachia Application Form fulfills its mission by providing entertainment through movies, music, live theater, and free community events at the Granada and Raleigh Street Cinemas, offering educational programs in collaboration with Mercer County public schools and local universities, and organizing exhibits by local and regional artists at the gallery.

In 2023, more than 20,000 people came to downtown Bluefield for movies, music, community events, and educational programs at the Granada Theater, Raleigh Street Cinemas, and the Paine Gallery, creating foot traffic in the city benefitting local businesses which would not have been possible without the work of BARC. Importantly, BARC's programming provides area residents with cultural experiences they could not otherwise experience without driving a significant distance from Bluefield. Additionally, a community with a range of arts programming attracts businesses, new residents, and visitors, helping to position Bluefield for growth after years of decline.

BARC's educational programs have reached more than 5,000 students since 2021.

BARC's real estate development activities also meet the needs of the community. As described in detail in Section 4 of this document, BARC was the developer for both the restoration of the Granada Theater, the last remaining theater in the city, and for Raleigh Street Cinemas, a complex adaptive reuse project. Based on BARC's past performance as a developer, the nonprofit has the capacity to successfully develop the proposed projects.

Both projects are proposed in response to an identified need in Bluefield for rental housing. The city's master plan cites the development of rental housing as a priority.

BARC has the capacity to successfully complete the projects based on its prior experience as a developer and the background of its executive director, both of which are described in more detail in Section 4 of this attachment.