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

Project Sponsor: Burke River Trail Association, Rhodhiss, NC

Project Name: The Old Glory Mill (Project Summary provided in Attachment B.)

Release Date: June 11, 2024

Proposal Due Date: July 9, 2024

Selection Date: July 19, 2024

Contract Period: July 19, 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 (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 \$115,000**. 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: Burke River Trail Association

Project Name: The Old Glory Mill

Project Description: Transformation of 1907 former mill building into a mixed-use downtown center to include housing, restaurants/shops, river recreation access, town hall, event space, and more. Total costs estimated at \$16 MM and creation of 54 jobs.

Full project summary provided in Attachment B.

TA Requested

- Market study for the envisioned uses, including housing, restaurant, outdoor recreation retail/outfitter, event space, warehousing, and retail (for more detail on the uses, review Attachment B, project description).
- Conceptual architectural sketches and renderings with cost estimation
- Financial structuring and financial proforma with likely sources and uses identified
- Part I application to the US Department of the Interior for historic preservation tax credits
- Developer solicitation preparation and dedicated assistance with Developer review and selection

Additional Notes

- The Town of Rhodhiss owns the building and is open to selling to or creating a public private partnership with the chosen developer.
- The Town of Rhodhiss and the Burke River Trail Association are close partners on the project team

Attachment B

Summary Information

Lead Contact: Beth Heile

Applicant Organization: Burke River Trail Association

Address: 204 E Main Street, Valdese, NC 28690

Phone: (828) 390-6870

Email: bzheile@gmail.com

Community Information

1. Communities targeted by this application (municipality(ies), county(ies), and census tract(s):

Town of Rhodhiss, located in both Burke and Caldwell Counties in NC. To be a small town of 1000 residents, services include Fire, Police, Public Works, Sewer and Water.

Once a thriving textile mill town with factories on both sides of the river taking advantage of the energy supplied by the dam, factory jobs were basically eliminated in the 1980-90s with the one existing mill on the north side of the river taken out by fire and the one remaining on the south side sold to an investment firm. Around the same time the local elementary school in town was moved to the outskirts of town.

- 56% employment rate
- 12.5% poverty rate
- 7% Decline in Population over last 10 years

For businesses/employers, Rhodhiss has one gas station, four churches, an auto repair shop, a storage company, auto sales, carpet cleaning and some home businesses.

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

Burke River Trail Association (BRTA) is the nonprofit developing a 40-mile regional hiking-biking trail in Burke County that follows the Catawba River and travels into each downtown along the way. The goal of the trail is not simply recreation, but bringing economic development opportunities to the towns that have lost jobs and residents with the exodus of furniture and textile mills. While working on the trail corridor, BRTA is uncovering opportunities for downtown revitalization, housing, commercial and retail. In those cases, the nonprofit assists the towns with meetings with key players, writing grants or whatever is needed to enhance the town. A few cases include - a downtown park for Glen Alpine, 11 acres of housing, retail and a park for Rutherford College and for Rhodhiss, it is the Old Glory Mill. The trail is the revealing gems across Burke County and will result in shared prosperity.

3. Community Development Strategy(ies): Housing, Downtown Development, Heritage Tourism, Outdoor Recreation, Safe Pedestrian Travel

The Town of Rhodhiss does not have a "main street," just a main road running down the center. It does not have a downtown, just some stores scattered along the 2 mile road. From the outside, it may look like the town doesn't have any hope. But the town elected officials and residents are determined to change that.

"Since 2003, the town has been on a mission to bring new life to our community. When the mills closed, our village declined dramatically like so many others throughout the south. But we survived and now we are about to reap some benefits of years of hard work spent leveraging funds to modernize our water supply and waste/water infrastructure. For the past several years we have worked with state and county leaders and developers to help develop a plan to revitalize the textile mill into a mixed-use facility." Town Manager Rick Justice

Cue the music for "I Will Survive!"

Beth Heile first met Rick Justice in 2020 when floating the idea of the Burke River Trail. It was perfect timing when each was looking for someone else to believe in their individual projects and the combination of a regional trail and a downtown center made perfect sense. A regional trail will bring economic development opportunities, quality of life, resident health (social, mental, physical), tourists that will hopefully become residents, outdoor recreation amenities, jobs and a safe mode of transportation. The mill will bring many of the same benefits with the addition of housing, a location for new businesses, a new town center for Rhodhiss and a way to preserve history.

Since then, Beth and Rick have been on a mission to make this project (Old Glory Mill with Regional Trail) a reality for the town, and for its people. The project checks so many of the boxes needed for success, we just need a little help to move forward and help the town survive.

Project Information

4. Proposed Projects (list up to 3):

- I. **Name of Project, address:** The Old Glory Mill, 100 Burke Street, Rhodhiss NC
 - **Size in Sq Ft.:** 151,000
 - **Total anticipated Project Cost \$:** \$16,000,000
 - **Financing identified/anticipated, list source and dollar amount or note 'None':** Rhodhiss \$500,000
 - **Project Description:** Please visit for pictures and bulleted lists of specs, goals, results, and more <https://rivertrail.betterburke.com/old-glory-mill/>
Quick Description: Transform 1907 mill building into a mixed-use downtown center to serve as a catalyst for future growth and prosperity for the Town of Rhodhiss and the counties of Burke and Caldwell.

The Old Glory Mill (project name chosen to honor the mill where the material of the US flag on the moon was woven) is a 151,000 square foot building on the Catawba River that has the potential to become a town center with these amenities

- 80 Market Rate Housing rentals - exploring some mixed-income development
- Restaurant/Food Hall/Coffee Shop - at least 2 options
- Burke River Trail (40 mile regional cross county) along water for recreation and safe transportation
- Outfitter Business for Kayak/bike rentals and sales
- Rhodhiss Town Hall, Community Board Room, Co-working space, Town History along the Halls
- Open Lawn for Festivals
- Public Parking
- Rooftop Event Space

- 2-3 small retail spaces
- Warehouse section rented to one user or co-warehousing for startups
- Enhanced recreation amenities with kayak launch, picnicking areas, viewing platforms, hammock garden

Project Status:

- Option to purchase contract in process to take site control. Town of Rhodhiss is paying current owner \$50K with July 2026 expiration date. Documents to be signed April 18, 2024.
 - Study List Application approved and can move on to Historic Register Application, if desired
 - Site visits with a commercial real estate broker, an architect for possible apartment layout and an architect for trail renderings, a developer (spoke to two other developers)
 - Working with NCDOT for safe pedestrian crossing over the river connecting the two sides of Rhodhiss
 - Public input meetings held for trail and mill renovation
 - Parties assisting/supporting: Sen Warren Daniel, Rep Hugh Blackwell, Burke County Manager, Deputy Manager and Commissioners, Burke Development Incorporated (area Economic Dev Corp), Caldwell County Manager, Rhodhiss Community and Elected Officials, North Carolina State Historic Preservation Office, WPCOG, Governor's Hometown Strong program, NC Department of Natural and Cultural Resources
- **Community Impact (quantify / provide estimates):** When you drive through Rhodhiss, it looks like nothing is there thus no reason to stop. Unless you ran into one of the residents, nothingness would stick in your mind. Thankfully, Rhodhiss has heart and grit in its residents and it has an opportunity with the mill renovation and regional trail to become something, something incredible. This town is ready and willing to reinvent itself with this community-centered project that will be a hub for residents, neighbors, and visitors to gather, work, and play. If this opportunity does not come to fruition, well, it just needs to happen.

We estimate the building will house six new businesses with 54 employees. The businesses will be a restaurant and informal eatery (or maybe a food hall), apartment leasing office, UPS/Fedex/Office Store for the town and those working out of their apartments, an outfitter and another retail store. Town of Rhodhiss offices would move to the site, but that is not new jobs. Of Rhodhiss residents, 69.5% have a high school education or higher and 4.9% a bachelor's or better. The jobs being offered with this project suit the residents.

80 market rate apartments will be built providing much needed housing for the town and the county. From a 2024 Burke County Housing Study, it is estimated the county has a five-year rental housing gap of almost 1,500 units and a for-sale housing gap of 3,323 units. Working with the developer we would like to explore mixed-income development for better community acceptance and better community mirroring.

Desired destination in the region for events for nonprofits, businesses or family celebrations - with the board room, roof top, office space and co-warehousing. Walking or pedaling distance via Safe Transportation with the Regional Trail to get to work, school (elementary and college), essential needs and fun places!

Catalyst for more -Rhodhiss purchased 60 acres across the river in Caldwell County for 120 homes

The difference made with this project? Just renovating the building from an eyesore to a show piece is a win for community pride. Incorporating a regional trail with other outdoor recreation amenities is a win for community health and quality of life. Bringing jobs is a win for community dignity, Finally, preserving history is a win for future generations. This project is truly a win on multiple levels.

- **Name(s) of project sponsors, developer, and/or business owner, if identified:**
Town of Rhodhiss Manager - Rick Justice
Burke River Trail Association Executive Director - Beth Heile
- **Technical Assistance Needed (refer to Attachment A, page 5, for TA requested in this RFP):** The next item needed to move this project forward is a financial pro forma development analysis to help show how much income will be generated and what the expenses will be to show profitability to potential developers.

Up until now, we have accepted free guidance from a commercial real estate broker and state agencies. We had renderings completed for the trail amenity combined with the mill (thanks to a Mountain Bizworks' Framer's Cohort Grant) - which really showed us what could happen with professional materials - it gets positive attention, creates excitement, generates urgency!

The analysis piece is critical to the project to ensure all the extras happen that will make a true difference in Rhodhiss. We have developers willing to just doing apartments and leave. However, we want to get the attention of the right partner who will care about Rhodhiss as much we we do. A partner who will understand our dreams and be willing to make them come true - even if it takes more time, more effort and possibly less profit. We want someone who will help us get this right.

5. **Clean Energy Focus:** The goal of the regional trail is not just for recreation. It is about safe transportation for those who may not have a car for economic reasons or want a more walkable community and lifestyle. Thus, we are promoting muscle powered energy! It will be possible during the renovation to incorporate solar and other energy efficient options. We are not far along enough to provide details.
6. **Applicant Capacity:** Burke River Trail Association's mission is to develop the regional trail and bring economic development opportunities to the towns along the trail. If a town needs assistance in taking an identified opportunity to the next level or to the finish line, we provide that support - whether it be stakeholder meetings, grant writing, project promotion and minor funds. With the Town of Rhodhiss' assistance, we have the capacity to move the project to finding an ideal developer. At that time, we would allow the project budget to take on a project/construction manager.