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

Project Sponsor: John C. Campbell Folk School, Brasstown, NC

Project Name: Olive Dame Campbell Dining Hall and Folk School Visitor’s Center (Project Summary provided in Attachment B.)

Release Date: June 27, 2024

Proposal Due Date: July 25, 2024

Selection Date: August 9, 2024

Contract Period: August 9, 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 August 9, 2024 for an estimated contract start date of August 9, 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 \$105,000**. 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: John C. Campbell Folk School

Project Name: Olive Dame Campbell Dining Hall and Folk School Visitor's Center

Project Description: Creation of a new dining hall and expanded Visitor's Center to strengthen the Folk School's operations and connection to the community. Total costs estimated at \$5 MM with creation of 25 permanent jobs.

Full project summary provided in Attachment B.

TA Requested

- Completion of a limited market study for the Folk School's Visitor's Center retail outlet and Dining Hall, including an operating/business plan with pro forma projections for the dining hall, coffee shop, and Visitor's Center.
 - Note: the project sponsor has significant content to include in the operating/business plan based on robust operating track record.
 - Operating plan to include continued operation of existing dining hall during construction/renovation.
- Site feasibility study to identify the best location for a new commercial building that would either house a Dining Hall or a Visitor's Center with multiple functions.
- Conceptual drawings for the dining hall and/or visitor's center, based on feasibility and market study findings, including ROM cost estimates.
- Financial structuring including project financial projections for a phased build-out of the spaces.

Attachment B

Summary Information

Lead Contact: Mackenzie Harkins

Applicant Organization: John C. Campbell Folk School

Address: 1 Folk School Road, Brasstown, North Carolina 28902

Phone: (828) 837-2775

Email: mackenzie@folkschool.org

Community Information

- 1. Communities targeted by this application (municipality(ies), county(ies), and census tract(s):**
Communities targeted with this application include Brasstown, North Carolina, Cherokee County, census tract 9305.01 specifically. This application will also affect Clay County, our immediate adjacent county. Since 1925, John C. Campbell Folk School has been an anchor institution in our western North Carolina community and throughout Appalachia. Now in our 99th year, the school continues to provide education in craft, art, music, dance, and foodways and bring people together for deep and meaningful explorations of our history and culture. Through this work, the Folk School has become an economic cornerstone for our immediate area and a haven of hands-on learning and cultural edification for people everywhere. Both Cherokee and Clay counties are located in deep rural western NC with a nonwhite poverty level of 46% and an overall poverty rate of 15.1% based on the 2020 census. They are also both designated as economically distressed Tier One counties by the state's Department of Commerce. Despite ongoing recovery from the financial detriment of the COVID pandemic, the Folk School anticipates continuing to provide myriad benefits to our area's well-being, including annually contributing 1,100 jobs and \$13,000,000 in economic impact to Cherokee and Clay counties. We project our impact will increase with the addition of our newly envisioned dining hall and visitors center. Because of the lack of resources for jobs, this project would be supporting economic development for jobs with living wages and above average local benefits for the area. Currently the Folk School hosts over 6,000 students on our campus annually, however we boast over 30,000 visitors to our Craft Shop and Olive's Porch program (in downtown Murphy) each year. The additional tourism that will come from this project will have a direct impact on our counties as tourists will engage in lodging, meals and entertainment. As we move towards celebrating our 100th anniversary in 2025 it seems only fitting that we would be enhancing and elevating the historical tourism and economic development that we can provide for our region with this project.
- 2. Service area of applicant (note if different than above, or note same):** While located in far western North Carolina, our campus attracts individuals from all 50 states as well as a number of international countries on an annual basis. The greatest economic impact of this funding would apply directly to Cherokee and Clay counties in North Carolina.
- 3. Community Development Strategy(ies):** Since 1925, the Folk School has been an anchor institution in our western North Carolina community and throughout Appalachia. Now in our 99th year, the school continues to provide education in craft, art, music, dance, and foodways and bring people together for deep and meaningful explorations of our history and culture. Through this work, the Folk School has become an economic cornerstone for our immediate area and a haven of hands-on learning and cultural edification for people everywhere. The Folk School began as a social, cultural and educational innovation and has developed into the premiere institution of its kind in the US. In 1909, educator John

Campbell and his wife, Olive Dame Campbell, began a survey of rural Appalachia, believing its quality of life could be dramatically improved through education and wanting to preserve its crafts and culture. The Campbells knew of the Scandinavian folkehojskole (folk schools) that had transformed the Danish countryside into a vibrant, creative and economically viable force. After John died in 1919, Olive and her teaching colleague, Marguerite Butler, traveled to Denmark to research the applicability this kind of institution might have in rural Appalachia. Upon return, having confirmed the benefits of this education model and how it helped preserve unique, native cultures, they presented their idea to several rural Appalachian communities. In 1925, in the small township of Brasstown, NC, 200 Cherokee and Clay County residents pledged their land, labor, supplies and support to help create John C. Campbell Folk School. Curriculum initially centered around improving agricultural practices and selling handicrafts. Today, over 6,500 people participate in 850+ annual, hands-on, noncompetitive classes in craft, art, music, dance, cooking, gardening, and nature studies.

Contributions to the community remain strong in terms of economic impact and traditional culture preservation, and area residents interact with the Folk School in myriad ways, including classes, concerts, dances, demonstrations, and festivals. The Folk School has a strong relationship with Cherokee County, the Cherokee County Chamber of Commerce and downtown Murphy's Mainstreet Initiative, which all emphasize the development of a tourism economy in our region. The most recent evidence we are in alignment with them includes a \$25,000 grant we received for our Log Cabin Museum project, which was awarded specifically because we generate foot traffic

Project Information

4. Proposed Projects (list up to 3):

- I. **Name of Project, address:** Olive Dame Campbell Dining Hall and Folk School Visitor's Center; 1 Folk School Road, Brasstown, NC 28902
 - **Size in Sq Ft.:** 10,000 sq. ft.
 - **Total anticipated Project Cost \$:** \$5,000,000
 - **Financing identified/anticipated, list source and dollar amount or note 'None':** Anticipated blend of capital campaign donations, public funding (state), and construction and/or construction to perm financing
 - **Project description:** We seek to build a new dining hall with expanded seating and larger kitchen facilities, then renovate our current dining facility into a comprehensive Visitor's Center. The project will require up to \$5M in investment and support up to 25 year-round service, retail, and professional jobs. Our two-phased capital project will create a more active relationship with our community, enhance the tourism appeal of Cherokee and Clay counties, and strengthen the Folk School's revenue potential.

Our vision for this building is that it will not only provide communal gathering space and nourishment for our students but will also include a revenue-generating café that can support local community members as well as tourists who are visiting the Folk School. The expanded size will also provide for a space that would allow for the development and implementation of a value-added food product line for sale in our retail spaces. We anticipate filling newly created jobs (and subsequent skills training opportunities) with local people, tying back to the roots of the Folk School where individuals learned trades and skills that enabled them to remain in the community while also creating income and advancement for them and their families. Our campus master plan is linked here: <https://www.folkschool.org/wp-content/uploads/2022/06/campus-master-plan.pdf>

- **Community Impact (quantify/provide estimates):** Our Dining Hall employs 9 people and our Craft Shop employs 6 people. We anticipate this twophased expansion project would create up to 7 additional P/T and F/T job opportunities that would sustain 16 year-round service, retail, and professional jobs. Our lowest wage is currently at \$15 an hour with a robust benefits package including health, dental and vision insurance, alongside a 401K match program. Employees also receive PTO and the option to take two weeklong classes at no cost each year. Our board and Executive Director review compensation annually to ensure our wages are fair and equitable.

We have a strategy to improve our farm to table to shelf offering and use our extensive garden products to create a new retail line, which provides further sustainability for the Folk School and the community. This work is a historical nod to the Folk School’s history of generating income from campus resources. In the past we operated a dairy cooperative on the campus and engaged in more active community agriculture work.

The capital work done on the Folk School campus with this funding as well as the work we continue forward will have an immediate impact on the revenue in the area. The visitors center will allow us to create a more public-facing visitors center for education, craft shop sales, and exhibitions that would be similar, though not as large, as the Southern Highlands Craft Guild’s Folk Art Center in Asheville. This tourism draw would have secondary benefits to Brasstown shops and the greater Murphy, NC and Hayesville, NC economies. With this project we anticipate moving from approximately 30,000 visitors a year to over 50,000 in the first year, with more gradual increases over time. We believe that by developing these two new destinations on our campus we will see an increase in individuals who lodge in Cherokee county, therefore adding to the economy through lodging taxes and the additional monies spent on meals and entertainment. With only 100 beds, with a demand for over 200, our students, instructors and visitors do stay off campus for housing while participating in Folk School classes and events. This only includes our typical classes, not when we have events like our Fall Festival that attracts over 13,000 people the first weekend of October each year, the majority of which are not local residents. When these swells in events happen, there is a correlation between lodging and the impact on the local economy.

- **Name(s) of project sponsors, developer, and/or business owner, if identified:** John C. Campbell Folks School
- **Technical Assistance Needed (refer to Attachment A, page 5, for TA requested in this RFP):** We could use technical assistance with a variety of predevelopment and planning needs, including:
 - Feasibility analysis, both for site planning of the new building and business planning for the visitor’s center
 - Concept planning/design charettes for one or both buildings, but first the new dining hall
 - Financial analysis/proforma development as may be relevant for projecting revenue potential and funding needs

Once we engage with the TA consultants we are open to other avenues they identify would be helpful in this process.

5. **Clean Energy Focus:** We are interested in passive and active solar features, green roofing if feasible, LEED-standard appliances and lighting, and other suggestions that may arise during the TA process. It is also anticipated that we will have continued space for composting and an adequate recycling system for both staff and visitors, which also supports clean energy initiatives.

6. **Applicant Capacity:** Our executive director has 25 years' experience as a consultant to non-profit housing/commercial developers and CDFIs so is familiar with the complexities of development projects and how to finance them. Our Buildings and Grounds Director is a highly experienced project manager, overseeing public works for US Army bases and public school building/renovation projects. Our Development and Fundraising Supervisor has 20 years of experience in affordable housing development/funding administration, including LIHTC and new market tax credits, with an understanding of the capital stacks needed to develop these kinds of projects. Our Board includes experienced architects, engineers, and general contractors.