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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: Gresham Development, LLC, Charleston, WV

Project Name: Downtown Charleston (Project Summary provided in Attachment B.)

Release Date: July 18, 2024

Proposal Due Date: August 15, 2024

Selection Date: August 29, 2024

Contract Period: August 29, 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 29, 2024 for an estimated contract start date of August 29, 2024 through February 28, 2025.

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 \$50,000**. 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: Gresham Development, LLC

Project Name: Downtown Charleston

Project Description: Redevelopment of the four-story building to contain a restaurant on the first floor and 9 apartments on the floors above. Total costs estimated at \$ 3.5 MM with creation of 50 permanent jobs.

Full project summary provided in Attachment B.

TA Requested

- Construction grade drawings for the ground-level restaurant
- Completion and submission of the Part II Historic Tax Credit Application to the National Park Service for the entire building

Attachment B

Summary Information

Lead Contact: Tighe C Bullock

Applicant Organization: Gresham Development, LLC

Address: 303 Washington Street W, Charleston, WV 25302

Phone: (304) 553-6343

Email: tighe.bullock@gmail.com

Community Information

- 1. Communities targeted by this application (municipality(ies), county(ies), and census tract(s)):** The proposed project is the redevelopment of a 13,600 sq. ft., 4 story, historic building located at 210 Capitol Street, Charleston, WV 25301 in Kanawha County, Census Tract 9. The project will have a restaurant on the first floor with apartments on the 2nd, 3rd, and 4th floors. The Capitol Street area of Charleston is a growing restaurant district, with multiple breweries and restaurants located in close proximity. However, there is a significant need for market rate, downtown housing in the area as well. This project will support both the growing restaurant district and the city's needs for downtown living. It is located in a low income census tract, and was granted Opportunity Zone status by Governor Jim Justice. This Opportunity Zone (54039000900) has a median household income of approximately \$13,000, which is 73% lower than the median household income for the state of West Virginia (\$49,000).
- 2. Service area of applicant (note if different than above, or note same):** The service area of the applicant is the same as the targeted communities. Tighe Bullock, the applicant, has lived in Charleston for 25 years, and worked in the Charleston, WV area as a developer for over 15 years. Mr. Bullock is intimately familiar with the local market factors, contractors, and business owners.
- 3. Community Development Strategy(ies):** As a historic redevelopment project, this project not only increases heritage tourism, but will also address the need for downtown housing, as well as the local food system through the development of the bottom floor as a locally owned restaurant.

Project Information

4. Proposed Projects (list up to 3):

- I. Name of Project, address:** Downtown Charleston
Address: The Project is located at 210 Capitol Street, Charleston, WV 25301
Legal Description: Tax LT 36X126 CAPITOL ST 210-212
Tax Parcel: 20-11-0008-0070-0000
Property Class: CBD
Land Use: 371
Deed Book and Page: 3073 / 612
Current Owner: 3R LLC
4814 E SEMINARY AVE
RICHMOND, VA 23227
- Size in Sq Ft.:** 13,600 sq. ft.

- **Total anticipated Project Cost \$:** 3,500,000
- **Financing identified/anticipated, list source and dollar amount or note 'None':** NMTC - \$1,000,000, HTC - \$1,600,000, Traditional Debt - \$900,000
- **Project description:** Executive Summary: Technical Assistance is hereby requested under the Opportunity Appalachia Program for the redevelopment of 210 Capitol St., Charleston, WV - a four story, 13,600 square foot historic building.
The project will contain commercial restaurant on the first floor, and nine apartments on the 2nd, 3rd, and 4th floors. The anticipated CAPEX for the project is \$2.5M.

Year 1 is expected to produce:

- Annual Gross Revenues: \$264,000
- Net Income: \$48,542
- EBITDA/NOI: \$236,360
- DSCR: 1.26
- Commercial Tenant In Operation Since: 2010
- *Excel Spreadsheet available upon request*

The Need:

- Conceptual Drawings to execute a Letter of Interest/Term Sheet
- Part 2: Historic Tax Credit Application

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

Anticipated Temporary FTE Jobs: 50

Prevailing Wage carpentry, electric, HVAC, plumbing, data, and other construction related jobs. Job training is anticipated, in cooperation with local unions, vocational schools, job placement programs, and workforce programs.

Anticipated Permanent FTE Jobs: 35

1-2 Property Managers with full benefits. 1-3 restaurant managers, with full or part benefits.

Approximately 30 FTE jobs, including bar tenders, hosts/hostesses, servers, line cooks, and supporting staff. Wages and benefits will vary.

Anticipated Permanent PTE Jobs: 15

Approximately 15 PTE jobs, including bar tenders, hosts/hostesses, servers, line cooks, and supporting staff. Wages and benefits will vary.

The community will benefit from not only job creation, but also through increased tax basis (property taxes, Medicare/Medicaid, Social Security, local B and O taxes, and state and federal income taxes. Construction, serving, and cooking jobs will be available to anyone with or without a high school or college degree.

Further, the community will benefit from those living and working on the top floors. Downtown housing has been identified as major need by the local Charleston Area Alliance, as well as the City of Charleston.

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

Gresham Development, LLC - Developer

Tighe C. Bullock - Managing Member

303 Washington St. W.

Charleston, WV 25302

3R LLC - Current owner of 210 Capitol St.
David Bailey - Managing Member
4814 E Seminary Ave.
Richmond, VA 23227

SSS Charleston LLC - Tenant
David Bailey, Managing Member
808 Patterson Ferry Rd.
Fayetteville, WV 25854

- **Technical Assistance Needed (refer to Attachment A, page 5, for TA requested in this RFP):**
Technical assistance is required to develop architectural drawings to use in the financing application as well as the Part 2 Historic Tax Credit Application. Technical assistance is also needed to help ascertain the financial structuring of the project, including historic tax credit investors, NMTC investors, and other potential grants/capital stack mechanisms, and thus the pro forma development. The developer, Tighe C Bullock, is an attorney and accountant with extensive experience in historic tax credit developments, but significant assistance is still needed to see this project into the pre-development and development stage.

5. **Clean Energy Focus:** As part of the development and capital stack, the project wishes to learn more about energy efficiency and solar panels as a potential wing of the overall project. Technical assistance is needed to understand the opportunities, benefits, grants, and potential credits available to the project.
6. **Applicant Capacity:** Tighe Bullock, the developer, has developed over 20 buildings in Charleston, primarily in the Elk City Historic District. Tighe moved to Charleston at the age of 5, and has lived here ever since. Tighe's background in construction (he is Commercial Contractor) as well as accounting and law give him a unique advantage when looking to redevelop historic buildings that have had difficulty attracting investment. Tighe has successfully renovated over 100K square foot of commercial space, including restaurants, apartments, a distillery, offices, and similar ventures.

For the commercial/restaurant aspect, Capitol Street is one of the busiest, important, highly visible areas of our capital city. Major parades, festivals, and other important community events occur right outside the subject property, which currently sits vacant. This project would infill an important part of our community, and leverage and increase the viability of these existing events and businesses.

Below is a link to a housing study conducted by Bowen National Research, at the behest of the Charleston Area Alliance (the local equivalent of the city's chamber of commerce). The study found that 322 rental units are needed in Charleston in the next 5 years if Charleston is to grow.

The study was conducted in 2015, and very few housing units have appeared on the market since then, surely not even close to the 322 called for in the study. Further, the study called specifically for market rate apartments, which this project contemplates. More recently (2024), another region wide study conducted by Advantage Valley found the need for 11,000 rental units in the 10 county Kanawha Metro Area. It is unclear how many units and what price point can support the project, another reason for this grant application.

The mixed use aspect of the project will increase pedestrian traffic and the walk-ability of the area. It is anticipated that the tenants will likely work nearby, relying less on vehicles for their needs.

https://www.wvgazette.com/business/a-housing-study-for-10-counties-in-the-kanawha-valley-makes-development-recommendations/article_51716265-280b-5b94-8edd-28e56bd2b3a8.html

https://charlestonareaalliance.org/wp-content/uploads/2021/02/Housing-Study-Report_FINALV2-1.pdf
<https://advantagevalley.com/housing-needs-assessment/>