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

Project Sponsor: Gateway Regional Arts Center, Mt. Sterling, KY

Project Name: Creative & Performing Arts Facility (Project Summary provided in Attachment B.)

Release Date: July 3, 2024

Proposal Due Date: July 31, 2024

Selection Date: August 15, 2024

Contract Period: August 15, 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 15, 2024 for an estimated contract start date of August 15, 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; **Anticipated costs: \$100,000**. 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: Gateway Regional Arts Center

Project Name: Creative & Performing Arts Facility

Project Description: Expansion of the current performing arts center located in a historic 1883 former United Methodist Church into an additional center to meet the booming demand for event capacity, gallery space, and community engagement. Estimated costs total \$12,000,000 MM with creation of 25 permanent positions.

Full project summary provided in Attachment B.

TA Requested

- Market/feasibility assessment to confirm demand for a larger-capacity performing arts center, including an assessment of visitation potential and an operating plan that estimates earned revenue potential, expertise in cultural attractions preferred
- Schematic designs for a new structure to serve as a state-of-the-art performing arts center; design renderings; and ROM cost estimates
- Financial structuring and financial proforma development

Attachment B

Summary Information

Lead Contact: Jordan Campbell

Applicant Organization: Gateway Regional Arts Center

Address: 101 East Main St, Mt. Sterling, Kentucky 40353

Phone: (859) 585-6018

Email: director@grackentucky.org

Community Information

- 1. Communities targeted by this application (municipality(ies), county(ies), and census tract(s):**
Mt. Sterling, Camargo, Jeffersonville, Means, Frenchburg, Owingsville, Sharpsburg, Salt Lick, Morehead, Stanton, Campton, Clay City, Beatyville.

Montgomery, Bath, Powell, Menifee, Morgan, Rowan, Wolfe, and Lee Counties. (Kentucky)

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

Same

- 3. Community Development Strategy(ies):**
Heritage, Tourism, and Recreation: ARTS & CULTURE

The Gateway Regional Arts Center, a beacon of cultural enrichment in Eastern Kentucky, is embarking on an ambitious journey of growth and expansion. Serving as the primary hub for arts and culture in the Gateway area, the center has long been a place where the community can come together to experience and partake in a diverse array of cultural activities.

Recognizing the increasing demand and the need to reach a broader audience, the Arts Center is initiating a capital campaign aimed at engaging communities across surrounding counties. This initiative marks a significant step towards enhancing the cultural landscape of the region and making the arts more accessible to everyone.

The cornerstone of this expansion plan is the development of a second facility. This new space is envisioned to be a state-of-the-art venue that will not only accommodate a larger variety of cultural events but will also be equipped with the latest technologies and amenities designed to enhance the visitor experience. By doing so, the Gateway Regional Arts Center aims to create a more inclusive environment that caters to the evolving interests and needs of the community.

This facility will serve as a dynamic platform for artists, performers, and educators to showcase their talents, share their knowledge, and inspire audiences of all ages.

The success of the capital campaign and the subsequent expansion of the Gateway Regional Arts Center will rely heavily on the support and involvement of the community. Through a series of outreach initiatives and fundraising events, the center hopes to foster a sense of ownership and pride among the citizens of the region. By investing in the arts and supporting this expansion, the community will be investing in its own cultural enrichment and the future vitality of the region. As the Gateway Regional Arts Center grows, it promises to bring more opportunities for cultural engagement, learning, and creativity, thereby enriching the lives of those it serves for generations to come.

Project Information

4. Proposed Projects (list up to 3):

- I. **Name of Project, address:** GATEWAY REGIONAL ARTS CENTER - State of the Art Creative & Performing Arts Facility, 101 East Main St, Mt. Sterling, Kentucky 40353
 - **Size in Sq Ft.:** 36,000
 - **Total anticipated Project Cost \$:** \$12,000,000
 - **Financing identified/anticipated, list source and dollar amount or note 'None':** Blue Grass Community Foundation: \$500,000
 - **Project description (include url link if available):** The Gateway Regional Arts Center aims to acquire property nearby its current downtown Mt. Sterling location. The envisioned transformation of this property into a cutting-edge performing arts facility would cater to various needs, including expanded event capacity, additional gallery space, community engagement classrooms, and a regional tourism attraction. Moreover, the proposed performing arts venue would enhance the organization's ability to host touring Broadway productions and performers that necessitate a larger audience capacity to support elevated artist fees.
 - **Community Impact (quantify/provide estimates):** This expanded additional facility will result in an annual economic impact of more than \$6,500,000 according to the Arts & Prosperity economic impact algorithm from Americans for the Arts.
25+ Part-time jobs at \$12-\$15 per hour will be leveraged through the expanded events taking place in the additional facility.
Volunteer and re-employability opportunities will be made available to those who are underemployed or unemployed, and/or those who cannot find work or seek community fulfillment. This project will create a vibrant downtown location for community and regional galas, events, banquets, convenings, and gatherings. Similar to our current location, but on a far larger scale, it will be a beacon of cultural activity for the region and will bring thousands of additional tourists to Mt. Sterling and Montgomery County, thus impacting the restaurants and small businesses in the community in a very critical way. We expect this facility to increase the restaurant tax in Mt. Sterling by more than 20% annually.
 - **Name(s) of project sponsors, developer, and/or business owner, if identified:**
The Montgomery County Council for the Arts, Inc. dba Gateway Regional Arts Center in Mt. Sterling will be the sole project sponsor. However, institutional support will come from the City of Mt. Sterling, Montgomery County Fiscal Court, the Kentucky Arts Council, Kentucky Humanities, the Gateway Area Development District, and individual donors in the region.
 - **Technical Assistance Needed (refer to Attachment A, page 5, for TA requested in this RFP):** We are in great need of a market assessment to ensure this is the path forward we wish to take. We have grown our donations and grants by 522% in the past two fiscal years, and our attendance at events has increased by over 300%. We are currently bursting at the seams in our current facility, and our programs are reaching the "unreachable" in our community and solving critical community issues through creativity.
Thus, we wish to also understand the feasibility and development challenges involved in a project of this size; we also need to begin assessing the options for architectural design at this location as

our space is landlocked by a public city parking lot (helpful for our event patrons), the Downtown Athletic Club, and a private business.

5. Clean Energy Focus:

We are working with KU to implement solar power generation at this new facility. According to our calculations, this will save up to 250,000 kWh per fiscal year. We also plan to become the first LEED certified building in Montgomery County and the Gateway region of Kentucky.

6. Applicant Capacity:

The Gateway Regional Arts Center has received more than \$3,000,000 from community investments since the inception of the Montgomery County Council for the Arts in 1991. The Gateway Regional Arts Center currently receives 25,000 visits to our downtown arts center facility each year, and our outreach and online programs currently reach an additional 100,000 people. The Gateway Regional Arts Center has been a cornerstone of the community and region since its founding, and is now impacting every facet of local citizens' lives through initiatives such as our downtown Art Trail mural walk, our Art of Recovery program in the regional jail, our Pottery for Change initiative with residential foster care youth, and our Eastern Kentucky Visual & Performing Arts College & Career Fair that reaches the most marginalized high school students in the state who wish to pursue the creative arts in college. Our tentacles are deep in the community, and our community-centered Committees help to guide our board and staff on decisions about programming and management of the organization.