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COMMUNITY CAPITAL

IN PARTNERSHIP WITH PROGRAM SPONSORS



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

Project Sponsor: City of Logan, WV

Project Name: Logan Medical Education Housing Complex (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 \$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: City of Logan

Project Name: Logan Medical Education Housing Complex

Project Description: Renovation of the complex into 11 housing units for participants in the only Rural General Surgery Residency Program in the nation at the nearby Logan Regional Medical Center. Total costs estimated at \$6 MM with creation of 34 construction jobs.

Full project summary provided in Attachment B.

TA Requested

- Schematic designs for two buildings to accommodate a total of approximately 11-12 one-bedroom housing units, including communal areas and laundry, plus a ground-level eatery in each.
- Financial structuring and development of financial pro forma and prospectus, including the use of Historic Tax Credits and possibly New Markets Tax Credits. Support for prospectus development and capital raise.

Note: The City is currently working with Marshall University's Brownfields Center and the State Historic Preservation Office to define a Historic District, in which the buildings in this project are identified as Contributing Structures.

Attachment B

Summary Information

Lead Contact: Amber Miller-Belcher

Applicant Organization: City of Logan

Address: 219 Dingess St, Logan, West Virginia 25601-3627

Phone: (304) 752-4044 (o); (304) 784-0111 (m)

Email: ambermillerbelcher@gmail.com

Community Information

1. **Communities targeted by this application (municipality(ies), county(ies), and census tract(s)):**
Municipality: City of Logan; County: Logan County, West Virginia; Census Tract: 54045956900
2. **Service area of applicant (note if different than above, or note same):** Same
3. **Community Development Strategy(ies):** The Logan Medical Education Housing Complex—which will meet the housing needs of resident surgeons participating in the nation's first-of-its-kind Rural General Surgery Residency Program at the Logan Regional Medical Center (LRMC)—aligns with priorities identified in the City of Logan Comprehensive Plan, including housing and downtown redevelopment. The Plan was created with community input collected through several meetings, a public open house, and a community-wide online survey.

The Plan "sets out a priority to encourage a more diverse housing stock" due to growing concerns about housing conditions and the fact that there are no new housing projects in the area. The Plan recommends that Logan prioritizes "attracting more residents to work within the city by developing broader housing options that fit the needs of the current workforce." To accomplish that, the Plan calls for the "restoration and redevelopment" of properties into "new commercial, multi-family housing." To reduce the cost of housing development, the Plan recommends targeting "undeveloped lands within established areas of the city" such as downtown." The properties selected for redevelopment into housing units for resident surgeons are located downtown, within a short walk from LRMC.

The first cohort of resident surgeons has written a powerful joint letter describing the lack of adequate housing in Logan as a top barrier to participation in the program. In the letter, program participants describe the need to maintain a home in both Huntington and Logan during their five-year residency as they complete rotations in hospitals located in both cities every six months. Surgical residents attest that rental options are limited in Logan, and many "lacked sufficient space for more than one person," creating a barrier for those with a significant other, a child, or both.

Yet, resident surgeons stated that their "experience in Logan thus far has been irreplicable," and they have "begun to grow attached to the community." One resident surgeon volunteers with park trail clean up, and another with the local high school cheer team. By addressing these urgent housing needs, living in Logan would be more attractive to surgical care professionals, which would help to "pave the way for a more sustainable, long-term solution to the healthcare disparities faced by rural communities." The goal is to turn this project into a national model for successfully attracting general surgeons to rural areas.

Project Information

4. Proposed Projects (list up to 3):

- I. **Name of Project, address:** Logan Medical Education Housing Complex
(1) 435 Stratton Street, Logan, WV, 25601
Size in Sq Ft.: 16,470 square feet
(2) 103 Charles Street, Logan, WV, 25601
Size in Sq Ft.: 18,040 square feet
 - **Size in Sq Ft.:** 34,510 sq. ft.
 - **Total anticipated Project Cost \$:** \$6,000,000
 - **Financing identified/anticipated, list source and dollar amount or note 'None':** None
 - **Project description:** The City of Logan, together with the Marshall University Joan C. Edwards School of Medicine (School of Medicine) and the Logan Regional Medical Center (LRMC), is seeking assistance from Opportunity Appalachia (OA) to meet the pressing housing needs of participants of the U.S.' first and only separately accredited Rural General Surgery Residency Program. The program aims to address a growing shortage of general surgeons in rural areas.

Research shows that, by 2034, the U.S. is expected to see a shortage of 15,800 to 30,200 general surgeons. General surgeons are vital to rural, frontline care, as they offer routine and emergency procedures to this population. Yet, studies show that a sustained number of general surgeons choosing to practice in rural areas has yet to be achieved. Yet, a 2023 study revealed that 57.1% of individuals from 2013-2022 continued to practice medicine in the state where they completed their residency, making it apparent that the residency experience has long-lasting impacts on the surgeons and the communities in which they train.

The School of Medicine, LRMC, and other partners created the rural surgery program to bridge the surgical care gap in rural areas, attract and retain general surgeons, and improve the health outcomes of rural residents. Launched in July 2023, this highly competitive program, which received 300 applications for only three initial slots, pioneers a training model tailored to general surgeons practicing in rural settings. By 2028, the program will welcome 15 residents.

The program has training sites at LRMC in Logan, WV, and St. Mary's Medical Center in Huntington, WV; residents spend six months at each hospital per year during their five-year residency. The program requires residents to live within a 20-mile radius of the hospital to meet on-call duties presenting a major barrier for LRMC resident surgeons due to the lack of quality, affordable housing in and around Logan. Logan is a rural, persistent poverty, coal-impacted, and ARC-designated distressed community eligible for New Markets Tax Credits.

The City of Logan has joined forces with the School of Medicine and LRMC to tackle this issue by supporting the development of a white coat community. The city owns two properties that could be redeveloped, with support from OA and TA providers, to build 11 energy-efficient, multifamily housing units for resident surgeons, starting with the development of a feasibility study and architectural drawings.

- **Community Impact (quantify/provide estimates):** The Medical Education Housing Complex will substantially benefit Logan. As noted, resident surgeons are more likely to practice within or near where they completed their residency. An analysis shows that the economic impact of a general surgeon working at a hospital is between \$1.05 and \$2.7 million per year, and they contribute to as much as 40% of a small hospital's revenue. A busy general surgeon can generate \$4.4 million in

payroll and create 26 jobs as they require the support of receptionists, nurses, medical assistants, and other professionals.

Resident surgeons will also help bridge the huge per capita gap of general surgeons practicing in rural areas, especially given the growing number of vacancies and retiring physicians. From 2001 to 2019, the U.S.' per capita supply of general surgeons declined by 18% (from 6.4 to 5.2/100,000), while the supply in rural areas decreased by 29% and in isolated rural areas by 32.6%. Also, 59.3% of general surgeons in small rural areas are 50 or older versus 48.8% in urban areas, while 60.1% of hospitals in nonmetropolitan counties had no active general surgeon. Most importantly, the likelihood of filling general surgery vacancies is dismal without creative interventions.

Data shows that Logan residents fare worse than U.S. and WV averages in health outcomes and factors, including premature deaths, adult obesity, poor physical and mental health days, and the lack of a primary care physician. The presence of general surgeons in Logan, which is in greater need of healthcare than those who live in other parts of WV, will prevent locals from needing to travel to a place with surgical capabilities and, in turn, decrease delays in care and avert suboptimal health outcomes.

This project will also provide a competitive advantage for encouraging resident surgeons to stay in the community post-residency. So far, the program has attracted residents from Dingess, WV, California, Missouri, Mexico, Kentucky, and Virginia. Based on firsthand accounts from resident surgeons, quality, affordable housing units would substantially incentivize them to stay in Logan. They affirmed that they already have strong ties to Logan, engage in community service, and are passionate about serving small rural areas. Thus, their presence adds significant value to the community. Also, as resident surgeons and their families establish residency in Logan, their spending will boost the local economy, creating new demand for goods and services.

- **Name(s) of project sponsors, developer, and/or business owner, if identified:** None
- **Technical Assistance Needed (refer to Attachment A, page 5, for TA requested in this RFP):** The City of Logan, in collaboration with the Marshall University Joan C. Edwards School of Medicine (School of Medicine) and the Logan Regional Medical Center (LRMC), is seeking technical assistance (TA) from OA and TA providers to produce:
 - (1) A feasibility assessment to evaluate the practicality of developing 11 energy-efficient, multifamily housing units, together with laundry rooms, communal areas, and small eateries, in the two downtown properties the city has prioritized for redevelopment;
 - (2) Architectural drawings; and
 - (3) Develop a pitch to and reach out to investors for project financing for the construction of the Logan Medical Education Housing Complex.

The city estimates the cost of these TA services to be \$75,000.

5. **Clean Energy Focus:** The City of Logan and its project partners plan to renovate the two properties into 11 energy-efficient, multi-family housing units in downtown Logan using sustainable, green building design and construction methods. The initial feasibility assessment will help the city determine how to incorporate innovative building processes that conserve water, provide clean indoor air, and save energy, potentially through smart appliances, high-efficiency HVAC (heating, ventilation, and air conditioning), and cool-roof and energy-efficient window systems. The city would also like the feasibility study to evaluate the practicality of powering the buildings with solar energy. The long-term goal is to achieve LEED (Leadership

in Energy and Environmental Design) Certification through the U.S. Green Building Council, the leading program for designing, constructing, and operating green buildings.

6. **Applicant Capacity:** For over 25 years, the City of Logan has been meaningfully involved in various community initiatives and projects, demonstrating a solid commitment to improving the community's overall well-being. Logan residents have shown support for the Logan Medical Education Housing Complex project from the onset by actively participating in stakeholder meetings and providing feedback, which helped shape and inform the development of this effort.

As noted, under the city's leadership, community members also offered guidance and input on the creation of Logan's Comprehensive Plan, which includes many priorities and recommendations related to housing and downtown redevelopment, which closely align with the creation of the Complex. The City of Logan also has extensive experience overseeing the planning and implementation of multiple renovation and construction projects, particularly under the leadership of Scott Beckett, the City's Fire Chief, and Amber Miller-Belcher, the City Clerk and the envisionser of Logan's recent property development projects.

Jamey Montgomery, the Director of Environment of Care and Safety Compliance/Operations at the Marshall University Joan C. Edwards School of Medicine and Marshall Health, will be the primary point of contact for the School of Medicine on this project. Jamey was part of the Steering Committee that developed the Marshall University 2023 Campus Development Master Plan, which included recommendations related to building renovations, campus space optimization, landscape activation, and enhancements to each distinct campus zone. He will work closely with OA and TA providers throughout the technical assistance phase.

Project partners with the Logan Regional Medical Center (LRMC) also have experience planning and managing similar projects, including the recent renovation of the Kruger Medical Plaza to create a rural surgery residency suite and the Mid Ohio Valley Resource Center to provide clinical and residency space for the participants of the Rural General Surgery Residency Program. The proposed project also has broad support from community anchor institutions, including Coalfield Development, the Brownfields Assistance Centers, and the Rural Partners Network. They have agreed to partner on this project and lend their expertise throughout the technical assistance phase.