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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
SYSTEM



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Strength in Numbers

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bizworks**

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

Project Sponsor: The Industrial Commons, Morganton, NC

Project Name: TIC Innovation Campus (Project Summary provided in Attachment B.)

Release Date: July 1, 2024

Proposal Due Date: July 29, 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, 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 \$70,000**. 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: The Industrial Commons

Project Name: TIC Innovation Campus

Project Description: Creation of a business accelerator and workforce training center with specialized manufacturing courses to support a hub for innovation in the textile economy. Estimated costs total \$40 MM with creation of 60 high-quality permanent positions.

Full project summary provided in Attachment B.

TA Requested

- Operating pro forma and related consulting to support decision-making, diversification of funding streams, and potential future real estate acquisitions.
 - TIC's goal is to be more sophisticated/diversified in their funding streams and wishes to better understand and identify the highest and best use of their available funds.
 - Assistance to be provided regarding potential purchase of additional property.
- Project pro forma and investment prospectus. To include New Markets Tax Credit cost/benefit assessment.
- Development of cut sheets for soliciting tenants in the Innovation Campus
- Development consultant: General assistance with the development process to include (may include, but not limited to: project team development, market positioning, contractor selection, architect identification and selection, engineer identification, and finalization of project components/structure)

Attachment B

Summary Information

Lead Contact: Erin Kizer

Applicant Organization: The Industrial Commons

Address: 647 Hopewell Rd, Morganton, North Carolina 28655

Phone: (281) 702-0211

Email: erin@theindustrialcommons.org

Community Information

1. **Communities targeted by this application (municipality(ies), county(ies), and census tract(s)):** Burke County, North Carolina - Morganton NC
Census Tract: Burke County, NC- All Census Tracts
2. **Service area of applicant (note if different than above, or note same):** Same as above
3. **Community Development Strategy(ies):** The Innovation Campus is intricately linked to community development strategies, particularly downtown revitalization, by repurposing a 27-acre brownfield site directly adjacent to the downtown core. Central to this initiative is the establishment of biking and walking paths, fostering a safe and accessible link between the campus and the city center, thereby enhancing connectivity for residents to vital services offered by both the campus and downtown. The campus itself will feature an accelerator building, a workforce development training center, and specialized manufacturing courses, positioning it as a hub for the textile circular economy, in line with broader manufacturing goals. Moreover, our educational agenda encompasses comprehensive skilled training programs, workforce development initiatives, community engagement endeavors, early childhood education, and arts programs, which integrate with our overarching educational strategy. In alignment with clean energy objectives, the campus will be constructed to the highest standards, incorporating energy-efficient materials and infrastructure primed for solar and geothermal energy integration.

The City of Morganton has been deeply engaged in the conception and planning of this project, serving as a strategic partner for a Federal grant application(s). Their enthusiastic support is evidenced by a formal resolution backing the project, along with its designation as a focal point in the 2040 comprehensive plan, committed to seamlessly integrating the campus into the city fabric. Burke County's endorsement is equally instrumental, having identified the site in their Brownfield Assessment Grant, facilitating the acquisition of a Brownfield Cleanup Grant, thus catalyzing the initial stages of development. Our partnership with the Foothills Conservancy, a prominent local environmental organization, underscores our commitment to ecological stewardship. Their involvement in stream restoration efforts and ecosystem redevelopment epitomizes the collaborative spirit driving our initiatives.

The community has played a vital role in shaping the campus design. Through listening sessions, participatory activities, and ongoing feedback, residents, business owners, industry stakeholders, and other key players have contributed to the project. Our commitment to community engagement remains steadfast as we strive to develop a campus that effectively meets many needs.

Project Information

4. Proposed Projects (list up to 3):

- I. **Name of Project, address:** TIC Innovation Campus, 647 Hopewell Rd, Morganton, North Carolina 28655
 - **Size in Sq Ft.:** 70,000 - 80,000 sq. ft.
 - **Total anticipated Project Cost \$:** 40,000,000
 - **Financing identified/anticipated, list source and dollar amount or note 'None':** Identified: The Kendeda Fund - \$8M, ARC ARISE - \$10M, The Cannon Foundation \$250,000, NSF \$3M, NC State Budget \$5M, NC Land and Water \$40K, Private Land Donation \$750K, EPA Brownfield \$500K, Kendeda \$1,250,000 Anticipated: Kaplan PRI - \$500K, Pending Federal grant \$18M
 - **Project description:** The Innovation Campus is a multi-stage project designed to unite community and industry, bringing together local stakeholders, regional champions, and national organizations to be trained and learn about our model on cooperative ecosystem development, creating an inclusive economy for all. The Innovation Campus embodies the mission of The Industrial Commons to catalyze and connect meaningful and inclusive work and envisions a thriving and regenerative community hub exemplifying circularity. The new campus will provide a nexus in our community between workers, companies, entrepreneurs, students, and institutions. Showcase our green innovation, triple bottom line values, and the future of manufacturing; grow the regional supply chain. Become a destination for education and training to build regional economic systems nationwide. Establish a replicable model of rural economic development and workforce training through circularity. It will be a community hub for learning and recreation connected to the city center and be a site for empowerment and growth.

<https://theindustrialcommons.org/innovation-campus>
 - **Community Impact (quantify/provide estimates):** The project will directly generate 60 high-quality jobs with competitive pay and robust benefits. Through - comprehensive training and development initiatives, it is projected to have a direct and indirect impact on over 10,000 jobs. Our diverse range of skilled training programs that focus on the heritage industries of textile and furniture, will expand in capacity, offering opportunities to opportunity youth and incumbent workers, with 70% being BIPOC individuals being served. In just 2.5 to 8 weeks, participants transition from unemployment or underemployment to securing stable, full-time employment with an average wage of \$20 per hour.

This initiative creates the physical space and infrastructure for us to continue creating job opportunities and fostering a supportive workforce development environment. From space for incubation and acceleration to expanded classroom and training spaces, our programs will scale to champion industries and businesses to prioritize equitable employment practices; we provide voice, agency, and upward mobility for all employees. We elevate frontline workers and youth and unite diverse populations to build an inclusive and skilled workforce. TIC leans on the heritage industries in our community, capitalizing on the skills and knowledge that are steeped in decades of experience. Leveraging these place-based assets builds upon what our community does well and is spearheaded by the confidence that lies in that. We are stabilizing economic opportunities and industries in the region, changing the narrative from one of extraction to one of opportunity.

Moreover, this project supports our commitment to fostering entrepreneurship at all levels. From housing an early childhood education cooperative to elementary students exploring work and design in our art program, offering access to technical assistance and loan funds through our Capital for the Commons program, this project holistically supports the development of economic opportunity and innovation. Through our education on stewardship and regeneration in textiles, industrial spaces, and land, this project serves as a platform to showcase and scale our impactful work, providing the necessary space and resources for expansion. Through both symbolic and functional connections to our city center, we will unite our community around inclusive opportunity, education, and access, advancing a rural place-based models to root wealth.

- **Name(s) of project sponsors, developer, and/or business owner, if identified:** The Industrial Commons
- **Technical Assistance Needed (refer to Attachment A, page 5, for TA requested in this RFP):** Financial Coaching and Consultant for Operations Pro Forma and New Market Tax Credit Analysis

5. **Clean Energy Focus:** The Clean Energy Focus of the project encompasses several key aspects aimed at promoting sustainability and reducing environmental impact:

- **Solar Power Generation:** The project has been designed to incorporate solar power generation. By harnessing solar energy, we anticipate a reduction in greenhouse gas emissions and a decrease in reliance on non-renewable energy sources.
- **Geothermal Study:** A comprehensive study on geothermal energy was conducted to explore and confirm that this is a viable option. With the appropriate funding we will utilize Geothermal energy, with the design of the building ready to integrate this option.
- **Carbon Neutrality:** The project aims to achieve carbon neutrality through the construction of super-efficient structures and sourcing 96% carbon-free nuclear power from city utilities.
- **Net Zero Energy Aspirations:** We aspire to achieve net-zero energy usage, meaning that the total energy consumed by the project will be offset by renewable energy generation and energy efficiency measures.
- **Support for Textile Circular Economy:** The construction of the project will support the development of the textile circular economy and green job opportunities in the region. By integrating sustainable practices into the construction process, we aim to foster economic growth while promoting environmental sustainability.

These initiatives are poised to make a substantial contribution towards reducing carbon emissions, advancing renewable energy generation, and propelling sustainability efforts in the region. Our vision for this campus is to become the pinnacle of clean energy innovation in manufacturing and the textile industry. By showcasing the potential of the circular economy in tandem with clean energy and high building standards, we aim to set a new standard for sustainable development and inspire others to follow suit.

6. **Applicant Capacity:** Local direction and insight: Success through strong relationships and a commitment to community occurs because both Co-Executive Directors are local leaders who understand the challenges and opportunities of our area; both grew up here, returning home after college. Both worked in traditional institutions of local government acquiring years of insight into our community's needs while developing deep relationships they have used to assemble a talented and diverse team.

Diverse Staff : Our staff is made up of individuals sharing similar experiences and work backgrounds to those we serve, including those who have worked in manufacturing, retail, construction, healthcare, education, and local government with firsthand knowledge of the challenges faced by workers and their

families. Our staff also has strong relationships with grassroots organizations; many serving on community boards ensuring a thorough understanding of the community's issues and projects. We are seen as supportive and inclusive due to our dedication to equity, stability, and success.

Strong community support: The overwhelming support we have received, including financial backing from influential individuals, social capital contributions from community members, and dedicated volunteer efforts has been instrumental in garnering recognition from the state for the importance and scale of our project. As a testament to this support, the state has included us in the state budget, underscoring their commitment to the success of our project.

Community partners and regional vision: Our recent recognition by the National Science Foundation as one of five organizations nationally leading a Regional Innovation Engine highlights our ability to unite stakeholders and uplift work impacting whole systems. Adding a senior finance director and new strategic partnerships with WPCOG allow us the expertise to manage, be compliant, and execute project with high standards.

Capacity to complete projects - TIC's experience with business enterprises such as Opportunity Threads is a key example of our ability to develop and support businesses, releasing them to become independent enterprises that contribute to the larger economy and community. With vast experience in leveraging funds and executing large projects TIC has a mastery in grant opportunities. In this mastery we have identified and are ready to understand, learn, and grow in the area of New Market Tax Credits, PRI's and other diverse funding opportunities.