Overview of Programs and Priorities

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Philadelphia Regional Office

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Agenda

- EDA Programs & Priorities
- FY 2007 & FY 2008 Budgets
- Philadelphia Regional Office Info & Staffing
- EDA Updates
- Overview of Grant Process
- Eligibility Criteria
- Comprehensive Economic Development Strategy (CEDS)
Mission:

To lead the federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy.

Investment Focus:

• Support long-term, coordinated and collaborative regional economic development approaches.

• Support innovation and competitiveness.

• Encourage entrepreneurship.
• EDA’s 3 Key Investment Programs Help Communities and Regions:
  – Expand and upgrade physical infrastructure (Public Works).
  – Design and implement strategies to diversify economies (Economic Adjustment).
  – Learn from leading-edge economic development best practices (Technical Assistance).

• EDA Also Invests In:
  – **Partnership Planning:** Support Economic Development Districts, Indian Tribes, and others with long-term planning efforts.
  – **Trade Adjustment Assistance:** Help manufacturers and producers affected by increased imports prepare and implement strategies to guide their economic recovery.
EDA Quick Facts

6 Regional Offices

165 Total Employees

Established 1965:
LBJ’s War on Poverty

Annual Investment Budget of $300 Million.
$1.5 Billion Under Investment at Any Given Time.
Why EDA Investments Work

• EDA focuses its limited resources on proven, high-value, cutting-edge economic development activities and techniques promoted by academic and practitioner thought leaders. This is responsible for the Bureau’s strong emphasis on regionalism, innovation, and entrepreneurship as the building blocks for successful economic development.

• EDA targets its investment assistance to attract private capital investment and create higher-skill, higher-wage jobs in those communities and regions that are suffering from high levels of economic distress.

• EDA investments are focused on locally-developed, regionally-based economic development initiatives that achieve the highest return on the taxpayers’ investment and that directly contribute to regional and national economic growth.
Investment Policy Guidelines

Investment proposals are competitively evaluated on whether they are:

- Market-based and results driven.
- Have strong organizational leadership.
- Advance productivity, innovation, and entrepreneurship.
- Look beyond the immediate economic horizon, anticipate economic changes, and diversify the local and regional economy.
- Demonstrate a high degree of commitment.
Supplemental Funding Priorities

Additional consideration is given to investment proposals that:

• Respond to sudden and severe economic dislocations (e.g., major layoffs and/or plant closures, disasters).
• Enable BRAC-impacted communities to transition from a military to civilian economy.
• Support the economic revitalization of brownfields.
• Advance the goals of linking historic preservation and economic development as outlined by Executive Order 13287, Preserve America.
EDA & BRAC

EDA’s role in Base Realignment and Closure (BRAC) 2005 is governed by Executive Order 12788 establishing the Defense Economic Adjustment Program. This E.O. serves as the coordinating mechanism for the federal government’s response to communities impacted by BRAC.

EDA’s Role in Past BRAC Rounds

Since 1992, EDA has awarded*:
- $646 million;
- in 385 investments;
- in 113 counties;
- across 38 states
- affected by 103 base closures or realignments.

EDA has also received roughly:
- $274 million from the Department of Defense (DOD); and,
- $8 million from Department of Energy (DOE) appropriations for specially targeted defense adjustment projects.

*Primarily through supplemental appropriations.
EDA’s Economic Adjustment Program is the Bureau’s primary tool to address BRAC. It helps local redevelopment authorities to design and implement strategies to adjust or bring about change to the affected economy.

Of the previous BRAC Rounds, 21 communities have enjoyed over 150% civilian jobs recovery rate; 20 of these did it with assistance from the Economic Development Administration.
EDA supports post-disaster long-term economic recovery through emergency supplemental appropriations for specific disasters and normal program appropriations. Examples include:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Disaster</th>
<th>Funding</th>
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<td>1992</td>
<td>Hurricanes Andrew, Iniki, Typhoon Omar</td>
<td>$ 70 M</td>
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<tr>
<td>1993/94</td>
<td>Midwest Floods</td>
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<td>Northridge Earthquake</td>
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<tr>
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<td>Tropical Storm Alverto</td>
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<td>1997</td>
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<tr>
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<tr>
<td>2006</td>
<td>Gulf Coast Hurricanes</td>
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</table>
EDA & Brownfields

EDA supports brownfield redevelopment activities through its existing economic development programs in the context of its long-term partnership with U.S. EPA.

EDA’s goal is to return non-productive real estate assets to productive use – putting blighted, formerly contaminated land back on local tax roles and creating opportunities for capital investment and job creation.

Last fiscal year, EDA invested $36.3 million in 31 brownfield redevelopment projects.
FY 2007 Economic Development Assistance Programs (EDAP) Budget

$250.7 Million

- Public Works $158.1 M $31.6 M
- Planning $27.0 M $4.3 M
- Technical Assistance $8.2 M $1.5 M
- Economic Adjustment $44.1 M $7.8 M
- Trade Adjustment $12.8 M
- Research $0.5 M
For FY 2008, the President’s budget request calls a total program budget of $170.0 million.

The critical parameters of EDA’s program remain unchanged:
- Eligibility requirements unchanged.
- Focus on areas of economic distress unaltered.
EDA – FY2008 Budget Request

Changes to EDA’s Budget include:

– Greater emphasis on coordinated regional economic development approaches.

– Streamlined access to EDA’s most popular programs through a unified “Regional Development Account.”
The Philadelphia Regional Office oversees projects in much of the Northeast and Puerto Rico and the U.S. Virgin Islands.
Philadelphia Regional Office

- 24% of the US population
- 26% of the States
- 20% of EDA appropriations
- 135 Investments Awarded in FY 2006
- Balanced Scorecard Success
EDR Contacts

- ME Philip Saputo 215-597-2811
- NH Paul Matyskiela 215-597-8733
- VT, NY, WV John Marshall ** 315-448-0938
- MA John Kuzma 215-597-8797
- RI Tyrone Beach 215-597-7883
- CT Stephen Grady 215-597-0642
- NYC, LI, NJ, PA Ed Hummel 215-597-6767
- MD Dan Gillen 215-597-8760
- VA Megan Coll 215-597-8719
- PR, VI Marguerite McGinley 215-597-8822

** Located in Syracuse, NY Field Office
EDR Roles

• The Economic Development Representative (EDR) for your region will:
  – Determine if the proposed project is likely to meet basic eligibility requirements
  – Provide the proponent a Pre-application and a copy of the applicable Federal Funding Opportunity (FFO) announcement.

• The EDR can also provide contacts at other federal, State and local agencies that may be of assistance.
PRO Staffing

• EDA’s salary and expenses budget has remained flat funded six years in a row.
• Increased human resource expenses and inflation raise agency costs by $1.2 annually.
• Since FY 2002 EDA has absorbed flat funding through staffing adjustments and reductions in overhead costs.
PRO Staffing

Current Manning

- Oct 1, 2004 - 34 FTE, 5 EDRs in state
- Oct 1, 2005 - 25 FTE, 4 EDRs in state
- Jan 1, 2007 - 21 FTE, 1 EDR in state
EDA Updates

• New pre-application & application forms published in April 2006
  – Available on EDA website for download

• EDA Publishes Final Rule – Sept. 2006

• EDA working to develop single application

• Web based pre-application available online at www.grants.gov
www.grants.gov
EDA Update

• EDA Publishes new *CEDS Summary of Requirements* in 2006
• EDA to publish new *Summary of EDA Construction Standards* in 2007
• 3-year funding for Economic Development Districts
• 2008 University Center Competition
EDA Update

• EDA is hosting a series of Economic Development Roundtable Symposia in 2007.

  Philadelphia, PA       San Antonio, TX       Long Beach, CA
  Atlanta, GA           Kansas City, MO

• Each symposium will focus on regional strategies, policies and best practices to create jobs and economic opportunity.
Overview of

EDA’s Grant Process
Note: While most grants are handled similarly, many grant applications vary the number of steps required to process. This is primarily based on the unique nature of each application and project.
How EDA’s Grant Process Works

**Award**
- **Obligate Funds** - A request is sent to accounting - step two.
- **NGA** - EDA official signs and mails Award Agreement to grantee as a Notice of Grant Acceptance.
- **Grantee Acceptance** - Within 30 days the grantee must sign and return the Award Agreement back to EDA to finalize agreement.

**Post Approval**
- **Disbursement Requests**.
- **Project Monitoring and Reporting**.
- **Recipient Reporting** - Financial, progress and performance reports to EDA and may vary.
- **Additional Steps** - May vary depend on Construction or non-Construction Grants.

**Project Closeout**
- **Grantee Compliance** - Within 90 days of the end of the award period, following a review of the project to ensure compliance with all terms and conditions.
- **Grantee Notification** - EDA notifies the grantee of its acceptance of satisfactory completion of the scope of work and costs, or the need for additional information.

**Performance Monitoring**
- **Grantee Reporting** - Responsible for reporting award performance as required by EDA.

Links to EDA’s web site for:

- **Programs**
- **Investment Policy Guidelines**
- **Federal Funding Opportunity Notices**
- **Laws and Regulations**
- **Pre-Application and Application Requirements**
- **Post Award Requirements**

**Note:** While most grants are handled similarly, many grant applications vary the number of steps required to process. This is primarily based on the unique nature of each application and project.
Who can apply for EDA assistance?

- Units of State and local government, Indian tribes, Economic Development Districts, public and private non-profits, universities and other institutions of higher education are among eligible applicants for EDA’s economic development programs (see 13 C.F.R. § 300.3).

- Non-profit organizations are required to act in cooperation with officials of general purpose units of local government with jurisdiction over the project area.
Why does EDA require a Preapplication?

• The Preapplication is used to make preliminary eligibility and investment rate determinations, and to evaluate the competitiveness of the proposed project.

• The Preapplication allows eligible applicants to obtain a preliminary review by EDA before undertaking the development and completion of a full application.
How is the Preapplication obtained?

• The Economic Development Representative (EDR) for your region will determine if the proposed project is likely to meet basic eligibility requirements.

• EDR will provide the proponent a Preapplication and a copy of the applicable Federal Funding Opportunity (FFO) announcement.
  – Also available on EDA web site (www.eda.gov)
  – Also available on www.grants.gov

• You are encouraged to coordinate your project with other local, State or regional planning organizations that have jurisdiction over the region in which the project will be located.
Focus on Regional Approach

• Greater emphasis on coordinated regional economic development approaches

• Greater emphasis on the impact the investment will have on the “region” and not just the municipality

• Looking for investments that will deliver the most “Bang” for EDA’s limited “Bucks”
How does EDA determine eligibility?

EDA determines regional eligibility for a Public Works or an Economic Adjustment Assistance investment based on:

- unemployment rate (24 month unemployment rate is 1% greater than US Average)
- per capita income (PCI is 80% or less than US Average)
- special need in the region in which the project will be located
Special Need
Means a circumstance or legal status arising from actual or threatened severe unemployment or economic adjustment problems resulting from severe short-term or long-term changes in economic conditions.
How does EDA determine eligibility?

**Special Need**

- Substantial out migration or population loss
- Underemployment—employment of workers at less than fulltime or at less skilled tasks than their training or abilities permit
- Military base closures or realignments, defense contractor reductions-in-force, or U.S. Department of Energy defense-related funding reductions
- Natural or other major disasters or emergencies
- Extraordinary depletion of natural resources
- Closure or restructuring of industrial firms
- Negative effects of changing trade patterns
- Other circumstances set forth in an FFO
How does EDA determine eligibility?

Data Sources:

• For economic distress levels based on the unemployment rate or per capita income requirements, EDA will base its determination upon the most recent American Community Survey (ACS) published by the U.S. Census Bureau.

• If a recent ACS is not available, EDA will base its decision on the most recent federal data from other sources. If no federal data is available, an applicant must submit to EDA the most recent data available from the State.
How does EDA determine eligibility?

• Investment must be consistent with an EDA-approved CEDS to be considered

• Investment must address goals & objectives of the CEDS
A CEDS is a strategy that meets the requirements of 13 C.F.R. § 303.7.

• Public Works and Economic Adjustment Assistance projects funded by EDA must be consistent with a CEDS (or other strategy) approved by EDA for the region in which the project will be located.

• This statutory requirement ensures sound planning and coordination of local, State and federal funding assistance in response to local needs and economic development objectives.

• For most grants, the Preapplication must show how the project will address the regional economic development needs and objectives outlined in the CEDS.
• A CEDS should promote economic development and higher wage employment by determining actions the area can take to improve the opportunity for increased private sector investment.

• The general public, government decision makers and business investors should be able to use it as a guide to understanding the regional economy and to taking action to improve it.

• The CEDS should blend and incorporate other planning efforts, particularly Workforce planning, in the community.
The Secret of EDA Success: CEDS

- Investments selected consistent with CEDS
- CEDS developed regionally with broad-based local involvement
- EDA responds to, rather than dictates, local vision
- Federal dollars – local control
Thank you!

For more information on EDA, visit www.eda.gov